

## The Challenge of the Informal Economy

by Christine Bonner & Dave Spooner

The growth and intensification of informal work and new informal work arrangements has stimulated new organizing approaches. Informal workers have adapted traditional worker organizations such as unions, and strategies such as collective bargaining, to suit their circumstances. They have developed different and more flexible organizational forms, led by informal workers themselves, and are forging new alliances and relationships. As the world's labour force faces increasingly informal and precarious employment, the trade union movement has to confront questions about its future. How can the labour movement be reorganized to include and represent the majority of the world's workers- those in informal work? Will the organizational forms being developed by informal workers become predominant? Are we seeing the emerging characteristics of an international trade union movement appropriate for a twenty-first century global economy?

A labour movement fully inclusive of workers in the informal economy might look very different. Firstly, the leadership profile would be transformed. Informal workers' organizations would surely demand full membership of trade unions and of national trade union centres (or other national worker bodies), rather than a form of associate membership, leading to representatives of informal workers gaining the majority voice on many executive committees, and assuming positions of leadership not only in their own organizations but in federations nationally and internationally. And, given the gender composition of the informal workforce, unions would have to ensure gender equality and active promotion of women leadership. Whenever women workers organize, the issues of autonomy and leadership are crucial, requiring the development of political space where independent and creative initiatives recognize the specific problems of women workers and focus on their needs and sensitivities (see Gallin and Horn, 2005).

There would be no single organizational form or approach, but a flexible and multi-faceted, multi-scale set of interlocking organizational forms, built on successful models and activities, and capable of identifying and seizing openings and opportunities. Relationships and tactical (short term) or strategic (longer term) alliances would be important and constructed with a wide range of organizations, helping to leverage resources, provide support and maximize influence and impact on local authorities, national governments, international institutions, employer bodies.

The functions of unions would have to adapt to the constantly changing needs of the membership. For many informal workers, employment is transient: today's street vendor may become tomorrow's home-based worker or transport operator. Successful organizations are likely to be those with a broad base and flexible response to changing employment conditions: a 'union for life' where membership is retained through changes in occupations and working environments, and where they provide for a wide range of functions. These may include mutual social protection, cooperative and livelihood development, self-help welfare provision, access to financial and legal services, skills training and so on.

Collective bargaining will inevitably change as well. Bargaining counterparts and the negotiating agenda will have to reflect the priority needs and demands of both formal and informal workers. New forums, new bargaining approaches, new pressure tactics and new methods to resolve

disputes will be needed, and are already in the making through informal workers' organizations. Finally, effective organization of informal workers may provide the opportunity to change the relationship between unions and governments, having the potential to reverse the loss of power and influence felt by unions in many countries over the past few decades. It is important that the international trade union movement seize this opportunity.

---

Extract from Bonner & Spooner, *Organizing Labour in the Informal Economy: Institutional Forms & Relationships*, *Labour, Capital and Society* 44:1 (2011)

---