



# TRADE UNION EXPERIENCES IN FORMALIZATION

through organizing and social dialogue  
in Latin America & the Caribbean

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through organizing and social dialogue  
in Latin America & the Caribbean

Production  
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## **Trade Union Experiences in Formalization Through Organizing and Social Dialogue in Latin America & the Caribbean**

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# PRESENTATION

As of its inception in 2008, the Trade Union Confederation of the Americas (TUCA) has carried out continuous efforts in relation to job insecurity and job informality, based on three pillars::

- Precarious paid labor, particularly under outsourcing regimes by hiring companies and using temporary work agencies;
- paid home-based work;
- self-employment (also called autonomous, independent, freelance work) in the “informal sector”.

Institutionally, these actions have been based on two structures:

- The Informal Economy Program of the Secretariat for Social Policy (see article in this publication)
- The Working Group on Trade-Union Self-Reform (WGSR), which included this issue on its agenda and in the labor collectives that are important for the organization.

Based on these two spaces, there has been a significant recovery of trade union experiences in organizing and social dialogue on self-employment, which have been discussed in various TUCA communications and publications.

In 2013 the TUCA undertook a systematic strategy of recording such experiences in articles written by the protagonists themselves, both leaders and advisors.

For this purpose, two main routes were used:

- Surveys during face-to-face meetings (meeting of WGSR-CJT (Continental Juridical Team) in Sao Paulo, October 2013, TUCA Executive Councils, XVIII ILO American Conference in 2014, other ILO activities)
- Request for new reports and updates of existing articles.

In addition, materials of the WGSR that were already available were used, as well as the TUCA-USO publication and another StreetNet compilation (2014).

The TUCA presented the virtual format of the compilation during the 103rd and 104th ILO Conferences (Geneva, June 2014 and June 2015), in connection with the respective negotiations on the Recommendation on the transition from the informal to the formal economy.

Furthermore, in early 2014 during preparations for the 103rd ILO Conference, with support from ACTRAV-CFT, the TUCA published “Trade union approaches to informality”; then in early 2015, as part of the Campaign on Freedom of Association, Collective Bargaining and Trade Union Self-Reform, with support from ILO-ACTRAV, published a systematization of experiences “Formalization through union organizing and social dialogue of self-employment Latin America & the Caribbean”.

In July 2015, the trade union movement and the other two tripartite actors can rely on Recommendation 204, which provides significant guidelines for future work.

In particular, we are pleased because the recommendation includes the dimension discussed in said articles: the central importance of trade union organizing and social dialogue (including collective bargaining processes) for the formalization of the economy and informal employment.

This fully justifies the publication of these articles of the trade union movement, an initiative that was supported by ILO-ACTRAV as recognition that this dimension was included in the contents of the Recommendation.

The publication also includes the institutional presentation on the issue by the TUCA during the XVIII ILO American Meeting to promote the position of our organization and affiliates in the ILO.

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**CSA** Trade Union Confederation of the Americas

**Intervention at the 18th American Regional Meeting on “Decent Work, Labor Rights, Social Inclusion and Productivity. Challenges of the XXI Century.”**

**Panel The path to equity: from the informal to the formal economy” Lima, October 13-16, 2014**

**Amanda Villatoro**<sup>1</sup> Workers’ spokesperson

**M**y intervention will focus on the reflections to address Integrated Policies to formalize the informal economy. I also wish to bring to mind that we have an ongoing policy negotiation on this same topic in Geneva and in 2015 we will adopt a Recommendation to guide the mandates on this important issue.

It is essential to demystify the idea that economic growth alone is assurance and evidence of development because growth driven by financial valuation, by the increasingly regressive distribution of income and wealth, by depredation of the environment, by the concentration of real power in a few hands and by a reduction of labor rights is not sustainable. The financial crisis has taught us a great lesson

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1 Secretaria de Política Sindical y Educación de la CSA desde marzo del 2008.



that we must not forget.

The large informal economy is caused by lack of political response to deficiencies in economic and social development. Despite the efforts, so far few countries have developed a global and integrated agenda to curb the spread of informality and adopt formalization policies.

The starting point is that informal employment is both in and outside of the informal sector. Therefore, simultaneously it covers non-salary earners (among which our interest is on self-employed workers, different to microentrepreneurs), and precarious salary earners in informal microenterprises, larger firms that are part of the formal sector, and home-based workers such as paid domestic work.

The vast majority of workers do not work in the informal economy by choice. For most it is a survival strategy when they do not find decent employment in the formal economy. Informal workers are not covered by labor legislation, are deprived of social security, are paid very low wages or not paid at all, and are denied the protection of fundamental principles and rights at work and other labor standards. As part of the union priorities defined for this meeting, we have emphasized the need to establish a framework of integrated policies including, among others:

**1** A first set of policies addressing the rights of self-employed workers and precarious wage earners in microenterprises and larger companies, to ensure:

- assurance of freedom of association, as often these workers are not allowed to organize under local or national legislation.
- assurance of collective bargaining in any form.
- assurance of effective access to oversight and enforcement bodies.
- advice on expanding the scope of the enforcement of labor laws to excluded categories of workers and/or modification of labor legislation to cover the full gamut of relationships under which work is carried out.
- assurance of inclusion of their organizations in social dialogue institutions and in policymaking.
- regulation of employment modalities that segment equal treatment and outsourcing.
- implementation of Recommendation 198 on the employment relationship.
- establishment of a minimum wage that can be demanded.
- guidelines for compliance with safe and healthy working conditions, and protection of maternity.

Given globalization, informality has gained new importance through outsourcing and global value chains, which must also be addressed at the national level in relation to multinational enterprises (including multi-Latin enterprises) operating within them, and we underscore the importance of the ILO Declaration on

Multinational Enterprises, in this regard.

**2** At the level of production, macroeconomic and sectoral policies fostering decent employment are required, based on the ILO Convention 122 and Recommendation 169. This Convention's approach allows full employment to be promoted in order to stimulate growth and economic development, raising the standard of living and solving the issue of unemployment and underemployment. An extensive informal economy is the result of underdevelopment, so special attention to the structural transformation of the economy to generate higher added value for output would also lead to the reduction of the informal economy.

Formalization also depends on a whole range of industrial sectoral policies of employment, fiscal policies and models of production, sale and distribution, as well as of social protection and social security.

Lastly we state that public investment, both social and economic, depends on resources coming from payment of taxes and social contributions. Therefore, the formalization strategy depends on a tax system and progressive social security contributions, and must also ensure the reduction of the high rate of fraud and tax evasion.

Union organizations look forward to information-sharing on the different cases here described strengthening the kind of public policies that, as in the case of Uruguay, denote an important advance.

In this context, we will ensure follow-up to the discussion of the next International Labour Conference in 2015, regarding the development of rules for the transition from the informal to the formal economy.

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## **TUCA** RECOMMENDATION 204 ON THE TRANSITION FROM THE INFORMAL TO THE FORMAL ECONOMY

**Geneva** June 2015

The General Conference of the International Labour Organization:

Having been convened at Geneva by the Governing Body of the International Labour Office, and having met in its 104th Session on 1 June 2015, and

- Recognizing that the high incidence of the informal economy in all its aspects is a major challenge for the rights of workers, including the fundamental principles and rights at work, and for social protection, decent working conditions, inclusive development and the rule of law, and has a negative impact on the development of sustainable enterprises, public revenues and governments' scope of action, particularly with regard to economic, social and environmental policies, the soundness of institutions and fair competition in national and

international markets; and

- Acknowledging that most people enter the informal economy not by choice but as a consequence of a lack of opportunities in the formal economy and in the absence of other means of livelihood; and
- Recalling that decent work deficits – the denial of rights at work, the absence of sufficient opportunities for quality employment, inadequate social protection and the absence of social dialogue – are most pronounced in the informal economy; and
- Acknowledging that informality has multiple causes, including governance and structural issues, and that public policies can speed up the process of transition to the formal economy, in a context of social dialogue; and
- Recalling the Declaration of Philadelphia, 1944, the Universal Declaration of Human Rights, 1948, the ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up, 1998, and the ILO Declaration on Social Justice for a Fair Globalization, 2008; and

Reaffirming the relevance of the eight ILO fundamental Conventions and other relevant international labour standards and United Nations instruments as listed in the Annex; and

- Recalling the resolution and Conclusions concerning decent work and the informal economy adopted by the International Labour Conference at its 90th Session (2002), and other relevant resolutions and Conclusions as listed in the Annex; and
- Affirming that the transition from the informal to the formal economy is essential to achieve inclusive development and to realize decent work for all; and
- Recognizing the need for Members to take urgent and appropriate measures to enable the transition of workers and economic units from the informal to the formal economy, while ensuring the preservation and improvement of existing livelihoods during the transition; and
- Recognizing that employers' and workers' organizations play an important and active role in facilitating the transition from the informal to the formal economy, and
- Having decided upon the adoption of certain proposals with regard to the tran-

sition from the informal to the formal economy, which is the fifth item on the agenda of the session, and

- Having determined that these proposals shall take the form of a Recommendation;
- adopts this twelfth day of June of the year two thousand and fifteen the following Recommendation, which may be cited as the Transition from the Informal to the Formal Economy Recommendation, 2015.

## **I OBJECTIVES AND SCOPE**

**1** This Recommendation provides guidance to Members to:

- A** facilitate the transition of workers and economic units from the informal to the formal economy, while respecting workers' fundamental rights and ensuring opportunities for income security, livelihoods and entrepreneurship;
- B** promote the creation, preservation and sustainability of enterprises and decent jobs in the formal economy and the coherence of macroeconomic, employment, social protection and other social policies; and
- C** prevent the informalization of formal economy jobs.

**2** For the purposes of this Recommendation, the term "informal economy":

- A** refers to all economic activities by workers and economic units that are – in law or in practice – not covered or insufficiently covered by formal arrangements; and;
- B** does not cover illicit activities, in particular the provision of services or the production, sale, possession or use of goods forbidden by law, including the illicit production and trafficking of drugs, the illicit manufacturing of and trafficking in firearms, trafficking in persons, and money laundering, as defined in the relevant international treaties.

**3** For the purposes of this Recommendation, "economic units" in the informal economy include:

- A** units that employ hired labour;
- B** units that are owned by individuals working on their own account, either alone or with the help of contributing family workers; and
- C** cooperatives and social and solidarity economy units.

**4** This Recommendation applies to all workers and economic units – including enterprises, entrepreneurs and households – in the informal economy, in particular:

- A** those in the informal economy who own and operate economic units, including:
  - i)** own-account workers;
  - ii)** employers; and
  - iii)** members of cooperatives and of social and solidarity economy units.
- B** contributing family workers, irrespective of whether they work in economic units in the formal or informal economy;
- C** employees holding informal jobs in or for formal enterprises, or in or for economic units in the informal economy, including but not limited to those in subcontracting and in supply chains, or as paid domestic workers employed by households; and
- D** workers in unrecognized or unregulated employment relationships.

**5** Informal work may be found across all sectors of the economy, in both public and private spaces.

**6** In giving effect to the provisions of Paragraphs 2 to 5 above, and given the diversity of the informal economy across member States, the competent authority should identify the nature and extent of the informal economy as described in this Recommendation, and its relationship to the formal economy. In so doing, the competent authority should make use of tripartite mechanisms with the full participation of the most representative employers' and workers' organizations, which should include in their rank, according to national practice, representatives of membership-based representative organizations of workers and economic units in the informal economy.

## **II GUIDING PRINCIPLES**

**7** In designing coherent and integrated strategies to facilitate the transition to the formal economy, Members should take into account the following:

- A** the diversity of characteristics, circumstances and needs of workers and economic units in the informal economy, and the necessity to address such diversity with tailored approaches;
- B** the specific national circumstances, legislation, policies, practices and priorities for the transition to the formal economy;

- C the fact that different and multiple strategies can be applied to facilitate the transition to the formal economy;
- D the need for coherence and coordination across a broad range of policy areas in facilitating the transition to the formal economy;
- E the effective promotion and protection of the human rights of all those operating in the informal economy;
- F the fulfillment of decent work for all through respect for the fundamental principles and rights at work, in law and practice;
- G the up-to-date international labour standards that provide guidance in specific policy areas (see Annex);
- H the promotion of gender equality and non-discrimination;
- I the need to pay special attention to those who are especially vulnerable to the most serious decent work deficits in the informal economy, including but not limited to women, young people, migrants, older people, indigenous and tribal peoples, persons living with HIV or affected by HIV or AIDS, persons with disabilities, domestic workers and subsistence farmers;
- J the preservation and expansion, during the transition to the formal economy, of the entrepreneurial potential, creativity, dynamism, skills and innovative capacities of workers and economic units in the informal economy;
- K the need for a balanced approach combining incentives with compliance measures; and
- L the need to prevent and sanction deliberate avoidance of, or exit from, the formal economy for the purpose of evading taxation and the application of social and labour laws and regulations.

### III LEGAL AND POLICY FRAMEWORKS

**8** Members should undertake a proper assessment and diagnostics of factors, characteristics, causes and circumstances of informality in the national context to inform the design and implementation of laws and regulations, policies and other measures aiming to facilitate the transition to the formal economy.

**9** Members should adopt, review and enforce national laws and regulations or other measures to ensure appropriate coverage and protection of all categories of workers and economic units.

**10** Members should ensure that an integrated policy framework to facilitate the transition to the formal economy is included in national development strategies or plans as well as in poverty reduction strategies and budgets, taking into account, where appropriate, the role of different levels of government.

**11** This integrated policy framework should address:

- A** the promotion of strategies for sustainable development, poverty eradication and inclusive growth, and the generation of decent jobs in the formal economy;
- B** the establishment of an appropriate legislative and regulatory framework;
- C** the promotion of a conducive business and investment environment;
- D** respect for and promotion and realization of the fundamental principles and rights at work;
- E** the organization and representation of employers and workers to promote social dialogue;
- F** the promotion of equality and the elimination of all forms of discrimination and violence, including gender-based violence, at the workplace;
- G** the promotion of entrepreneurship, micro, small and medium-sized enterprises, and other forms of business models and economic units, such as cooperatives and other social and solidarity economy units;
- H** access to education, lifelong learning and skills development;
- I** access to financial services, including through a regulatory framework promoting an inclusive financial sector;
- J** access to business services;
- K** access to markets;
- L** access to infrastructure and technology;
- M** the promotion of sectoral policies;
- N** the establishment of social protection floors, where they do not exist, and the extension of social security coverage;
- O** the promotion of local development strategies, both rural and urban, including regulated access for use of public space and regulated access to public natural resources for subsistence livelihoods;
- P** effective occupational safety and health policies;
- Q** efficient and effective labour inspections;
- R** income security, including appropriately designed minimum wage policies;
- S** effective access to justice; and
- T** *international cooperation mechanisms.*

**12** When formulating and implementing an integrated policy framework, Members should ensure coordination across different levels of government and cooperation between the relevant bodies and authorities, such as tax authorities, social security institutions, labour inspectorates, customs authorities, migration bodies and employment services, among others, depending on national circumstances.

**13** Members should recognize the importance of safeguarding the opportunities of workers and economic units for income security in the transition to the formal economy by providing the means for such workers or economic units to obtain recognition of their existing property as well as by providing the means to formalize property rights and access to land.

#### **IV EMPLOYMENT POLICIES**

**14** In pursuing the objective of quality job creation in the formal economy, Members should formulate and implement a national employment policy in line with the Employment Policy Convention, 1964 (No. 122), and make full, decent, productive and freely chosen employment a central goal in their national development and growth strategy or plan.

**15** Members should promote the implementation of a comprehensive employment policy framework, based on tripartite consultations that may include the following elements:

- A** pro-employment macroeconomic policies that support aggregate demand, productive investment and structural transformation, promote sustainable enterprises, support business confidence, and address inequalities;
- B** trade, industrial, tax, sectoral and infrastructure policies that promote employment, enhance productivity and facilitate structural transformation processes;
- C** enterprise policies that promote sustainable enterprises and, in particular, the conditions for a conducive environment, taking into account the resolution and Conclusions concerning the promotion of sustainable enterprises adopted by the International Labour Conference at its 96th Session (2007), including support to micro, small and medium-sized enterprises and entrepreneurship, and well-designed, transparent and well-communicated regulations to facilitate formalization and fair competition;
- D** labour market policies and institutions to help low-income households to escape poverty and access freely chosen employment, such as appropriately designed wage policies including minimum wages, social protection schemes including cash transfers, public employment programmes and guarantees, and enhanced outreach and delivery of employment services to those in the informal economy;
- E** labour migration policies that take into account labour market needs and promote decent work and the rights of migrant workers;
- F** education and skills development policies that support lifelong learning, re-



spond to the evolving needs of the labour market and to new technologies, and recognize prior learning such as through informal apprenticeship systems, thereby broadening options for formal employment;

- G** comprehensive activation measures to facilitate the school-to-work transition of young people, in particular those who are disadvantaged, such as youth guarantee schemes to provide access to training and continuing productive employment;
- H** measures to promote the transition from unemployment or inactivity to work, in particular for long-term unemployed persons, women and other disadvantaged groups; and
- I** relevant, accessible and up-to-date labour market information systems.

## **V RIGHTS AND SOCIAL PROTECTION**

**16** Members should take measures to achieve decent work and to respect, promote and realize the fundamental principles and rights at work for those in the informal economy, namely:

- A** freedom of association and the effective recognition of the right to collective bargaining;
- B** the elimination of all forms of forced or compulsory labour;
- C** the effective abolition of child labour; and
- D** the elimination of discrimination in respect of employment and occupation.

**17** Members should:

- A** take immediate measures to address the unsafe and unhealthy working conditions that often characterize work in the informal economy; and
- B** promote and extend occupational safety and health protection to employers and workers in the informal economy.

**18** Through the transition to the formal economy, Members should progressively extend, in law and practice, to all workers in the informal economy, social security, maternity protection, decent working conditions and a minimum wage that takes into account the needs of workers and considers relevant factors, including but not limited to the cost of living and the general level of wages in their country.

**19** In building and maintaining national social protection floors within their social security system and facilitating the transition to the formal economy, Members should pay particular attention to the needs and circumstances of those

in the informal economy and their families.

**20** Through the transition to the formal economy, Members should progressively extend the coverage of social insurance to those in the informal economy and, if necessary, adapt administrative procedures, benefits and contributions, taking into account their contributory capacity.

**21** Members should encourage the provision of childcare and other care services to the person who are of quality and affordable, as well as access to such services, in order to promote gender equality in the areas of entrepreneurship and employment opportunities, and facilitate the transition to the formal economy.

## **VI INCENTIVES, COMPLIANCE AND ENFORCEMENT**

**22** Members should take appropriate measures, including through a combination of preventive measures, law enforcement and effective sanctions, to address tax evasion and avoidance of social contributions, labour laws and regulations. Any incentives should be linked to facilitating the effective and timely transition from the informal to the formal economy.

**23** Members should reduce, where appropriate, the barriers to the transition to the formal economy and take measures to promote anticorruption efforts and good governance.

**24** Members should provide incentives for, and promote the advantages of, effective transition to the formal economy, including improved access to business services, finance, infrastructure, markets, technology, education and skills programmes, and property rights.

**25** With respect to the formalization of micro and small economic units, Members should:

- A** undertake business entry reforms by reducing registration costs and the length of the procedure, and by improving access to services, for example, through information and communication technologies;
- B** reduce compliance costs by introducing simplified tax and contributions assessment and payment regimes;
- C** promote access to public procurement, consistent with national legislation, including labour legislation, through measures such as adapting procurement procedures and volumes, providing training and advice on participat-

ing in public tenders, and reserving quotas for these economic units;

- D** improve access to inclusive financial services, such as credit and equity, payment and insurance services, savings, and guarantee schemes, tailored to the size and needs of these economic units;
- E** improve access to entrepreneurship training, skills development and tailored business development services; and
- F** improve access to social security coverage.

**26** Members should put in place appropriate mechanisms or review existing mechanisms with a view to ensuring compliance with national laws and regulations, including but not limited to ensuring recognition and enforcement of employment relationships, so as to facilitate the transition to the formal economy.

**27** Members should have an adequate and appropriate system of inspection, extend coverage of labour inspection to all workplaces in the informal economy in order to protect workers, and provide guidance for enforcement bodies, including on how to address working conditions in the informal economy.

**28** Members should take measures to ensure the effective provision of information, assistance in complying with the relevant laws and regulations, and capacity building for relevant actors.

**29** Members should put in place efficient and accessible complaint and appeal procedures.

**30** Members should provide for preventive and appropriate corrective measures to facilitate the transition to the formal economy, and ensure that the administrative, civil or penal sanctions provided for by national laws for non-compliance are adequate and strictly enforced.

## **VII FREEDOM OF ASSOCIATION, SOCIAL DIALOGUE AND ROLE OF EMPLOYERS' AND WORKERS' ORGANIZATIONS**

**31** Members should ensure that those in the informal economy enjoy freedom of association and the right to collective bargaining, including the right to establish and, subject to the rules of the organization concerned, to join organizations, federations and confederations of their own choosing.

**32** Members should create an enabling environment for employers and workers to exercise their right to organize and to bargain collectively and to participate in

social dialogue in the transition to the formal economy.

**33** Employers' and workers' organizations should, where appropriate, extend membership and services to workers and economic units in the informal economy.

**34** In designing, implementing and evaluating policies and programmes of relevance to the informal economy, including its formalization, Members should consult with and promote active participation of the most representative employers' and workers' organizations, which should include in their rank, according to national practice, representatives of membership-based representative organizations of workers and economic units in the informal economy.

**35** Members and employers' and workers' organizations may seek the assistance of the International Labour Office to strengthen the capacity of the representative employers' and workers' organizations and, where they exist, representative organizations of those in the informal economy, to assist workers and economic units in the informal economy, with a view to facilitating the transition to the formal economy.

## **VIII DATA COLLECTION AND MONITORING**

**36** Members should, in consultation with employers' and workers' organizations, on a regular basis:

- A** where possible and as appropriate, collect, analyse and disseminate statistics disaggregated by sex, age, workplace, and other specific socio-economic characteristics on the size and composition of the informal economy, including the number of informal economic units, the number of workers employed and their sectors; and
- B** monitor and evaluate the progress towards formalization.

**37** In developing or revising the concepts, definitions and methodology used in the production of data, statistics and indicators on the informal economy, Members should take into consideration relevant guidance provided by the International Labour Organization, in particular and as appropriate, the guidelines concerning a statistical definition of informal employment adopted by the 17th International Conference of Labour Statisticians in 2003 and their subsequent updates.

## **IX IMPLEMENTATION**

**38** Members should give effect to the provisions of this Recommendation, in consultation with the most representative employers' and workers' organizations, which should include in their rank, according to national practice, representatives of membership-based representative organizations of workers and economic units in the informal economy, by one or a combination of the following means, as appropriate:

- A** national laws and regulations;
- B** collective agreements;
- C** policies and programmes;
- D** effective coordination among government bodies and other stakeholders;
- E** institutional capacity building and resource mobilization; and
- F** other measures consistent with national law and practice.

**39** Members should review on a regular basis, as appropriate, the effectiveness of policies and measures to facilitate the transition to the formal economy, in consultation with the most representative employers' and workers' organizations, which should include in their rank, according to national practice, representatives of membership-based representative organizations of workers and economic units in the informal economy.

**40** In establishing, developing, implementing and periodically reviewing the measures taken to facilitate the transition to the formal economy, Members should take into account the guidance provided by the instruments of the International Labour Organization and the United Nations relevant to the informal economy listed in the Annex.

**41** Nothing in this Recommendation should be construed as reducing the protections afforded to those in the informal economy by other instruments of the International Labour Organization.

**42** The Annex may be revised by the Governing Body of the International Labour Office. Any revised Annex so established, once approved by the Governing Body, shall replace the preceding annex and shall be communicated to the Members of the International Labour Organization.

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## **ANNEX**

Instruments of the International Labour Organization and the United Nations relevant to facilitating the transition from the informal to the formal economy

## **I INSTRUMENTS OF THE INTERNATIONAL LABOUR ORGANIZATION**

### **FUNDAMENTAL CONVENTIONS**

- Forced Labour Convention, 1930 (No. 29), and Protocol of 2014 to the Forced Labour Convention, 1930
- Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87)
- Right to Organise and Collective Bargaining Convention, 1949 (No. 98)
- Equal Remuneration Convention, 1951 (No. 100)
- Abolition of Forced Labour Convention, 1957 (No. 105)
- Discrimination (Employment and Occupation) Convention, 1958 (No. 111)
- Minimum Age Convention, 1973 (No. 138)
- Worst Forms of Child Labour Convention, 1999 (No. 182)
- Governance Conventions
- Labour Inspection Convention, 1947 (No. 81)
- Employment Policy Convention, 1964 (No. 122)
- Labour Inspection (Agriculture) Convention, 1969 (No. 129)
- Tripartite Consultation (International Labour Standards) Convention, 1976 (No. 144)

### **OTHER INSTRUMENTS**

- Freedom of association, collective bargaining and industrial relations
- Rural Workers' Organisations Convention, 1975 (No. 141)
- Collective Bargaining Convention, 1981 (No. 154)

### **EQUALITY OF OPPORTUNITY AND TREATMENT**

- Workers with Family Responsibilities Convention, 1981 (No. 156)

### **EMPLOYMENT POLICY AND PROMOTION**

Employment Policy Recommendation, 1964 (No. 122)

- Vocational Rehabilitation and Employment (Disabled Persons) Convention, 1983 (No. 159)
- Employment Policy (Supplementary Provisions) Recommendation, 1984 (No. 169)
- Private Employment Agencies Convention, 1997 (No. 181)
- Job Creation in Small and Medium-Sized Enterprises Recommendation, 1998 (No. 189)
- Promotion of Cooperatives Recommendation, 2002 (No. 193)
- Employment Relationship Recommendation, 2006 (No. 198)

## **VOCATIONAL GUIDANCE AND TRAINING**

- Human Resources Development Convention, 1975 (No. 142)
- Human Resources Development Recommendation, 2004 (No. 195)

## **WAGES**

- Labour Clauses (Public Contracts) Convention (No. 94) and Recommendation (No. 84), 1949
- Minimum Wage Fixing Convention (No. 131) and Recommendation (No. 135), 1970

## **OCCUPATIONAL SAFETY AND HEALTH**

- Occupational Safety and Health Convention, 1981 (No. 155)
- Safety and Health in Agriculture Convention (No. 184) and Recommendation (No. 192), 2001
- Promotional Framework for Occupational Safety and Health Convention, 2006 (No. 187)

## **SOCIAL SECURITY**

- Social Security (Minimum Standards) Convention, 1952 (No. 102)
- Social Protection Floors Recommendation, 2012 (No. 202)

## **MATERNITY PROTECTION**

- Maternity Protection Convention, 2000 (No. 183)

## **MIGRANT WORKERS**

- Migration for Employment Convention (Revised), 1949 (No. 97)
- Migrant Workers (Supplementary Provisions) Convention, 1975 (No. 143)

## **HIV AND AIDS**

- HIV and AIDS Recommendation, 2010 (No. 200)

## **INDIGENOUS AND TRIBAL PEOPLES**

- Indigenous and Tribal Peoples Convention, 1989 (No. 169)

## **SPECIFIC CATEGORIES OF WORKERS**

- Home Work Convention, 1996 (No. 177)
- Domestic Workers Convention (No. 189) and Recommendation (No. 201), 2011

## **RESOLUTIONS OF THE INTERNATIONAL LABOUR CONFERENCE**

- Resolution and Conclusions concerning the promotion of sustainable enterprises adopted by the International Labour Conference at its 96th Session (2007)

- Resolution and Conclusions concerning the youth employment crisis adopted by the International Labour Conference at its 101st Session (2012)
- Resolution and Conclusions concerning the second recurrent discussion on employment adopted by the International Labour Conference at its 103rd Session (2014)

#### **UNITED NATIONS INSTRUMENTS**

- Universal Declaration of Human Rights, 1948
- International Covenant on Economic, Social and Cultural Rights, 1966
- International Covenant on Civil and Political Rights, 1966
- International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families, 1990







# **I The trade union movement of Central America, Mexico, Panama and the Dominican Republic**



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**COSTA RICA** **CMTC** Central del Movimiento de Trabajadores Costarricense  
**FENATSEA** Federación Nacional de Trabajadores del Sector Autónomo  
**Organizing the informal sector in Costa Rica**

**Randall Zúñiga Barboza** Secretary General

**A**t the initiative of the leadership of the CMTC, at the end of 2009 the process to organize FENATSEA was undertaken. FENATSEA was officially established in February 2012, as part of the renewal strategy of the organizational structure of workers of the informal sector of the economy.

**GENERAL CHARACTERISTICS** The main organization of the Federation is SINTRACOPEA (Sindicato de Trabajadores Comerciantes Patentados Estacionarios y Afines) established in 2010 with the following occupational description: stationary autonomous workers with licensed kiosks (chinamos) and paying a fixed fee to the Federation; and irregular autonomous workers without licenses referred to with the term “afines” (meaning of ‘similar activities’). It includes some individual lottery vendors.

The Federation is also made up of SINPESCA (Sindicato de la Pesca Artesanal), ASUMOPROVI, Association dedicated to finding housing projects led mostly by women and COOPETRAVEN R.L., founded with the immediate strategic objective of meeting the needs for merchandise of some autonomous workers that are usually bought by passersby at Christmas time (grapes, apples, among others), as well as for the creation of a stockpiling center. This center would generate employment and become direct distributor of vendors’ merchandise. Regarding the agricultural sector, it would eliminate the intermediation between products and vendors.

The Federation is located mainly in four provinces of the seven that make up the country. Most membership is concentrated in the capital city of San José and in the areas most frequented by passersby, mainly in the vicinity of bus-stops and downtown areas.

Most membership is located in the cantons of Pérez Zeledón and Desamparados, the largest of the province of San José. The second province is Cartago, the former capital, which maintains regular membership. The Guápiles canton of the Limón province also has members who are licensed workers.

Lastly, the province of Guanacaste is in the Pacific area with beaches promoted by the government for tourism, for which an international airport was recently constructed. Craftsmen and women have taken advantage of the constant flow of foreigners to sell their products under the “tolerance” permit granted by the Municipality of the area for three-month periods.

The funding of the Federation depends on the fixed fees, which only about 20% of members pay due to poor economic conditions; raffles and tours also help raise money and somehow give their families and other members the opportunity to share and promote solidarity.

## ACTIVIDADES

The strategic areas are:

- Advice on legal issues, trade and services, prioritizing paperwork at the Municipality to obtain permits and licenses for the location of kiosks. There are two types of sectors: stationary and irregular; the latter are those with given merchandise, walking around or placing themselves momentarily in specific locations. The spaces granted to licensed stationary workers are permanent. Services are also included in the case of workers needing to move; they are trained in human rights and on how to become good sellers. At present, the Federation is participating in an agreement with the National Training Institute (INA) where these workers are receiving training in three fundamental and necessary areas for this sector: customer service, food handling, jewelry.
- A network of solidarity to provide support when vendors do not have money to stock up on goods. This policy of solidarity counteracts foreign creditors that have provided money sometimes, but the interest on debts is unaffordable and does not allow the debt to be paid up, subjecting debtors to the risk of physical attacks.
- Negotiations with officials of the Costa Rican Social Security Fund proposing an independent insurance for the collective with a percentage lower than voluntary insurance, expecting it to provide coverage for invalidity, old age and death.
- The establishment of small fairs (mercaditos) is negotiated with the Municipality.
- A stockpiling center is planned for the medium term, for which funding is sought.

On the legislative front, with the support of the CMTC, the Federation has made a proposal to become a bill, entitled: “Self-Employed Workers in the Informal Economy”.

**SOLIDARITY AND ALLIANCES** At the national level there is unconditional support of the CMTC and, in particular, an alliance with the Construction Federation (FENATI), also affiliated to the CMTC. As its membership is made up of workers in different areas of construction, and they are mostly migrant Nicaraguan nationals,

when foreign self-employed workers in irregular conditions become members of FENATSEA, they are immediately transferred to join FENATI.

In 2013 the trade union joined StreetNet International.

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**EL SALVADOR** The CATS, CSTS and CTD project.  
**Special law for self-employed workers.**

**Fausto Pagés Guzmán** Legal advisor specialized in Labor Law.

**I PRESENTATION**

**I**n recent decades, self-employed, or the so-called independent, workers unjustifiably suffered the consequences of flexibilizing, deregulating, globalizing public policies, and the shrinking of the State.

The Salvadoran government has ignored its responsibility to protect the fundamental rights of human beings, with many violations of the most basic human rights of the labor sector in El Salvador, especially of self-employed or independent workers of the different municipalities of the Republic. These periods were characterized by false legality in which workers had no rights due to their belief that nobody was accountable, as they did not have an employer or boss to whom they were subordinated, they had no schedule and no salary. But using existing labor laws, the Constitution of the Republic, the ILO Agreements, human rights in force and the Labor Code a tool was generated to better defend labor rights, creating a draft law called Special Law for the Self-Employed Workers.

In October 2012 actions were initiated to put order in the San Salvador downtown area. This led to the violent eviction of self-employed workers in the informal sector, causing anxiety and violence among Salvadorans, as well as the loss of merchandise of the self-employed sector. Such actions cannot conceal the social issues caused by the global and national crisis, in which merchandise is considered more important than people.

Such actions do not attack the causes of the unemployment directly nor do they head toward new directions or to a paradigm shift. Therefore, new public policies need to be formulated to solve this social phenomenon caused by low employment, and to generate decent economic conditions and a dignified existence.

Self-employed workers make significant revenues for the national economy and contribute to national development and social stability; however, there is no legislation at national level expressly establishing their rights and obligations.

A legal instrument is required to specifically govern the conditions of self-employment. In addition, most self-employed or independent workers are women; hence gender equality, access to work and improvement of working conditions for women should be promoted.

At present El Salvador is undergoing a process of modernization and updating of reforms to labor laws. On the one hand, the Supreme Court is promoting an oral

hearings project and labor reform. The same 2011 ILO report indicates: “The introduction of the oral hearings system for labor trials requires a comprehensive training program, not only of judges and magistrates but needs to comprise the entire community that uses the judicial system, also including universities, bar associations, employers’ and workers’ organizations.” This project promotes important innovations by introducing oral hearings, but assumptions in favor of workers are absent, as well as the legal representation by union leaders of their members in trials. Moreover, in September 2012, through the Undersecretariat of Governance & Modernization of Labor Relations, the Secretariat for Strategic Affairs of the Presidency presented the bill on Civil Service, and in a single blow this proposal erased all rights that municipal and public employees had fought for in the history of El Salvador. Through Mrs. Corine Vergha, Head of the Unit Right to Work and Reform, Department of Governance & Tripartism, the ILO proposal reminds said Undersecretariat of the importance of the respective prior consultation with the most representative workers’ and employers’ organizations, in this case of public unions, as is proper, with the report further noting the improvements required in terms of freedom of association, collective contracts and union permits. This bill which will clearly lead to the “voluntary resignation” or dismissal of State employees, who will then become part of the self-employed and independent sector. This is the historical and electoral scenario which self-employed workers are taking advantage of.

**CONSTRUCTION OF THE PROJECT** The draft project was generated with the *grassroots and leaders of the Central de Trabajadores Democráticos (CTD)* through its federation *FESTIVES (Federación Sindical de Trabajadores Independientes Vendedores de El Salvador)*; the *Central Autónoma de Trabajadores Salvadoreños (CATS)* and the *Federación Siglo XXI of the Confederación Sindical de Trabajadores Salvadoreños (CSTS)*, with the support and solidarity of FOS Belgium. It is necessary to state that, at that time (2012) a proposal had already been formulated by the CTD-FESTIVES on Reform of the Labour Code, creating the Book VI of said Code. In Central America, the FOS agency and the TUCA, along with organizations of self-employed workers affiliated to national trade union centers, had participated in a similar law in Honduras, which was helpful to El Salvador.

In August 2012, the first meetings of the FOS representatives in the region with union leaders of the self-employed sector were held to plan and discuss the methodology to provide support to the sector.

The work methodology was generated with the active participation of trade union representatives and grassroots members. Collective workshops were held on analysis, validation and expansion of drafts presented by the consultant. The following were the first three workshops: 1). Problematicization of the Practice or Diagnosis; 2) Legislative Techniques; and 3) Context of Labor Practice.



The process preliminarily concluded on the need to propose a new legal framework to the Legislative Assembly of El Salvador and not a reform of the Labor Code. The starting point of this proposal should be the enforcement of the Constitution of the Republic, support for the growth of national wealth, with dignity and social justice to lift the country out of the crisis, taking advantage of the legislative scenario of proposed labor reforms, such as of the labor code, the law on civil service; and more recent laws such as the Law of Equality, Equity & Eradication of Discrimination against Women; the Law on Incentives to create the first employment for young people in the private sector and reforms to the Law on Pension Savings systems.

Those drafts were then submitted for consideration of trade union organizations to cast their observations. Once transferred to the facilitator, the latter proceeded to write the final text which was delivered and socialized in a workshop with the leadership of the sector. The entire process lasted nearly two years with regular meetings, allowing collective and consensus-based construction of the draft Law.

As of December 2012 the first draft of the bill was finalized and then put to national consultation, to which the juridical think-tanks were invited such as: the Center of Labor Rights of the Human Rights Institute of the *Universidad Centroamericana José Simeón Cañas* and the Foundation for Enforcement of the Law (FESPAD). The latter made important contributions.

Subsequently a regional and global consultation was carried out, with experts on the issue and on ILO standards at the Regional Office in Lima and the International Center of Turin. They saluted the initiative, its origins and the importance of the preliminary project.

Next the proposal was restructured and collectively validated, agreeing on a final version. Trade unions lobbied with other actors (Legislative Assembly, District Attorney's Office on Human Rights) to socialize the proposal, achieving the support of most political parties.

Legal Bases. The background and most important rules applicable to self-employed workers were reviewed based on a truly lawful approach, and not merely an economic one.

The workshop on the Context of Labor Practice and its conclusions established that: "In El Salvador a significant number of workers ARE independent self-employed workers, most of whom operate in the informal economy, others have difficulties to enjoy the socio-economic and employment benefits to which they are entitled according to the Constitution of the Republic, national laws and international conventions on the matter. Therefore, these workers, who contribute significantly to job creation and to the national gross domestic product, require regulations that recognize and protect their desire to get out of that situation."

The main basis of the proposal rests on the Constitution of the Republic, whose

Articles 1 and 37 state that “Work is a social function, it enjoys the protection of the State and is not considered a commercial item. The State will use all resources at its disposal to provide employment, manual or intellectual, to workers and ensure economic conditions for a dignified existence to workers and their families. Similarly work and employment of persons with physical, mental or social disabilities will be promoted” to underscore the State’s obligation to avail itself of all means at its disposal to provide employment to workers, an obligation that the State of El Salvador has not fulfilled.

This failure of the Salvadoran State can be typified as a case of omission. In February 2013 the current Constitutional Chamber of the Supreme Court filed the case of omission for the breach of the Universal Compensation established in Article 38, item twelve, instructing the Legislative Assembly to approve said law by December 2014. In addition, in that judgment the Constitutional Chamber established “important doctrinal aspects” such as the parity and horizontality of civil and political rights in El Salvador in relation to the economic, social and cultural rights, with this debate continuing at the international level, but no longer in El Salvador.

Among the most significant standards on human rights rules in effect and enforceable for the sector, Article 22 of the Universal Declaration of Human Rights (1948) states: “Everyone, as a member of society, has the right to social security and is entitled to realization, through national effort and international co-operation and in accordance with the organization and resources of each State, of the economic, social and cultural rights indispensable for his dignity and the free development of his personality.”

Moreover, as of the 1994 reforms, the Labor Code of El Salvador had already paved the way by recognizing independent or self-employed work and the Trade Union of Independent Workers, defining it as made up of self-employed workers and who do not employ any salary earners, except on occasion. This reform has placed us at the forefront in the region.

It is the municipal governments that first repress and violate the fundamental rights of self-employed workers, ignoring provisions in Article 4 of the Municipal Code on their obligation relating to: *“the implementation of local development plans, promotion and development of healthcare programs, citizen participation, responsible in solving local issues, as well as providing training and encouraging job creation; the regulation of the use of parks , streets, sidewalks and other municipal sites; the promotion and financing of housing and urban renewal programs.* Hence, the draft law urges us to comply with these bylaws.

Lastly we reviewed the commitments undertaken by the Salvadoran State with its ratification of core ILO Conventions regulating freedom of association and collective bargaining, the elimination of forced labor, the elimination of child labor and the elimination of all forms of discrimination. We also reviewed the main in-

ternational human rights treaties and our domestic labor laws for self-employed or independent workers.

We may conclude that, to date, self-employed workers in El Salvador are excluded and unprotected in relation to rights inherent to human rights such as: social security, financial and technical assistance, decent work spaces, individual and collective labor rights, identity, among others of no less importance.

Contents of the bill. The object of the Law is not only based on what has been called “formalization”, defined in terms of taxes, registration and the right to access to healthcare and to pay a pension. Our proposal goes further and seeks “the protection, promotion, development and formalization of self-employed workers, enabling the exercise of their human and labor rights”...

Likewise its scope of application will be for “everyone over the age of eighteen, self-employed or independent workers of the informal economy, working individually or collectively, ensuring their right to a job with recognized labor rights and access to quality social security.

A specific definition of self-employed worker is created, agreeing that is “any work providing services, producing goods or carrying out small-scale commercial activities, and microentrepreneurs; where there is no employment relationship with an employer and provided they remain in that situation; and also wage earners that on occasion maintain a relationship of subordination.”

Labor principles specific to El Salvador are created, covering the grounds of the proposal.

The role of municipalities is clearly defined, especially the prohibition of public officials and municipalities in relation to:

- Actions or omissions, enactment of regulations or ordinances, or other similar activities preventing the development of labor activities by workers, as well as restricting spaces, etc.
- Actions or omissions seeking to impede, thwart, limit, restrict or prevent freedom of association and the free exercise of collective rights.
- Any kind of abuse undermining physical, psychological, material or moral integrity, or denigrating the public image, of workers.
- Allowing or promoting any kind of discrimination against workers based on sex, religion, political affiliation, union membership.
- Denial of free transit and commerce.
- Denial of licenses for the exercise of independent work, without just cause.

The project proposes the creation of the Special Department of Self-Employment, as a body with decentralized functions and administrative autonomy, and defines its scope.

To jump-start the Law, a fund is established which the State as a whole, with the municipal governments, will assign to cover the benefits to which the latter will contribute an amount no less than two percent of the General Budget of the Nation and Municipal Budgets. The taxes paid as license fees for the use of public spaces will be incorporated into this fund.

Lastly the project defines and establishes the rights and obligations of self-employed workers:

- A Collective Rights: Freedom of Association. Right to freedom of association, collective bargaining and strike (and ensures human rights, freedom of opinion and expression in public spaces, in accordance with the Constitution, national laws)
- B Gender-based economic and property rights
- C Right to social protection and social security

### **PROTECTION OF HEALTH, SOCIAL SECURITY AND DECENT RETIREMENT.**

Working mothers are entitled to maternity leave of twelve weeks. This will be fully paid by the Salvadoran Social Security Institute and will be calculated according to the wages of private business workers. This benefit will be covered by the Salvadoran Social Security Institute and, failing that, by the Department.

- Other rights. Payment of annual thirteen month. Rights of Minors and Adolescents. Rights of Persons with Disabilities. Rights of Older Adults.

Finally the proposal stipulates the oversight functions of the State and municipalities.

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**EL SALVADOR** **CATS** Central Autónoma de Trabajadores Salvadoreños  
**Organizing and legislative projects for workers  
of the informal economy in El Salvador.**

**William Guzmán Bado** CATS Secretary for Organizing.

**I**n our country more than 40% of the population is socially excluded, i.e. about 2,500,000 inhabitants out of a population of 6,400,000 inhabitants. If we compare with the EAP with about 2 million 800 thousand people, of which 750,000 have a job, over 2 million work in the informal economy.

Also about 45% of informal workers live in poverty, compared with 13% of workers in the formal sector. Almost two thirds of informal workers earn less than the minimum wage and 20% have no formal education.

Therefore trade unions need to develop strategies to act proactively on behalf of a large group of workers that lack representation and whose labor and social protection and human rights are violated. It is necessary to advance towards their inclusion and protection, for them to enjoy the rights inherent to human beings such as: social security, financial and technical assistance, decent work spaces, individual and collective labor rights, identity, among others of no less importance.

It is important to know that the 262 municipalities in El Salvador have the same plan to give a new image to the municipality. This is an initiative driven by some European governments to donate funds; we are not opposed to modernity, but viable solutions to solve the lack of decent work are required.

## **I ORGANIZING AND EXPERIENCES OF WORKERS IN THE INFORMAL ECONOMY**

For CATS organizing, representation and respect for labor rights of these workers is a huge challenge, therefore, actions that can be initiated are assigned priority. For this task, a department on the Informal Sector has been organized within the Secretariat for Organizing that will become a Secretariat for the Informal Economy at the next Congress.

CATS uses an integrating approach of the different components of the informal economy, including both urban and rural self-employed workers, community workers, small rural producers and cooperatives, along with community organizations. In practice, out of a total membership of 30,000 workers, only the 3700 municipal workers (grouped into the Federación Sindical de Trabajadores Municipales de El Salvador (FSMTS) work in the formal economy.

Workers of the informal economy organized in the CATS belong to the following four federations:

- Federación Sindical de Trabajadores Independientes de El Salvador, FSTIES
- Federación Sindical Autónoma de Trabajadores Salvadoreños, FSATRAS
- Federación, Sindical del Movimiento de Trabajadores Salvadoreños, FSMTS
- Federation of Agricultural Cooperatives of the Department of Cuscatlán

Alongside we have also organized associations of women and youth.

25,500 affiliated workers are recorded in the annex.

In terms of strategy towards these workers, CATS focuses on the municipalities engaged in a process of modernization, including the use of public spaces as a prominent topic.

## ANNEX

### ORGANIZATIONS OF WORKERS OF THE INFORMAL ECONOMY

#### 1 FSTIES, FEDERACIÓN SINDICAL DE TRABAJADORES INDEPENDIENTES DE EL SALVADOR.

Established in 2008. It has 3400 members, of which 1190 are women. 410 pay their dues, of which 143 are women. It is composed of the following unions:

- **SITOPDES**, *Sindicato Independiente de Trabajadores de Oficios y Profesiones de El Salvador.*
- **SITPAS**, *Sindicato Independiente de Trabajadores Pequeños Productores Agropecuarios Salvadoreños.*
- **SITRAIAS**, *Sindicato de Trabajadores Independientes Agropecuarios, Municipality of Sonzacate, Department of Sonsonate.*
- **STIAMS**, *Sindicato de Trabajadores Independientes Agropecuarios, Municipality of San Julián, Department of Sonsonate.*
- **SITRAVIS**, *Sindicato de Trabajadores Vendedores Independientes de El Salvador.*
- **STIAN**, *Sindicato de Trabajadores Independientes Agropecuarios de Nahuizalco.*
- **STIPAN**, *Sindicato de Trabajadores Independientes de Pequeños Productores Agropecuarios de Nahuizalco.*

#### 2 FSATRAS. FEDERACIÓN SINDICAL AUTÓNOMA DE TRABAJADORES SALVADOREÑOS.

Established in 2009. It has 3900 members, of which 1560 are women. 490 pay their dues, of which 191 are women. It is composed of the following unions:

- **STTIES**, *Sindicato de Trabajadores Taxistas Independientes de El Salvador.*
- **SITRAVISS**, *Sindicato de Trabajadores Vendedores Independientes de Sonsonate.*
- **STIAMC**, *Sindicato de Trabajadores Independientes Agropecuarios, Municipality of El Carmen, Department of Cuscatlán.*

- **SITIAO**, *Sindicato de Trabajadores Independientes Agropecuarios de Occidente*.
- **STIAG**, *Sindicato de Trabajadores Independientes Agropecuarios de Guaymango*, Department of Ahuachapan.
- **STIAA**, *Sindicato de Trabajadores Independientes de la Agricultura*, Department of Ahuachapan.
- **SITIAROMS**, *Sindicato de Trabajadores Independientes Agropecuarios*, Municipality of Rosario de Mora, Department of San Salvador.
- **SITIOVA**, *Sindicato de Trabajadoras Independientes de Oficios Varios de Ahuachapan*.

**3 FSMTS, FEDERACIÓN SINDICAL DEL MOVIMIENTO DE TRABAJADORES SALVADOREÑOS.** 4450 pay their dues, of which 1557 are women. 460 pay their dues, of which 162 are women. It is composed of the following unions:

- **STVIS**, *Sindicato de Trabajadores Vendedores Independientes Salvadoreños*.
- **SITIPAI**, *Sindicato de Trabajadores Independientes de Pequeños Productores Agrícolas*, Canton Istagapan Guaymango, Department of Ahuachapan.
- **ASTISAS**, *Asociación Sindical de Trabajadores Independientes del Sector Agropecuario Salvadoreño*.
- **STIPACG**, *Sindicato de Trabajadores Independientes de Pequeños Productores Agrícolas del Cantón El Carmen Guayamano*, Department of Ahuachapan.
- **STIPACEGA**, *Sindicato de Trabajadores Independientes de Pequeños Agricultores del Cantón La Esperanza*, Municipality of Guaymango, Department of Ahuachapan.
- **ASTIPAP**, *Asociación Sindical de Trabajadores Independientes Pequeños Productores Agropecuarios*, Canton La Paz, Municipality of Guaymango, Department of Ahuachapan.
- **STIAAHUA**, *Sindicato de Trabajadores Independientes Agropecuarios de Ahuachapan*.
- **SITRAISACE**, *Asociación Sindical de Trabajadores Independientes del Sector Agropecuario*, Canton El Escalón, Municipality of Guaymango, Department of Ahuachapan.
- **ASTIPAZ**, *Asociación Sindical de Trabajadores Independientes Pequeños Productores Agropecuarios*, Canton El Zarzal, Municipality of Guayamango, Department of Ahuechapan.

**4 FEDERACIÓN DE COOPERATIVAS AGROPECUARIAS DEL DEPTO. DE CUSCATLÁN.** Has 13100 members, of which 5240 are women. 440 pay their dues, of which 176 are women.

- *Cooperativa 13 de febrero, Cooperativa El Calvario, Cooperativa Flor de Izote, Coop-*

*erativa Vida, Cooperativa 25 de septiembre, Cooperativa 24 de Noviembre, Cooperativa El Cocal, Cooperativa Las Neblinas, Cooperativa La Aurora.*

- **AMUPADECUS**, *Asociación de Mujeres de Pequeñas Productoras Agropecuarias*, Department of Cuscatlán. Has 435 members, of which 400 are women. 60 pay their dues, of which 25 are women.
- **Asociación Juvenil de la CATS**. Has 250 members, of which 62 are women. 124 pay their dues, of which 125 are women.



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**EL SALVADOR** CTD Central de Trabajadores Democráticos  
FESTIVES Federación Sindical de Trabajadores  
Independientes Vendedores de El Salvador  
**The government as “employer” of informal workers.**

**José María Amaya** CTD Secretary General.  
**José Herminio Díaz** Secretary General FESTIVES.

**A**fter analyzing the structure of the traditional trade union movement and aware of the impact of neoliberalism on the privatization of major State institutions and the dismissal of more than 60,000 public employees by the end of last decade, the CTD decided to create a Secretariat of the Informal Economy and start organizing workers of this sector in El Salvador.

When reflecting on the strategy, we began to understand many issues that are hard to visualize from outside the sector. We understood that an obstacle to the organizing of these workers is the nomadism and volatility of their work. The vast majority are street vendors and every moment are in a different part of the city. That requires more effort on the part of trade unions to develop strategies to dialogue with and organize these workers.

In addition, they do not see themselves as workers nor do they understand that we have rights as human beings and workers. Due to the natural independence of street vendors, it is very difficult to persuade them to create a trade union to achieve labor rights. As they do not have employers or wages, their first reaction is not to see the point of organizing into trade unions. When we asked these workers where they worked, many said they had no job. Although they woke up at 3 in the morning, worked all day and were the last to leave, they still did not consider themselves workers.

When we initiated the empirical research: we divided these workers into three distinct segments.

- One, subsistence vendors earning less than the minimum wage and we found that 80% of vendors in this segment are women, children and the elderly. In the case of women, most are single mothers who, after working all day on the street, return home to perform other tasks: cooking, caring for their children, laundry, etc. In addition, many husbands, perhaps out of mistrust, do not let them remain a long time away from home; therefore, they do not have time to focus on organizing activities. Consequently, the situation of these women is even more complicated.

- The second segment is made up of vendors of simple accumulation, those who earn between one or two minimum wages. In this case 60% of business owners are men.
- The third segment are vendors of extended accumulation whose income is three or more minimum wages. In this case more than 80% of business owners are men.

Today we still prioritize organizing the first two segments.

When discussing this issue within the trade union center we sought to establish the importance of this sector in terms of social and economic impacts, as well as the social impact of this sort of strategy on the organizational growth of the trade union center, and on the trade union movement in general. Many of the members of the Executive Committee felt that it would be a very heavy load and did not see this initiative prospering. Even so it was endorsed and the Secretary General was charged with this adventure. It was necessary to develop a plan to have a positive impact on the reform of labor laws and persuade informal workers to unionize.

There were important struggles in terms of dialogue to impact decision-makers, such as street pressure, and repeated, often bloody, clashes between vendors and police, including some were sent to jail. But we were able to establish trade unions under the figure of independent workers' trade unions as stipulated in the existing Labor Code and invoking international law, particularly Convention 87. Historically, this is a similar problem to the one we observed in Nicaragua where unionists were dealing with the issue. There we learned about the initiative of the FNT (Frente Nacional de Trabajadores) and their experience transforming associations of workers of the informal economy into trade unions.

Even with these problems, and given the new scenario with the ratification of Convention 87 by the Salvadoran government in 2006, in 2008 we created and Trade Union of Independent Workers of El Salvador (SITISIES) and in 2010 we established the Federación Sindical de Trabajadores Independientes Vendedores de El Salvador (FESTIVES), based on ten organizations that had acted as an association. Membership is of about 17,000 workers, based in 8 of the 14 departments of the country, acting especially in larger cities, where informal work tends to concentrate.

This union policy that some pioneers have perceived ten years ago has now become a new opportunity to reinforce the Salvadoran trade union movement. We even believe that organizing of the informal sector is the only way this movement can maintain and strengthen its organizational muscle.

We carry out our work in the informal sector where men and women, excluded from the system, offer peaceful resistance, are able to develop, lobby and influence with viable proposals to create the conditions for decent work in the new reality that ails us today.

**THE NEW CHALLENGES** Having structured trade unions that are now legally established, we have incorporated a second phase into the trade union agenda seeking to create proposals to improve the conditions and quality of life of workers of this sector. Firstly we participated in the development of a bill, in the planning project of the historical center of San Salvador, so as to produce a legal framework based on workers' rights and obligations.

This project began in 2008-2009 and was developed by the Municipality of San Salvador and non-governmental organizations. Unfortunately changes in the municipal governments, both of staff and political parties, have stalled the process but we continue to believe that it is feasible and viable. The project is based on the following premise: we do not defend streets or parking areas, we defend our jobs. It has three phases: census of workers, self-management and decent solutions.

As of 2008 we began to consider another strategy, which we developed in the last two years (2012-13) participating in the drafting of a special law for self-employed workers. We got the support of FOS Belgium and coordinated with other organizations.

We began assuming that workers of the informal sector do not have the same link as workers of the formal sector, which is the salary. They see themselves without employers, and it is the municipal government that regulates their space in the city. Therefore, it is urgent to recover the class rights of these workers, including the most basic right of all, i.e. to be regarded as workers and to see themselves as subjects of rights.

We must define which the interlocutor of self-employed workers is; classically it would be the employer. In this case we have defined the Central Government and municipal governments as our interlocutor as they collect the fees and receive the direct taxes. Through the pockets of the aprons, that are our cash registers, flows at least 40% of the money moving in our country. Therefore, it is the public authority that is related to us and allowing us to do our jobs; therefore it must reinstate the coverage of rights to social security to workers.

The project places municipal governments as employers of these workers, which generates a series of rights in their favor and obligations of public authority in our favor. The proposal includes: the legal basis, the proposal of public policies, the principles, rights and duties, prohibitions, the governing authority, the budgetary system and management of a fund to cover benefits, registration, freedom of association, collective bargaining and strike, economic property rights, the right to social protection and social security, the obligations of self-employed workers.

This process came to an end on December 10, 2013, when we presented it to the Legislative Assembly, which was supported by the parliamentary factions of the Frente Farabundo Martí para la Liberación Nacional (FMLN) party, the Christian Democratic Party (PDC), and the Gran Alianza Nacional party (GAN). Now look

forward to an effective enactment, approval and publication in the official gazette, to then become law of the Republic.

This has been the result of an arduous task: studies and empirical research, lobbying, alliances, loudspeakers, assemblies, meetings, meetings with various stakeholders to establish alliances. Repression, jail, bloody violent events. In the new stage, new actions by trade union organizations will be required for the project to become law, aiming at a pact of unitary alliance to pressure members of the lower chamber where will are sure to find new allies.

We do not want to omit the recent meeting with important allies. As part of this phase, we became members of StreetNet. We also believe that the project is linked to the trade union self-reform proposal driven by international trade unionism of the TUCA

We also expect the approach of our project will be understood and supported by the ILO at the time of discussing a recommendation for the transition from informality to formality.

We also recognize that when we undertook this adventure we had no clarity on the scope, importance and challenges involved. We also appreciate constructive criticism that nourished the strength of our commitment to move forward. We also wish to state that this is only the beginning of a national idea that cannot continue alone, so we invite the trade union movement of our country to join us and the international trade union movement to support us.

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**GUATEMALA** **CGTG** Confederación General de Trabajadores de Guatemala  
**Organizing and defense of self-employment in the CGTG.**

**Jorge Grajeda Aquino** Secretary General FESTRI & Executive Secretary CGTG.

**Victoriano Zacarías Míndez** CGTG Assistant Secretary General  
& in charge of Secretariat for Human and Union Rights.

The neoliberal capitalist economic system is based, inter alia, on the accumulation of wealth and the exploitation of labor. It creates and consolidates formal unemployment in relation of dependency, strong contingent of workers without occupation in rural and urban areas, without wages or job benefits. The logic of supply and demand occurs, i.e. abundant supply of labor and low demand for labor from companies, with unemployment as decisive factor for the exploitation of labor, precarious working conditions, translated into low wages and failure to pay employee benefits. These situations generate dire economic conditions and consequently higher levels of poverty, extreme poverty and famine, which before were concentrated in two or three municipalities, and have now spread across the country.

Extreme poverty and famine, which were previously located in two or three municipalities now a widespread issue at country level.

The lack of employment opportunities leads to thousands of Guatemalans engaging in different jobs or businesses in order to survive in either urban or rural areas. At the same time there is internal migration, especially of the rural population towards urban areas, consequently increasing the poverty belt in marginal areas, in hillsides where there are no basic health, sanitation and education services.

The main activity of internal migrants or internally displaced persons of the indigenous sector, in Guatemala City is the minor or negligible self-employed activity which the Municipality of Guatemala calls the “informal economy” or “popular economy”. They are located in small stalls on the street, cantonal markets, stationary fixed stalls, or moving around the streets or markets offering their products.

As of 2001, faced with complaints from neighboring cities to municipal governments, especially of the middle and upper classes, provisions were issued directly attacking street vendors to evict them despite the fact that said authorities were charging fees for the stalls or positions on the street. Other vendors grouped into the Tenants’ Association of Municipal Markets (ASIMEN) entered the alliance with the government. The arguments of ASIMEN and municipal authorities was that street vendors constituted competition. Thus, the authorities succeeded in dividing the position and struggles, leading to intersectoral clashes.

The Municipality of Guatemala implemented the so-called “20-20 Plan” aimed at recovering pedestrian areas and embellishing the Historic Center of Guatemala City.

In this framework FESTRI (Federación Sindical de Trabajadores Independientes) was created within the CGTG in November 2002, based on the trade unions in place since 1993, when the National Front of Street Vendors of Guatemala was created.

The Federation continued organizing vendors of various departments of the country, adding 30 grassroots unions to date. The main organization created in this period is SINAVEGUA (Sindicato Nacional de Vendedores de Guatemala), led by two industry leaders (Emilio Real and Pablo Ajanel Baten).

Today FESTRI has 18,000 members, of which 40% pay their dues. Most members are young people, women and older adults. It also encompasses indigenous workers from different ethnic groups, with representation in the interior of the country. 55% of grassroots members are women, some of whom have leadership positions. We see a weakness: the participation of women in union activities is scarce because they are “demonized” by the macho culture, discouraging them. It is also important to keep in mind that many are single mothers also coping with the household chores, making it hard for them to partake in training activities to change this situation.

The clashes during this period were serious. As part of this policy, although the municipal government of the capital city reported the initiative to trade unions and even promised to help with the relocation, in practice it provided no alternatives and began to violently evict vendors in different streets, parks and avenues, confiscating their goods, with total disrespect for older workers, women and youth.

In 2003 vendors were not able to set up near the central market adjacent to the Metropolitan Cathedral and the Seat of Government. After fourteen days of intense negotiations with the Municipal Traffic Police the streets of the city became real battlefields, leading to the unification of efforts among street vendors, consolidating their movement and, against all odds, they succeeded in establishing themselves on the streets and creating a trade union.

The Military Transit Police in uniform and civilian attire, armed with clubs and gas bombs, fought face-to-face with vendors, people were injured people and threatened. Consequently, the legal department of the CGTG filed an appeal of revocation and restitution (Articles 154, 155, 157 and 158 of the Municipal Code) to the Attorney General of the Republic, who asked the Mayor of Guatemala City to stop the eviction of vendors. Thanks to this intervention, vendors remained in their places.

In 2006 other struggles took place in the vicinity of the central park for the same reasons. The police threatened several leaders of the trade union, intimidated and disbanded the demonstrations, momentarily disbanding the movement.

The scenarios of the main street struggles in defense of a stall or for street vendors to be respected have been: 4<sup>a</sup>. Avenida y 8va. Calle, Zona 1, Mercado de la Colonia Bethania, Zona 7, 6 Avenida y Carretera Roosevelt, Zona 11. At present the eviction of vendors of 9na. Avenida y 7ma. Calles, Zona 1 is underway, whom the Mayor fined Q 350,000 (\$ 46,666.67) for damages to public property allegedly caused

by members of SINAVEGUA. This was not true, it is a strategy to intimidate and frighten vendors. The authorities knew, through videos, that the confrontation occurred between police and gang members or criminals, and in an area outside the site where stationary and street vendors of SINAVEGUA are located. Also in 2004 brother Julio Rolando Raquec, Secretary General of FESTRI, was murdered and the case was never solved.

This municipal policy was extended to other departments of the country. A major episode occurred in St. Lucía Cotzumalguapa, Escuintla, 90 kilometers from Guatemala City, where violent confrontations took place. Finally a relocation agreement, with good conditions, was reached, improving the initial offer of the Municipality.

Other painful situations occurred in the municipality of Coatepeque, Department of Quetzaltenango, 218 kilometers from the capital city, where there have been clashes with workers/vendors located in streets and avenues near two cantonal markets which were finally demolished by the Municipality. The authorities built the Meta Market with stalls overvalued by 500% to be financed with “floor space” fees to be paid by the vendors themselves. As the years go by, ten vendors have been murdered, as well as a legal adviser of the trade union (in 2009). In this case the chief of police was convicted of the murder of a brother, the other murders are still unpunished and the problem continues.

From this experience, the Federation and the CGTG have built a strategy clearly establishing that if justified evictions are to take place, they must be coordinated and supervised by the Public Prosecutor’s Office for Human Rights, to verify if the eviction is really necessary once the workers in question have been summoned, heard and defeated in court. The idea is to present a proposal to the National Association of Municipal Mayors (ANAM), which actually functions as a “trade union of mayors”.

Another problem facing street vendors is that they are victims of extortion. Given this scenario, the Federation provides support filing grievances to the appropriate authorities, but the results are not favorable.

As of its creation, the Federation has had several successes in negotiations with the municipal authorities of several municipalities. In particular, the leasing of a municipal plot benefiting 800 members, including 500 members of the National Front of Street Vendors, where a shopping center was established. This was finalized in 2008 and it is called Plaza El Amate.

Another case was the eviction of 5 workers/vendors members of APECOS (Sindicato de Acción de Pequeños Comerciantes y Similares) who were not allowed to work as of October 12, 2012 despite having the authorization required by municipal authorities. At the time of the eviction, these brothers and sisters suffered verbal and physical attacks, their merchandise was confiscated and they were charged with assaulting more than 15 municipal police with sticks and other objects, when

in reality the 2 men and 3 women never attacked the police. The last straw was that both police and vendors filed complaints on the incidents of that day, but the court in charge of the former complaint fined the workers, while the court in charge of the latter complaint never summoned the workers to ratify their grievances. Municipal officials proposed that the judge hearing the case be requested to shelve it and not continue the proceedings, which the CGTG accepts provided the 5 brothers and sisters continue working in the same place from where they were illegally evicted.

It is also the intention of the CGTG that these issues be addressed in the broader context of the MSYPAG, Movimiento Sindical y Popular Autónomo Guatemalteco, consisting of the CGTG (Confederación Central General de Trabajadores de Guatemala); CUSG, (Confederación de unidad Sindical de Guatemala); UNSITRAGUA (Unión Sindical de Trabajadores de Guatemala); and MTC (Movimiento de Trabajadores Campesino de San Marcos). So far this has not happened due to many more urgent issues on the union agenda.



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**GUATEMALA** CUSG Confederación de Unidad Sindical de Guatemala:  
**Experiences supporting workers of the  
informal sector in the CUSG.**

**Carlos Mancilla** Secretary General.

**A**s of 2008 I am in charge of the General Secretariat of the Confederation, after acting as Secretary of Labor & Disputes for several terms, reaching said position for the first time in 2000-2004. My union origins date from 1983 when, as worker of the Ministry of Agriculture, we established a grassroots organization which later joined the FENASTEG, Federación Nacional Sindical de Trabajadores Estatales Guatemaltecos, then member of the CUSG.

It was already difficult to be a trade unionist in those times. During the organizing of the trade union, we did not discuss it except with the founding group because our life was in danger.

The lack of freedom of association has worsened since then. Therefore it is fundamental that the CUSG continue denouncing violations of freedom of association in the country, to the TUCA-ITUC and the ILO oversight agencies where we have filed 58 complaints.

There is ongoing intimidation and threats to leaders to discourage union organizing, which can end up in their death. They are even offered individual economic benefits for them to drop union actions.

At present the government is seeking to obstruct the registration of organizations to block their establishment and development. It is virtually impossible to set up a trade union in the maquilas.

### **ORGANIZING OF INDEPENDENT WORK.**

Abiding by the Labor Code of Guatemala, the bylaws of the Confederation stipulate organizing through federations, including independent workers, for which the creation of their own structures is authorized.

In this context, the CUSG created the FUSSIG (Federación de Unidad Sindical del Sector Informal de Guatemala), which brings together grassroots trade unions of market workers, taxi drivers, motorcycle taxi drivers and shoe-shiners. Cobblers and photographers have also been part of said Federation

As for other independent workers, CUSG bylaws also promote the creation of co-operatives as some affiliates have disappeared due to the lack of freedom of association in the country. The CUSG also represents independent subsistence farmers, community land owners, and they are unifying their action under the Movement

of Rural Workers of San Marcos.

In this scenario, workers of the informal sector also face difficulties to register their trade unions, particularly those working in markets although we might say that, in comparison, there are fewer barriers when an employment relationship is at stake.

Of course there is also violence against these workers; several leaders and even the legal adviser of an organization of Coatepeque have died. These cases are also part of the grievances filed by Guatemalan trade union movements to the ILO. In this regard, the CUSG developed solidarity with the CGTG when the latter faced those events.

The experience of the Tecun Uman tricyclers. An organization that has been very important is the Association of Tecun Uman Tricyclers in the north of the country founded in 1987 and that greatly developed in the following decade under the leadership of Flaudio Pérez Villagrás. The traffic of people and goods on the border bridge with Mexico is heavy, for which tricycles are used. Originally, the owners of these vehicles (usually each one with ten tricycles), rented them out at a high price, regardless of trips made. In practice, the workday was 15 hours per day, with an average of twenty trips.

The union was created on initiative of the CUSG that, in the framework of its policy to support socio-economic projects, sought to consolidate a group of self-employed owners of their own tricycle. To this end, the Association granted monetary credit for the first group to purchase vehicles (24 workers), to be paid back with a small interest. By 1993 the Association had more than 400 members, all with their own tricycles. Another group of 200 people remained as supporting members (mostly relatives), who would eventually replace the vehicle users and who participated in meetings without the right to vote. Some members also used the tricycles to transport of merchandise within the city.

The main achievement of the Association was to obtain exemption of the toll charged by the municipality, whereby only the charges in Mexico had to be paid.

A complementary strategy that provided funds to members was advertising placed on the vehicles. The Association also developed a policy of community support (schools, firefighters) through contributions taken from a fund established for such purpose.

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**GUATEMALA FENTRAVIG** Federación Nacional de Trabajadores y Vendedores  
Independientes de Guatemala  
**Organizing and negotiation of self-employed  
workers into a new Federation.**

**Jorge Peralta** Coordinator.

The idea of creating a federation of self-employed workers commenced at the end of 2008 at a meeting of various representative organizations, which at the time were part of the Frente Nacional de Lucha (FNL). Based on the initiative and efforts of the organizations the proposal to register the federation in the list of trade union organizations of Guatemala was submitted to the Ministry of Labor & Social Welfare in March 2010.

The organizations driving the unity and coordination that proposed the formation of a federation are: STTIGUA, Sindicato de Trabajadores y Trabajadoras Independientes de Guatemala, and SINTRAINSA, Sindicato Nacional de Trabajadores Independientes de Salud.

Other unions motivated by the proposal are:

- **SITRAAG**, *Sindicato de Trabajadores de la Antigua Guatemala*
- **SIVEMA**, *Sindicato Independiente de Vendedoras de Malacatan San Marcos.*
- **SILAINEI**, *Sindicato de Leñadores y Artesanos Independientes del Estor Izabal*
- **Sindicato de Cabañas Zacapa.**
- **Sindicato del Mercado Sur Dos.**

Late 2010 the Federation ceased to be a member of the FNL due to differences in attempting to impose policies that were not coincidental with the interests of the Federation and its members. As of this incident the Federation became an independent organization and it is not part of any national trade union center of Guatemala. The organizations that decided to continue as members of the Front were SITRAAG, SIVEMA and SILAINEI.

In 2012 the Sindicato del Mercado Sur Dos obtained legal recognition as a trade union and is one of the main bastions of the Federation.

Since then the Federation has undertaken a struggle to counter the attacks of local and national authorities to our members and to pursue the survival of our nascent trade union organization.

Most of the members are part of the so-called informal economy, i.e. vendors in markets, public squares, streets, food vendors, along with other independent workers: artisans, independent workers, professionals, technicians and mid-level graduates.

It has 5000 members, although its representation is higher because workers fear becoming members due to repression. About 70% of members are women.

The following are successes of the Confederation:

**CABAÑAS ZACAPA** With the support of STTIGUA, authorization was obtained of a plot of land for a market, including the respective basic services. The Municipality intended to evict them to a place without the respective services or protection, but the Municipality gave in due to the pressure of brothers and sisters that organized street protests.

**SINTRAINSA** It has reached agreements with the Municipality of Guatemala City and the Ministry of Public Health to train sisters to become Certified Midwives.

**MERCADO SUR DOS** It reached an agreement to stay in the vicinity of the market, transforming its appearance, each one spending and paying for this improvement of the market.

#### **THE ORGANIZATION IS COMMITTED TO PROVIDE TECHNICAL TRAINING TO ITS MEMBERS.**

Women members are a special challenge. If women are better trained they have more opportunity to progress in life while serving in the organization. They occupy key positions on the Board such as Finance, Disputes, Relations and Communication.

In 2013 the most important recent event were the series of strategic meetings with the leadership of the Trade Union of Quetzaltenango (UTQ) and the National Coordinator of Trade Union and Social Unity (CNUSS), as these include trade unions of self-employed workers among their organizations, reaching the political and social agreement to create the first national trade union center of self-employed workers and FENTRAVIG is its driving force and maximum representative.

We may say that our Federation has acquired a national and international reputation (it is affiliated to StreetNet International) thanks to the full effort of its members. Thus the Federation has grown and stabilized, becoming a reference point for self-employed workers of Guatemala, although we acknowledge that much more needs to be done.

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**GUATEMALA** **UNSI TRAGUA** Unión Sindical de Trabajadores de Guatemala  
Experience of UNSI TRAGUA addressing informality.

**Jorge Estrada** leader responsible for this issue<sup>2</sup>.

The economically active population of Guatemala is made up of 6.7 million people, according to the National Statistics Institute (INE). The Ministry of Economy of Guatemala and the United Nations Development Programme (UNDP) estimate that more than 80% of the employed population has no employment contract and has not been included in the Guatemalan Social Security Institute, even when employed in small businesses or with some employment assurance. Agriculture, trade and services are the sectors with most labor force in informal conditions. The Ministry of Economy also estimates that 91% of Guatemalans living in extreme poverty perform some sort of informal work. Among the poor, 83% have no labor rights.

This is reflected in the rate of unionization of about 2% and 3% of the EAP.

In Guatemala, due to the civil war and the frequent massacre of trade unionists, a culture of fear has been instilled in workers that stops them from unionizing. People are aware of the need to join unions to improve their working conditions, but are afraid of being killed.

Violence goes hand in hand with lack of freedom of association. If the conditions were favorable, union membership wouldn't be so low in Guatemala.

Today organizations of the informal economy encompass as many as 30,000 workers, and this includes all trade unions of the sector affiliated to all the national trade union centers of Guatemala.

Such low levels of unionization are caused by the high levels of violence against trade unionists in the country. Every year several workers are murdered because of their union activities. The few men and women who choose to get involved in organizations of the informal economy suffer the same scourge.

This situation also affects street vendors. Aníbal Ixcauquic and Norma Sente Ixcauquic of the Front of Street Vendors of Guatemala, affiliated to the Trade Union Center of Guatemalan Workers (CGTG), were murdered in 2007. In 2009 Julián Caprel, Assistant Secretary-General of the Sindicato de Vendedores de la Plaza Pública de Jocotán was also murdered.

That same year 50 police and civilian agents of the city of Coatepec, with their faces covered and carrying heavy weapons, killed Diego Gustavo Chípi and Sergio Alejandro Ramírez during an eviction ordered by the government.

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2 Based on the reportage by the TUCA in 2011 for a project with USO.

UNSITRAGUA has about 1,500 members in five organizations of workers in the informal economy. They are basically vendors working in the metropolitan area of Guatemala City.

A significant number work in the campus of the University of San Carlos of Guatemala selling CDs, movies, crafts, food and other products that help many of them finance their studies at the same university. However, the university itself represses and harasses them. In 2003 UNSITRAGUA filed a formal complaint to the ILO in this regard. ILO analyzed the grievance and recommended that the university negotiate a solution with the union. UNSITRAGUA met with university representatives at its main offices and presented a draft agreement to allow these workers to continue selling their products in the campus, even paying a fee for this right. But no progress was made and repression continues.

UNSITRAGUA considers that the biggest problem of men and women who make their living in informal working conditions is the absence of social protection. In Guatemala there are no social security programs for this part of the population.

UNSITRAGUA prefers not to use the term 'informal economy' because, even though they do not receive social benefits, these workers do pay taxes, for example, when they purchase products to sell on the streets. So it is not that they are informal, but that there is a high level of unemployment in Guatemala and they have found no other way of earning a living.

The aim of the UNSITRAGUA in relation to the informal economy is to organize the largest possible number of self-employed workers so that they are able to achieve better working conditions, access social security and withstand the constant evictions to which they are subjected.

Ideally laws should regulate the informal economy and provide decent work to these citizens. Only organized will they be able to obtain and defend their gains.

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**HONDURAS** CGT Central General de Trabajadores,  
CTH Central de Trabajadores de Honduras,  
CUTH Central Única de Trabajadores de Honduras  
**Law regulating self-employed workers.**

**Rafael Blancas Chauca** Peruvian lawyer, adviser of CUT Peru,  
member of the Continental Juridical Team (CJT-TUCA).

## I SELF-EMPLOYED WORKERS

**O**n occasion of the 103rd International Labour Conference, a huge discussion is taking place in the world of work: the situation of workers of the informal economy and their transition to formality. However, there are still conceptual definitions required in relation to internal and external aspects of workers organizations, for example, is there an agreed definition of worker of the informal economy, self-employed worker, independent worker, autonomous worker, and many other definitions seeking to define them in recent times?

And even with a generally accepted definition equates these workers' rights with the other categories of workers?

Can these workers exercise basic and fundamental rights such as proposing collective bargaining or impacting the creation of rules to regulate and develop their activities as per their own characteristics?

A recent ILO publication<sup>3</sup> states:

"Based on what has been identified in relation to the usual plurality of terminology and conceptual diversity, we are able to understand the general concept of "autonomous work" according to the following:

- The concept "autonomous work" is not unitary to the extent in which it comprises various forms of work.
- It is work carried out independently without being subjected to any legal power (labor subordination) for a third party, by virtue of which said third party is able to direct and supervise their work.
- It is work that can be done on one's own account or for a third party.
- It is work that can be carried out with or without people at their service.
- It is work in the non-salary earning category.
- It is different to self-consumption work.
- It encompasses various forms of work, such as:

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3 Carlos Ledesma Céspedes, ILO. Regional Study on autonomous work and the informal economy. 2013

- It is work that in and of itself includes heterogeneity of socioeconomic situations, ranging from specialized professionals earning high salaries with very high working standards to people with scarce or no vocational training earning subsistence wages with precarious working conditions.

For this paper, autonomous work shall be mean self-employed or independent work for a third party with a job that is not subjected to the managerial power of a third party and that can be developed with people at their service or not.”

Consequently, we have a new definition of self-employed/autonomous worker underscoring two elements that conceptualize and define said workers:

- The recognition of the concept and of international standards as workers places them in a specific sphere for the protection of their rights.
- Therefore, their capacity to exercise these rights, which are not only labor rights, but end up included in the exercise of other economic, civil and political rights given that, for example, collective bargaining and freedom of association rights facilitate the other rights.

There are different positions in this regard even within the ILO, with work in the informal economy considered contrary to ILO constitutional principles or indicating that work is not merchandise given that it replaces the contractual employment relationship assimilating it into commercial purchase and sale, generating a dual and unequal global environment. One position cannot invalidate or substitute the other... they should be considered as complementary in order to try to understand the world of work of these times.

Another more pragmatic position and directly related to neoliberal theses states that there are no workers in the informal economy but that they all are entrepreneurs, micro-entrepreneurs or any other definition that distances this category of workers from all access or protection of their work, where they certainly do not coincide with the definition of entrepreneur in the strict sense of the word, to say the least.

This makes us reflect on the existence, in practice, of a new category of workers, to which rights were added and expanded. Consequently today we there is a new category of workers: self-employed workers or workers of the informal economy.

They are different reasons leading to this conclusion: for example that self-employed/non-salary earning/of the informal economy/autonomous workers are the majority, exceeding 50% of workers in most developing countries.

Furthermore, facts always precede rules, i.e. in legal doctrine the juridical fact is what originates the rule, in this case the phenomenon of the informal economy and its consequences on the world of work will lead to new rules governing new



situations, which is precisely the case today.

## **II CIVIL, POLITICAL AND ECONOMIC RIGHTS OF ALL WORKERS, INCLUDING WORKERS IN THE INFORMAL ECONOMY**

The right to work is recognized in all international human rights standards. It is, above all, a human right. This is particularly recognized in Arts. 6, 7 and 8 of the International Covenant on Economic, Social and Cultural Rights from which important definitions arise, such as recognizing everyone the right to make a living as they choose, the obligation of States to ensure full employment safeguarding the fundamental political and economic freedoms of all. (Art 6)

Thus, by extension the right to work, which is essential to enjoy rights related to subsistence and livelihood such as food, clothing, housing and health and education, is recognized.

Article 7 recognizes everyone's right to the enjoyment of equitable and satisfactory working conditions ensuring at least fair and equal wages for work of equal value without distinction of any kind; in particular, the working conditions for women that are not inferior to those of men must be ensured, with equal pay for equal work; and ensuring decent lives for workers and their families.

It also underscores equal opportunity for all at the time of promotions in their employment to the appropriate higher level, with no other consideration than seniority and capabilities. It also points out rest, leisure, reasonable limitation of working hours and regular paid holidays, as well as pay on public holidays.

These legal provisions ensure the right to equitable and satisfactory working conditions. The right to a minimum wage and equitable salary is established to ensure a decent standard of living for human beings. In addition, people should enjoy minimum conditions of health and hygiene at work, for which the States need to adopt policies and legislation.

The right to form and join trade unions is ensured by Article 8 stating the right to form and join the trade union of their choice, subject only to the bylaws of the organization concerned. The right of trade unions to establish national federations or confederations, and of the latter to form or join international trade union organizations. The right of trade unions to function freely without limitations, other than those stipulated by law, and that are necessary in a democratic society in the interests of national security or public order, or for the protection of the rights and freedoms of others. The right to strike is exercised in accordance with the laws of each country.

This right to form and join trade unions is also closely linked to the right to freedom of association and the expression of these rights are collective bargaining and strike, without which there would be no freedom of association, at least in real

terms.

Thus the right to work is a fundamental right, recognized in various instruments of international law. Article 6 of the International Covenant on Economic, Social and Cultural Rights details this right more comprehensively than any other instrument.

The right to work is essential to the exercise of other human rights and it is an inseparable and inherent part of human dignity.

Everyone is entitled to work in order to live with dignity.

The right to work needs to be understood in the general framework of human rights, with the rules and specificities that its exercise requires, i.e. the enforcement of the right to work is general in that it requires a solution for all without exception, and it needs to be progressive and not regressive. The measures adopted must not undermine or diminish rights that have already been agreed, always seeking their improvement, never backsliding and they must be universal, interdependent and irrevocable.

### III THE PROJECT FOR HONDURAS

At present there is a growing trend of creating policies for self-employment as per this paradigm. In recent years the Central Unitaria de Trabajadores (CUT) of Peru and the Continental Juridical Team of the TUCA have been proposing a general law to regulate and recognize the legal status of self-employed workers, promoting, protecting and ensuring decent work. This norm seeks to materialize the fundamental principles and rights at work, and to ensure the effective protection of human rights of all self-employed workers, their protection by national and international labor standards, as well as their access to social security, i.e. for the Peruvian case, access to benefits related to health, occupational accidents, maternity protection and the public pension system.

Said law is also expected to boost productivity and the competitive insertion of self-employed workers in the economy, with equity and equal opportunities through capacity building, financing policies and their transition to formalization.

The formulation of the draft law began in 2009 with the discussion undertaken between the ILO, through its Regional Office in Lima, and CUT Peru.

In Honduras the trade union movement has succeeded in submitting a bill for self-employed workers to Parliament, the technical aspects of which we supported. In this country, trade union organizations have always had strategies to achieve better living conditions for their members: classic collective bargaining and strike have been joined by political advocacy and submittal of law initiatives as organizations representing citizens/workers.

In 2011, with the support of FOS Belgium and of the TUCA through its Continental

Juridical Team, the Honduran trade union centers CUTH, CGT and CTH presented a bill to the Executive Branch and Congress called: “Law on self-employed workers”.

The objective of this bill is to create a legal framework for the working conditions of Honduran self-employed workers, which are the majority in this country.

The bill focuses on four key areas: legal recognition, fundamental rights, among which freedom of association, collective bargaining, access to State policies on Health, Social Security & Employment, Formalization, Representation and capacity for self-determination.

The bill includes, among others, the use of public spaces, discussion on the use of these spaces with municipal governments, social development policies through vocational, technical training and the creation of the Honduran Fund for the development of self-employment, the purpose of which is to formulate gender-based government policies to strengthen professional organizations, business associations, policies promoting production and services, credit programs, social protection policies, advice and technical training for self-employed workers of Honduras.

Consequently, the bill proposes provisions to comprehensively address the issue of self-employed workers, defined as Honduran workers of the informal economy.

Significantly, this bill is currently under discussion in the Honduran Congress, and prompt enactment is awaited.

#### **IV CONCLUSIONS**

Against the backdrop of the draft recommendation for the transition from the informal to the formal economy and the 2014 ILC, it is clear that, for the time being, the desire of the organizations of workers in the informal economy to materialize a specific ILO convention continues to be no more than a recommendation. However, this recommendation is very interesting as it will help specify details that had not been included previously in ILO instruments, and provides an express statement that ILO Member States should take steps for the Fundamental Principles and Rights at Work to be granted to workers of the informal economy.

This context reinforces the view that if the nature of labor rights has been expanded and they become human rights enabling other rights that are necessary and interdependent for the exercise of fundamental rights, then the actions of organizations must necessarily be expanded.

The abovementioned bills we provide as examples place the rights to organize and collective bargaining at the forefront, where the classic definition that collective bargaining can only take place in the salary-earning context is discarded. This conceptualization, resulting from the industrial revolution of the 19th century, has been defeated by reality. Reality compels with examples, the structure of States is not the same as in the 19th century in terms of regulating and ensur-

ing rights to workers employed in informal conditions and who are the majority in the world, in terms of promoting rights-based employment and responding to the phenomenon of the informal economy that has increased job insecurity. There is more work, but it is precarious and informal.

For a long time now, it is well known that national trade union centers do not only focus on labor demands and that they are now proposing and becoming actors of social change in nations, i.e. these days the task of unions is to be active part of the civil community, proposing and promoting specific rules, as well as exercising impacts at a higher level: in policymaking, becoming part of democratic processes, where the structure and experience of trade unions can provide democratic and pluralistic bases for the organization of citizens in defense of their rights, legality and, ultimately, the Rule of Law.

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**HONDURAS** CTH Confederación de Trabajadores Hondureños

**ANAVIH** Asociación Nacional de Vendedores  
Independientes de Honduras

**The CTH and trade union work to address informality.**

**Luis Alonso Rivera** CTH Secretary & ANVIH Secretary General.

## **I GENERAL PROFILE OF THE CONFEDERATION.**

The CTH was created in 1964 (and registered the following year) on the basis of the FESITRANH (Federación Sindical de Trabajadores de Honduras) and industrial workers in the North Coast and the ANACH (Asociación Nacional de Campesinos), which had been founded two years earlier coincidentally with the Law on Agrarian Reform. The initial affiliates included two organizations that initiated the development of Honduran trade unions in the mid-fifties, and promoted the first strikes of SITRASFRUCO (Sindicato de Trabajadores de la Standard Fruit Co.) and SITRATERCO (Sindicato de Trabajadores de la Tela Railroad Co.) against the banana multinational Standard Fruit Co.

The declared rank and file to the TUCA and ITUC is 55,000 members. Global representation, including subsistence farmers and community associations (patronatos), is more than 100,000 members.

The approximate structure of the CTH is: 50% subsistence farmers, 35% salary earners of the private sector, 10% self-employed workers, and 5% workers of the public sector.

The Confederation is made up of grassroots organizations (some “trade associations”), which are grouped into larger organizations. The two main ones are:

- The aforementioned **FESITRANH**, with 44 organizations:
- **FECESTITLIH**, *Federación Central de Sindicatos de Trabajadores Libres de Honduras*, with 20 organizations

Other important urban organizations are:

- **FETRAINCOSSH**, *Federación de Sindicatos de la Industria de la Costura y Similares de Honduras*.
- **SINAMEQUIPH**, *Sindicato Nacional de Motoristas de Equipo Pesado de Honduras*.
- **FESIMAR**, *Federación Sindical de Marineros de Honduras*.
- **ASUMAROH**, *Asociación de Marineros*.

In rural areas, in addition to ANACH, the following organizations represent subsistence farmers:

- **ACANH**, *Asociación de Campesinos Nacionales de Honduras*.
- **UNCAH**, *Unión Nacional de Campesinos de Honduras*.

At the community level, the main organization is FEPAINH, Federación de Patronatos Independientes de Honduras.

There are 16 organizations representing public sector workers, 5 of which at the municipal level. In addition to FECESITLIH (which also includes private sector workers), the main ones are:

- **ANDEPH**, *Asociación Nacional de Empleados Públicos de Honduras*.
- **ANFEPJ**, *Asociación Nacional de Funcionarios y Empleados del Poder Judicial*.
- **ANEAH**, *Asociación Nacional de Enfermeras Auxiliares de Honduras*.
- *Sindicato de Trabajadores del Poder Judicial de Honduras*.

It also brings together organizations of women workers:

- **ANEAH**, *Asociación Nacional de Enfermeras Auxiliares de Honduras*.
- **FOMUR**, *Federación Olanchana de Mujeres Urbanas y Rurales*.
- **FOMURH**, *Federación de Mujeres de la Zona Rural de Honduras*.

At present maquila workers are approaching us; they feel different because of their low wages.

The process of creating a federation of port workers is also underway to address the threat of privatization of this sector, an initiative developed by the three national trade union centers.

## **I INDEPENDENT WORKERS IN INFORMAL SITUATIONS.**

CTH affiliated organizations represent independent workers in informal situations and have a combined membership of about 3,000 workers, 60% of which are women and older adults.

The main organization is ANAVIH, Asociación Nacional de Vendedores Independientes de Honduras. It was founded in 1999 with main offices in San Pedro Sula Cortés. It has about 1,000 members.

The other organizations are: **1)** ANVLUH (Asociación Nacional de Vendedores de Lotería Unidos de Honduras) with 600 members. It has lost representation because the lottery business was affected by the competition of electronic lotteries

that captured the market and with which it cannot compete. Its members have large debts and some brothers have even died of heart attacks because of their indebtedness. Several vendors have been victims of crime and killed to steal their business; **2)** SULMER (Sindicato Único de Mercados) based in San Pedro Sula with approximately 500 members; **3)** SIVANIESO (Sindicato de Vendedores Ambulantes y Estacionarios del Sector de Occidente) based in Santa Rosa de Copan with approximately 160 members. **4)** SIVEFMESIC (Sindicato de Vendedores del Mercado de La Ceiba) with 200 members.

Trade unions that belong to the informal sector are also affiliated to FESITRANH.

## **I PRACTICES TO MAKE DEMANDS AND ORGANIZE.**

The establishment of these organizations was hard, but very satisfying work in terms of achievements. The main successes are:

- Agreement in 2001 with the National Railway of Honduras to achieve stability for brothers located in the 1. Avenue S.O. in downtown San Pedro Sula.
- Agreement with the Municipality of San Pedro to ensure stability until decent marketplaces were built.
- Constitution of the COMANAVIHL cooperative in July 2001.
- Maintenance of the self-managed cooperative, with no external help of any kind.
- Relocation of the vendors of Choloma, Department of Cortés.
- Achieve the best organized group of vendors of the municipality of Villanueva, Department of Cortes. With a board of directors made up of women.

By contrast, the violent eviction in the city of Choloma, Department of Cortés, prior to relocation, was a defeat.

## **IV JOINT STRATEGY WITH OTHER ORGANIZATIONS.**

In Honduras, as well as ANAVIH, there are two other important organizations for workers in the informal sector: FOTSSIEH, Federación de Organizaciones de Trabajadores del Sector Social e Informal de la Economía de Honduras, affiliated to the CUTH, and FENTAEH, Federación Nacional de Trabajadores Autónomos de Honduras, affiliated to the CGT.

In 2009, the three organizations decided to join to develop a legal framework based on which to demand the rights of workers of the informal sector. For such purpose, we sought the support of the Belgian Social Fund for Development (FOS),

with which a joint strategic plan was formulated on the basis of four main pillars: political impact, to make the sector more visible and participate in social dialogue; social security, to seek alternative access to social protection; productive livelihoods, to seek alternatives to the relocation of street vendors to ensure decent work sites; and financing and productivity, in order to gain access to credit to get rid of the usury which these workers are subjected to and improve their productive capacity and living standards.

Under the pillar of political impact, we decided to draft a bill, for which a committee was set up with three representatives of each organization. The TUCA collaborated in this phase based on the ISCOD-UGT project on informal economy. (The content of this project is summarized in Annex).

Initially in 2011 the three organizations presented the bill to the Ministry of Labor that promised to channel it. Given the lack of response, in 2013 we decided to present the bill directly to the National Congress taking advantage of the recent passing of the law on citizen participation, which allows any social actor to submit a bill. The submittal was backed with five thousand signatures and the physical presence of more than 800 self-employed workers from different sectors of the country. Finally, the law was passed in 2014 with a completely different content.

## **V FINAL COMMENTS**

The CTH gives special importance to these workers due to their more precarious situation:

- Remaining on the streets is a defeat because our quest is to achieve work in decent conditions and improvement of living conditions.
- It is sad to see our women with their children on the streets sleeping on pieces of rotten wood.
- It is sad to see our brothers age without hope of a better future for their children.
- It is sad to see our people dying of diseases caused by the sun, dust, smog or as victims of the insecurity prevailing on the streets.

We hope this situation will change.



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## HONDURAS

**CUTH** Confederación Unitaria de Trabajadores de Honduras

**FOTSSIEH** Federación de Organizaciones de  
Trabajadores y Trabajadoras del Sector  
Social e Informal de la Economía en Honduras

### Organization and negotiation in the FOTSSIEH of Honduras.

**Vilma Arévalo** Finance Secretary.

In 2001, in the framework of the CUTH, due to the organizational dispersion of informal sector workers, a group of leaders met to analyze and define a strategy to bring them together. They decided to create a second-tier organization with national coverage. Among the 18 founding organizations, SUVANMH (Sindicato Único de Vendedores Auténticos Nacionales de Honduras) played a prominent role with its large membership and broad national coverage. This union provided much of the logistics and installed capacity to materialize the federation. The Federal Executive Committee was made up of 14 brothers and sisters with equal number of secretariats.

Until 2004 the Federation did not show satisfactory growth. After that year it consolidated its current membership and experienced significant qualitative and quantitative development driven by the strategy to integrate the areas of the organization, technical and social training, production and services.

The membership of the Federation is made up of self-employed workers, stationary vendors, street vendors, and crafts fairs and Saturday markets. The vast majority are migrants from rural to urban areas.

The main offices to contact and assist members are in the city of San Pedro Sula, Department of Cortés.

The main actions are:

- Efforts to formalize markets, local and national fairs, promotion of self-sustainability and national and international support.
- Promotion of social, health, housing and education projects.
- Advice and support for advocacy at the level of local governments and national government to accomplish workspaces and decent work; the backbone is a modular, systematic and ongoing technical training program, which has elevated the leadership, management and tools for negotiation, and internal democracy in decision-making.
- Strengthening the decentralization of cooperatives for savings and multiple services.

The results of the management of decent spaces, under bipartite dialogue, have led to:

- The construction and opening of three popular public squares: the Typical Crafts Public Square for affiliates of CORACTS with 60 stalls; the Public Square Eugenio Rodríguez Obando with 540 stalls; and the Public Square La Doña with 120 stalls, all at the San Pedro Sula's city.
- The return of artisanal sand-providers of Santa Rita to their work space in 100 hectares of the River Humuya o Comayagua.
- The availability of 10 blocks granted by the National Congress for the construction of a marketplace to benefit street vendors.

The problems to exercise our activity are mainly insecurity and criminality, which mostly hinder the activities of women and youth due to the high rates of feminicides occurring where we work. Youth is another vulnerable sector.

Even though we contribute with 70% of the national economy and generate employment for more than two million workers, organized and not organized, the State and human rights agencies do not provide security to us.

Our activity is still immersed in illegality, we do not have a specific law for the sector although we have moved forward with a bill, which two other organizations have joined, and which is under discussion for its approval in the National Congress.

The Federation is a member of StreetNet International and of the SEICAP Network (Red Sindicatos de la Economía Informal de Centroamérica y Panamá) established in 2006 in Managua, Nicaragua. The former is developing a training project on gender and youth, and the latter on child labor.

We are also formulating a strategy of alliances and integration with locals and subsistence farmers to create a network for exchanges of output and services between different sectors of the urban and rural areas.

We strive for:

- significant levels of internal democracy and equal participation in profit-sharing and equal opportunities for men and women.
- awareness raising on the informal economy in the processes of sociopolitical participation in the framework of freedom of association and work as a human right.

With other groups of workers we share the responsibility of building a less violent, more supportive and inclusive society.

**Organizing and negotiation in the Mexican Tianguis.**

**Cirilo Morales Hernández** Director of Social Communication.

**T**he informal economy leads to low productivity, inadequate wages and precarious jobs without social benefits, social insecurity, no housing loans and no old age pension, but what makes people turn to this sort of employment? Does the formality provide all such benefits? One of the sectors of the Mexican informal economy is the so-called tianguis (flea markets) that provide employment and livelihood to thousands of families since pre-Hispanic times.

One of the largest in Latin America is the Tianguis of San Martín Texmelucan, located in the valley of that name, on the Camino Real, today the Mexico-Puebla Federal Highway. It is considered one of the largest in Latin America with more than 30,000 vendors offering their products on an area of 35 hectares, located 35 kilometers from the city of Puebla and 110 kilometers from Mexico City. At present, items ranging from perishables, clothing for all socioeconomic levels, shoes, food, livestock, used clothing and cars are offered. The tianguis is on Tuesdays and vendors start setting up their stalls on Monday afternoon. During festivities the tianguis lasts three days of the week.

Its origin is ancient. Since before the independence of Mexico producers and vendors from surrounding villages gathered to offer their produce or barter their products in the square. The various products were grouped by streets: vegetables, medicinal herbs, seeds, cotton shawls, obsidian blades, carved and burnished earthenware, axes, all kinds of birds, fish and, in general, animals, plants and minerals were sold. To ensure its proper functioning, twelve judges confirmed the business agreements and public employees monitored the measures and merchandise.

Initially it was located in what is now the Miguel Hidalgo Park; over the years it spread into downtown streets of San Martín Texmelucan.

The tianguis was held on Tuesdays, Fridays and Sundays, but in the 20th century it was reduced to only Tuesdays. By the 90s the market consisted of more than thirteen thousand merchants with thousands of buyers from almost all Mexico, with which the trade affected more than a third of the city. Thus, in 1994 the authorities decided to relocate the tianguis, moving it out of the downtown area of the city.

Organizing. The tianguis operates through more than forty organizations of the vendors themselves. The CROM has a presence in the tianguis through the Association of Vendors of San Martín Texmelucan that participated in the 1994 relocation process. According to testimonies collected from Pedro Pinera Martínez,

former leader of the CROM who participated in that phase, the relocation was based on the register of each organization, reaching an agreement by which they were assigned a space by blocks. Each organization distributes the vendors setting a time of entry and distributing them according to their sales.

Organizations defend their spaces in the center of the flea market, facing the demand of other vendors on the outskirts, called “bunks” that are less than 2 meters long, and that have no specific place assigned to them.

Unionization is based on a register administered by the municipal authority through the Department of Regulatory Enforcement, responsible for issuing a card specifying the data of the vendor; name, place of origin, type and plates of the vehicle with which they move their products, sales turnover, location in the flea market, block, corridor, stall number and to which organization they belong. Collection of charges for the use of space is carried out by fully identified and authorized municipal staff. Fees range, according to the turnover, from 10 to 40 pesos (between 1 and 4 dollars). The trade union collects dues through delegates and on average charges vendors 10 pesos per stall and issues a receipt of payment. Organizations are required to provide the most necessary services to the vendors that they represent.

The leader recalls that “when the market began, the area was not paved, did not have electricity, drinking water, restrooms or structures. This was paid with the installments, which they have benefited from”. “Unfortunately this fee is not enough to provide social security to members; hence they are looking for support to receive healthcare. If a brother vendor suffers an accident, he is sent to a federal agency.”

If the products of a manufacturer are unbranded and he/she is arrested by the police at a checkpoint, trade unions will guide him/her on the steps to follow with the Secretariat to register a brand and sell legally. In this way they avoid extortions.

“As much money is transacted, organizations are calling for the installation of a bank in the tianguis market so as to avoid robberies outside the market.”

Organized in this manner, would they be able to move from informality to formality? The CROM leader reports that many of those organized have been exempted by the Tax Administration Service (SAT).

At present the CROM is promoting a strategy for its members based on the agrarian law: organizations with 20 years in the tianguis can, if in a peaceful and continuous manner, obtain a property deed of the space they cover. This would greatly help establish the grounds for formal businesses and address the abovementioned problem, i.e. that the success of the tianguis has led to the incorporation of many new unorganized vendors pressing for spaces, even with intimidation, with unionized vendors constantly fighting to preserve their place.

The bylaws of the CROM establish that, as well as the traditional structures (trade associations, unions per enterprise, national trade unions, and unions of sundry trades), cooperatives, unions of subsistence farmers and non-salary earners also militate in the Confederation.

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**MEXICO** **CROC** Confederación Regional Obrero Campesina  
**FNOTNA** Federación Nacional de Organizaciones de  
Trabajadores No Asalariados

### **The CROC strategy for non-salary earning workers.**

**Gilberto Vásquez Muro** Secretary General.

In over sixty years of existence, the CROC has accumulated vast organizational experience with non-salaried rural and urban workers<sup>4</sup>. In the urban setting, the most important sectoral organizations are: the Federación Nacional de Autotransporte y de la Industria Automotriz and the Federación Nacional de Trabajadores Fotógrafos, Camarógrafos, Cigarreras y Guardarropa de la República Mexicana; Unión de Trabajadores Ejecutantes de la Música, Danzantes, Bailarines, Artistas, Intérpretes y Trabajadores en General de Espectáculos Públicos, Cine y Video, Similares y Conexos de la República Mexicana.

Another similar example is the Agrupación de Guías Adolfo López Mateos in Mexico City, working in hotels, whose salaried workers constitute an important membership of the CROC.

There are also many other registered and non-registered organizations of non-salaried workers in the Mexican States<sup>5</sup>. The CROC has pointed out the following occupations of non-salaried workers represented: street vendors (esquineros), wagon and corridor vendors in subways, buses and microbuses of public transportation, vendors in fixed and semi-fixed stalls in the roaming or 'flea' markets, small vendors in tianguis on fixed days, small stores (estanquillos), home-based workers, magazine kiosks, shoe-shiners, typical food stalls, restaurant workers, car cleaners, resellers of show tickets, messengers for public bodies, street photographers, recyclers in garbage dumps (pepenadores), newspaper boys, payment collectors (aboneros), house-to-house sellers on consignment, vendors or persons safeguarding positions on the street, taxi and minibus drivers paying a daily "bill" to the owners of the units, sundry trades (carpenters, plumbers, mechanics, tinsmiths, electricians, repairers of gas installations, painters).

In 1982 the CROC made the strategic decision to join many of these organizations in a single Federation, based on those located in the State of Nueva León, but also extended to other Mexican States. The use of the term non-salaried work sought to identify a different group to that of dependant workers, which have been the

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<sup>4</sup> This introduction is based on an additional report provided by Salim Kalkach of the international area of the CROC.

<sup>5</sup> At the rural level, the main organizations are the Confederación Nacional Campesina and the Confederación de Organizaciones de Colonos, Inquilinos y Posesionarios de la República Mexicana.

focus of action by the Mexican trade union movement and of the CROC itself. The FNOTNA emerges an organizational alternative for these workers that are unaccounted for in labor regulations (the Federal Labor Law). Although it is true that the organizational form of the Federation is tantamount to that of a trade union federation, the organizations composing it are not trade unions in the strict legal sense of the word because they are groups which, in order to have legal existence, took on the juridical figure of civil association.

However, the Federation is part of a coalition with other federations forming a confederation, which allows it to fight for labor rights as a trade union, even though they are beyond the scope of the labor legislation.

The call to create the Federation also clarified that its actions were not targeting those small workshop owners (and that had salaried workers), or any other type of microenterprise with labor subordination. But it included workers that depended economically on an enterprise or an intermediary to survive among self-employed workers (taxi-drivers, minibus drivers).

According to the Federation's experience, the best way to organize any group of workers is to let them organize themselves naturally on their own, based on their own specific and collective needs. Many organizations began their cohesion process based on specific points, such as obtaining permits for a given activity. Once the permits had been obtained, the organizations tended to disperse. To avoid this, the FNOTNA started to identify ongoing and common demands, for the organizations to remain and grow. Thus, demands were established to be reached in different periods of time: immediate, mediate and future or long-term. Then a program of action was created providing an orderly structure to the demands.

**ACTION ON SOCIAL SECURITY.** Of the many actions undertaken by the Federation, this paper focuses on the expansion of social security coverage among its members. In this regard, the Federation took into account that the reform of the Social Security Law had incorporated the possibility of including non-salaried workers by establishing a legal framework for voluntary affiliation to the social security regime.

In this context, in 1998 the Federation pioneered a feat in the Mexican experience: the Agreement to incorporate non-salaried workers into Social Security, signed with the Mexican Social Security Institute (IMSS). Based on this agreement, the Federation took on the responsibility of presenting the workers to be incorporated into the system to the Institute, directly making the payments of its policyholders. The minimum wage in force was taken into account for reference purposes.

Recently, this approach has been strengthened by the agreement (June 2013) between the CROC and the Ministry of Labor & Social Welfare (STPS), with the national ILO Office as witness of honor. The framework was the Formalization Program un-

dertaken by the government in office that year, as well as a specific line to create a universal floor of social protection and social security, as part of the 2013-2018 National Development Plan. In relation to the objectives of the Federation, the voluntary affiliation of workers to the Institute was promoted in cottage industry and independent workers, such as professionals, small vendors, artisans, checadores (criers located at the exits of public transport to coordinate and cry out when the passengers get off), and other non-salaried workers; also domestic workers.

The Program promotes the creation Program which also promotes the creation of a Working Group in each federative state, chaired by the official appointed by the respective governor, and who must establish a work program for the state. Each federative entity will monitor, follow-up on and evaluate the progress achieved, as well as report on compliance with the goal of the state involved.

The Federation joined this Program formally in 2013, thereby strengthening its actions in this field, and it now has 25,000 workers with social security.



## **I STATISTICS & TRADE UNION PROMOTION**

For many years interest in the informal sector has been growing in union discussions and activities. The need to provide adequate solutions to the problems faced by workers of the sector is increasingly recognized by the trade union movement and is an urgent concern for trade unions in developing countries like ours.

In particular the trade union movement reflects on the most appropriate policies, strategies and means to be implemented in this area. In Mexico it has been considered a transient phenomenon linked to the cycle of economic development, but statistics show that this is not so because, far from disappearing with the growth of the modern economy, the phenomenon has continued or worsened.

When speaking of the informal economy, what immediately comes to mind are small entrepreneurs, independent workers, street vendors, tenants whose businesses and activities are not registered, who do not pay taxes, are not governed by laws, regulations, contracts and/or agreements in force.

These informal workers have grouped into “de facto” organizations (that are not “by law”), such as trade unions, associations, neighbor’s committees, etc. through which they seek the wellbeing of their members and defend them from the arrogance and abuse of minor officials representing the authority. In this way they have achieved spaces, prebends, and responses to their demands for public spaces, land to build housing, credit, etc.

The concern is that the spaces abandoned by the State have been occupied only in part by these organizations; the rest of such spaces seem to be occupied by those accustomed to living outside the law, smuggling and selling stolen goods. This does not seem to concern people and authorities and some pseudo-leaders have even become public figures as a result of their organizations.

Along with this, it is clear that informality is identified with the poor living and working conditions, and even poverty. The lack of social security protection is a key element of the situation.

The course of the economy is another central factor of the problem. Insufficient creation of quality jobs has led to increasing portions of the population obtaining their livelihood in unstable and precarious conditions in the formal economy, or directly in the informal sector. This is how unemployment is maintained at relatively low levels. The Free Trade Agreement with North America explains this in

part: by dismantling existing production chains and not generating alternatives to promote the creation of micro, small and medium enterprises

## **II THE REPRESENTATION OF INFORMALITY IN THE CTM**

Contrary to what is sometimes assumed, the CTM has extensive coverage of non-salaried labor, thus abiding by its bylaws that authorize such representation in urban and rural areas. Much of this representation is at the level of the Regional Federations, such as Oaxaca, Quintana Roo, Baja California Sur, Nayarit, and others such as Sinaloa and Tabasco.

The basic profile of the organizations grouped into the CTM includes the following activities:

- 1 Vendors organized in municipal markets (tianguis), as well as fixed and semi-fixed stalls in other public, street spaces. Also artisans and waiters at fairs and palenques (typical fairs).
- 2 Services to the general public: shoe-shiners, musicians, photographers, tour guides, also “monosabios”, who are assistants in the different stages of bullfighting.
- 3 Transport: car transport drivers, bus drivers, tricycle taxi drivers (tricicleros), owners wheelbarrows and carts.

The transportation sector is particularly important which, as well as the regional level, has two structures with greater coverage:

- The Sindicato Nacional de Permisarios del Autotransporte created in 1990, with 55,000 union members, defending the status of salaried workers and not of employers, and demands a permanent rate-setting policy.
- The Sindicato de Trabajadores de la industria del autotransporte similares y conexos de la República Mexicana, formed by “freighters”, also called “hombres-camión” (truck men owning one or two units), and also ask for rates.

It is clear that the CTM also represents non-salaried workers in rural areas linked to activities of the primary sector of the economy, both subsistence farmers and artisanal fishermen and women working autonomously and selling their products independently, and “chicleros” who working pulling out the sap of a tree species called chicle, in tropical and humid areas.

We must keep in mind the importance of organizing informal workers in Mexico in the framework of the political strategy of the PRI (Partido Revolucionario Institucional), through a sector of grassroots organizations.

### III THE OVERALL STRATEGIC APPROACH

In addition to its organizing tradition, for twenty years now the CTM has been analyzing and reflecting on the issue as per a practice developed by the Ministry of Education & Training and the Secretariat for Care to Marginalized Groups, with a comprehensive approach in terms of beneficiaries given that it applies to affiliated organizations of the sector and other sectors, also with extensive territorial coverage (State, Regional and Local Federations). Some of these activities (conducted in the nineties and in the past decade) have been conducted with support of ORIT (when its main offices were in the CTM building) and the ILO Office in Mexico.

The Second Secretariat mentioned for Care to Marginalized Groups is, in and of itself, the result of a policy on this issue; it was created in the XIII National Congress (1998) to detect the concerns and demands of workers in this sector and be better positioned to provide an alternative.

In this organizational framework, the strategic activities of the CTM on the issue of informality have resulted in a list of important proposals based on union strategy.

At the government level, the CTM is in charge of demanding that the size of the sector be legitimately reduced.

At the organizational level, the recommendations are as follows:

- Unify the consideration of salaried and non-salaried workers in order to expand the membership base and have more dialogue with the government, society and the party.
- Encourage the inclusion of workers of the informal sector of the economy in the trade union movement, with a central role for the State, Regional and Local Federations.
- Implement education and training programs to raise the status of informal workers and promote a change of social awareness.
- Include the fight for the rights of all types of workers in trade union actions.
- Promote new social and labor legislation providing legal and social coverage to those belonging to the sector.
- Request lawmakers to incorporate workers of the sector into the Federal Labor Law as subjects with social rights.
- Address the situation of working women selling cosmetics, musicians, and tortilla-makers.
- Move forward in the generation of a savings fund for workers of the informal sector to cover eventualities.
- Promote the creation of official and participatory nurseries for the children of workers of the sector.

- Create an office for the paperwork and provision of legal advice and guidance for CTM workers of the sector.
- Establish a coordination body in the CTM to shop together in order to sell items at prices with a higher margin, and help unify workers of the sector.
- Give certainty, credibility and confidence to workers of the sector through the operation of portfolios in state, regional and local federations.
- Open institutional spaces, channels and arrangements with federal, state and municipal governments for the organization, service and representation of workers of the sector.
- Develop programs to strengthen the sector, improving its image and emphasizing its fundamental economic, productive and social work for the domestic market and the development of important groups in society.

Finally, we leave a final message: in training activities, participants have overwhelmingly disagreed with the use of the term workers of the “informal sector”, expression which they consider leads to discrimination and lacks respect for these workers. In the above conclusions they maintained the traditional expression to respect to the term used in workshops. It is an important issue that should have been taken into account by ILO at the time of deciding to continue using this term.

**José Olvera** Deputy Secretary General, Trade Union of the  
Universidad Nacional Autónoma de México (STUNAM)

Member of the Political Commission and of the UNT Commission of Relations

In recent years the informal economy is becoming a matter of fundamental relevance to the present and future of countries, acquiring new forms of expression in social, economic and political activities, especially in the world of work, due to the constant and increasing precariousness of the situation of these workers. The global economic crisis of capitalism has triggered the expansion of informal employment in all levels of the economy.

In addition, the current crisis of the neoliberal model is pushing for greater flexibility in labor relations, creating constant *de facto* informality, both in production and employment units, seeking to reduce labor costs in order to increase their profit and promote greater business competitiveness, generating greater inequality and poverty.

The magnitude and composition of the informal economy is closely linked to an idea of growth that sees informality as a solution to the current crisis, in which both the formal and informal economy are intertwined at the service of big capital and to the detriment of the situation of workers in rural and urban areas, as well as in all sectors of the economy. The social and labor rights of workers are affected; they are deprived of social security and the protection of the State. Therefore, informality is a trait of the current model of capitalist growth and of the global economy. It is not a temporary, but an ongoing, structural problem.

This situation is further aggravated by regressive labor reforms that promote forced flexibility of labor relations, through outsourcing, trial, part-time, occasional or seasonal contracts, the cheapening of layoffs and the nefarious practice of trade union simulation and Collective Employer Protection Contracts. These policies lead to the decline in formal salaried employment and the proliferation of informal jobs that were previously formal. Similarly, the anti-union offensive is getting stronger and trade unions are getting weaker.

The expanded vision of labor is not restricted solely to the labor market, but considered from a holistic perspective, as articulating political, economic and social spaces, i.e. binding society together, instituting rights and the dignity of people.

The informal economy comprises the set of productive units and/or economic activities and informal workers evading tax, labor or social obligations. Informal work refers to the labor status of workers: it is an activity performed on the margins or outside rules and regulations, with no socio-labor rights and benefits. When

referring to the informal sector we refer to economic units involved in the production of goods and/or services without legal registration or on the margins of existing regulations. Hence, a broad view of informality includes the group of businesses profiting from the range of informal, independent or salaried jobs, both in formal and informal businesses.

The existence of informal workers with socioeconomic status and highly qualified activity and high income must also be recognized. They enjoy social and labor conditions that are diametrically opposed to the other major group of poor workers living with high levels of precariousness and insecurity.

Informal work has proliferated at all levels, both in formal enterprises and in informal productive sectors, as well as in the household. It is the same situation in rural and urban areas. We also identified the informality of workers and production units characterized by extreme economic, fiscal and labor vulnerability operating on the margins of the law.

Globalization, trade liberalization at any cost, free mobility of financial capital and the subordination of the productive economy, promote the reduction of production costs and decentralization of production in order to maximize profit. In this way a complementarity is generated between the informal and formal economy for greater precariousness and maximization of profit, confirming that it is not simply a current phenomenon, but a structural occurrence of the capitalist system.

## THE MEXICAN SITUATION

In Mexico, the labor reform was approved via fast track in November 2012, arguing that labor rigidities were impeding job creation and that this would be the solution to increase the country's productivity and competitiveness, while generating more jobs. However, this has been one more unfulfilled promise of the neoliberal discourse which, far from generating the promised 400 thousand jobs and reaching a 4% increase in GDP, to date has only created informal and increasingly precarious jobs.

Based on the data of the National Institute of Statistics and Geography (INEGI) and based on ILO parameters, the Center for Multidisciplinary Analysis (CAM) of the Universidad Nacional Autónoma de México (UNAM) built a methodology that has determined that the unemployed population reaches 8,900,033 workers and that the real unemployment rate is about 15.2%. During the current government, the employed population rose to 500,108, of which 286,160 are informal workers, accounting for 57.2% of jobs created.

Thus reforms, far from generating jobs, have legalized subcontracting, temporary contracts for specified work, payment per hour and per season or per training. Hence, in actual fact the labor reform has prompted growing and unilateral flexibi-

lization of labor, with the consequent violation of social and labor rights, legalizing major forms of exploitation of workers.

Based on INEGI data, from 2007 to 2010 informality rose from 57.4% to 59.1%. The private sector grouped into the National Confederation of National Chambers of Commerce (CONCANACO) recognized that there were over 13 million informal workers in 2010 and in the third quarter of 2013 this figure rose to 13,946, 457 workers, i.e. an increase of 6.92%.

Based on the latest official figures for the fourth quarter of 2013, the EAP of 52.7 million people rose by 1.1 million people as a result of population growth, compared with the previous year, and the results of the National Survey on Employment & Occupation (ENOE) reveals that informal employment incorporated 29.6 million workers, i.e. an increase of 0.7% compared with the previous period, representing 59% of the employed population, i.e. more than 14 million people, an annual increase of 2.6 %. However, the number of informal workers employed in formal enterprises, governments and institutions, reached more than 7 million people, equal to 50% of those working in the informal urban sector.

The composition of labor informality can be summarized as follows: 52.8% are subordinate and paid workers; employers represent 3.1%; self-employed workers 34.1%; unpaid workers represent 10%; and the composition of informal employment per sex is 61.1% men and 38.9 women. Lastly, informality in the trade and services sector is 58.3%; 20.8% in the secondary sector; and 20.9% in the primary sector.

Informality in Mexico accounts for about 60% of the EAP, without social security, and most workers earn much less than they would in the formal sector, which explains that informal employment is a survival strategy given the ravages of more than thirty years of stunted growth of the economy.

Moreover, according to estimates of the Mexican Social Security Institute (IMSS), the informal population is currently 15,500,000 and the country map depicts the spread of informality. In the first three months of 2014, the economies of the states of Guerrero, Oaxaca, Tabasco, Chiapas and Campeche lost 9,839 formal jobs compared to the end of 2013, based on the IMSS data, entailing a setback of 1.1% in the first quarter.

Similarly, it is noteworthy that the rate of informality recorded in Campeche is the highest in the country, with a rate of 60.9% of the total employed population. Also in Tabasco there are pressures on the labor market with a rate of informality of 78.5% of the employed population.

Moreover, although the Federal District, Chihuahua, Baja California Sur, Jalisco, Yucatán, Tlaxcala, Morelos, Sinaloa and Colima were able to generate new jobs in the first quarter, the rate was 22.8%, lower than in the same period the year before. That is, minus 20,000 jobs.

In July 2013, the Federal Government announced the creation of the “2013 Pro-

gram to Formalize Employment” in which the Ministry of Labor & Social Welfare, the Mexican Social Security Institute and the governments of the 32 states of the Mexican Republic were to coordinate and develop actions to reduce informality. This program will seek to target efforts on a sector of the population consisting of 23.1 million salaried workers currently working in formal enterprises in trade, manufacturing and services, of which more than a fourth do not have social security.

Actions simply seek to monitor the enforcement of the Federal Labor Law and the Social Security Law, in relation to the right of workers to social security benefits; promote compulsory enrollment in social security; encourage voluntary insurance in the IMSS compulsory regime of domestic workers, non-salaried workers, ejidatarios (owners of communal land used for agriculture on which community members individually farm designated parcels and collectively maintain communal holdings), comuneros (people with agrarian rights owned in common with other individuals or owners), small owners and employers; promote the affiliation of workers of the ‘governments of the states’ and municipalities to the competent social security institution.

As we can see, the Mexican government continues with limited policies and targeting, only promoting policies to access to social security in formal enterprises and the government sector. The objectives of the government program have fallen short and are very limited, simply formalizing what is currently informal, without addressing the complexity of the phenomenon and its causes, as the problems generating informality still persist.

The solution requires a comprehensive State policy based on a National Development Agenda with a national formal job creation program, a program to recover the purchasing power of wages, creation of a social security system with mixed funding, regulation of informal businesses and employment; and boosting capitalization and credit for businesses to strengthen their productivity. In short the current model needs to be transformed and the course of economic and social policy needs to change.

## UNT EXPERIENCE REGARDING INFORMALITY

In 2010, the UNT updated its Bylaws (November 26, 2010). Some of the changes are: the functions of the Vice President of Trade Union Training & Processes, emphasizing the promotion of the interests of members and of all workers in general, including pensioners, the unemployed and the non-organized. Other changes relate to more important functions: development of strategies to organize workers into new groups, defining the priorities in coordination with the collegial presidency.

Also, a Statutory Reform initiative has been submitted to the UNT that includes the current ILO and TUCA guidelines, as well as mainstreaming the gender per-



spective and the individual membership of workers.

Based on these guidelines, the UNT has made efforts to organize the emerging groups of formal and informal workers; has waged important struggles to organize workers in precarious situations in call centers, Avon workers on commission, car insurance salespersons, domestic workers, workers of security forces linked to the government, taxi and truck drivers.

It is also important to highlight the efforts made by the Frente Auténtico del Trabajo (FAT) in the region of Laguna in Gómez Palacio Durango, organizing the residents of poor neighborhoods with the “Union of Street Vendors”, the “Silvestre Revueltas” (street) musicians’ union, the “Manuel Buendía” trade union of street photographers, the National Transport Trade Union composed mainly of taxi drivers, garbage recyclers of the city of Jiménez in the state of Chihuahua. Likewise, informal workers of formal enterprises in the Valley of Mexico, such as gasoline dispatchers organized into trade unions in Mexico City.

## **UNT AND THE INTERNATIONAL TRADE UNION MOVEMENT**

As of 2013, the UNT has supported the TUCA in the discussions at the ILO in favor of a recommendation on the transition from the informal to the formal economy.

We must recognize that the informal economy and the formal economy are not two unconnected or autonomous parts of the economy, but two areas which are linked and feedback on each other through several circuits; informality is an alternative to the distribution of goods; they are intrinsically linked forming a whole in order to expand the exploitation of the workforce, promote competitiveness and boost profit at the expense of reduced labor costs .

Furthermore, capitalist crises of the current neoliberal model have generated an exponential growth of informality, which has expanded even more due to the recession of the world economy acquiring new forms across all countries, spreading to other sectors, so much so that informality has become structural. In short informality is a multidimensional phenomenon.

Therefore, the discussion on the transition from informality to formality must account for the social, political and economic complexity of a structural phenomenon and must be addressed from the perspective of Platform Development for the Americas. Hence, it cannot be limited to a simple transition from informality to formality through policies targeting access to social security. It needs to recognize all forms of informal employment, and formal and informal economic units.

Informality is not only a matter of governance. Neoliberal policies have promoted it via privatizations, flexibilization of labor relations, wage restriction and job insecurity. Therefore, a new structure is required to replace existing institu-

tions of social protection and labor regulation to give certainty to workers throughout their working life, based on a new system of labor relations with a balanced mix of active and passive labor policies to effectively protect workers and promote the development of productive forces.

A comprehensive strategy to facilitate the transition to the formal economy requires comprehensive public policies; promotion of investment and economic development; an industrial, labor and social policy focused on rebuilding the domestic market; creation of decent work. The above will improve the relationship between greater productivity of the labor force and higher real wages, and social dialogue between workers, employers and government is essential.

Ensuring the rule of law through effective compliance of the legal, tax, labor and social framework, based on a combination of information, advice, capacity building, plus incentives and penalizations will encourage the transition to formality and reduce incentives to maintain the informal sector.

In the same way, full freedom of association and the right to collective bargaining, without exception, need to be ensured to all workers in the informal economy. As well as addressing the inequalities affecting women by providing paid maternity leave and creating a network of social protection and caregiving services for their dependents.

Consequently, we trade unionists of the Americas must promote the construction of a dual strategy allowing us to promote a regulatory recommendation based on ILO guidelines at the international level; and to build the transition from the informal to the formal economy based on national characteristics and specificities supported by national programs to give more power to workers to build their future emancipation, at the national level.

**Fighting informality is actually the struggle for decent work.**

**Alfredo Domínguez** National Coordination.

The Frente Auténtico del Trabajo (FAT) began its activities in October 1960, promoted by what was then the Latin American Confederation of Christian Trade Unions (CLASC) and several groups of workers initially organized by the Mexican Social Secretariat.

Its objective was to form an authentic trade union movement, differentiated from the corrupt unions at the service of employers and the government that had always encouraged the Collective Employer Protection Contracts.

As of its inception, genuine, democratic and honest trade union practice became the national and international benchmark for the fight against capitalist exploitation.

Their representatives still live as modestly as any worker of the country, dress like workers, eat like workers, live like the members of the working class. Even though it is a small organization compared to the country's population, it has 40,000 members, including workers, settlers, subsistence farmers, self-employed workers organized into associations of street vendors, photographers and musicians in public spaces, shoe-shiners, cooperatives, six industry unions (transport, sewing, auto parts, metal, services and clothing), national unions of private companies and transnational corporations, municipal workers unions, militant groups, academic researchers and promoters of all types of social organization.

Among its main features is the imagination to solve organizational forms in a society controlled by the state through corporate trade unions. This imagination has led to innovate and build an organization based on the specific conditions of each location: the same feature impregnates the corporate trade unions to promote their democratic operation, as well as the formation of new trade unions or other forms of resistance, such as civil human rights associations.

Among the various actions undertaken: it promotes a social movement of resistance and unity of the independent and class workers' movement: it is founder of the Unión Nacional de Trabajadores (UNT) which serves the vice presidency of social communication and the secretary of the relations commission; founder of the Red Mexicana de Acción Frente al Libre Comercio (RMALC) of which its National Council is part; co-founder with the Sindicato Nacional de Trabajadores Mineros, Metalúrgicos, Siderúrgicos y Similares de la República Mexicana (SNTMMSSRM), the Sindicato Mexicano de Electricistas (SME), Sindicato Mexicano de Electricistas (SME), Unión Nacional de Técnicos y Profesionales de Pemex (UNTYPP) and the Sindicato de telefonistas de la República Mexicana (STRM) of the Mexico-US-Canada

Trinational Solidarity Alliance, coordinating the Mexican part of said alliance.

One of the most important experiences of the FAT as grassroots organization and member of the UNT is the dignification of working families, understanding that working in the informal sector is the livelihood of the majority of the Mexican population, constituting more than 50% of the Economically Active Population (EAP) with more than 30 million inhabitants in that situation.

We call it a survival mechanism because without such self-managed alternative of their own, destitution would lead many families to total precariousness with no possibilities of decent work.

It is worth mentioning that most of the registered population with formal employment in formal enterprises, in actual fact lives in a situation of total informality: without wages, without benefits, without freedom of association and even having to pay their employer for their work, as in the case of fuel dispensers or waitresses and waiters who pay a daily fee to the employer depending on their productivity. The more they sell and invoice, the more they pay, because the fee is determined by their total sale, making this relationship an example of maximum exploitation in the Mexican neoliberal system.

The FAT understands that fighting against informality involves the quest for a decent life with full rights and decent work, which leads us to confront both union corporatism and their national trade union centers, and to seek self-managed organizing and labor alternatives.

An emblematic case is the Comarca Lagunera region in northern Mexico, which includes an area shared by two states in Mexico, Durango and Torreón.

In this region, a group of FAT militants began to fight for the right to housing, demanding decent spaces where to build their homes. This struggle achieved at least three settlements, in which hundreds of families settled. The struggle continued with the demand of basic rights such as electricity, water, sewage, schools, among others.

The center of action and organizing was gradually built until the Frente Obrero Campesino Estudiantil y Popular (FOCEP) was set up which, as UNT member, acts as the UNT collegial presidency in the Comarca Lagunera.

The FOCEP is a center of organizing and union, cooperative and community development in the Comarca Lagunera; it is a multisectoral organization of strategic importance. Due to its their expertise in alternative forms of organizing trade unions in enterprises, the possibilities of expanding the FOCEP to new sectors of the industry and other spaces that not organized are being identified and we believe that substantial progress will be achieved in the medium term.

The districts are fighting against tax increases to the poorest while taxes are condoned to the richest in the country, and tax collection does not translate into improved basic services. Instead the news on the corruption of officials and poli-

ticians adds insult to injury: they are paid high salaries with these taxes; the cost of running water rises; neighborhoods are overcrowded with no basic services for their residents; neither do they receive advice on gender equality, civil, labor and criminal law. However, their influence continues to grow: Colonia 5 de Mayo, Colonia Lázaro Cárdenas, Ampliación Lázaro Cárdenas, Colonia Agrícola Granja Nazas, Colonia Estación Antiguo Noé, Colonia Parque Hundido, Colonia FOCE, Campamento FOCE, Colonia Los Ángeles, Lerdo, Colonia Los Sauces, Lerdo, Colonia Agrícola Popular Durango, Colonia Mayagoitia, Colonia Buendía and Colonia Palo Blanco.

Organizing these neighborhoods has helped address the issue of water, a dispute filed with local authorities on the use of water by dairy plants in the area; other actions are support to subsistence farmers and small-scale farmers with the sale of their produce at higher prices.

In terms of social economy, a strategy of resistance to adversity was implemented. In the cooperative that manufactures clothing in Ceballos, given the difficulties to compete with a brand of their own, the maquilas had preferred to sew jeans of international brands. As the maquila market of the region declined, it was necessary to cautiously resume the launch of their own brand Ceballos Jeans.

The groups of goat farmers continue their activities as suppliers to large companies, such as Chilchota and Coronado, and look forward to establishing their own company of goat dairy products.

Regarding the National Transport Union, we succeeded in the registration, which is really is a government mechanism to control trade unions, allowing the unionization of self-employed workers, thus initiating the organizing process of unorganized sectors or sectors trapped in corporate networks controlled by the state, establishing at least three trade unions of this kind: Sindicato Progreso, Sindicato de Ecotaxis and Sindicato de Ecotaxis (previously of Sitios y Rutas).

The National Transport Union has achieved substantial progress. Mobility in Mexican urban areas of economic importance is becoming a problem: the transformation of the old regime of concessions to individual owners of transport units for service in different access routes is underway. Such concessions to small owners are gradually being withdrawn to open way to large transport companies. This triggers a series of conflicts at national level, which are not that visible but have been acquiring relevance in recent years, with self-employed transport workers in the cities needing to address the policy changes of local governments. In the case of the area of influence of the FOCEP, the trade union has helped confront the government, curbing its intention to withdraw taxi service permits to members. This conflict, which had its peak in 2014, allowed other groups of taxi drivers in the area to join and a common movement was established that, to date, has put an end to the intention of the state government. A similar case occurred in the state of Chihuahua, where taxi drivers have kept their registration and this year are struggling to

open new spaces for taxi drivers. Truck drivers of the Chihuahua mountain range offering the service to businesses of the area have a defense mechanism against abuses, and are able to defend their interests against the state authority.

Among those organized, street photographers formed the Manuel Buendia Photographers Union, while street musicians did the same with the José Revueltas Musicians Union.

The economic spillover effect of local festivals and fairs, attracting hundreds of unemployed to work under any conditions, changed with the creation of the Sindicato de Trabajadores del Palenque, and the Uniones de Comerciantes ambulantes y de Vendedores de Cerveza. These trade unions help members work in better conditions of security in events given the serious levels of violence, and helps workers earn spaces at the events and for their work to be relatively constant.

The situation is similar in Ciudad Juárez, Chihuahua. A group of shoe-shiners was set up to have a safe place in the downtown area. The group is recognized by the municipal authority and brothers receive constant training and advice. The association of car-parkers (parqueros) operates in a similar manner in various parts of the city and because of their association authorities let them work in peace and they are heard by municipal authorities.

The Recyclers Trade Union operates in the area of Jiménez, Chihuahua. Besides being recognized by municipal authorities as interlocutors and being able to work undisturbed in municipal landfills, the union allows brothers to live more decently as the work selecting items to be recycled is considered as “inferior” in the country. Last year, brothers expanded their local union and registered it as state union, so now it is possible to establish alliances with recyclers in other parts of the state.

Another similar group was established in Silao, Guanajuato that works smoothly and in relatively good working conditions. As they are recognized by municipal authorities since early 2015 they have been able to negotiate the concession of a piece of land in the municipal landfill to establish a selection plant of recycled materials and to sell the selected trash at a higher price.

The Social Economy sector brings together various cooperatives and cooperative projects in different parts of Mexico, whether of savings and loans, production of goods or services and consumption. Existing groups are present in Saltillo, Coahuila; Puebla; Monterrey; Tepic; Ciudad Juárez, Durango, Querétaro and Mexico City.

The idea is to promote participatory, horizontal and solidary cooperatives, where all members are in charge of the entire operation, from decision-making to profit and responsibility-sharing. The different cooperatives and projects are supported with training on cooperative issues.

We seek to generate a new economy based on the direct relationship between producers, distributors and consumers of goods or services, based on cooperative values, of the social and solidarity economy, as well as self-management. In this

way we participate with a range of different people, cooperatives or organizations (for two years now) in the development of a network of solidarity, and have formulated 100 to 150 projects based on collective construction which, although not part of the FAT, represent a cornerstone of mutual support for specific activities, from solidarity for women on strike in the Maquilas Cartagena to the shared promotion of cooperative products or services, and organization of events, presentations and conferences.

We are publishing the magazine COOPERANDO, the first magazine in Mexico specializing in cooperative issues of the social and solidarity economy, as well as self-management. Edited, designed, printed and distributed by cooperative members themselves.

At the international level a collaborative alliance is promoted with various cooperative projects in the city of Chicago, in order to develop a network of cooperative solidarity in that city and promote the work of FAT cooperatives in other locations, as well as the promotion and sale of their products and work.

There are a couple of very important factors to be considered at the time of assessing the importance of these small organizations.

- The areas where they operate: Ciudad Juárez and Ciudad Jiménez in Chihuahua and the Laguna area in Durango are places where violence is extremely high, drug trafficking areas, where part of the population has migrated elsewhere and living conditions in general have degraded.
- Traditionally work in the informal sector, like trade unions, are loot for some people at the service of the state and political parties; informal workers must pay fees to carry out their activity undisturbed by authorities or “leaders”. In addition paying to work, they are required to perform various activities as per the needs of said leaders.
- These small organizations disrupt this dynamic; they are democratic groups that are able to hold a dialogue with authorities, they are allowed to work unobstructed and they safeguard workers for them not to get involved in organized crime.

**Adrián Martínez** Secretary General, CTCP<sup>6</sup>.

The CTCP was established in the city of Managua in June 2002 under the name Asociación de Trabajadores de los Semáforos (ATS). Its creation was a strategy of the FNT as part of the May 1 celebrations, when the decision was made to prioritize self-employed workers. The creation of the ATS was caused by the imprisonment of vendors at traffic lights by the National Police that blamed them for the death of Mayor, murdered at the traffic lights in the Riguero district. In this context, the FNT considered that it was necessary to change the bad image that this was causing to workers of the informal economy.

Today this organization represents over 45,000 workers organized into 99 national trade unions, which are affiliated to 7 Federations.

They are street vendors selling all kinds of cheap goods and services to our population, and they produce foods like tortillas, soft drinks, jam. They are owners of micro and small businesses that add value to some foods, as well as of mechanics, carpentry and vulcanization workshops. Others work as in street foreign currency exchange, as artisans, tailors, sewing women, barbers, storekeepers, cart-drivers, street food vendors, tricyclers (3-wheeled carts), transport announcers, car guards, lottery ticket vendors; cellphone vendors; plumbers, bricklayers, electricians, professionals and artists. 52% are male and 48% are women, mostly single mothers. They work in any activity on the streets to survive without access to social security, most of them working more than 12 hours under the sun, in the rain, exposed to the inclemency of the weather. They earn the average minimum salary of C\$ 2,256 (córdobas) equivalent to US\$ 107, which barely covers 26% of the basic basket.

## **I THE OVERALL STRATEGY**

With the implementation of structural adjustment plans by the neoliberal governments, Nicaragua underwent a process of labor transformation that led to violations of the labor and social rights of workers, culminating with the deregulation of the labor market and flexibilization of employment. This had a huge impact on unionization and collective bargaining given that mostly individual

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<sup>6</sup> This article blends two texts of the CTCP prepared by StreetNet: the first in 2010 on the overall approach (that was published by the WGSF in their first book) and the second in 2014 on the Social Solidarity Economy.



labor contracts were signed.

Self-employed workers account for 65% of the economically active population, the so-called “basket economy” or informal economy. They have been working in a highly competitive and dehumanized market characterized by financial, technological and commercial adversity. They are workers selling all kinds of cheap goods and services to our population on the streets, facing and overcoming huge obstacles such as economic suffocation, persecution, humiliation, contempt, exclusion and abandonment of socio-economic development policies.

In order to ensure their existence, they have had to be innovative, competitive and ethical. Not only have they been generating their own work and income, but have been organizing their economic activity with strong solidarity, an action that has been driven by trade unions, cooperatives and mutual organizations. These structures have been promoting a set of values and principles of unity, solidarity and complementarity among street workers while developing their productive and commercial activities.

Their actions are “invisible” in the sense that they are not recognized as part of the wealth-generating system, as they do not have a strong presence in the market of products and services of the large traditional capitalist corporations.

The CTCP has been designing a strategy to serve as reference for the institutionalization and recognition of the economic contribution made by self-employed workers to the economic and social development of the country. This struggle seeks the recognition of self-employed workers as contributors to the national economy of the country, producing wealth in the same way as the great traditional capitalist corporations, and this entails recognizing that they generate solidarity employment; contribute to justice social; expand economic democracy; promote fair trade; and strengthen social dialogue.

For this purpose, the CTCP promotes the transformation of the current economic units of self-employed workers in micro and small companies that generate wealth and wellbeing based on the so-called social solidarity economy. This economy is developed in the framework of a fair-priced solidarity market, with clearly defined development and social goals of wellbeing, and is based on the organizing possibilities and viabilities resulting from their experiences.

This, in turn, is part of the ongoing struggle to change from the neoliberal economic model to a different model based on equity and social justice.

Self-employed workers have to stop thinking small and foster their micro-entrepreneurial side, forming business networks, creating consortia of cooperatives, solidarity groups and promoting social entrepreneurs, enabling them to develop an associative, solidarity and complementary economy.

This requires removing barriers to formalization and recognition of the economic activity carried out by self-employed workers, and changing the current

situation in which commercial banks do not consider these workers as creditworthy to ensure their access to credit and technical assistance.

The creation of the social solidarity economy requires a learning process, i.e. training to facilitate the development of an entrepreneurial culture, where cost-benefit can be clearly identified, with established rules, among which records of their operations, accounting and financial monitoring, balance sheets of their operations, market risks, monitoring of the fluctuation in prices, packaging, advertising, quality control, scheduling operations and other rules of market competition.

It is also necessary to promote respect for the labor and social rights of self-employed workers signing agreements with local governments, the central government and state agencies to ensure decent work and decent lives. A special social protection regime is also required to rapidly incorporate self-employed workers into social security.

It is essential that self-employed workers question and gain positions of power to change the correlation of forces. This requires strong trade union organization based on fundamental principles and values of unity and solidarity at the personal, family and community levels.

## **II TASKS OF THE CONFEDERATION**

A central task of the CTCP is to promote discussion and the approval of a law in the National Assembly recognizing self-employed workers as political subjects and generators of wealth, to become part of government statistics and thus be able to fight for their rights on equal standing.

### **The CTCP**

- participates in the National Economic and Social Planning Council, CONPES.
- is member of the Social Coordination Commission and is related to the Civil Coordination Commission.
- has working relationships with various ministries: Labor, Industry & Trade, Health, Education, the Mayor's Office of Managua and the Chief of the National Police.
- is full member of the National Commission on the Eradication of Child Labor & Protection chaired by the Ministry of Labor (supported by the ILO).
- relates to several research centers (CIPRES, CINASE, CES).

### **In the social arena**

- It has promoted the creation of the Cooperativa de Servicios Múltiples, R.L. (COOVIN), through which 435 microcredits have been granted to an equal number of beneficiaries through a revolving fund provided by the Joseph Co-

maposada Foundation of Catalonia and the Danish Trade Union Council.

- It has two mutual funds in Managua (Ciudad Jardín and Israel Lewites) and one social point of sale of medications benefiting more than six thousand workers and the plan is to establish a Mutual Training Center equipped to hold training on mutual funds to union leaders and provide the methodological tools to promote affiliation of workers excluded from social security to mutual organizations. This program offers specialized healthcare, laboratory tests, high-quality generic drugs, training on disease prevention, and funeral services.
- It established the multi-service cooperative “Vida Nueva” to financially support workers with soft loans with accessible interest rates. This project provides training in microenterprise development, proper use of credit, basic accounting, recovery of debts and economic investment studies.
- It maintains a literacy program with a special methodology called “Yes I Can”; regular and technical high school, and Formal Education Program (high school education per meeting), with the participation of over 170 workers, with support from the National Agricultural University (UNA) and the National Autonomous University of Nicaragua (UNAN).

#### **In the field of productive enterprises:**

- It has developed a two-year long Special Diploma Course on Management of Micro, Small and Medium Enterprises, with a participation of 26 leaders.
- It has conducted negotiations with the local government of the city of Managua to establish working mechanisms and participation in decision-making related to the municipal landfill of Managua (La Chureca) where organized recyclers held a strike that lasted 33 days until the form of their participation in the project was defined.
- Also with the local government, it has collaborated with the organization of 1800 workers of the small market (Mercadito) located in the Las Mercedes EPZ in the outskirts of Managua, to improve their working, hygiene and public safety conditions.
- It negotiated 45 microloans with the central government through the Zero Usury Program only benefiting women workers.
- With the private enterprise called the Metrocentro Mall, whose owners are the Poma family of El Salvador, negotiations were undertaken to build the shopping area for self-employed workers, which will benefit 22 workers with the construction of mobile business modules to ensure order, hygiene, refurbishment and public safety in the work area.

### **III PROJECTION TO A SUBREGIONAL CENTRAL AMERICAN STRATEGY**

The CTCP has an active policy of international relations, as part of StreetNet, the Plataforma Sindical Común Centroamericana (PSCC), the Trade Union Institute of Central America and the Caribbean (ISACC), the Mesoamerican Forum and the Informal Economy Network of Central America and Panama (SEICAP). The CTCP has had the support of several national and international trade union organizations: the Fund for Social Development (FOS) Belgium, the Norwegian Confederation of Trade Unions (LO), UGT and CCOO Spain, the Danish Trade Union Council, the Public Service Union (UNISON) England, the Socialist Mutual Belgium and the European Union.

The SEICAP Network was created in 2006 at a congress held in Managua. Subsequently another five meetings have been held with rotating host countries. In addition to the CTCP acting as coordinator, the Network comprises:

**HONDURAS** FOTSSIEH (*Federación de Organizaciones del Sector Social e Informal de la Economía de Honduras*), affiliated to the CUTH (*Confederación Unitaria de Trabajadores de Honduras*) acts as assistant coordinator.

**GUATEMALA** SITTGUA (*Sindicato de Trabajadores/as Independientes de Vendedores de Guatemala*), member of the Guatemalan FNL (*Frente Nacional de Lucha*), and FENTRAINSA (*Federación Nacional de Trabajadores Independientes de Salud*), also belonging to the FNL. The SITTGUA is the head of this Federation.

**PANAMÁ** FUTJOPOCIF (*Federación Unión de Trabajadores, Juntas de Vecinos, Organizaciones Populares, Comercio y afines*) of the CNTD (*Confederación Nacional de Trabajadores Dominicanos*).

**REPÚBLICA DOMINICANA** FUTJOPOCIF (*Federación Unión de Trabajadores, Juntas de Vecinos, Organizaciones Populares, Comercio y afines*) of the CNTD (*Confederación Nacional de Trabajadores Dominicanos*).

The SEICAP has six pillars:

- Organizational strengthening of members.
- Training and information-sharing to define the profile and identity of workers in the informal economy.
- Establishment of communication and information networks, and national and international events.
- Identification and implementation of joint exchange projects; the creation of supply centers is prioritized.
- Social and political impact at the level of local and national governments.

- Defense of human and social rights (health, education, etc.).

The SEICAP Program also includes:

- Demanding rights to basic services in the workplace.
- Respect for the right to occupational health and safety in the sector.
- Awareness raising of the respective National Congresses and society in general to create laws allowing governments to invest in production with jobs.
- For self-employed work to be considered optional, not a necessity.
- Inclusion of the sector's demands in the decision-making of governments of the region;
- Demand for governments to respect and implement ILO Conventions and Recommendations on independent work.
- Promotion of laws on the social sector of the informal sector's economy.
- Revision of the laws relating to the sector's rights.
- Demand the end of evictions and persecution, demanding respect and assurance for the space where the self-employed work.
- Demand for credit policies for the sector on the part of governments and state agencies; signing of various agreements on labor issues for the sector with municipal governments and a share of participation for the sector in the relevant governmental and civil society organizations.

#### **IV STRATEGY FOR A SOCIAL SOLIDARITY ECONOMY**

As of its membership to StreetNet, the FTCP, an affiliate of the FNT (National Workers' Front) a strategy was undertaken to incorporate the concept of the Social Solidarity Economy among affiliates.

First, in September 2009 the FTCP held the first meeting on the Social Solidarity Economy of the Americas in Managua, Nicaragua, already acting as Focal Point of StreetNet for the Americas (South America, Central America, Mexico, the Caribbean and the United States).

The purpose was to strengthen the mechanisms of communication, exchange and coordination necessary to implement creative solutions to the problems of our sector. One result of this first meeting was to learn more about the realities of each country and their organizations, facilitating the establishment of affinities and synergies for the sector's fight at the continental level.

At the beginning of 2010, the First Manifesto: The Social Solidarity Economy in Proletarianized Nations and the Self-Employed Proletariat in the Transformation of the System", written by Dr. Orlando Núñez. On this basis, during the Benin Congress in August 2010, the Federation submitted a draft resolution on the issue to

StreetNet, which was approved.

The Second Meeting was held in August 2013, repeating the pattern of participation of sister StreetNet organizations and other special guests.

In the four years since the first meeting was held, the economic model prevailing in the world has imposed a financial crisis on people, the effects of which have compounded the economic and social precariousness affecting all of society, and our sector even more.

Consequently, the second meeting focused on evaluating and giving continuity to the commitments made in the first, and on seeking alternatives to address and overcome the effects of the general crisis imposed on our people by the global economic system. They also discussed and socialized associative and self-managerial initiatives which our organizations can implement to address the widespread crisis, in the framework of social solidarity economy. Also, due to the important role women play in society, the family economy and in our sector, we will exchange experiences and initiatives in effective leadership of women, leading to more democratic, inclusive and efficient organizations in the struggle to transform existing reality.

#### **V STREETNET RESOLUTION ON THE SOLIDARITY ECONOMY PRESENTED BY CTCP-NICARAGUA AT THE THIRD CONGRESS, 2010**

**1** the countries of the world, categorized as underdeveloped or developing countries, the lack of jobs is increasing at an alarming levels as a result of the adverse economic and market policies imposed for decades by the global neoliberal system, forcing between 30 to 70 percent of its economically active population to seek occupation in what is known as the Informal Economy Sector, street vendors or self-employed workers.

**2** that the working and living conditions of most of these workers are precarious, in conditions of poverty, extreme poverty and without any technical, financial and social assistance from the state, and the majority in this sector are women who are breadwinners who support their families.

**3** that despite such adverse conditions, such workers maintain their working activity, avoiding partial or total unemployment through micro and small enterprises, mostly of a family nature, producing and offering a variety of goods and services, as well as handicrafts and basic consumer products.

**4** that this sector of the informal economy, street vendors or self-employed workers, despite the adversities in which they work, play an important role in the economies of their countries through the positive impact they have on indicators

concerning coping with unemployment, the GDP and social stability, to the point of forming a new economic sector that is governed by principles and values of social responsibility, entrepreneurship and solidarity, and this is vital to the development of democracy and economic citizenship.

**5** that the richness and balance of the society are due to its diversity, and that this Social Solidarity Economy actively contributes to it, by improving and enhancing social, communitary and family stability, providing a model of micro and small enterprises by which the Social Solidarity Economy contributes to a stable, durable growth, and fundamentally to the development of democracy and economic citizenship.

**6** that the values of the social solidarity economy are closely consistent with the objectives of social inclusion, decent work, training and reintegration of disadvantaged persons (as demonstrated, for example, by micro-credit cooperatives designed by Professor Mohammed Yunus, Nobel price-winner, who, by facilitating financial integration has increased the influence of women), and which provides substantial social innovation, supporting people who face difficulties in finding their own solutions to social problems, gender equality, quality of family life, and gives them the capability of taking care of their minor children, older relatives and people with disabilities.

**7** in general, firms in the Social Solidarity Economy are micro and small businesses that contribute towards a sustainable economic model where people are more important than capital.

**8** Whereas, despite its growing importance, the Social Solidarity Economy and organizations involved in it (Cooperatives, Mutual Societies, Associations and others) remain a sector little known and often subject to marginalization product of misguided technical approaches, considering that the institutional invisibility is one of the most important to this economy faces obstacles, something, in part, due to the characteristics of national accounting systems that do not accept, recognize and record their importance.

HEREBY RESOLVES: Demand, work, influence states where there are StreetNet affiliated organizations to:

**1** Promote policies to defend the concept of the Social Solidarity Economy as a “different approach to business”, whose main purpose is not only financial return, but also, and even more, to benefit society as a whole so that the special nature of

the Social Solidarity Economy is taken into account at the time of drafting of legal frameworks;

**2** Include the Social Solidarity Economy, its members and partners (cooperatives, mutual societies, associations, and others) in its legislation and policies, implement easy access to credit, tax benefits, development of micro-credit, technical assistance and social security as well as incentives to better support organizations of this type created with a social purpose;

**3** Support the members of the Social Solidarity Economy as a real investment in building networks of solidarity that can strengthen the role of communities and local authorities in the development of social policies, democracy and economic citizenship;

**4** To promote local competitiveness and capacity for innovation, taking into account the potential of the Social Solidarity Economy to create stability in a context of predominantly cyclical economies, through the reallocation and reinvestment of profits at local level, promoting a new corporate culture, linking economic activities to local needs, the maintenance of risk activities (e.g. handicrafts) and social capital generation;

**5** Develop programs for members of the Social Solidarity Economy, existing and potential, to offer them financial support, information, advice and training to streamline the process of creating and formalizing them, in order to help them cope with an economy increasingly globalized that is now affected by a serious cyclical global financial crisis;

**6** To organize programs to promote experimentation with new economic and social models and research framework programs, the inclusion of issues related to the Social Solidarity Economy in calls for proposals, as well as providing for the use of a “multiplier” applied to official statistical data, and the introduction of instruments of qualitative and quantitative measurement of the growth and development of the Social Solidarity Economy.

## **V CONCLUSIONS**

During the 16 years of neoliberal governments, self-employed workers were marginalized, humiliated, persecuted, displaced and excluded from the country's social programs and socioeconomic development policies. Today they have hope and are fighting to transform their economic activity into decent work to make a decent liv-



ing, with social security and wellbeing for the family.

Self-employed workers are the largest part of the private sector and the mainstay of the country's socioeconomic development. However, there are no policies defined by the State in favor of this sector, and the system excludes them financially, technologically and commercially, which does not allow them to sustain their activities over time.

The CTCP has clearly defined a development strategy that underpins and guides their production and commercial activities, while also carrying out social and productive activities to directly support its affiliates.

Self-employed workers in Nicaragua face a great opportunity and a challenge: to show that it is possible to build a world with social justice and a business model that can generate decent employment to make them more competitive and meet the demands of the Nicaraguan population, but also be recognized for the enthusiasm with which they work and the human solidarity with which they act.

**Gabriel Castillo Cobra** Organizing Secretary.

**T**he first thing to note is that neoliberal policies in our country have caused labor deregulation and outsourcing. The age of workers who are separated from their jobs, both in the public and private sectors, is such that it is difficult to re-insert themselves into paid work: as the saying goes “they are too old to work and too young to retire”. This certainly encourages informality.

Informal self-employment is present in all sectors: rural transportation, trade and services.

An important part of these sectors actually depends on who “sells” them the goods i.e. a provider that in practice fits the figure of an employer. These workers are not aware that they are semi-autonomous or, for that matter, salaried workers. This issue requires regulations and government structures.

In search of good experiences in the transition from informality to formality, Panama has four elements to speak of:

- the Constitution recognizing retail business, traditionally called buhonería (Article 288).
- the labor code authorizing the organizing of independent work (Article 336), provided it is not salaried work.
- Decree 25 of 1999, at the level of the municipality of Panama City, regulating retail activities carried out informally on the streets, avenues, sidewalks and other public areas, categorizing self-employed work as subsistence economy. For this purpose it created a system to identify workers authorized to do this work, which details the requirements for their approval. The value of this rule is that it appoints a corps of overseers responsible for ensuring effective enforcement of the regulations, for which a Commission on the Informal Economy was set up including the Mayor's Office and the Sindicato Nacional de Buhoneros, Trabajadores Informales y Afines de Panamá, SINBUTIS, affiliated to the CTRP. Subsequently there have been more regulations on the necessary characteristics to issue a permit to new street vendors or buhoneros (2006).
- social security regulations indicate that self-employed workers can pay their fees to the Social Security Fund, based on a declared minimum monthly income of three hundred balboas.

All national confederations of Panama allow the membership of self-employed

workers. In the case of CONUSI, this experience is more recent, and is expressed in several lines:

- membership of street and independent workers of textile workshops.
- creation of a cooperative of trade unions of the banana sector for one hundred workers producing palm oil, after the close of their company.
- attention to the issue of informality and precariousness in the construction sector through its main organization, the Sindicato Unitario Nacional de Trabajadores de la Construcción, SUNTRACS.
- participation in the Frente Nacional por la Defensa de los Derechos Sociales y Sindicales, FRENADESO, through which the CONUSI relates to community, indigenous and subsistence farmers' organizations. An issue on FRENADESO's agenda refers to Nicaraguan immigrant workers, who are often part of the informal economy. With the support of SUNTRACS, one of its members, the CIDPA, wrote a statistical and conceptual paper on informality in 2007: "The Informal Sector in Panama", with the support of UGT Catalonia.

As part of the union strategy to address the "sausage bill" of the Martinelli administration, the trade union movement created a coordination body through which the Confederation articulates with the so-called Grupo Cinco (Five Group), made up of the other important national organizations in the country. In this regard, we have a similar approach to informality.

In this national scenario, the Panamanian trade union movement accompanies the TUCA and the Workers' Group in the discussion on a recommendation on the transition from informality to formality at the 2015 ILO Conference.

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**PANAMÁ** CTRP Confederación de Trabajadores de la República de Panamá  
SINBUTIS Sindicato Nacional de Buhoneros, Trabajadores  
Informales y Similares de la República de Panamá  
**Organizing and negotiation of street vendors  
in the municipality of Panama.**

**Juan Jiménez** Secretary General.

**T**he SINBUTIS was founded on November 24, 1966 and was affiliated to the CTRP as of its creation. The Board is comprised of 18 people, including 6 women. It has more than 1000 members, with women accounting for about 50%.

Its first achievement was an agreement with the municipality of Panama in 1969 when the activity was still unregulated, for the construction and operating permit of 136 kiosks.

In 1977, through an agreement with the Social Security Fund, an agreement was reached to incorporate the members of SINBUTIS into the entity. This agreement allows comprehensive healthcare and savings for old age pensions.

For some time permits to sell on the streets were granted at the discretion of municipal authorities, and even by representatives of corregimientos (political-administrative districts). This situation started generating chaos and anarchy. Attempts were made to solve this situation through Decree 25 dated 14 January 1999 “regulating street sales or the informal economy in the District of Panama”.

Such rule is based on Article 293 of the Constitution, which sets out the conditions for retail sales.

The other 74 districts do not have any regulation whatsoever, which is reflected in the lack of consistent public policies to improve the social situation of workers in the informal economy, among which the buhoneros or street vendors.

Financial weakness prevails among the internal difficulties faced by the SINBUTIS due to the need for stall-to-stall collection, which generates a high delinquency. The rate of compliance with this obligation is barely 6% of all members.

Other problems are: 1. physical insecurity because most street vendors carry out their activities close to poor and marginalized areas; 2. supplementary hours as the only method to generate sufficient funds to cover their economic needs.

Although there is an Authority for Small and Medium Enterprises (AMPYME) and the National Institute of Vocational Training for the Development of Human Resources (INADEH), both institutions suffer serious deficiencies and do not articulate effectively, as reflected in the almost nil response that they have received from union members. This has happened despite the meetings held by SINBUTIS leaders with the respective authorities. Decree 25 includes the creation of the Commission on Issues relating to the Informal Economy (CAREI), a bipartite entity that, despite

19 years of existence, has not been functional due to the lack of interest shown by the successive district administrations.

In 2013, SINBUTIS succeeded in achieving 100 permits to regulate its brothers and sisters. It continues to fight to shrink the increasing numbers engaged in street vendor activities.

**Gabriel del Río** Secretary General

**Francisca Jiménez** Manager, AMUSSOL-CASC

In its Bylaws (last amended in 2009), the CASC recognizes its willingness to enroll a non-exhaustive list of organizations of subsistence farmers, agrarian leagues, urban and peasant unions, locals, workers' cooperatives, women's and youth organizations, associations of workers of the non-structured sector of the economy (informal economy, self-employed workers, professionals and technicians), and "any organized experience of the workers' movement".

It also adds that this representation seeks to ensure compliance with the Labor Code, Law 87-01 creating the Dominican Social Security System, and Law 122-05 on non-profit associations.

Therefore, the CASC undertakes actions relating to different forms of non-salaried urban and rural work, combining: the route of organizing and collective bargaining, and the route of social security. Also, complementarily, it develops sociocultural action for Haitian immigrants, almost all of whom work in the informal sector, some even without a birth certificate.

The three main tools for organizing and union action of the CASC for workers of the informal urban economy are: the FENTEP (Federación Nacional de Trabajadores del Comercio y la Economía Informal), the MOSCHTA (Movimiento Sociocultural para los trabajadores Haitianos) and the AMUSSOL (Asociación Mutual de Servicios Solidarios).

In the rural sector, the CASC has the Federación Dominicana de Ligas Agrarias y Cristianas (FEDELAC) and the Consejo Nacional de Parceleros (CNP).

## **I THE ORGANIZING CHAPTER**

In this regard, the objective of the CASC is to:

- Establish working areas for workers on the streets.
- Create regulations for the sector, expanding from existing ones (transport, construction, agriculture) to street vendors (chiriperos), market vendors, among others. The Constitutional Court (CT) has recently drawn the rules for this situation (Judgment 168-13).
- Discuss the aforementioned regime of 2005 that eliminated the registration of trade unions of independent workers, in favor of the Regulation and Development of Nonprofit Associations, thereby excluding these organizations from the Labor Code, breaking the country's traditions and customs. Harsh require-

ments and regulations, as well as expensive (US\$ 1,500), were also established. In any case, the trade union movement stuck to the original approach, considering that the incorporation of these organizations into national trade union centers “transformed” them into part of the trade union movement and, in turn (at least in the CASC), into a large movement of workers.

The FENTEP, in charge of brother Tomas Chery Morel (who is also Organizing Secretary of the Center), was created in 1970 and resumed its work in 1985 when it was recognized by the country’s labor authorities. It has more than 150 municipal associations and trade unions, with 12,000 members. The lines of work of the Federation are as mentioned above. Significantly, regarding social security, 2,000 of its members have been integrated into the regime following pilot promotion plans conducted by the Federation. Regarding the construction of working areas for its members to set up their stalls... about twenty have been materialized and, in conjunction with the Ministry of Tourism, street vendors were set up in another 6 working areas in the region of Punta Cana.

The MOSCHTA has over 5,000 members. It offers health and legal services to obtain documents. Migrant workers receive a CASC card to defend their rights before the Ministry of Labor in the event of illegal dismissal. It also fights for undocumented immigrant workers to be entitled to social security, which we hope will be resolved with the enforcement of the ruling of the Constitutional Tribunal. The Movement provides ambulance services and legal services to facilitate the paperwork to obtain legal documentation, receive fair salaries and benefits. Migrant workers receive a MOSCHTA-CASC card to defend their rights before the Ministry of Labor in the event of illegal dismissal.

In terms of solidarity with Haitians in their country, the Movement was immediately present at the time of the 2010 earthquake, and for a long time thereafter, with its ambulance service to transport nurses and medications. Food and water were also sent to Haiti. It did so in partnership with brothers of the Confédération des Travailleurs Haïtiens (CTH). Important contributions were also made with, among others, the Federación Nacional de Trabajadores del Transporte (FENATRADO-CASC) led by brother Blas Peralta, and the CASC Federation of Higüey led by brother Manolo Ramírez.

In addition, since the CASC has several affiliate organizations of Haitian workers, the objective of the Federation is to promote their inclusion under one umbrella organization. At the moment, FENTEP is forming the so-called Network of Migrant Workers of the Informal Economy in order to build a database, an essential tool since many do not even have a birth certificate.

Also, as noted in a report of the three centers to the Working Group on Trade Union Self-Reform and published in 2012 ( “Collective Bargaining in the Domini-

can Republic” by Julio Cesar Suárez Dubornay), renewed forms of bargaining for these workers are underway. Assuming they cannot discuss collective agreements as they have no employer, they have sought other prominent figures of the public sector, e.g. municipal authorities and of the sectors involved, such as tourism and the port. With this approach, “agreements” or “work commitments” have been achieved which could be considered similar to collective bargaining. It is also the case of construction workers, a significant proportion of whom are not salaried workers.

Regarding subsistence farmers, the CASC considered the demand of rural workers for a plot of land to be extremely important. There are still thousands of landless farmers available to work because a few estate owners hold vast extensions of land. We intend to retrieve the land for peasants to work on, and for farmers who were given land through the agrarian reform to receive the title of such land, in addition to all services, such as social security, decent salary, housing, among other demands.

## **II MUTUAL ASSOCIATIONS AND SOCIAL SECURITY**

In this regard, we need to find the way for the subsidized social security regime created by the State in 2001 to expand its coverage which is now inadequate due to its high cost (20% of the estimated monthly income), as they do not have an employer. So far nearly 10,000 workers have joined, reaching even 26,000, if we include family members and beneficiaries of the plan Vive Tranquilo. The Dominican government needs to be persuaded to determine the cost of social security for these workers as per the Subsidized Contributory Scheme, which is not applied.

AMUSSOL. In the decade of the 80s, neoliberal politicians demanded that the role of the State be downsized, sugar mills be closed, state-run enterprises (CORDE) be closed down and privatization became the trend. Hundreds of thousands of workers lost their jobs, resulting in a substantial reduction of trade union payroll and making these workers earn their livelihood in the informal economy as street vendors, drivers, running small grocery stores, cafeterias, farm work, etc. These workers and their families were left to live in poverty and social exclusion. This situation was further aggravated by the progressive deterioration of essential public services such as health, education, housing, etc.

All of the above forced the CASC to reflect and innovate actions to inform, train and provide services for the workers of this sector to respond effectively to the organization. At the beginning of the 80s the Confederation began organizing transport workers, a sector of self-employed workers with small investments in public passenger transport, which in turn had dependent workers such as drivers, assistants and others. Organizing this sector was a huge challenge for the CASC because we had to



innovate demands that were entirely different to traditional union demands. As the Ministry of Labor does not recognize these groups of workers as a trade union, we turned to the strategy of establishing associations and registering at the the Attorney General's Office of the Republic, and legalizing them by a presidential decree, endorsed by Law 520 on non-profit organizations (later amended by Law 122-05).

In this context, the CASC engaged in creating services to meet the needs of the sector. In 1998 an insurance was implemented which we called "travel insurance" consisting of health and survival insurance for transport users, with coverage during their trip, and permanent health insurance in the event of accident or death, and survival insurance for transport workers during working hours and beyond. This program achieved very positive results in terms of confidence of the population and workers in their organization and the CASC.

Product of the great struggle of the Dominican labor movement, together with other organized groups (churches, political parties, civil society), the Law 87-01 on Social Security was enacted in 2001, leading to the creation of the Dominican Social Security System. Although this System ensures universality of coverage to the entire population, its application will be gradual due to the economic situation of the country. Twelve years after the onset of the system, workers in the informal economy still do not access the social protection provided by the system.

Hence the CASC, convinced that work on the informal economy is not an inclusive response for workers, prior to a study on the transport sector, and different investigations and consultations with the agencies of the system, decided to create the AMUSSOL-CASC, a non-profit mutual organization that offers different services, mainly of social protection, created with the values and principles of our Confederation, as per Article 21, paragraph J of Law 87-01 on Social Security.

AMUSSOL practically becomes an employer to represent these workers at the treasury department of social security, to file the payrolls and to pay the respective contributions to the social security contributory regime.

AMUSSOL began operations in late 2004, filing the payroll of 18 organizations of workers of the informal economy, paying a monthly contribution of 350,000 pesos, equivalent to about US\$ 10,000 at that time. Currently AMUSSOL makes payments for 109 organizations of more than 20 million pesos monthly. Accrued payments made for the 2005-2013 period total more than 700 million Dominican pesos.

13,807 main affiliates pay the Dominican Social Security System (DSSS), with 28,175 dependents in total.

For job creation, AMUSSOL began operations with three employees (two women and one man). In October 2013, AMUSSOL had a payroll of 28 employees (20 women and 8 men).

AMUSSOL has not only has facilitated the inclusion of workers of the informal economy into the Dominican Social Security System, but also has been promoted

their transition into the formal economy. Today about 83 micro-enterprises of self-employed workers pay directly with their taxpayer's number to the treasury department of social security. Once included in the payment system, their economically dependent workers acquire the same rights as formal workers.

In 2011, as a result of an awareness raising campaign targeting domestic workers and their employers on the benefits of social security and its relationship with ILO Convention 189, we affiliated 1,700 domestic workers into the System through AMUSSOL. In 2012, the CASC set up the SINTRADOMES (Domestic Workers Trade Union), which today has more than 2,800 members and is recognized by the Ministry of Labor; it has substantially expanded its membership through the creation of trade union divisions in most provinces.

Another line offered by AMUSSOL is a funeral service plan (Plan "Vive Tranquilo"), to provide calm and effective response at the time a worker loses a loved one. This service has a very low monthly cost and guarantees the coverage of all funeral and burial expenses of the affiliated person. Today this program has over 3000 members.

AMUSSOL also provides legal service to assist members in cases of denial of service by some of the providers of the system. It also helps with legal documentation, for example: certificates of cohabitation, translation of birth certificates of children so that the family can receive the benefits provided by the system to the families depending on workers.

In March 2013, we signed an agreement with the social cabinet of the presidency to facilitate membership in Social Security of 3,800 convenience stores in marginalized districts of the country that sell their products to beneficiaries of the conditional cash transfer program. This program is in the promotional phase, through lectures on the law for their eventual membership.

To progressively expand social protection coverage, in coordination with the Trade Union Committee, the CASC continues to lobby in Congress for the ratification of ILO Convention 102, with a bill submitted by the Executive Branch to Congress, where it is now under discussion for its eventual ratification.

The CASC is convinced that trade union self-reform is the most sensible and effective way to create the conditions required for the trade union movement to strengthen its capacity to act, multiply the number of its members by organizing workers of the informal economy. All workers are entitled to a safe and healthy work environment, whereby immediate steps are needed to address unsafe and unhealthy working conditions of workers in the informal economy.

AMUSSOL is also a way to facilitate the transition from the informal to the formal economy, as pursued by the ILO Initiative for 2014. In 2010 AMUSSOL won the award in the Entrepreneur Contest granted by the ILO Regional Office for Central America and the Dominican Republic. In 2012, the ILO and ACTRAV Social Finance Program included a detailed study of the Association in the publication "Trade Union finan-

cial services schemes: cases in Africa, Asia and Latin America”.

**CNTD Confederación Nacional de Trabajadores Dominicanos**  
**Strategies targeting workers in the informal  
sector of the Dominican Republic<sup>7</sup>.**

**Alberto Santana** Secretary of International Relations and Secretary General, CNTD  
Secretary General, FUTTEINCO.

**F**UTTEINCO (Federación Unitaria de Trabajadores del Turismo, Economía Informal, Comercio y afines) is a second tier union organization fighting for the rights and interests of self-employed workers in tourism, the informal economy, commerce and similar activities, seeking to improve their working, economic, moral and social conditions.

The strategy for these workers began in 1990 in the Confederation, when the XI Congress made strategic decisions to attract youth and women working in the informal sector, as per the Bylaws of the Confederation, which had already established organizing workers, even using non-trade union forms, such as mergers and associations. This approach was reaffirmed in two later Congresses (XIII, 1992 and XIV, 1994).

By then the CNTD already had members of the sector in FENATCOVENTA (Federación Nacional de Trabajadores del Comercio, Ventas y Afines) and FENADOBIQ (Federación Nacional de Billeteros y Quinieleros), but a process of fragmentation and separation from the national trade union center occurred, which was addressed in 1993 with the creation of CONATRASINF (Consejo Nacional de Asociaciones de Trabajadores del Sector Informal), under the leadership of Ramón Pérez Balbuena (who died in July 2011). During its first year, the Council comprised 26 associations, with about 4000 members, including street vendors, fruit vendors (pineapple, bananas), flowers, birds, typical sauces, fried fast food, sewing women, gardeners, car transport drivers, motorcycle transport drivers, tricyclists.

At the beginning of the last decade, the Council became FUTRACEINA (Federación Única de Trabajadores por Cuenta Propia del Comercio, la Economía Informal y Afines), led by Fausto Rodríguez, under the National Council of Dominican Trade Union Unity.

Finally, in April 2011, FUTTEINCO was created with the participation of brothers of the two abovementioned organizations, together with a team of new leaders of the sector, with a view to inject an air of youth and renewal to that experience.

The Federation fights for informal workers against abuses by the state and local authorities, but most efforts focus on their inclusion in the Dominican Social Security System. This line is developed in partnership with FENAMUTRA (National

<sup>7</sup> This article was published in the third book of the WGSR (2012) and has been updated for this publication.

Federation of Women Workers), led by sister Ruth Medrano, which carried out the “Exploratory research on the informal sector for its gender-based inclusion in social security” based on a survey of 200 workers of the sector. This study showed in detail how workers in the informal economy see their needs, and helped formulate a proposal with a view to gradually include workers and their families into a viable and sustainable social protection regime.

50% of respondents were aged between 20 and 39 years, and 52% were women. Also, 49% were single and 41% had no economically dependant family members. In educational terms, most of this population had received primary and secondary education (32% and 43%, respectively), both with cases of uncompleted education. Only 48% of workers had been to a health center.

The main activities of respondents were: sellers (31%), washing cars (14%), motorcycle passenger drivers - motoconchistas (12%), and workers in beauty salons (8%). 41% indicated they had economically dependent workers, usually one or two.

The survey also asked about the main reasons for engaging in the informal economy: the largest proportion (42%) responded that it was due to the inability of the formal economy to generate employment ( “It’s the only work available”). Three other situations had similar weight (12-13%): the highest income earned in the informal sector in relation to the formal sector ( “ I earn more money than working as a formal employee”); subjective situations ( I’m accustomed”); and pursuit of independence ( “I wanted to establish a business”). 64% of respondents had had another job before the current one, most of which in the formal sector (40%).

In addition, 49% had five or fewer years in informal activities, and 41% performed other income-generating activities, mostly business and commission-based sales.

**TOWARDS A PROPOSAL ON SOCIAL SECURITY.** None of the surveyed workers had health insurance, so they had had expenses in this regard (78% of respondents). Only 15% were saving as strategy to secure an income in old age. 45% had information on the social security system, and 84% reported that they felt entitled to belong to the social security system. The informal workers interviewed described five reasons for their non-inclusion in the social security system: never been interested (22%), do not know (17%), have little information (16%), have not been employed (11%), and due to lack of financial resources (27%). 96% were willing to join the social security system provided there was a mechanism suited to their needs; 92% were willing to pay 800 pesos a month for health insurance; and 80% would be willing to pay a fee of 800 pesos or less for health insurance and pension. 85% prefer to pay in cash. 69% did not have banking services (debit card, credit card, savings account, current account, among others).

One of the problems to be addressed by trade unions is that, except for the 40% who declared they participated in collective forms of organization (including reli-

gious), the rest declared that “they do not like it”, “does not draw their attention” and “do not trust groups”. Regarding future expectations, 67% said they were satisfied with their economic activity.

The minimum salary for social security purposes is 7,600 pesos per month. Considering that 70% of respondents reported an income below 10,000 pesos a month, it follows that 95% have an income equal to or less than 17,000 pesos a month. If we consider that the minimum salary for payment of social security is 7,600 pesos a month, we can infer that 70% of respondents are above and below this value without reaching an income of 10,000 pesos a month.

In addition, the data of the Labor Force Survey of the Central Bank indicated that, in 2010 56% of self-employed workers had an income equal to or less than 8,000 pesos. Considering that 1500 pesos is the cost of social security for one person with an income of 7,600 pesos a month, the cost per year would be 18,000 pesos, i.e. almost equal to the outlays in healthcare reported by the informal workers interviewed.

**WHAT TO DO?** The Dominican CNTD, CNUS and CASC trade union centers have opted for the strategy of making the social security law establish legal integration mechanisms, as in the subsidized contributory regime established in the social security law.

Of course, the integration of informal workers is more expensive and more complex than the integration of formal workers. Community or local social capital is required for a social institution to achieve their integration, organizing and managing the portfolio of members, keeping it updated, screening the changes in their material and labor situation. Our proposal is to subsidize organizations to manage their integration and manage the portfolio of members, so that they act as virtual employers. The cost of the subsidy must be based on the value of the portfolio of members based on the group’s income level or level of contribution.

Regarding self-employed workers registered at the Department of Internal Taxation, if there is political will, we see no reason why they should not be integrated into the treasury department of social security as employers, given that they submit tax returns. One part appears as employers as they have employees, and the others simply appear as taxpayers in some cases.

The CNTD has formulated a pilot project for informal workers of the province of San Pedro de Macorís, covering 46,000 self-employed workers (out of 176,000) with monthly income equal to or less than 15,800 pesos. Monthly expenses total 91 million pesos, combining contributions of members worth 27 million and state contributions worth the remaining 64 million, i.e. the distribution of the burden equals 30% for the former and 70% for the latter.

The president of the CNTD, brother Jacobo Ramos, has developed a broad-based

campaign (for example, see “El Comentario de la Semana” -The Commentary of the Week- on You Tube dated January 2012) using the data presented to date to describe the need for a special regime for workers that are difficult to cover, including workers of the informal sector, as well as domestic workers, truck-drivers and construction workers. In relation to trade union self-reform, the CNTD adds the implementation of their own health services, such as mutual association of employees of micro and small-scale transport enterprises.

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## REPÚBLICA DOMINICANA

**CNUS** Confederación Nacional de Unidad Sindical

**FENATREINCA** Federación Nacional de Trabajadores en la Economía  
Informal, por Cuenta Propia, Independientes y Afines

### Organizing informal work in the Dominican

**Pedro Martínez Rodríguez** President, FENATREINCA &  
Secretary of Informal Economy Affairs, CNUS.

**BACKGROUND.** In 2001, the Executive Committee of the General Confederation of Labor (CGT) held a working session to address the turn imposed by neoliberalism and the impact it had amongst the workers' movement. The huge growth of informality that resulted from this economic policy (not only in the Dominican Republic, but in Latin America and the world), gave rise to mass unemployment and underemployment. Therefore, discussions included the need to start working in the informal sector of the economy, as part of the workers' movement.

A team began to be structured to start organization of this trade union branch with a view to the creation of a federation that would group informal workers. A commission was organized to assume this responsibility and in it the decision to conduct a survey (sort of census) was taken, from which organize associations of workers by type of work that did not have employer dependence (for exemplo, to work for own account). He proceeded to motivate "encounters" with workers by activity and make them aware of the need for your organization as a way to get claims and goals for them, through the process of education-organization.

By 2003, a coordination process was initiated amongst existing federations in the main trade unions, aimed to work towards the creation of a single federation of the informal economy. This process led us all to assume responsibility for the organization of various educational, organizational and promotional campaigns for trade union rights and social security. After a couple of years and having proposed goals and possible dates for the creation of the single federation, the process falls into a vacuum, with the initiative being kept by two of the four federations who initially participated in the work unit.

It must be said that these two federations were part of two trade unions, the Central de Trabajadores Unitaria (CTU), and the Central General de Trabajadores (CGT). After achieving their process of unification, they created what today is the CNUS. When they merged, they adopted the name of FENATREINCA-CNUS.

**THE SECRETARIAT FOR INFORMAL SECTOR AFFAIRS CNUS CONFORMADA LA CNUS,**  
Once CNUS was formed, this Secretariat was set up to lead national policies in relation to this sector. The Federation is responsible for bringing together the



various workers associations from the informal sector according to their type of activity at the national level, promoting through the respective associations the rights and duties of the workers, setting out organizational and legal assistance guidelines, advising and representing the diverse associations before municipal, labor, judicial and health institutions, as well as organizing educational workshops together with the associations themselves.

The Secretariat also acts in relation to two other sector organizations: the *Asociación de Trabajadores y Vendedores del Boulevard Francisco del Rosario Sánchez*, and the *Asociación de Vendedores del Mercado de San Cristóbal*.

**TRADES AND OCCUPATIONS.** There are various areas of human endeavor, of jobs carried out by people who, at some point, were employees in the formal and business sector. But that at a certain point, became unemployed and used the few benefits they could obtain to set up independent businesses, working informally as self-employed, struggling for their daily survival and that of their families.

In our federation, we have workers from a wide range of occupations, mainly from the commercial and services sectors, such as: small business people, hair-dressers, street vendors in stadiums, hawkers, mop makers, micro entrepreneurs, motorbike/tricycle taxis transporting passengers and merchandise, furniture makers, upholsterers and interior decorators, market vendors, cargo handlers and stevedores, electronics technicians, food vendors, cobblers, graphic arts, electricians, independent motorcycle mechanics, blacksmiths, metal foundries, car electrics technicians, and refrigeration technicians, etc.

**MEMBERS.** Today our federation has 56 unions, mainly vendors unions, but there are also unions of service providers and carriers. It is not an easy task, since workers do not believe in anything because they have been deceived many times. Most street vendors in Santo Domingo are originally from the countryside. When approached about becoming members of the union, they often reject us. We must show great sincerity and political will to solve their problems. Then they become interested. Otherwise, it is almost impossible to bring them into the trade union movement. Workers seek help from the Federation when they feel directly threatened, especially when they receive eviction orders. When their issues are resolved, they become independent again.

In the vast majority of cases, it is the women who carry out activities related to the informal economy. In our country the percentage of women working in the informal sector reaches more than 54 %. This percentage is also reflected in the associations' membership, with women taking a leading role in the participation and organization of activities

**STRATEGY.** Our organization has been involved in the implementation of various initiatives. Some of these have been implemented as part of ISCOD -UGT projects, others by the CMT, through the Verba Program.

FENATREINCA also conducts educational workshops to teach workers how to behave when working with their merchandise, how to maintain cleanliness, how not to disturb pedestrians, etc. Training to commercial vendors on how to better conduct business is also offered.

But the main goal of the Federation has been to promote the legalization of street vendors, so they can be given a permit to work on the streets without threats or harassment from public authorities. In Santo Domingo, harassment by the authorities has been one of the major problems in the daily lives of workers who work on the street and for whom losing all of their merchandise after a police action is a common occurrence.

As if working without stability or fixed salary was not difficult enough, having their products confiscated is a heavy blow for those who invested what little they had, looking for alternative employment. One need not be an expert in labor issues to know how much it costs men and women in the informal economy to recover from such financial losses.

The raids against street vendors have become routine. The simple fact that someone files a complaint before the Ombudsman, is enough for the authorities to be sent to remove workers from their stand. Those that file complaints are usually formal traders who resort to the force of the law to avoid street competition in front of their stores.

The FENATREINCA has sought the approval of a legislation to resolve this situation. To this effect, it developed a joint project with municipal institutions to analyze all the consequences of providing permits to vendors and hawkers. Labor, public health, environmental and urban space authorities, amongst others, were consulted. After 15 meetings, a consensus was reached. To request a permit, a person must be endorsed by any informal economy Workers Federation, without having the need to be affiliated to it. The City Council makes the assessment and grants the licenses, ensuring a maximum allowed number in each area of the city is not exceeded, in order to maintain order on public roads.

In mid-2013, council members at the National District City Council Chapterhouse, approved regulations as part of a pilot plan, intended to regularize street vendors. This has led the Federation to conduct educational training and guidance workshops for workers in the sector and to develop new proposals for organizational actions. Work is already under way at the negotiating table with the city of Barahona, Santo Yamasa and Santo Domingo North.

**AFFILIATED ASSOCIATIONS.** *The Asociación de Pequeños Comerciantes Nuevo Oriente,*

the *Asociación de Pequeños Comerciantes de Villas Agrícolas*, the *Asociación de Mercaderes del Simón Bolívar*, SOMERSIBO, the *Asociación de Mercaderes de San Juan de la Maguana*, ASOMERSAJ, the *Asociación de Buhoneros de La Ciénaga*, the *Asociación de Buhoneros de Calzados y Tejidos del Simón Bolívar*, OBUCATE, the *Asociación de Buhoneros de Ropa y Calzados del Mercado de Barahona*, the *Asociación de Trabajadores Buhoneros y de Plazas de San Juan de la Maguana y Juan de Herrera*, ASOTRABUPLA, the *Asociación de Fabricantes y Vendedores de Chicharrones de la Zona Norte*, ASOFEVENCHI, the *Asociación de Fabricantes y Vendedores de Chicharrones*, ASOFAVECHI, the *Asociación de Trabajadores de Comidas de la Zona Franca de Barahona*, ASOTRACOBÁ, the *Asociación de Suaperos de la Ciénaga*, the *Asociación de Trabajadores de Muebles y Tapicería de la Economía Informal*, the *Asociación de Microempresarios de Guachupita*, the *Asociación de Zapateros de Barahona*, ASOZABA, the *Asociación de Mujeres Trabajadoras del Distrito Nacional*, ASOMUTRADINA, the *Asociación de Peluqueros y Peluqueras Los Dinámicos*, the *Asociación de Trabajadores/as de Belleza, Estética y Estilismo de la Zona Norte*, ASOTRABEZON, the *Asociación de Motoconchos de San Juan de la Maguana y Zonas Aledañas*, ASOMOSALE, the *Asociación de Motoconchistas de Guachupita*, the *Asociación de Carretilleros del Mercado Nuevo*, ASOCAMENU, the *Asociación de Tricicleros y Carretilleros del Mercado Nuevo*, the *Asociación de Motoristas Organizados del Simón Bolívar*, ASOMOSIBO, the *Asociación de Cargadores y Estibadores del Mercado Nuevo*, ASOCAEMEN, the *Asociación de Transportistas de Pasajeros y Mercancías del Mercado Nuevo*, ASOTRAPAME, the *Asociación de Técnicos en Electricidad Automotriz*, ASOTRATEA, the *Asociación de Trabajadores Mecánicos Independientes de Motocicletas*, ASOTRAMEIMO, the *Asociación de Trabajadores Desabolladores y Pintores de Automóviles*, ASOTRADEPA, the *Asociación de Trabajadores y Vendedores de Lubricantes, Gomas y Repuestos del Distrito Nacional*, ASOTRAVELUGO, the *Asociación de Trabajadores de Fundiciones de Metales del Distrito Nacional*, ASOTRAFUME, the *Asociación de Trabajadores de Herrería del Distrito Nacional*, ASOTRAHEDINA, the *Asociación de Técnicos en Electrónica del Distrito Nacional*, ASOTELECDINA, the *Asociación de Técnicos Electricistas del Distrito Nacional*, ASOTELEDINA, the *Asociación de Técnicos Reparadores de Efectos del Hogar*, ASOTREHO, the *Asociación de Técnicos en Refrigeración y Aires Acondicionados*, ASOTRADIÁN, the *Asociación de Técnicos en Artes Gráficas y Serígrafos*, ASOTAGRASE, the *Asociación de Trabajadores de Artes Gráficas y Serigráficas*.

## **II SOUTHERN CONE COUNTRIES**



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**COLOMBIA** CGT Confederación General de Trabajadores  
**La afiliación directa en la CGT colombiana.**  
**Strategy for the coverage of self-employment.**

**Julio Roberto Gómez** President.  
**Miryam Luz Triana Alvis** Secretary General<sup>8</sup>.

Since the creation, in 1847, of the Sociedad de Artesanos de Bogotá (the Bogotá Craftpeople Society), the first trade union organization, their objective was to ensure that they were able to face the challenges of those times. The current CGT is part of this process, having reached a key moment at the Eighth Congress in 2004 and the Ninth Congress in 2011, when new statutes were accepted.

These changes were urgently needed, taking into account the key fact that the issuance of Law 50 of 1990 removed guarantees and stability when it came to hiring, generating fear to unionize amongst the workers, and for them to focus on seeking the renewal or extension of their contract, as their main concern. Furthermore, many state enterprises were liquidated and privatized, and legal forms of outsourcing and labor flexibility that hide true industrial relations (Cooperativas de Trabajo Asociado-CTA y Sociedades Anónimas Simplificadas, among others) multiplied.

Many of these workers continued their work life on their own or in the informal sector. On one hand, the law did not even contemplate the possibility that these workers could unionize. On the other hand, the law provided that for the establishment of an organization, a minimum of 25 workers linked to the same company were required for enterprise-based unions, or from different companies for industry-based unions.

## **I DIRECT MEMBERSHIP**

Changes to the CGT in its last two congresses include measures such as changes in the organizational structure of the trade union sections and regional federations, aimed at guiding organizational work towards making the sections become regional federations with their own legal capacity, while retaining interdependence with the National CGT as the Parent undertaking. But in the context of this article, direct affiliation has been the fundamental strategy. This has enabled independent workers of different professions and trades that are not integrated into exist-

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<sup>8</sup> This article is based on a previous one published in the fourth book of the Working Group on Trade Union Self-Reform (WGSR 2013), titled “La Autorreforma Sindical en la Realidad Colombiana” by both authors, together with Elicier Ortega Camargo, and on another article published in 2010 in the first book “Autorreforma Sindical en Colombia”.

ing unions, and others emerging from new professions as a result of technological development, to get affiliated directly to the CGT. To this effect, new organizations were created, or the workers were placed in unions that already exist and that meet the conditions of the worker's profile.

The procedure is as follows: workers who wish to join directly can not do it if in their area or workplace there is a trade union or the possibility of establishing one taking into account current regulations, because that would undermine the main objective of the initiative which it is to increase unionization rates and not weaken existing organizations. Therefore, workers can only become members in those places where there is no possibility of forming a grassroots organization. The Confederation can proceed with grouping workers according to their business or profession, once they become members in different centers, places and cities. If there are unions within the Confederation of which workers can become members, they get enrolled, otherwise once the number of 25 members determined by the regulations is reached, we proceed to convene an assembly to form an organization, this time industry-based, enabling them to act with the same guarantees and the same rights as those employed workers, since in this way a list of demands can be submitted and advance the collective negotiation process.

This has allowed us to reach places and sectors where it was previously unthinkable to organize the working class. Likewise, it has led to a resurgence of organizations in key sectors of the economy such as textiles, security and private security, communications, construction and trade.

In addition, it has helped to develop a greater awareness of the role and activities of the Confederation amongst a larger number of workers who, due to the almost closed structure of the union movement, were not aware before or had a distorted picture of.

This strategy of the CGT faced resistance from the government, which fortunately has now been overcome. In introducing the registration of the adoption of the new statutes where this part was included, the Ministry of Social Protection refused the request, claiming that labor legislation did not provide for this form of organization. Nevertheless, the Confederation continued affiliating independent workers who so wished, and time proved them right: in 2008 the Constitutional Court issued four rulings concerning Freedom of Association and the Right of Association. In particular, the most important states: "The Court reaffirmed the fundamental nature of the right of association enshrined in Article 39 of the Constitution, which involves essentially, among others, the right of all workers without discrimination and distinction, to be grouped into permanent organizations that defend common interests, to form them automatically, without interference or intervention from the State, and organize them structurally and functionally, as well as having the freedom to join or withdraw from such organizations".

Likewise, it reiterated that the right of association is not absolute or unlimited, since the same article 39 of the Charter provides that the internal structure and the functioning of trade unions and social organizations are subject to the legal order and democratic principles, and international treaties and conventions ratified by the Colombian State authorizes its restriction by law to guarantee certain values and principles such as national security, order, public health or morals, and the rights and duties of others. Such restrictions or limitations should be subject to the principle of reasonableness, as it is required in respect of all fundamental rights, so that its purpose must be legitimate in the light of the Constitution and that the means used to achieve it must be appropriate, necessary and proportionate.

According to the above, the Court determined that a Union Constitutive Act be registered before the Ministry of Labor and Social Security, today the Ministry of Social Protection. So that it can act as such, it only has the following purposes; advertising, gathering information on existing trade unions, and issuing of certificates based on this, but at no time does it imply that the Ministry carries out a prior check over the registration. In accordance with Article 39 of the Constitution, unions are valid and have full legal effect from the very moment of their constitution and the payment of their corresponding rights. It is a different thing that the law requires its registration before the Ministry for advertising purposes and it does not imply any type of control by the Ministry. For these reasons, the Court found that although the above does not infringe the right to unionize and therefore it is constitutional, it must be conditional on the latter sense, to match the non-intervention or interference of the State in the right to form a union, as stipulated in Article 39 of the Political Charter.

## **II THE CURRENT CGT**

As a result of the new strategy, the CGT currently has over 700 thousand members as a consequence of the ongoing growth in all sectors. For the purposes of this article, we highlight the craft industry, the autonomous sector, the informal economy, the population sector, the community sector, the solidarity economy, the rural sector, the indigenous and aboriginal peoples, and the black communities. Also, as mentioned in relation to these groups, we must also include the false self-employed.

As an example of the informal economy, we mention what happened on the Atlantic coast, in the department of Bolivar, and its capital Cartagena. The tendency there is to privatize the beaches. Agreements have been made with entrepreneurs like Eagle Brewery, to improve the kiosks where ten to twelve people work. The same happens with tent workers and lifeguards who are in a constant struggle with the hotels, making agreements with the private sector in order to improve



their working conditions while respecting public spaces. Something similar happens in the capital and major capitals of the departments. The aim is to establish a sectorial federation to integrate this sector into the national order.

The CGT also acts in relation to the transport sector, where small vehicle owners are seeking the unity of action with the goal of organic unity.

In the rural sector, the CGT has four federations of rural workers, the Acción Campesina Colombiana (ACC), the Federación Agraria Nacional (FANAL), the Asociación Nacional de Usuarios Campesinos (ANUC), and the Federación Nuevo Liderazgo Campesino, that account for more than 80 % of workers in this sector. We believe that they should converge towards a larger and more established federation.

In the craft, community and indigenous sectors, other significant events were: the founding of the National Craftsmen Federation of Colombia (FENARTEC), with the participation of over 150 delegates from across the country, from delegates from indigenous groups of the Sierra Nevada de Santa Marta, to representatives of the coffee belt region from the Magdalena Medio, the East, South and West of the country, to the indigenous of Caqueta and Amazonas. Another achievement is the membership of the Wuonnan and the Community Council of the Curvaradó and Jiguamiandó river. Their objective is to achieve fair land restitution, by ratification of Convention 169 of the ILO, and Law 21 of 1991, concerning indigenous and tribal peoples. It is an obligation of the Colombian State to adapt internal legislation based on participation and the respect of cultural identity, and to seek the protection of the rights and identity of these peoples.

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**COLOMBIA** **CTC** Confederación de Trabajadores de Colombia  
**Trade union action against informality in the CTC.**

**Nohora Stella Tovar** Department of the Informal Economy.

In Colombia, informal work is high and persistent, accounting for close to 60% of employment, and economic growth has not led to the reduction of these levels. According to the Colombian National Administrative Department of Statistics (DANE), over half of workers in the 13 metropolitan regions of the country, make a living in the informal economy. There are almost 5 million people, mostly women, who carry out primarily self-employed commercial activities. However, if we look at the whole country, there is no doubt that the amount exceeds 60 %, that is, 12 million people. Furthermore, only 42 % of them have some kind of social security.

In its permanent struggle for vindication and protection of labor rights and their commitment to workers, the CTC has extensive experience in organizing workers in the informal economy and in presenting better policies proposals to governments. There have been ups and downs along the way but since 2010, they are undergoing a new stage with the creation, by the Congress, of the Informal Economy Department, constituting a plan within this framework, to organize and unify the workers in the informal economy, and to establish parameters of social dialogue between unions and public authorities. The idea is to expand the number of unionized workers to advance the guarantee of labor rights.

The Confederation is acting on three fronts:

- The first is organizational: regional federations within the CTC represent these workers. It is an initiative that is being first developed in the west of the country, to later expand nationally.
- The second is to seek, through political and action unity, to establish trade union federations. This is also taking place in the region.
- The third line of action of the CTC is to establish some rules and parameters of social dialogue between workers and the government, especially with regard to the use of urban geography. In Colombia, there are some judicial rulings that speak about the prevalence of the right to work before the right to public space. The CTC makes the effort to make workers aware of the terms of the law so they can defend themselves from the threat coming from municipal authorities and the police.

For the CTC, dialogue initiatives must also occur between unions in the informal economy themselves. Thus, they can exchange experiences and seek more effec-

tive solutions to their problems. Therefore, regional federations are being encouraged to introduce activities in the departments, because at the moment there is still not a strong presence in small capitals or cities of the national territory.

Women working as domestic workers are also included by the CTC as part of the informal economy. The CTC has been involved in an ongoing and dynamic ratification by Colombia of the Convention 189.

The progress of unionization and the strengthening of existing unions have enemies difficult to defeat. One of them is the economic constraints: since workers in the informal economy only make money if they work, especially those in the retail sector, it is difficult for them to skip work in order to participate in union meetings or training workshops. Apart from not having time, the cost of transportation and food expenses are also a constraint for them. To make matters worse, the constant threat by the police means these workers are continuously looking after their stands, even more so if at the cost of great sacrifice, they managed to get a fixed place to work on the street. If they are not there present to defend their products, the municipal authorities can take everything from them.

Another problem is that some of the organizations are volatile and cyclical. When street workers suffer some threat, they get together to solve the problem promptly. But as soon the situation gets fixed, they move away again. When tensions decrease, the energy that keeps them together decreases a little.

Finally, we must admit that many workers are not that interested in politics and union training but in learning techniques to improve their business. Most of them approach unions in search of capacity training in aspects of production, and sometimes they feel frustrated by not finding it there.

Governments have been deaf to the proposals of the CTC and other social organizations, which lobby on behalf of these workers so they can gain access to the universal right to health, social security and retirement. Likewise, initiatives to establish cooperatives and productive projects to help improve working conditions remain unsupported, with some exceptions in the projects presented recently by the local governments of Bogota and Medellin. Finally, regarding public space, the Confederation is working towards establishing a regulatory framework, but there are issues that do not favor the democratization of public space. This law is currently being reassessed.

A counterexample is the attitude of the municipality of Virginia, in the downtown area of Colombia, which happened to take into account workers in the informal economy in its cultural programs.

## **GENERAL PROPOSAL**

At the program level, the Central Department of the Informal Economy uses the

following general action guidelines:

**1 Organizational Component** Fundamental rights such as freedom of association and organization are vulnerable amid the precarious conditions of workers in the informal economy, thus limiting the workers' possibilities to have access to spaces and social dialogue and negotiation mechanisms to demand rights and social and labor improvements. Training actions are needed to strengthen the capacities of workers.

**2 Social Protection Component** Workers in the informal economy suffer from the lack of or difficulty in the access to health services and comprehensive social protection. The proposal is to make universal access to comprehensive health part of the national movement. To this end, the Confederation needs to develop a participatory role by campaigns raising awareness on the subject.

**3 Public space component** Both job instability and the transient nature of work in the informal economy urges the essential need to obtain a work place in public space. The working conditions of people working on the streets are directly related to local governments, their regulations and policies. There is a need to develop a training and information campaign about the supremacy of the right to work, seeking agreements when organizing public space by local governments, in order to establish stability and improvement of conditions in the use of public space, seeking to reduce the abuse of these workers.

**4 Women Workers Component** Most of the working population in the informal economy is female. This unfavorable gap is explained by the incidence of domestic work on women's employment, an occupation where wages are relatively low and nine out of ten workers do not have access to social security. There is a need to develop a support or coordination campaign with the CTC's Department of Women in search of collective strategies to improve the conditions of working women, and to participate in all areas where active policies for these workers are being developed.

**5 Economic Component** Low income and job instability amongst informal economy workers decrease their saving capacity. This is embodied in the difficulty to access bank loans, subsidies and other benefits or facilities for the purchase of goods and services. There is a need to look for alternatives and policies to improve the living conditions of these workers, to search for productive projects at local government level that facilitate workers access to these benefits, promote cooperative initiatives of mutual support, carry out actions that improve access to goods and services as well as to education and soft loans.

**6 Workers' Social and family context** Unstable work conditions and low income in the informal economy can lead to the promotion of child labor as a survival strategy. Working children are exposed to physical, emotional and intellectual risks and delay compliance with fundamental rights such as health, education and recreation. All the Secretariats of the CTC need to work together in seeking a comprehensive and durable solution to deal with this situation, taking into account everyday contexts and situation of families, and groups. Taking care of workers' psychosocial needs through training should also be looked at, as well as domestic violence prevention, conflict counseling, and measures to eradicate child labor.

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**COLOMBIA** UGT-I Unión General de Trabajadores en la Economía Informal  
CUT Central Unitaria de Trabajadores  
**On progress in the fight for the democratic use of public spaces, the unity of workers and the right to work in Colombia. Brief History of the UGT-I**

**Pedro Luis Ramírez B.** National President, UGTI-CUT &  
Member of the StreetNet International Council.

**T**he UGTI is the result of the confluence of events and factors that favored their existence and limit their scope and organizational capacity.

- La tendencia crecient
- The growing trend to informality in the World of Work. In Colombia, 60% of the workforce works in the informal sector, situation that has not changed over the last 30 years.
- The Implementation of a Model City that used street vendors as “scapegoats” to implement the citizen security policy”. “The broken window”, 1990-2004.
- A deeply socially fragmented territory manifested in an unknown number of social organizations of various types (unions, cooperatives, foundations and NGOs).
- The contrast between the peace negotiations with illegal armed groups, against the persecution by public policies and local governments of an unarmed civilian population working on the streets.
- The successful resistance strategy of combining protection and mobilization in Colombia’s institutional and political context, promoted by Local Street Vendor’s Committees, which resulted in the defense of the right to work, the democratic use of public space and the organizational unit of the street vending sector.

The oligarchic regime of distribution of power and wealth in Colombia is such, that massive violation of the rights formally enshrined in the Constitution, is inherent in its institutional design, by the logic with which it operates and the practices used in the development of public policies. So, it is normal that vacant lands are assigned to large landowners and not to the farmers for whom they are destined; that health services are not granted in time due to administrative procedures, and that users have christened it the “walk of death”, because medication prescriptions or medical tests are only issued when the patient is already dead. A similar situation occurred with the right to work claimed by street vendors, where the collective right to public space was erected as a barrier to prevent street vend-

ing and justify the eviction of street vendors by the police.

As the violation of the right to work became massive, so did the use of the institution of protection designed to defend individually taken rights. In 1998, about 1600 guardianships were established due to the same facts, and the case law voted against all of them, repeating the argument that the right to work must give way to the collective right to enjoyment of the public space. It took a whole long year for these cases to reach the Constitutional Court that selected them for review in view of the mobilizations of street vendors, promoted by the district committee of vendors, that requested such review to this Judicial Branch.

Despite this, violations of the right to work continued, while only legitimate trust was protected, and although local government authorities developed proposals to present to the public opinion, these proposals only covered those explicit vendors who had been given permission to work on the streets. However, most vendors lacked these permits since they were suspended in 1985.

In 2003, under this judicial process of social struggles, the Constitutional Court protected the due process. This meant that street vendors could not be beaten, have their goods seized, or being stopped for pursuing their activity in public spaces, unless a due process was in place and for this, the authorities had to identify them, notify them and offer them some kind of alternative prior to eviction.

Following these rulings, and together with the arrival to the local government in Bogota of former CUT president, Luis E. Garzón, the sector that actively participated in his election was quickly readied with the five-point proposal. This proposal aimed at guaranteeing the right to work, offering institutional support to the activity, and stopping the stigmatization campaign that weighed on street vendors. Changing the vision of an exclusive city for that of the democratic use of public space was also sought. The major institutional achievement was the creation of the IPES (Institute for Social Economy). Street vendors' vote had me elected as a member of the board of directors, a position that I held from 2007 to 2011.

In 2008, Samuel Moreno Rojas became the Mayor of Bogota, replacing the previous one who is now imprisoned for what in Colombia was known as the "procurement carousel", a corruption phenomenon that was unveiled by the current mayor, Gustavo Petro. During Moreno's administration, Local Street Vendors' Committees witnessed the use of clientelism in their strategy, the change in the process of electing their representative to the IPES board, who was "hand-picked" by the Mayor, and the setback of the organizational process in general. The general elections of

local committees, that correspond to the number of areas that make up the city, were discouraged and during the third election only 8 thousand people took part, out of the 25 thousand that participated in the previous election.

As a factor of social cohesion, local committees were designed so that the sector had a space from where to submit their demands before the authorities, overcoming fragmentation and reaching a public policy agreement. This allowed the community to have a unified organizational reference and to debate broadly the alternatives offered, while monitoring the performance of leaders and authorities, ensuring the community's continued participation that legitimizes their sector. However, the institutional framework in which they arose is not tolerant of this type of participation, that defines it as something that must be unconditional and subordinated to public officials, social matters refer only to issues relating to people with physical disabilities, and decisions are not taken together but exclusively by the established public authority. So, the committees began to be treated as "foreign bodies", and they had to bear a systematic campaign of slander and vilification, only offset by the size of the corruption of the Polo Democrático in the capital city and that of its Mayor, Samuel Moreno.

In 2009, the UGTI was formally set up. In fact, the closeness of the CUT with Mayor Lucho Garzón facilitated a productive dialogue with the then president of the Confederation, Carlos Rodriguez, who since 2005 talked about a strategy for strengthening the union. The Dutch FNV also offered support to fund a plan of action.

The Fifth Congress of the CUT in 2006, led to the creation of a special constituency that enabled informal workers unions to have access to the national Executive at the following elections. On the basis of this decision, the UGTI was given the task of spreading to the main capital cities of the country, and to prepare to run for these Executive elections. However, internal disagreement voices were heard about the 32 delegates that we had the right to have, according to the number of members. Only 5 were admitted, and for the May 2013 elections we had our database of 52 thousand members unjustifiably rejected. This is the reason why we abandoned our participation.

In Colombia, trade unions account for 3.5% of the total workforce. Our unionism, being very combative, is ridiculously small and their leaders are already accustomed to preside over a unionism that is effective more due to external support against its persecution and extermination, because of the crimes it is subjected to, than by internal growth. This is reflective of the level of existing disorder in society and its oligarchic organizational patterns. The UGTI's organizational path



within the CUT, demonstrate the existence of these organizational patterns and the growth crisis brought about by them. The positive reading is that informality aligned to the purposes of trade unionism show potential growing paths towards social organization and alternative patterns at the same time.

The organizational process of the informal sector in Colombia is placed by advances in public policy that offset the social disadvantages of working in conditions of informality. These, in turn, are part of the logic of the accumulation of capital that enables the creation of economic alternatives, of outright capitalist accumulation that redefines social relations in the possibility of living together, overcoming the commodification of life itself. This is the purpose that emerges from the social situations in which the UGTI emerged, having as one of its latest achievement their support to the issuance of the decree that accords legality to street vending in Bogotá, and establishes basic regulations so that, at least, the ongoing threat of abuse by authority and individuals alike is eradicated, in the absence of the regulatory role of the state.

**Erodita Chávez de Díaz** Secretary of Gender & Executive Member - FEDEVAL.

In view of the importance that the CUT gives simultaneously to gender and the self-employment sector, it created a Secretariat for Self-Employed Women, which is different to the Secretariat for women working in salaried employment. The Secretariat is directly linked to the FEDEVAL.

The Federation was created in 1979, in a massive assembly of district delegates from Metropolitan Lima, and it represents self-employed street vendors at “paraditas” markets, street bazaars and fairs. In 2008, following a modification of its statutes, the Federation expanded to cover workers from other commercial areas such as galleries, shopping malls, commercial conglomerates, wineries and winemakers, etc. It has 3 thousand members, legal status, and union recognition at the international level through its StreetNet membership, having been the first Latin American organization to join in 2003.

Some of its achievements are:

- To have co-managed Municipal Ordinance 002- 85 at the Municipality of Metropolitan Lima, that regulates work in public spaces, establishing social dialogue and collective negotiations between local public authorities and popular trade workers’ representatives. This rule continues to be in force but the authorities do not implement it.
- To have established The Tripartite Commission for Social Economy at the National Labor Council.
- To have drafted a preliminary bill on self-employed workers to be presented to Congress, in which the legal status as a worker is recognized in all its dimensions.

Other current demands are:

- That popular trade workers’ organizations be recognized at national level, in compliance with the Supreme Decree No. 005-91-TR, which “recognizes the legal and autonomous quality of street vendors”.
- That the abovementioned Ordinance 1985, which establishes a Joint Technical Committee between the municipal authority and workers to find solutions to the needs and problems of workers in popular trades be fulfilled, that public

roads be regulated and organized, and that through the FOMA (Street Vending Municipal Fund), social problems of street workers are addressed.

- That the District Municipal authorities in Lima and Callao: a) Implement and authorize Popular Trade Fairs on Saturdays and Sundays (for evicted former street vendors that are unemployed) in strategically located areas and streets without disturbing the public order in the city, as they have done in some districts with craft vendors; and b) Implement the Promoviendo Program (in Metropolitan Lima) a ruling that authorizes and gives licenses to seniors, single mothers and people with disabilities that work in an orderly and regulated manner, to sell classified products on the street.
- That the national government and municipalities endorse popular trade workers access to financial credit, for training and financing of formalization processes.
- That the Metropolitan Agreement for Decent Work, signed between the CUT and the Mayor of Lima in 2010 and that created a bipartisan commission between the CUT and the Ministry of Labor, in order to regulate the rights of self-employed workers, and the promotional financing of sustainable transformation for small businesses, becomes institutionalized.
- That red tape on business licenses, building permits, independence, self-assessment, civil defense, cleaning, street lighting, etc., be exempted while formalization processes are undergoing.

**THE SECRETARIAT FOR WOMEN.** Women make up the majority of the workforce in the self-employed sector, and with it, they are a point of feasible entry for the implementation and consolidation of productive activities, and for the creation and the strengthening of organizations in the informal sector, because despite the family burden and precarious working conditions, they show greater interest and potential ability to organize. Therefore, we must guide them and coordinate their efforts, finding different ways they can organize themselves, because they are identified as groups with a greater ability to establish productive processes together as a group.

Small independent street vending activities, such as selling food, sweets, drinks, etc., are mostly performed by women, while men carry out more complex operations. Having access to decent employment and wages is more difficult for women who suffer greater discrimination in the workplace such as lack of jobs, job insecurity, wage discrimination, flexible labor rules, limitation due to pregnancy and maternity, and the triple work shifts that make it difficult for them to get any training and education.

As much as 55% of FEDEVAL members are women, therefore, the gender dimension is a principle and mandate of the organization. There are 7 women in their

board of directors, out of 12 members, and they are in charge of the Secretariat for Women.

**WOMEN'S SECRETARY.** It is a space where self-employed women workers get together with the following purposes: to raise the problems they encounter due to the persistent limitations they experienced as working women; to exercise their rights and duties relating to participation and representation under equal conditions; to seek alternative solutions, where ideas on both economic advancement and self-improvement are exchanged; where women contribute collectively to a new generation of favorable conditions for the exercise of participation and representation of women workers under equal rights, opportunities and treatment; where women participation is promoted and strengthened in social, political and labor processes, aimed at expanding the fundamental rights of women at work with gender equality and equal opportunities; where empowerment events and work impact actions are organized, aimed at promoting the inclusion of women. The definition of responsibilities and commitments is made equally between men and women.

To end this communication, we share the following poem created by the colleague Enyibell Díaz, from the Secretariat of Women in the San Martín de Porres District in Lima:

*"I should not have remained silent before injustice, gripped by my conscience / I should not have conformed when inside myself an echo kept on repeating Freedom! / I should not have bowed down when I wanted to contemplate the spring / And there were so many things that I should not have done / Repeating, yielding / Looking down / Suppress your ideas, they taught me / Quintessentially, I was born a woman / A lady, delicate as a flower / The intonation of my words shall not shout louder than those of a male / Tired of not recognizing myself in the mirror / My voice broke chains / My courage became power became / Because Revolutionary Love is deep / And the feeling is eternal."*

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**PERU** **CUT** Central Unitaria de Trabajadores  
**FETTRAMAP** Federación de Estibadores Terrestres  
y Transportistas Manuales del Peru  
**Organizing and collective bargaining of self-regulated  
land stevedores and drivers of Peru.**

**Guillermo Onofre Flores** Secretary General.

**FEATURES OF EMPLOYMENT AND WORKING CONDITIONS.** In Peru, land stevedores and carriers (carretilleros, tricicleros) are self-employed (or self-managed, as unions prefer to call them), as they have no employment relationship neither with the state administration (mainly EMMSA, Municipal Markets Ltd., which considers them part of their organization anyway), nor with private employers that work there, who hire them occasionally.

To describe this occupation in more detail, we will use the findings of a study carried out by the MTE (Ministry of Labor and Employment) from the IET (Institute for Labor Studies) in 1986:

- Self-employed workers work in agricultural products and seafood wholesale markets. They load and unload products from trucks to the selling stalls and warehouses.
- The work is seasonal and organized in rotating shifts. They are paid by the hour using rates pre-set by the workers, the wholesalers and an EMMSA representative.
- The working day is longer than 8 hours and work is performed at night, with the obligation to cover the morning shift, when trucks arrive after hours. They work every day of the week, at any time of the year, including during national holidays, Christmas, New Year and even on the first of May.
- The work they do is physical, intense and hard, due to the excessive weight of the products they must carry (which sometimes reach 250 kilos), and the quality of the packaging.
- The weight they carry is over 55 kilos, which is the maximum load that can be carried by one worker as recommended by the ILO.
- The frequent work accidents that occur are related to the lack of traffic signaling of vehicles in the market.
- The work environment is wet and cold, with temperatures sometimes reaching minus 20 degrees Celsius (refrigerated containers) without special clothing or tools. Workers do not use any protective equipment; they only use a cloth bag on their heads and small abdominal belts made out of old sacks.
- The excessive weight they must carry cause various occupational injuries re-

lated to the muscle-skeletal system, with cervical osteoarthritis being the most frequent disease. Vision problems are also caused by the frequent blows to the head endured when workers catch the loads, as well as respiratory problems due the insecticides and pesticides used in packaged fruit containers and the low temperatures used in their freezing and cooling containers.

- 17% of workers are between 35 and 39 years old. Approximately 5% are women.
- Most of these workers are migrants from the poorest areas of the country (Aya-cucho, Apurimac, Huancavelica).
- 25% have not completed primary school.
- 49% have been working between 10 and 19 years, receiving no compensation for the length of their service.
- The income they receive is below the minimum subsistence level.
- Only 17% of them undergo annual medical examinations, but these are not specialized tests.
- Back pain and hand muscle injuries are the most common conditions, along with visual, respiratory, and gastrointestinal ailments (ulcers, lack of appetite), and deafness.

**CREATION AND DEVELOPMENT OF THE FEDERATION.** The Federation has its remote origin in the 1950s, with the growing commercialization of food products in the Historic Center of Lima. Later, in the 1960s, it spreads to Barrio Manzanilla, and finally it reached the Victoria District. In this context, workers began to unionize in the Wholesale Market No. 1 “La Parada” in 1964, and in the fruit market No. 2, in 1971. Their aim was to defend their jobs, which they had created, to somehow have the exclusivity in terms of the demand, to have an organic representation, to achieve better pay for their services, and to jointly support each other in some cases of illnesses and accidents. It must also be noted that in these markets there has always been groups of traders and heavy load transporters at odds with workers’ organizations, because they prefer to hire workers individually and pay them less.

In 1978, a group of leaders of these organizations organized a press conference to raise awareness about their poor working conditions. They also won the support of workers in the wholesale market of aquatic seafood products, with whom they formed a preparatory commission for a second-tier organization. Partnerships with the Sindicato de Estibadores del Cabotaje Mayor del Callao (from the maritime sector), with whom they had obvious mutual interests, were also established.

This initiative took shape in July 1982, when the Federation was funded at the premises of the Wholesale Market No. 1 organization, with the participation of 58 delegates and the presence of the Callao union. The PETM did only recognize it in August 1990.

Currently, they are representing over 70,000 workers nationwide, including women, who perform mostly surveillance and guardianship duties.

The Federation has added other organizations such as the Fish Market of Villa Maria del Triunfo and the Los Olivos Market in the capital of Lima, and the stevedores from Cusco, Huancayo, Arequipa and Ica from the interior. Stevedore organizations from Puno, Huanuco, Chiclayo, Pucallpa and Tumbes are in the process of joining too.

In December 1993, the FETTRAMAP was founded out of the CUT-PERU (Confederation of Workers of Peru).

**EXPERIENCES IN THE REGULATORY FIELD.** Since its founding in 1982, the Federation has followed a long path of advocacy with the Peruvian State, in order to improve the working conditions of its members. This path can be divided into five phases.

**FIRST PHASE.** The Federation launched a campaign before the executive power, that achieved the approval of a law for stevedores by the Congress of the Republic in the House of Representatives first, and later by the Senate. However, this was observed by former President Fernando Belaunde in 1985.

Between 1986-1989, the aforementioned IET conducted a social and labor study about the stevedores in the markets of Lima, and the MTE created a multi-sectorial commission responsible for studying, analyzing and drafting a proposal for a substitute Bill. This proposal was finally adopted in June 1989, as Law 25047, and it focused on the right of these workers to become social security recipients. The law states that multiple employers must take responsibility for social security, health and pensions, holidays, and term of service compensation.

Simultaneously, the Federation undertook a demarche before the Ministry of Agriculture, with the aim of regulating and lowering the excessively heavy weights (120-140 kilos) of perishable agricultural products containers, following Convention 127 of the ILO, which considers 50 kilos as the maximum weight to be carried by a worker. As a result, in August 1989, the Executive approved by Supreme Decree the “General Regulations for Packaging, Transportation and Stowage of Agricultural Products for Wholesale Commercialization”.

**SECOND STAGE.** This stage starts from the time membership in the CUT Peru is achieved. Those years were bad for the labor movement because the government of President Fujimori used anti-labor and anti-union measures to implement the neoliberal model (previously in force): in July 1993, a Supreme Decree aimed at this sector was issued, which unexpectedly established that the provision of stevedoring services (loading and unloading), internal transfer, and supply of agricultural products in wholesale and retail markets were completely free, and

that any natural or legal person could provide such services. Through a long campaign, the Federation challenged this rule and they achieved their objective when the Government revoked it in September 1995.

**THIRD PHASE.** Since 2003, the Federation and the CUT PERÚ reformulated its strategy and trade union action, and managed to get the CENSOPAS (National Centre for Occupational Health) from the Ministry of Health, to conduct three studies on occupational health, ergonomics, psychology and medical evaluations that applied to a diverse group of stevedores in Lima, Huancayo and Cusco, together with the support of ISCOD-UGT (Trade Union Institute for Development Cooperation from the General Union of Spain) and PROES. Such studies supported their advocacy work that led the MTE to officially constitute a Multi-sectorial Technical Committee to study and propose a regulatory Act regarding excessive weights, packaging and working conditions of stevedores. Representatives from the Ministries of Labour, Health and Agriculture, the INDECOPI, the Municipality of Lima, the CUT and the FETTRAMAP participated in this committee together with wholesalers, and it resulted in the creation of a legislative proposal.

In January 2007, the CUT and the Federation proposed to the Labor Minister, Susana Pinilla, the ratification of ILO's Convention 127, concerning the maximum permissible weight to be carried by one worker, which was approved the following year.

In September 2007, the Congress and the government passed Law No. 29088, the Safety Act and Health at Work of Land Stevedores and Manual Shippers. Its regulations were approved in April 2009, after the work of a new Technical Committee in which the CUT and the Federation were also involved.

The law establishes a maximum weight of 25 kilos and a load limit of 50 kilos for men, 12.5 and 20 kilos for women, it provides for the prohibition of child labor (under the age of 16) and it applies to the production, transportation and marketing of the agro-production chain nationwide, that is to say, activities ranging from input supply, production, processing, manufacturing and marketing, to the final consumption of agricultural produce or livestock. Agricultural products carried manually by the workers should be properly selected, sorted and packaged. The producer, the merchant, and the carrier or driver of vehicles with a load of agricultural products destined to the wholesale marketing, will be responsible for designing promotion strategies and supervision of work health and safety for land stevedores and manual shippers. The Ministry of Health should provide advice on the design of such strategies.

**FOURTH PHASE.** Since Law 25047 on benefits for Social Security had not been implemented by any government, the CUT PERÚ and the Federation started advocating for it before the MT since 2005, managing to form a technical team twice



and finally its approval in July 2011. Nowadays, the Act and its regulations are in a stage of implementation and enforcement through state institutions, with the participation of members of the Federation and the CUT, since its compliance is a multi-sectorial responsibility of state entities.

**FIFTH PHASE** . In October 2012, wholesale trade activities of perishable agricultural products at the Wholesale Market No. 1 “La Parada” (3 hectares), was transferred by the Metropolitan Municipality of Lima to a new Great Wholesale Market of Lima - GMLL (68 hectares), where it is currently operating under the administration of EMMSA. In this new situation, the company tried initially to impose that unions should become micro enterprises, that traders could join with their own stevedores and not let the unions operate. Therefore, the FETTRAMAP created the Great Market Stevedores Defense Commission, and thus developed actions and negotiations that culminated in the signing of a Memorandum of Understanding between EMMSA, the CUT and the FETTRAMAP, under which, in 2014, the signing of a new Inter-Institutional Framework Agreement took place. This agreement strengthened trade unions so that they could continue operating in the market through legal recognition, and offer work rules that respect the rights of stevedores, give them accreditation to operate, provide venues for their organizational meetings, and gradually transform stevedoring by introducing mechanical equipment (forklifts, trucks, vans and motorcycles).

In October 2014, the Federation and the CUT managed to get the Council of the Metropolitan Municipality of Lima to approve the “Ordinance Regulating the Implementation of Work Health and Safety for Stevedoring and Hand Carrying in the Province of Lima”, which had been presented at the initiative of Metropolitan Counselor, Mr Onofre Guillermo Flores (April-December 2013). Under request by our organizations at the regional headquarters (Huacho 130 km. from Lima), another regional ordinance aimed at having all agricultural products with excessive weight entering these markets in the capital, classified and packed in production and collection centers, is about to be approved.

In the departments or regions of the country, the Federation, together with member organizations from Junin, Cusco and Arequipa, have managed to get regional and provincial governments to adopt various ordinances with regulations that will implement the health and safety of stevedores under what is established by Law No. 29088, Law on Work Health and Safety of Stevedores and Hand Carriers.

In addition to this regulatory battle, the organization, with the CUT PERÚ has carried out various types of activities such as a prevention plan by which markets and supply centers are visited and work accidents are recorded, training for workers are given through courses for health promoters, and a Mutual Aid Fund from members’ contributions is created, to cover accident insurance, funeral expenses

and a retirement fund.

In view of their social problems, unions currently use solidarity funds to help with illnesses, accidents and deaths, and also to acquire mechanized equipment for cargo handling. They are also in the first phase of implementation of initiatives to access solidarity credits, micro businesses, and mutual funds on goods and services.

With support from the PROE Project, sponsored by ISCOD and the Board of Extremadura 2006-2009, an occupational health service has been implemented, specializing in risk prevention and a comprehensive plan of union and staff training, as well as the implementation of a job-retraining plan.

Through the CUT, the Federation participates in the National Council for Labor and Employment Promotion, via the Social Security and Informal Economy Committees, as well as in the Specialized Health Commission of the Andean Labor Council, and in the Work Health and Safety National Council, and in the regional Work Health and Safety Councils.

Various agreements were reached at the last National Congress and the elected National Executive Committee is to act on its Strategic Plan through annual operating plans. The Strategic Plan has four objectives: 1) To achieve greater membership of all organizations belonging to Wholesale Markets 1 and 2, as well as those that may exist in retail markets in Lima, 2) To manage to organize stevedores, loaders and hand carriers (carretilleros and tricicleros) at national level, where organizations do not exist like in Lima's Retail Markets and collection centers in the provinces, 3) With the support of Members of Congress, to draw up a draft Bill setting out the need of these workers to become legitimate subjects of the right to Social Security and related services, 4) To develop a program of activities with the Federation member organizations, with the aim to offer workers training about their fundamental rights, in particular.

At present, the FETTRAMAP has its own four-story building in downtown Lima, which is in the process of being transferred as a donation by ISCOD. In addition, their grassroots organizations have their own local premises for each product rotation, so they can develop their stevedoring operations in each market.

**CONSULTATION AND COLLECTIVE NEGOTIATION.** Through decades of experience, compromises and bi-annual or tri-annual agreements, organizations have developed a very particular way to raise their salary rates or wages for their work. As a first step to reach agreement, most organizations raise and sustain the rate hike of their merchant employers or carriers (for inflation, cost of living, greater distance, higher number of staff, etc.), either inside or outside the markets (sometimes they go to the same collection centers or production centers), finally managing to open up dialogue roundtables between the two sides. After long weeks addressing the

issue, they end up agreeing through a memorandum, on a fee or salary for their stevedoring work (recently achieved in Lima's Great Wholesale Market).

Also, the Sindicato de Estibadores del Giro de Choclos, one of the organizations belonging to the FETRATRAMAP, has completed two Collective Agreements (2009-2011 and 2011-2013) with the support of the CUT, the FETRATRAMAP, and the Asociación Empresarial de Comerciantes Mayoristas de Choclos, after having complied with the whole procedure required by the Industrial Relations Act of Peru. These agreements have finally been considered by the Ministry of Labor and Employment Promotion (the MTPE), as the first collective agreements made by an organization in the Informal Sector of the economy.

Currently, the FETRATRAMAP has been working in the city of Chiclayo (north of Peru). A new Stevedores' Union has been created at the Moshoqueque Market, given that workers there did not have a union to defend their rights contemplated in the national stevedoring standards. In addition, in the city of Arequipa (southern Peru), training and strengthening program is underway with the stevedores' unions from the "Papas" and "Avelino Cáceres" Markets, in order to encourage workers to participate in the multi-sectorial technical committee, created by the Regional Government of Arequipa with respect to law No. 29088.

Also, in the Great Wholesale Market of Lima, the FETRATRAMAP has created a new union with the stevedores from Giro Zapallos, because these workers had been developing their activities without any clear direction. Today, they are affiliate members and are working with the Federation.

Recently, in May 2015, the Federation and the CUT managed to get the Ministry of Labor and Employment Promotion to set up, for the first time, a "Working Table to Propose Mechanisms for the Promotion and Formalization of Productive Self-employment" by Ministerial Resolution No. 073.2015-TR. This platform is already being used to discuss the advances and difficulties suffered by stevedores, street vendors, market workers, recyclers, street shoe shiners, newspapers and magazines sellers, small-scale fishing communities and others, in order to realize the proposals and thereby ensure that the Government is committed to consolidating a state policy, with the aim of solving the diversity of problems affecting self-employed workers.

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**VENEZUELA** **ASI** Alianza Sindical Independiente  
**ASOTRACEN** Asociación de Trabajadores y Trabajadoras del  
Sector Informal del Estado de Aragua  
**Union action for informal workers in Venezuela.**

**Aída Martínez** Secretary General, ASOTRACEN and President, FUTRAND.

**T**here are about 60 trade unions in the informal sector and a large number of civil associations that also group independent workers in Venezuela. Similarly, there is a National Federation of Independent Workers (FUTRAND).

In turn, the ASOTRACEN is a state union founded in 1999, first as a partnership with a conglomerate of 360 workers, that in 2005 became a trade union with a membership of 2 thousand informal sector workers from the Aragua state.

With the cooperation of the Independent Trade Union Alliance (ASI), we began a training process and set on the path to make ourselves visible to society and the government. Together with other organizations such as the FUTRAND, we managed to be included in the constitutional process, achieving recognition as independent workers in the text of the National Constitution, approved by popular referendum in 1999. Similarly, we were included in the Social Security Sub-systems Law, which we are currently using to bring in workers into the social security and pension systems.

The ASI and the ASOTRACEN created an NGO called the Centre for Comprehensive Assistance for Informal Economy Workers (CEDITEI), because we understood that we must move towards a unionism focused on services, and recognized that we must serve workers holistically, and not limit our work to only fighting for fair wages and the creation of decent jobs.

This organization is the social arm of the ASOTRACEN, supporting 1200 members of the association, and it is dedicated to providing legal assistance to workers, organizing health campaigns such as vaccination for children working on the streets, campaigning against the elimination of the worst forms of child labor, and providing stalls selling food at low cost. We have a laboratory for medical tests and a medical-dentistry unit.

The ASOTRACEN promoted the creation of the ordinance to govern the pursuit of self-employed workers activities. Similarly, together with their workers, it managed to build a shopping center with daycare facilities and six popular markets for dry goods, fruits and vegetables.

We have incorporated and promoted campaigns for gender equality and against gender violence, and are currently promoting 300 family production units to help working women heads of household, and senior or older women, through the System of Communal Economy through education and capacity building training plans, together with the presentation of finance projects to help fund the UPF.

The ASOTRACEN and the CEDITEI serve as proof that with the appropriate support, informal workers can succeed in eradicating the anarchy that reigns in their sector, and get unified as a single movement.

**IT IS A DIFFICULT ROAD.** the hardest thing is to raise awareness amongst informal sector workers and make them understand that they do not lose their status as workers because they work in the informal sector. Anybody can end up being part of this sector, and the only way that governments will take the issue of decent jobs and respect for collective contracts and other claim seriously, is to fight together.

The ASI has been our support because it had the foresight to consider the informal sector relevant and has made efforts to give us more visibility. We were incorporated into their organizational structure and given responsibilities, not just as a gap-filler, but as a key card for strengthening the workers' movement in Venezuela.

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**VENEZUELA** **CTV** Confederación de Trabajadores de Venezuela  
**FUTRAND** Federación Unitaria de Trabajadores no  
Dependientes y Afines de Venezuela  
**Representation of non-dependent workers in Venezuela.**

**Blanca Llerena** Secretary General.

**BACKGROUND.** The Organization of Independent Workers Union, FUTRAND, was created on November 28, 1992, from the integration of five unions and four trade associations. The setting was the recent reform, in 1991, of the Organic Labor Law (LOT), whose article 40 established an explicit recognition of Independent Workers (TND), defined as “the person who usually lives exclusively from their own work, without being in a situation of dependence on one or more employers”. Later, their right to organize themselves and to negotiate in a similar way to unions was recognized: “Independent workers may unionize according to the provisions of this law and reach agreements similar to collective labor agreements, as applicable”. Finally, the possibility of being subject to other public policies was also planned: “Independent workers will be gradually incorporated into the social security system and into other worker protection standards, as soon as possible.”

The XV Congress of the ICFTU's reaction to this law was to place trade union action in the informal economy as one its central themes in March 1992, approving a resolution, which stated the commitment of the CTV to create a Federation representative of these workers.

The FUTRAND was duly legalized and registered with the National Inspectorate and Collective Labor Affairs under No. 315, Folio No. 177 in the corresponding register book, in parallel with the reform of the statutes of the CTV and the creation of a Department for Independent Workers in the Informal Economy.

**STRUCTURE.** The FUTRAND has 4 thousand workers recognized by the National Electoral Council, and 17 thousand members in 17 unions nationwide. In the Municipality of Libertador, the largest in Caracas, the FUTRAND has representation in 22 parishes, including members and friends.

Workers from the municipalities of Baruta, Chacao and Sucre, have been led and guided on the basis of these organizations.

Their main member organizations are:

- **STEFNAT**, *Sindicato de Expendedores de Jugos del Distrito Federal y Estado de Miranda.*
- **SVA,DF,EM.** *Sindicato de Trabajadores Ambulantes del Distrito Capital y Estado de Miranda.*

- **SUTRAVEPA**, *Sindicato de Trabajadores para la Transportación y Venta de Productos Agropecuarios y sus Similares del Distrito Capital y Estado Miranda.*
- **SUTRANDECA**, *Sindicato de Trabajadores No Dependientes, vendedores de mercancía seca, Productos manufacturados y afines del Distrito Capital, Estado Miranda y Estado Vargas.*
- **SINTRAMEPECO**, *Sindicato de Trabajadores y Pequeños Comerciantes de la Parroquia Antímamo, Municipio Libertador, Distrito Capital.*
- **SUTRANDVENPECH**, *Sindicato de Trabajadores No Dependientes-Vendedores de Perros Calientes y Hamburguesas.*
- **ASITRADULCO**, *Asociación Sindical de Trabajadores, Vendedores de Dulces Criollos, Cotufas y Confitería del Distrito Capital y Estado Miranda.*
- **ASOVENPROMAN**, *Asociación Sindical de Trabajadores Vendedores de Perros Calientes y Productos Manufacturados del Distrito Capital y Estado Miranda.*
- **ASITRAVENCH**, *Sindicato de Trabajadores No Dependientes, Vendedores de Cachapa, Arepas, Churros y Similares del Municipio Libertador, Distrito Capital.*
- **ASOTRACEN**, *Sindicato de Trabajadores Vendedores de Mercancía Seca y Productos Manufacturados y Afines, del Estado Aragua.*
- **ABUMERSA** *Sindicato de Profesional Mixto de Trabajadores Buhoneros, Similares y Conexos del Municipio Guanare, Estado Portuguesa.*
- **SINTRAINPOR**, *Sindicato de Trabajadores y Profesionales, Vendedores de Mercancía Seca, Productos Manufacturados y Afines de Acarigua, Estado Portuguesa.*
- **SEMALCO**, *Sindicato de Trabajadores de Mercados itinerantes del Estado Cojedes.*
- **SINTRAIN** *Sindicato Único de Trabajadores de la Economía Informal del Estado Bolívar.*
- **SUVACETA**, *Sindicato de Trabajadores No Dependientes y Vendedores de Mercancía Seca, Productos Manufacturados y Afines del Estado Táchira.*
- **SITEIFRO**, *Sindicato de Trabajadores de la Economía Informal y sus Similares de la Frontera, del Estado Táchira.*
- **SUNITRATED**, made up of senior citizen workers.

55% of all members are women and they are the ones that run most of the grassroots and regional organizations, accounting for 50% of the management of organizations nationwide.

Concepts. The FUTRAND has discussed the concepts used to refer to their bases, and considers that the traditional term “buhonero” used to refer to street vendors, hawkers and hardware peddlers should not be maintained, because it tends to be dismissive, and to be identified even with criminals or drug traffickers. By contrast, it prefers the name TND (Trabajador No Dependiente – Self-employed Worker), because it corresponds to a decent job, to people who do not want to have a boss and whose main problem is the lack of integration into the social security system. Re-

garding the term Informal, it is used as a description of the negative situation that the TNDs find themselves in, putting the focus on the mentioned deficit of social security coverage.

The precise definition of a TND used by the FUTRAND, refers to any person providing goods and services, whose activity is regular and self-managed, and who can own premises used for work purposes. When the FUTRSAND had an opportunity to present a municipal ordinance draft, it specified that such definition includes people working on public roads who carry out production and distribution activities, placement and sale of goods and services in kiosks, animal-drawn carts or in a automotive with fixed or transient selling positions, located outdoors or in enclosed spaces, as well as in sites known as areas, public roads and popular markets.

**OVERALL STRATEGY.** FUTRAND is guided by the following assessment:

- According to official statistics, the informal economy in Venezuela represents more than 5 million workers, equivalent to 53% of the workforce.
- The trade union movement is in crisis, as each worker in the informal economy represents one less member.
- The lack of a legal regulation leads to disputes about public spaces between workers and pedestrians, bringing as a result a fight by the people against the people.
- The main problem facing the Federation is the presence of unscrupulous organized groups trying to do deals with the location and needs of workers located in public spaces.

The actions of FUTRAND are not aimed at promoting informal workers, but to protect union members. To do this, the following are needed:

- Promotion and protection of the rights and interests of TNDs, as well as their efforts to improve their quality of life.
- Optimization of the situation of TNDs within the Venezuelan labor arena, where their human, labor and citizens' rights are fully guaranteed.
- Training, guidance, and information.
- Better policies at workers unions, to give a voice to organizations of the informal economy.
- Citizen awareness so that informal workers are seen as people offering a service to the public, and not as a hindrance.

The FUTRAND also plans to focus on the right to work and to unionize amongst a variety of groups; youth, the marginalized, the unemployed, migrants, retir-



ees, pensioners, people living with disabilities, rural workers, and indigenous communities.

The FUTRAND is developing a union training plan to place each worker in his/her socioeconomic, political and cultural environment, in order to grasp the need to transform that reality, and to raise the workers' awareness, develop their personality and practical and technical capacity, as well as their skills, abilities and aptitudes.

In this context, the FUTRAND has shown outstanding leadership by its restless work to bring about legal proposals at local and national level:

- It participated in the constitutional reform implemented in 1999, seeking to place TNDs as subjects to the right to work, resulting in the addition of the following paragraph to Article 87: "The law shall adopt measures to ensure the full exercise of labor rights by independent workers". In its first paragraph, the article states that "everyone has the right to work and the duty to work. The State guarantees the adoption of necessary measures in order that everyone can obtain productive work that provides a dignified and decent existence, and ensures the full exercise of that right. It is an objective of the State to promote employment". An interesting point worth highlighting is that in the first version of the article, the expression "informal workers" was used, which was eventually changed following the strategic concept of the FUTRAND.
- It developed activities in relation to the implementation of international labor standards, specially focusing on Conventions 87 on Freedom of Association, 111 on Equal Opportunities, 102 on Social Security, 117 on Social Policy, 122 on Employment Policies, and 1588 on Protection Against Unemployment.
- It participated in the debate on the reform of the Organic Law on Comprehensive Social Security, which in its content defines the following: a) that subsystems special laws will establish the requirements, terms and conditions for the inclusion of self-employed workers and those from other similar sectors, into the social security system; b) that the only payment made by self-employed workers will be towards the health subsystem. The FUTRAND has proposed taxing any goods used by the TNDs, between 0.25% and 0.75% at the time of billing, and that that tax becomes equivalent to the employer's contribution to the social security system for independent workers. At present we have achieved the incorporation of TNDs into the social security system but at a very high price of 13% (TNDs disagree with this percentage), compared to 4% charged to workers in the formal sector. So, they are charging more to those who have less.
- Regarding the LOT, the FUTRAND fought a battle with them to ensure its content was actually applied, to which the Labor Inspectorate resisted when it came to grant registration to organizations, arguing that the law referred only

to professional workers. The solution came when the law expanded state protection to children and adolescents, including the ability to organize unions. Because it is impossible to achieve professional qualification at that age, the FUTRAND found a loophole through which to return to the legal discussion, achieving its objective in 1999.

- In relation to the management of conflicts generated in relation to TNDs, the approach is that TNDs that conduct their activities within the national territory should have full recognition for the exercise of their duties and enjoy protection from the local, regional and national authorities in an effort to better fulfill their work, and that they are neither subject to schedules nor to several provisions of the law. Their work should be determined by the nature of their activity. Working hours would be established by agreements between local authorities and the TND's unions. In this context, the conflicts generated by labor relations between the TNDs and municipal or regional authorities would be settled jointly by the Labor Inspectorate, Ombudsman and the Labor Courts.
- It promoted a Municipal System Act (Ordinance for the Municipality of Libertador) aimed at creating an organization that encourages self-management of free markets and peripheral markets, with representation from neighbors, authorities and workers, and draft ordinances were introduced in several municipalities to regulate work on the street. The center of the argument is that this work is not a problem of public order, so the state does not have to intervene. The ordinance would regulate the use of public areas and spaces for production, distribution, placement and the sale of goods and retail service, which are the activities that represent the TNDs' permanent source of income. The definition and approval of public areas and spaces would only be formulated on those areas that do not hinder or disturb free pedestrian traffic. A fee would be paid as a way to collaborate for the services provided by the municipality for the pursuance of this activity. The TNDs would present a guarantee or endorsement from the organization to which they belong. The authority to engage in this working activity in public areas or spaces must be used directly by the natural or legal person under whose name the license or permit was issued. In the cases of street vending on roads, the TND's organization would issue membership cards in different colors for each work category, showing a photo of the person, his/her identity card number, his/her names and surnames, and the location or road where he or she has been authorized to work.

It proposed the creation of a Superintendency for the Protection of TNDs, as an organ of the Ministry of Labor, representing municipalities, employees and suppliers. This structure would have legal entity status, financial autonomy and its own functional patrimony, being attached to the Ministry of Labor and Social

Security. It would aim at planning, monitoring, controlling and regulating the activities of TNDs across the country and build appropriate facilities, do the hiring, transferring, leasing and everything that will benefit the TNDs and the service they provide. It would consist of representatives of the Ministry, the National Federation of Residents and trade unionism; it would have representation in each municipality and in every city where TNDs operate. The assets would include special contributions from the self-management of free markets and multiple services, markets in the periphery, and collection centers agreed upon by the organized TNDs.

The Superintendency would have the following powers:

- To plan and develop strategies for the running of multiple services markets, peripheral markets, and collection centers throughout the country.
- To study, plan, recruit, build, supervise and oversee the facilities intended for the work of TNDs.
- To design and implement strategies to ensure the operation and functioning of markets in areas accessible to consumers, where workers can occupy areas that do not alter the proper functioning of public and private domestic activities.
- To monitor and ensure permanent and systematic tax payments to the state by TNDs.
- To supervise and control the levy from wholesalers, suppliers, and industries.
- To build appropriate facilities for the placement of workers who perform their work providing services as mechanics, shoe repairers, white goods technicians, builders, plumbers, shoe polishers, IT technicians, phone card sellers, public transport drivers, and all those workers who self-manage their labor activities as they are covered by this Act.
- On the other hand, it proposed the inclusion of organizations in the Community Councils so that they can prepare their own projects and make them viable, respect for the spaces where they are working, initiating a process of participatory and democratic consultation with the municipalities to determine viable areas of work and to ensure sustainable formalization processes. In this context, it has proposed the creation of Multiple Services Popular Markets in every parish in the major cities, financed by the municipal entity under a tripartite and self-managed figure, designed and built with the workers themselves, with communal representation and as public entity through the Ministry of Labor and the Municipal Tax Authority (SUMAT). In addition to union premises, these markets could house utility payment offices, banks, neighborhood council's premises, police offices, childcare centers, medical services, community kitchens, and a social club for recreational activities.

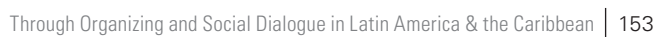
- With the support of the Popular Power Department for the Popular Economy, it created the special plan for the informal economy, which relies on other programs such as Vuelvan Caras (“Ensuring the participation of the creative force of the people in the production of goods and services, overcoming the conditions of exclusion and poverty generated in the last four decades”), the INCE’s (National Institute for Socialist training and Education) training programs, and the Ciara Foundation (originally created with the purpose of promoting the organized participation of rural communities). The program includes the granting of loans, based on previous training and a broad array of work with the workers’ groups themselves, that would enable the creation of a micro-enterprise, cooperative or unit of social production, in line with the real need of their local area. It created a Foundation for socio-economic training, capacity building and education of workers (FUDESTRAND). It has been giving courses on new trade unions, cooperative associations, business registration and administration, accounting, municipal taxes payment training, and capacity building to enable workers to negotiate effectively with public and private entities.

The proposal for the new workers’ Organic Labor Law or LOTT was not taken into account, even though the Law is based on the concept that the rights between formal and informal workers will become mainstream, and that TNDs labor law is typified in articles 17 and 36 of the new LOTT.

The TNDs are aware that rights cannot be given or begged, therefore they are willing to earn them. They rely on their own initiatives, as protagonists and subjects of economic and social rights, with a view to meeting personal and collective needs, both from a family point of view and as active members of the Venezuelan society. “Without labor justice, there can’t be social peace”.



# **III SOUTHERN CONE COUNTRIES**



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**ARGENTINA** **SIVARA** Sindicato de Vendedores de Venta Ambulante  
en la República de la Argentina  
**Organizing street vendors in Argentina.**

**Oscar Silva** Organizing street vendors in Argentina.

The SIVARA, the trade union movement in Argentina, has been the only organization that has obtained registration and legal recognition to represent self-employed (and dependent) workers in public spaces defined as streets, squares, parks, sidewalks, train stations, buses and sports stadiums. The SIVARA was created in 1973 at the same headquarters of the CGTRA, obtaining legal recognition on 12 September 1975. It has 16 regional delegations, a membership of 37 thousand workers, and represents an estimated 100 thousand.

Since 2009, the SIVARA is a member of StreetNet International, and its secretary general took office the following year, being reelected in 2013.

The SIVARA uses a trades and occupation grouping criteria in 22 branches, including: the sale of food, beverages and sweets, gambling games, flowers and plants; the provision of services (newspapers, cable TV, cell phones, health plans) and cultural products (crafts, books); the sale of delivery goods, direct selling in households (cosmetics, toiletries, cookware, linen).

The concept of “mixed strategy” and “transition union” seek to improve the poor working conditions these workers work in and which are characteristic of work on public roads (temperature variations, exposure to vehicles, standing for too long, various tensions that create stress), through negotiations with local governments and private employers, if necessary. For this purpose, there are two different basic work situations:

**1** Vendors who are indeed self-employed, for whom the strategy is to achieve regulations from public authorities that can be considered “collective agreements”, to the extent that they are, in some way, “employers” of these workers. The most prominent case is that of the Autonomous City of Buenos Aires, with a milestone Food Law 1166 (2003), that was established following consultations and formal negotiations with the unions, and which reformed and unified several sections of authority codesharing and verifications. Two recent experiences in 2013-4, are the agreements reached with the Government of Buenos Aires in relation to the regularization of the 1200 flower stalls in the street, and the location of “hot dogs” and “choripanes” vendors in the “Costanera”, where the government took over the total cost of new stalls, and the regularization of 1200 kiosks. The minutes of this agreement explicitly state that the approach applied falls within the guidelines of the ILO, the ITUC and the TUCA.



This approach also moves towards agreements with the private sector involved in a relationship with self-employed workers at festivals (in the Province of Cordoba), using the strategy of supporting the creation of business chambers that can become the counterpart of a negotiation that recognizes the presence of independent work in joint activities, including making some of the workers wage earners. For the union, all cases are placed on record as social work. A similar approach is being prepared for the section of gambling in the Province of Buenos Aires.

**2** False self-employed workers, whose main objective is to achieve, with the intervention of the public authority, that employers recognize their working relationship. Having obtained collective agreements that recognize their true status, the SIVARA has developed specific strategies for the following groups: ice cream and coffee vendors in sports stadiums and trains, newsboys on the streets who work for publishing companies, and vendors of lotto, contribution bonuses, raffles and products for charitable purposes selling on behalf of non-profit foundations ("Pancheros" - lottery for disabled).

It is then a "mixed" organization in two ways: representing employee work and self-employed work, registered and unregistered work.

It can also be said to be a "transition" union for false self-employed workers but who in reality are employed workers, and workers fully considered as employed. An estimate on the profile of members and those represented by this criterion is as follows: 60% are self-employed, 15% are informally employed and 25% are formally employed.

**3** The strategy towards an "invisible" labor collective. A line of work that the SIVARA has been developing for years is that concerning direct sales workers or "door to door" workers, who can be likened to street vendors, and that is carried out mostly by housewives, students, retired women and those women that are employed in the public sector.

What characterizes this group is that companies do not recognize their status as employees, and thus neither do they recognize the existence of labor relations with them, but rather consider them as "reselling partners", "commercial agents", "distributors", "representatives", "franchised", "consultants", "sales force" or directly "members of a distribution system". The only recognized employment is that of performing administrative tasks on the premises of these companies, which account for only 4 thousand people, compared to the amount of vendors that have fluctuated at around 700 thousand.

Companies using direct sales create an employment structure that is not registered as such, consisting of: female "promotoras" (vendors), members according to

the business sector, at the lowest level; female coordinators that access that position based on the confidence that the company develops in them over the time they worked as vendors, at the highest level; and female assistants coordinators, at an intermediate level. Each coordinator can have up to twenty assistants that do deliveries for the company, are responsible for bringing products to vendors or coordinators, and even withdraw payments from accounts opened for the vendors to make deposits into.

The “commercial” contract that they sign with the company when they enter the system contains all the essential details of the relationship and includes the code of ethics for the customer. With the systematic implementation of this scheme and regardless of any labor advantage, the company ensures they obtain many unilateral advantages of profitability and competitiveness without running the slightest business risk.

In its campaign to have these vendors considered as employees, the SIVARA applies the approach from Recommendation 198 of the ILO on employment relationship, in terms of locating indicators that enable them to have these vendors considered as employees. Specifically, companies give each worker a code for the purpose of labor identification, force them to attend conferences sale, set levels of work hierarchy defining who is the leader, establish ways and places where to make payments (in cash, in their own premises, at banks, etc.), provide and promote the products to be sold through catalogs or brochures and that workers receive from the companies that, in some cases, make them buy these products at the beginning of each marketing year, are forced to adhere to a code of ethics, establish a permanent frequency for campaigns, give prizes for sales volume, and provide proof of purchase for what has been sold.

On this basis, the SIVARA: **1)** has made various presentations to the Ministry of Labor, Employment and Social Security; **2)** has introduced a bill in Parliament; **3)** completed a first collective agreement in 2014.

**Daniel Jorajuría** Union Secretary<sup>9</sup>.

**T**he CTA was founded in 1992 as a division of the CGTRA (the General Confederation of Labor of Argentina). Since late 2010, there has been a conflict, which maintains two distinct lines, but both claim all member organizations.

The CTA union registration is only for members who belong to organizations with legal status, which add up to 750 thousand. The Labor Ministry also observes the statute, in regards to promoting membership in a direct way, self-employed, unregistered workers and unemployed workers. This is due to the fact that legislation in Argentina establishes severe restrictions on unions, despite the provisions of the Constitution, stating that “work in its various forms shall enjoy the protection of the law, ensuring the worker free and democratic unionization, recognized by registration of a simple notice at a special registry” (Article 14bis). It must also be recalled that Argentina has ratified Treaty 87, which undertakes to take all necessary and appropriate measures to ensure the free exercise of the workers’ right to organize.

In practice, the following problems arise:

- The special registry was never created and the recognition of a union depends on political decisions. A simple trade union registration may take more than 10 years to be granted. The CTA’s union registrations are made through court rulings.
- The Trade Union Law (23.551) (1988) nullifies the rights of simple organization registration established by the Constitution, turning them into a “non-union”, because it deprives them of the trade union immunity for their representatives, not allowing them collective representation of their members nor their representation in the workplace, and does not authorize union payroll deduction of their members.
- A regulation defines a worker for the purposes of this Act as... “he or she who performs a lawful work activity under whom has the power to conduct it.” (Regulatory Decree 467/88). That is to say, that it only allows employees to unionize.

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<sup>9</sup> This article is a compilation of contributions made by the author at different international union events such as at the TUCA’s WGSR, the ILO’s ILC Turin, and at Ibero-American meetings on the informal economy during 2009-2013.

Likewise, in order to further restrict the concept of a unionizable subject and exclude informal and precarious workers, it has been established that organizations applying for registration must provide a list of members containing, in addition to their first and last name, their identity card number, member number, unified identity labor code, and trade, profession or category to which they belong. Also, regarding the company where they work, the following information must be provided; the company name, its social purpose, its unified tax identity code, its address (Resolution 36/98 of the Department of Trade Unions at the Ministry of Labor). The list is considered a sworn statement and must include the signature of the joining member. Once these requirements have been presented to the Ministry of Labor, the Ministry asks the Institute of Social Security if the members are employees of the employers and if so, only they are allowed to unionize.

Therefore, the Argentine labor law is stuck on the idea of the centrality of full time and indefinite subordinate work, as if that was the reality of the working class. Left out of all unionization are: self-employed individuals (workers with services contracts, construction contracts, false self-employed, etc.) self-employed collective workers (cooperatives), unregistered workers, self-managed workers (working at enterprises recuperated by workers), contingency plans workers, and unemployed workers. Consequently, more than 50% of Argentine workers are excluded and discriminated against the opportunity to organize, represent and negotiate on behalf of their interests.

## **STRUCTURE OF THE CTA.**

The CTA has 1.5 million members, scattered in different situations:

- A core, with more than 700 thousand workers, integrated into 77 unions with trade union status. This group includes state workers incorporated by implementation of an ATE's (Association of State Workers) renewed strategy, which in some provinces have been placed on the payroll of contingency plans workers, which can be considered state workers.
- A second core, with 200 thousand workers, who are part of 160 trade union organizations with simple registration (90, with 100 thousand) or pending registration (70, with 100 thousand).
- A third core, with more than 500 thousand members who are direct members or are part of about 200 organizations from the social movement sector. Workers unregistered with Social Security are part of this core, and about 10% are self-employed.
- A fourth core, with about 40 thousand members, corresponding to retirees and pensioners, grouped in a federation and a coordinating table.

**DIRECT AFFILIATION STRATEGY.** As we have seen, the structure mentioned in the previous point stems from a considerable part of the strategy of direct affiliation undertaken by the CTA since its inception. The Confederation believes that there is a single economy and a single category of workers, and all with the same rights. Therefore, the statute stated that “membership is a free and voluntary act by the workers ... (which) will be made more effective directly by the worker at the local, provincial or national organization of the CTA or through the union”, and that: “in principle the following may join: a) employed workers; b) unemployed workers; c) workers who receive some social security benefits; d) self-employed workers as long as they do not have workers under their authority; e) domestic workers. Therefore, anyone who feels that he/she is a worker can join, regardless of his or her life situation. That is to say: anyone whether they are active or passive, formal or informal, native or migrant, dependent or independent, employed or unemployed.

Direct membership brought about simultaneous progress in the actions taken to tackle several challenges. Two of these are not within the scope of this article:

- The unionization of private sector workers who belong to unions that have modified their statutes, fully restricting internal democracy, leaving them with no possibility for participation and without channels of expression. Firstly, these workers joined the CTA directly, and with their growth over time, they later become unions.
- Direct membership enabled action taking to tackle unemployment and informality.
- Affiliating territorial organizations of unemployed workers, mostly with extensive union experience.
- Affiliating workers organizations who generate their own labor initiatives: garbage recyclers, vendors on the street, artisans, bike messengers, retirees, cooperative workers, self-managed workers of enterprises recovered by the workers.

Some of the self-employed sectors grouped in the CTA are as follows:

- Services: newspapers and magazines vendors, actors and musicians, media workers, sex workers, hawkers, peddlers.
- Transport: taxi and remis drivers (remis: a taxi called by phone that uses no meter and charges a flat rate according to the distance), messengers on motorbikes, cuida coches (independent workers that look after cars parked on the street and who subsist on the generosity of vehicle owners), community trans-

port workers and related workers.

- Social economy: self-managed workers enterprises, garbage recyclers' cooperatives.
- Rural sector: small farmers, independent wine producers.
- Urban social movements: the Agrupación Tupac Amaru, the Federación Tierra and Vivienda-Hábitat (FTV-H), the Movimiento de Ocupantes Inquilinos (MOI), the Movimiento Territorial Liberación (MTL), the Federación de Villas, Núcleos y Barrios Marginales, the Unión de Trabajadores Desocupados (UTD).
- Indigenous people grouped in movements, associations, communities and unions at the provincial level.

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**BRAZIL** **FENAMEI** Federação Nacional dos Micro Empreendedores Individuais do Brazil  
**UGT** União Geral dos Trabalhadores  
**Strategies to organize informal workers in Brazil.**

**José Artur Aguiar** Secretary, Informal Sector, UGT  
President, FENAMEI and SINDARTE.

**Janete Pereira da Silva de Souza** President, SINDIMEI.

**T**he FENAMEI was created in 2013 as part of the UGT, in charge of the Secretariat of the Third Sector, the Informal Sector and the Self-Employed. Currently they represent 950 thousand members. The main organization of the Federation is the SINDIMEI (Union of Self-Employed Street Vendors and Freelance Microentrepreneurs of the State of São Paulo) created in 2010, which was previously called the ACESP (Street Vendors Association of São Paulo), created in 1993, when it was affiliated to the CGT (General Confederation of Labor) but joined the UGT in 2007. It is also part of the SINDARTE Federation (Artisans Union of the State of São Paulo), created in 2009 to regulate craftsmen at fairs and events. The strategy is focused on the search for the legalization of workers, so that they gain some rights that do not already have, including the right to work. In this way, workers will also cease to be persecuted and will have several benefits.

They are also against selling on the streets, understanding that the sidewalks were made for pedestrians and not for selling activities. On the street, workers are forced to bribe the authorities to let them work uninterrupted. Piracy and theft of goods are also common. Often there are robberies and drug trafficking. Many of the products for sale are pirated.

The main line of action has been to locate public spaces to create Popular Shopping Malls. The shopping centers are spaces granted by the government and managed collectively. Their location is generally popular, such as within train or bus terminals. There are traders who work in a permanent location and they build their own resources in decent working conditions. The project benefits everyone. For the public sector due to tax collection, to control work irregularities (child labor, forced labor). The Shopping centers attract customers because they can buy in greater safety and better urban landscape. Workers win because they are not harassed by the authorities, they have access to clean water, toilets, telephone, information booths for customers and the option of using credit cards for payments.

As background information, during some years of the last decade, in São Paulo, the ACESP had managed, with the support of the CGT, to participate supported by other unions, in an open air shopping center, in an area of the city center called Memory Ladeira, located between the subway station, a bus terminal, the City Hall and the Legislative Branch, where 250 people worked. But in 2006, public authorities

expelled them during the night using Military Police patrols and the Metropolitan Civil Guard. Tractors were used to destroy the tents. This episode is listed in the note “The good thing is to be legalized,” published on the TUCA’s website “Let’s talk about the informal economy”, including a video supported by the SUTERMUN (July 2011).

Another linked axis is the sales development programs for products of own manufacture made by members, promoting trade, as well as accounting support and business management in the whole of Brazil. This method is applied in several Brazilian cities, according to government initiatives, policy issues and initiatives of their own agenda.

These organizations also work in relation to the Peoples Bank, from the experience of ACESP at the time of its creation in 2000, with the status of Civil Society Association of Public Interest, the Popular Credit Outreach Program (São Paulo Trust), with the participation of Banco Santander, after winning a public tender Bradesco and Itaú in this contest. The start-up capital of the Bank came from a major contribution from the City of São Paulo, along with others, from the Santander Foundation and trade unions. The program has service centers in eleven regions of social exclusion in São Paulo. Its mission is to provide productive microcredit, to generate employment, income and solidarity, increasing social inclusion. As part of this action, those who have access to bank credits store their transactions using sale and purchases invoices. Borrowers receive guidance and support from loan officers in the local entrepreneurship, who pass on their basic knowledge. The credit offer is based on groups of 4-7 people who fulfill their commitments jointly and are viewed as social arrangements based on the bond of trust and solidarity, encouraging local development. It does not ask for guarantees, beneficiaries determine the long-term interest rates and these are lower than those from the market.

The process is supported by an education program on solidarity economy, which is a government initiative involving the civil society and private companies. A study for the program (“Impacto de Renda fazer microcrédito”), developed by the Getulio Vargas Foundation Business Administration School in São Paulo, found that there was a strong impact on loans: in 24 months, the added value of companies served by microcredit doubled compared to those who do not have access to credit. It also confirms that the biggest barrier for small formal businesses is not the cost of borrowing, but the lack of access to credit. The program has already awarded more than twenty million loans.

Lately they have also sought alternatives and solutions through Caixa Econômica Federal. They already have the facility to open accounts for their members and a credit line for their business at very low interest rates, in addition to promoting sales of its associates with credit and debit card machines across the whole country.



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**CHILE** **CUT CHILE** Central Unitaria de Trabajadores  
**SINTRALOC** Sindicato Nacional de trabajadores Independientes  
Ambulantes del Transporte y Anexo

**Agreements with the government for public transportation vendors.**

**Hardy Vallejos Ramírez** Secretary General, SINTRALOC  
and member of the Streetnet International Council.

**T**he SINTRALOC is an organization created in 1983, affiliated to the CUT. It has more than 4 thousand members, 3400 of which are from the Metropolitan Region, consisting of multi-product vendors, selling products such as: sweets / ice cream, cell phone chargers, crafts, educational books, etc. Their workplaces are buses, underground trains, trains and bus stops. "Those who walk" or "manteleros" that usually sell pirated goods are left out.

Union members lost their registration and became illegal in 2006, when changes were made in the Transantiago. After a public and political campaign, conducted with the support of the CUT on 28 October 2009, a law granted them permission once more to work legally in public transportation vehicles. During this episode, the union produced the documentary "The power of the word."

The standards obtained in this period (amending the laws governing permission to engage in trading and artistic activities on board urban passenger transport vehicles), establish, in addition to the elimination of the expression "untidy" that was used as one of the grounds for not giving permits, a precise regulation about the activities that can be carried on board the vehicles:

- Los trabajadores vendedores ambulantes independientes del transporte deberán contar con ini
- Independent street vendors working in public transport vehicles must initiate their activities as such before the Internal Revenue Service.
- In the event that such workers are also organized and registered as a union of independent workers in the Labor Office, they may request, at their sole cost, issuance of a credential that accredits them as such.
- Workers must certify the origin of the goods they sell and display the copy of the initiation of activities, at any time as required by the public force.
- Urban passenger transport companies may come to an agreement with independent workers unions, on the issuance of credentials enabling them the exercise of this activity.
- Drivers of urban passenger transport shall not decline the exercise of this activity in their respective vehicles, unless it implies at a certain moment a road accident hazard or clearly hinders passenger comfort and safety, especially in

rush hours. They must refuse entry to vendors trying to board their vehicles at unauthorized stops.

- The driver may require the inspection of a copy of the vendor's initiation of activities or certificate in order to allow them entry.

To determine the tax regime, two categories of taxpayers are identified: on the one hand, people who perform "artistic activities" aboard urban passenger transport vehicles are considered, because they do not receive remuneration but rather a tip or donation, and they do not have tax obligations, except in obtaining a patent or municipal permit. On the other hand, street vendors are considered small contributors and are subject to various obligations under the tax regime such as:

**1** Value added tax through a declared fixed monthly fee paid quarterly. They are entitled to use the VAT paid on purchases, as credit to lower the fixed monthly fee. The remaining credit will not be brought forward or returned (Articles 29 to 35 of the Law on Sales and Services Tax).

**2** Municipal patent used to launch activities. They must also obtain RUT, keep a daily record of sales and purchases in a stamped and numbered book (they do have their own-accounting system), prove the origin of the goods they sell, and display the copy of the initiation of activities as required.

#### **SUBSEQUENTLY, THE SINTRALOC HAS INITIATED TWO NEW STRATEGIES:**

- A single tax for self-employed workers in the country, with health and pension coverage with a state solidarity-based pillar.
- A national law to unify criteria for obtaining permits and taxes. For this purpose, street vendor unions and related groups are being brought together and given advice and guidance so that this goal can be reached together.

In 2011, the SINTRALOC joined StreetNet International. In March 2013, it hosted its international congress in Santiago, Chile, next to the CUT. During this congress, a board of fifteen leaders was elected, including a Chilean representative. In this context, it is promoting two laws for the sector.

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**PARAGUAY** **CNT - Paraguay** Central Nacional de Trabajadores do Paraguay  
**Organizing of urban self-employed workers  
and fishermen/women in Paraguay.**

**Gumersindo Galeano** Secretary General, SINTECOSIN, Sindicato de Trabajadores y Empleados del Comercio y la Economía Social e Informal.

**Bernardo Zárate** Secretary General of UNAPESCA, Unión Nacional de Pescadores.

**Pedro Parra** Head of International Relations.

Since its inception in 1989, the CNT has a membership profile open to all labor issues under the Workers Movement approach: peasants, indigenous, Paraguayan migrants in Argentina, domestic workers, workers in the informal economy.

Moving along this path, it aims to promote and represent cooperative organizations, mutual Funds, pensioners, unemployed, indigenous people, migrants, and workers that find themselves in in any other situation. They incorporate unions, federations, committees, active and passive workers associations, cooperatives, villagers and farmers' organizations as members.

The CNT is composed of 74 company unions, 6 associations and 11 national organizations (federations, sector unions). Since 2000, member organizations are grouped into sectors: public sector, farmers, textiles, educators, construction, transportation, retired, metalworkers, and the informal sector.

The participation of the CNT in the program on union self-reform and the TU-CA's program on the informal economy has been focused on its main organization representing self-employed workers: the UNAPESCA and other affiliated organizations are: the Asociación de Taxistas de Concepción, the Asociación de Trabajadores Carretileros de Ciudad del Este, the Asociación de Vendedores de la Terminal de Omnibus de Asunción, the Asociación de Vendedores Unidos de Edelira, the Sindicato de Vendedores Ambulantes de Amambay, the Asociación de Vendedores de la Terminal de Ómnibus Asunción, the Sindicato de Trabajadores Vigilantes de Amambay, the Sindicato de Trabajadores Estibadores de Amabay, the Sindicato de Promotores del Centro Emergencias Médicas, the Sindicato de Vendedores Cruce Santa Rosa, the Sindicato de Vendedores de Villa Hayes.

**UNAPESCA.** At the beginning of the last decade, the CNT began the task of organizing small-scale self-employed fishermen. As self-employed, they are part of the informal sector, although a high proportion of them are registered. In turn, some have working arrangements with tool suppliers, which makes them, in any case, semi-autonomous.

Fishermen work mainly on the Paraguay River, as well as in Alto Paraná, Alto

Paraguay, Chaco (800 kilometers away from Asuncion), in the department of Itapúa, whose capital is Encarnación (400 kilometers away from Asuncion), in Ayolas, near Yaciretá, and in Guairá and San Pedro departments.

Fishermen are generally older people, along with some young people. Many come to work as fishermen due to the lack of employment in other sectors, with 60% of them having lost land to invasions by the Brazilians. The other 40% are fishermen by choice. They are humble workers living in wooden boxes, in undignified conditions glued to the river. They are usually the heads of their households, but other members of their families also work, including the women. They make efforts to make their children go to school, although dropouts are frequent. Generally they have canoes, and a few boats. They work 10 to 12 hours, depending on the river conditions. There is even a marginal sector of fishermen who do not have canoes so they fish with a rod from the cliffs.

The fish is sold by the kilo directly near the river to the general public, and also to those that resell them in market stalls. Some also sell them on the street in the city.

Those working on the Alto Paraguay River on the border with Brazil, face competition from Brazilian fishermen who have better working conditions. In addition, abuse by Brazilian guards has been observed, even taking away their working tools sometimes.

Fishermen are mostly registered in the SEAM (Ministry of Environment) totaling between 20 and 24 thousand. Of these, about 15 thousand are organized, of which 7 thousand correspond to the UNAPESCA, created in 2004 by the CNT, initially on the basis of seven grassroots organizations, which have now risen to 90, including committees, unions and associations.

The main activity of fishermen's organizations is helping workers to register, which enables them to receive an allowance during the fishing closure period of three months a year (October-December), when fish stock reproduce. Fishermen are given \$ 200 in total. Meanwhile they do odd jobs. There have been occasions when the fishermen had resorted to demonstrations of force, closing access to rivers and preventing the free movement of vessels, when funds were not available. They have also discussed fishery conservation measures.

On these issues, a dialogue is maintained with the SEAM and the Paraguay-Brazil Joint Commission.

Other tasks organizations carry out are; attempting to obtain credit for popular housing; the provision of care for the children of fishermen; and the use of the Paraguayan vocational training system in search of alternative employment outside the fisheries sector. Training activities aimed at creating a culture of recovery of nature are also performed. The CNT offers support through training programs

agreed upon with the national system, related to the activity and other professions that fishermen could be moved into.

The SINTECOSIN was founded in 2008, on the basis of the previous SINTECOSS (National Union of Workers and Office Employees and Related Services), which in turn was created in 1999 on the basis of an earlier organization, the Association of Workers and Trade and Services Employees (ATECOS, 1989) that had always integrated self-employed workers.

The union has several grassroots organizations: the Asociación de Maleteros del Aeropuerto Silvio Pettirossi; the Asociación de Maleteros de la Terminal de Ómnibus de Asunción; the Comité de Trabajadores Casilleros de la Terminal de Ómnibus de Santaní; the Comité de Vendedores de la Vía Pública Calle Palma (Downtown area of Asunción); the Comité de Promotores de Farmacias de Emergencias Médicas de Asunción; the Comité de Trabajadores Casilleros de Santa Rosa del Aguaray; Vendedores del Arroyo Tapiracuai – Santaní; Comité de Trabajadores Casilleros de Santa Rosa del Aguaray; Asociación de Mesiteros del Mercado 4; Asociación de guardias de seguridad.

The SINTECOSIN objectives are: 1) to improve living conditions; 2) to improve the marketing and sale of recyclable products; 3) to generate sources of decent work; 4) to reach access to health, education and housing for its members.

The Federation intervenes on behalf of its members before public authorities, defending jobs against irregularities in municipal management, and also seeking to provide improvements of selling stands, and access to social security. An important example is the Mercado 4 in Asuncion, that conducted negotiations such as the one performed in relation to workers from the Santa Rosa crossing, where more than 300 members demonstrated at the entrance of San Pedro, facing eviction and arrest of their leaders, until the Confederation negotiated through Itaipú and were finally guaranteed their permanence in specially constructed stands. A project for the construction of a waste recycling and industrialization plant, based on a cooperative of gancheros <sup>10</sup> already in existence, in the area of the landfill Cateura, was presented to the government. This proposal was presented to the Executive, the Social Action Secretariat, the National Emergency Secretariat, the Mercosur Parliament, and the Municipality of Asuncion.

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<sup>10</sup> Recolectores de residuos solidos.

**Labor standards for self-employment, the current scenario and the 1992 project.**

**Bernardo Rojas** Secretary General.

**T**he CUT-A attaches importance to trade union action in relation to self-employed workers, often called “informal” workers, as recognition of the weight they have in the Paraguayan labor market. They are faced with restrictions from the state.

**THE CUT-A STRATEGY.** The representation strategy of the CUT-A is wide, including peasants, indigenous people, unemployed, pensioners, immigrants and self-employed workers. For migrants, it acts in relation to Paraguayan immigrants in Argentina, having created a regional center in Buenos Aires. For the unemployed and pensioners, it is committed to giving special treatment to their organizations, and ensures their participation in the National Congress and the Council of Delegates.

Regarding self-employed workers, a secretariat specializing in the informal economy and retirees was created in 2006, although in 2009 it broke down to give way to the establishment of a specific department to achieve greater efficiency. They also have access to a legal advice center and a doctor's office for members, friends and family of informal economy organizations. This service includes general medicine, pediatrics, and free delivery of basic medicines.

The CUT-A estimates that they represent 10 % of self-employed workers. It has an agreement with their organizations so that they pay for only a quarter of their members.

**Member organizations include:**

- The Sindicato Nacional de Vendedores de Quinielas, Juegos de Azar, Bingos y Afines (SITRAQUIBA). There is also an Asociación de Convergencia de Agencias y Corredores de Juegos de Azar del Alto Paraná.
- The Federación de Pescadores Profesionales y Comerciales de los ríos Paraná y Paraguay (FEPPCP) (and also the Asociación de Pescadores del Chaco)
- The Asociación de Artesanas Bordadoras Textiles de Ñeembucú.
- The Sindicato de Estibadores de Puerto Fénix.
- The Sindicato de Educadores Populares.

Fraternal activities are further developed with other organizations: the *Red de Huertas de Pilar Ñeembucú*; the *Asociación de Vendedores del Mercado 4*; the *Asociación de Quinieleros de Ciudad del Este Alto Paraná*, as well as other organizations

representing fruit and vegetable street vendors, vegetables recyclers at the *Mercedo de Abasto*, CD vendors, workers that look after cars on public roads, the fishermen of San Antonio, association of musicians, health promoters.

There are also organizations that, although are focused on wage labor, they do have self-employed members, such as press workers (SITRAPREN) and musicians. The CUT-A also has a domestic workers' union (STADAI, *Sindicato de Trabajadoras Domésticas y Afines de Itapúa*).

In relation to other freelancers, the CUT-A also registers the following as members:

- At the level of peasant labor, 60 small organizations.
- At Community level, the Radio Communicators Union (community radios) and the Union of Popular Educators.

**THE NATIONAL LEGAL FRAMEWORK.** The legal framework <sup>11</sup> is characterized by:

- A Constitution that raises the freedom of association for everyone, as long as it is for lawful purposes. In particular, workers have the right to unionize (public and private), except for the armed forces and the police. This law also assists employers.
- A Labor Code that recognizes the right to establish organizations that aim to represent their interests to all workers, regardless of nationality and gender and without prior authorization. Unions or professional associations, federations or confederations, or any other form of legal association are specifically mentioned.
- The ratification of ILO Convention 87.

However, the Ministry of Justice and Labor, the MJT, has been erratic when granting trade union registration to organizations of self-employed workers. Initially, during the Stroessner era, requests by the CPT (Paraguayan Confederation of Workers) were endorsed in favor of the “troperos” and “revisteros” unions, with an approach focused on political patronage. By then, there had already been conflicts amongst self-employed drivers working for taxi owners.

In the nineties, new trade union organizations began requesting registration for street vendors and peasants, to which the government recognized the first (vendors at Mercado 4). Later, the MJT returned to the criteria of enquiring about the

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<sup>11</sup> This section is based on resources from the Informal Work Department of the CUTA, provided by Gustavo Benítez Manchini.

employment relationship of members of the organizations for which legal status was being requested, so that almost all of these organizations (the confederation estimates it at 90%) did not get permits<sup>12</sup>.

A pending issue that needs clarification is whether the existence of a considerable number of organizations of informal workers effectively registered in the past, could become legal precedent for current efforts by de facto organizations that have not received endorsement in recent years.

In practice, there are other avenues for obtaining registration at the Directorate of Public Registry: as small producers, and as a non-profit organization. On the other hand, cooperatives can obtain registration at the Directorate of Cooperatives. The “union” figure is also useful.

There is an attractive history of union positioning on this issue, when from the CUT in its early years (1992), from the later disappeared FETRAIN (Federation of Informal Workers) we submitted to the government a comprehensive approach about the informal sector, prepared by the great constitutionalist Ramiro Barboza, in the context of the recently approved new Constitution<sup>13</sup>.

The project said in its substantive sections:

**1** “The new Constitution contains a set of rules that could be considered of interest to the informal sector. Indeed, it states “the law protects work in all its forms without specifying any limitations”, which should be understood as encompassing any type of work, be it subordinate, dependent or independent.

It also provides that “all public and private workers have the right to organize a union without prior authorization.” This should be understood as comprising any kind of work, be it subordinate, dependent or independent, and without prejudice to the possibility of unionization for self-employed workers.

**2** “The State shall promote policies aimed at full employment and vocational training of human resources”. There is no doubt that the constitutional mandate is to give directives to the government to formulate policies for full employment, in line with ILO’s conventions and recommendations, so the informal sector cannot be omitted and which has become the main source of work opportunities for the

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12 This issue has been raised before the ILO (Regional ACTRAV Seminar “Trade Unions, Informal Economy and Precarious Employment: New forms of organizing”, Santiago, 2005; see minutes) by the union movement .

13 Ramiro Barboza had already published: “Los sindicatos en el Paraguay”, 1987, “Manual de Derechos Humanos”, 1990 and “Aspectos sociales de la reforma constitucional”, 1992, all of them from the CIDSEP (Centro Interdisciplinario de Derecho Social y Economía Política). He passed away in 2009.



unemployed population.

**3** The Parliament should tailor its work to fit with these constitutional provisions, as well as those related to social security and housing, and enact a labor bill which contemplates, without fail, the situation of the sector employing the majority of the labor force in our country, channeling their interests specifically in the field of regulation of work on public roads and free unionization, trying to incorporate them into the benefits of economic development through the effective recognition of this figure. In no case does this mean the denial of a formal economy that we all desire, nor the beginning of a process to eliminate it, but a specific form of integration of vast popular sectors in our specific development model, different from others from more developed countries.

**4** What informal sector organizations really want is to obtain recognition by the State as legal entities. By their nature and purpose, these organizations are quite similar to independent trade unions such as professional organizations of artisans, musicians and others who traditionally make up the trade union movement, but who don't have a fixed and stable employer either. As legal entities, these organizations could represent the informal sector before the authorities when it comes to establishing the location of jobs, confiscation of goods, control of patents, etc.

**5** None of the purposes granted to trade unions by law are contrary to those of the informal sector unions, and some, such as the ability to sign collective labor agreements perhaps can be used for the signing of agreements with national or municipal authorities with which they have relationships.

**6** A recognition of this type of organization should only be subject to certain basic requirements, such as a minimum number of members that allows them to operate successfully, as well as an article of association somewhat different to those of common unions, that allows them to defend their imperative interests which sometimes do not match those of the formal sector.

**7** With regard to social security, the current law also covers, apart from the people included in the insurance scheme, those insured under the so-called optional insurance for accident risks, sickness and maternity for self-employed workers, but due to ignorance or lack of contributors continuity, it has not been very successful in practice.

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**URUGUAY** **PIT-CNT** Plenario Intersindical de Trabajadores  
**ERT-BPS** Convención Nacional de Trabajadores, Equipo de Representación  
de los Trabajadores-Banco de Previsión Social.  
**Unified tax regime for street vendors in Uruguay.**

**Ariel Ferrari** Director, ERT-BPS.

The single Uruguayan national trade union center has always given particular importance to the issue of social security. In this regard, it has a Secretariat and a Representation Team of the Workers of the Social Security Bank, since 1992. One of the team's achievements was the adoption in 2001, of the single tax regime subsequently extended in 2007 and 2011. It is a regime with contributory scheme characteristics, by which, through the payment of a single contribution (BPS and DGI), access to the social security system is given to workers that are experiencing difficulty accessing it. Self-employed workers who are professionals and managers are set apart, as these are covered by the Professionals Retirement Fund. For the rest, in turn, a distinction is made between self-employed with and without premises.

For self-employed workers without premises, it is clear that the legislation does not conform to the effects of joining them to the social security system: the formalization of their incorporation to the system would imply that the taxes they should pay would account for 40% of their average income, making it objectively impossible for them to join.

These workers are over 40 years old, and have difficulty generating a retirement pension given the lack of labor credit accumulation. The law requires 35 years of effective contribution.

As a result, we proceeded to:

- Recognize they are workers and not companies, as they are regarded by the current legislation.
- Demand taxation levels according to their income and other family structure situations, but in all cases the benefits must have a state subsidy component.
- Exempt small businesses from paying tax.
- Establish a minimum annual contribution, given the variability of their monthly income. For example, a four-monthly contribution, as it is currently done with the rural sector.
- Incorporate activity benefits, in particular, family allowances.
- Ensure health coverage.
- Ease the effective amount of contributing years for pension rights, considering

the individual entry point into the system, and establishing a tax commitment from then on.

Self-employed with premises are a heterogeneous group, so proof of income and activity are required to categorize them according to their situations, so that those who are placed near the self-employed group without premises, receive equal treatment.

At the time of its creation, the single tax only reached a group of activities carried out on the street and public spaces. Later, another series of activities performed in small and private or public premises was included. These groups are currently:

- Those who work in small undertakings developing craft businesses.
- Those in the microproduct sector, with small economic dimensions, at stalls not exceeding 15m<sup>2</sup>.
- Rural-producers selling agricultural products not produced or prepared by them.
- Retirees, including those from the domestic and rural services.

The activity can be exercised as a single individual, including a spouse or co-laborating cohabiting partner, with de facto partners (up to two partners), and with up to three members if they are a family.

The single tax provides access to pensions, family allowance, sickness subsidies and temporary benefit for partial disability, among others.

The holder may opt to have his or her own health coverage for themselves, their spouses or cohabiting partner, and his or her children.

**The conditions to be included in the single tax are:**

- To be working as self-employed in an activity of small economic dimension.
- To have a unique and exclusive employer.
- To employ a maximum of one employee in the case of a single-person with single tax contributor status, and up to three during harvest periods.

The annual income from the activity should not exceed 20 thousand a year (in dollars, using the values from the end of 2013) in the case of single employees, or 33 thousand for the case of de facto societies. Company assets cannot exceed \$ 16 thousand.

The monthly payable amount is \$ 35 in the case of the sole holder of the single tax. The health coverage option takes the amount to 95 pesos if they do not have children, dependent minors or elderly people with disabilities. Otherwise the con-

tribution amounts to \$ 107.

If they have a spouse or contributing cohabitating partner, the contribution is set at \$ 72, without the option of health coverage. Otherwise, the contribution is \$ 192 provided that they do not have children, dependent minors or elderly people with disabilities. Otherwise, the amount adds up to \$ 213.

For members of de facto societies, each member pays \$ 27, without the right to health.

#### Activities included in the Single Tax scheme:

- Production and sale of handicrafts made out of wood and leather, weaving, custom jeweler, tapestries.
- Other crafts made using molding paste such as ceramic, plaster, resin and cement, raw vegetable materials (pumpkin, vegetable fibers and paper), raw materials of animal origin (wool, leather, “guampa” and bone, wood), metals and jewelry, semiprecious stones, mixed media techniques using the above mentioned items.
- Neighborhood and permanent fairs, expo-fairs (excluding the sale of clothing). Grocery and flower vendors, fruit and vegetable sold at a store, supermarkets, minimarket, sweets.
- Street grocery vendors selling candies, nuts, peanuts, ice cream.
- Vendors of miscellaneous articles such as cell phones, newspapers and magazines, flowers, makeup items, books, perfumes, tools, batteries, watches, school supplies, photocopying (gambling and lottery kiosks are excluded).
- Food vendors, food trolleys, fishmongers, mounted stalls.
- Several Trades: locksmith, carpenter, furniture polisher, sharpener, book-binder, upholsterer, paper fitters, photographer, blacksmith, welder, shoemaker, shoeshine.
- Small scale brick and production block makers.
- Small Businesses such as taxi stands, video and DVD rentals, cybercafes, santerías.
- Those giving private lessons, but not in the student’s home.
- Dressmakers, seamstresses, embroiderers, knitters, tailors, ironers.
- Technicians offering to service home appliances, fridges, TV sets, audio, remote controls, computers.
- Cleaning services: laundries, car and taxi washers, dry cleaners, carpet and curtain cleaners.
- Pet trainers and walkers, even when they perform their work in confined spaces.
- Massage therapists.

- Tourism guides, even when they carry out their work partially in confined spaces.
- Workers who look after bicycles, cars, motorcycles and other motor vehicles, car window and windshield washers.
- Repair workshops: bicycles, motorcycles, shoes.
- Individuals running radio programs in the interior of the country, with a maximum of five hours a week.
- Small-scale fishing communities.
- Support services for small-scale fishing communities: boat washing and fishing gear repairs.

# **TRADE UNION EXPERIENCES IN FORMALIZATION**

through organizing and social dialogue  
in Latin America & the Caribbean





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