

ZIMBABWE CHAMBER OF INFORMAL ECONOMY ASSOCIATIONS



"THE CHAMBER THAT DELIVERS"

STUDY CIRCLE BASIC EDUCATION MANUAL FOR INFORMAL ECONOMY WORKERS

BOOK 5

ECONOMIC LITERACY AND DECENT WORK AGENDA

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Table of Contents

Foreword	3-4
Acknowledgments	5-6
Abbreviations	7
Chapter Five: ECONOMIC LITERACY AND DECENT WORK AGENDA	8
1. Objectives of the Chapter	8
2. Introduction.....	8
3. State of the Zimbabwe Economy	8-9
4. Contribution of the informal economy to the GDP in Zimbabwe.....	9-10
5. National Economic development policies.....	10-11
6. Decent Work Agenda	11
6.1. Definition of terms.....	11
6.2. Background to the Decent Work Agenda	11-12
7. The Four Pillars of Decent Work Agenda	12
7. 1. Workers’ Rights Pillar	12
7.1.1 Sources of Workers fundamental rights.....	12-14
7.1.2 Exercise.....	15
7.2. Employment Creation	15
7.2.2 Exercise	15
7.3. Social Dialogue	16
7.3.1 Definition	16
7.3.2 Requirements.....	16
7.3.3 Levels of social dialogue.....	16
7.3.4 Purpose and benefits of Social Dialogue	16-17
7.3.5 Structures of Collective Negotiations.....	17
7.3.6 The Role of workers in Collective Negotiations	17
7.3.7 Exercise.....	17
7.4. Social Protection	17
7.4.1 Definition.....	17
7.4.2 Structure of social protection.....	17-18

Table of Contents

7.4.3 Expected Schemes for Social security and those that exist in Zimbabwe.....18

7.4.4 Conclusion.....18

7.4.5 Exercise.....18

Foreword

ZCIEA is an umbrella organisation for informal workers and their associations that formed fifteen years ago through the Zimbabwe Congress of Trade Unions' initiative. Its goal is to protect the rights and advance the interests of all small and unregulated businesses and workers in Zimbabwe as these are not covered under the existing labour laws. One of its key functions in advancing the interests of the members is developing capacity through education and training.

A research by Labour and Economic Development Research Institute of Zimbabwe on Decent Work in the Informal Economy confirmed the following.

1. It is now widely accepted that the informal economy involves income generating activities that fall outside the purview of state regulation. The International Labour Organisation defines the informal economy as "... all economic activities by workers and economic units that are – in law or in practice – not covered or insufficiently covered by formal arrangements" (ILO 2002). Most workers enter into this economy not by free choice but out of frustration of lack of job opportunities after being retrenched or graduating from high school or college.
2. Informal economy thrives in the context of high unemployment, underemployment, poverty, gender inequality and precarious work. In such circumstances, the informal economy also plays a significant role in income-generation due to the relative ease of entry and low requirements of education, skills, technology and capital. Most people enter the informal economy by necessity rather than by choice, as a means of survival.
3. This sector is characterised by:
 - ✓ easy entry, meaning anyone who wishes to join the sector can find some sort of work which will result in cash earnings;
 - ✓ lack of stable employer-employee relationships;
 - ✓ small scale of operations, and
 - ✓ Minimum skills gained outside of a formal education.

ZCIEA has therefore planned education for all its members in the informal economy to empower them with knowledge and skills that assist them to effectively address the challenges and gaps in this sector.

This basic informal economy workers education manual is designed in a simple manner for convenient learning. The method is in a study circle group which means members need to organise themselves into small groups of between 5 and 10 people. Each group should have a leader who will lead the discussion and this can be done in rotation where one can lead discussion of a topic. This is a popular approach just like in the shona tradition of "padare" where specific issue is discussed to find solution or way forward.

The organisation has trained Study Circle Leaders from the territories who will assist in coordination and organising of groups in Chapters and Zones. It is expected that this low cost and membership centred approach will open opportunities to all members of ZCIEA to acquire basic knowledge of their sector and be able to contribute to the improvement of the labour standards and conditions of work.

The manual is in eight chapters which cover information necessary for elementary knowledge that will enable participants to appreciate their important role in building the organisation, resources and contributing to national development.

These chapters include:

1. Informal Economy Organisation;
2. Occupational Health, Safety and HIV & AIDS;
3. Mobilising and building Capital Resource;
4. Good Leadership qualities and skills;
5. Economic Literacy and Decent Work Agenda;
6. Laws Affecting Informal Economy;
7. Gender Issues in the Informal Economy;
8. Climate Change and the Informal Economy Climate Change and the Informal Economy.

Participants who complete all the eight chapters will be awarded a certificate of completion and thus qualifies to be enrolled in further education and training courses such as Negotiators, Organisers, Educators, Researchers, etc.

Through this effort, our objective is to build a formidable and strong membership organisation that champions the workers agenda from grassroots to national level.

Wisborn Malaya

SECRETARY GENERAL

Acknowledgments

The ZCIEA Informal Economy Study Circle Education is a programme that was designed after consultation with the members on their needs in their organisation. Consultations done with membership indicated a number of needs and among these was the need for knowledge of the organisation, rights, work skills, legislation, policies and other information that assist the informal workers to efficiently operate.

In respect of its membership rights and to address the identified needs, the organisation established the education and training programme that targets the rank and file membership. As the ZCIEA slogans outline “the Chamber that Delivers – Nothing for Us without Us”, the chamber has the responsibility of empowering the membership with knowledge and skills to be able to actively participate in and contribute towards recognition and respect of the informal economy and the workers’ rights.

In the process of developing this basic education material whose objective is to enlighten all members of ZCIEA and workers at large, the organisation and programme received support in various ways. Therefore acknowledgement is attributed to the members who participated in the consultation activities that were done in the territories, those who participated in the research by LEDRIZ, participants to the collective negotiations workshops. All the information provided from these activities assisted ZCIEA in identifying the education and awareness needs as well as the specific areas that shaped focus of this material.

We also acknowledge the research done by LEDRIZ on Informal Economy whose report informed the writers on the status of the informal economy, working conditions and the decent work standards.

Special gratitude is given to the writers of the Study Circle Manual Lucia Chinyamakobvu – ZCIEA Harare Territory Secretary, Ropa Chikoore - Midlands State University Student Intern, Fungai D. Munetsi – ZCIEA Information Officer (Former Chitungwiza Territory Youth Forum Chairperson), Agatha Chabwinja – ZCIEA Administration Secretary and Wisborn Malaya – ZCIEA Secretary General who were skilfully guided by Miriam Assumpta Chikamba – Trade Union and Community Organisation Development Mentor to put together all the information required and produced this manual.

Our most sincere gratitude is extended to the Fredrich Ebert Stiftung (FES Zimbabwe Country Office) for their unwavering support and faith in ZCIEA’s capability by technically and financially supporting the production of this education manual that will go a long way in empowering and liberating the informal economy workers in Zimbabwe.

We also thank the ZCIEA National Assembly, all structures and other supporters whose encouragement, motivation and initiatives contributed to the success of this informal economy workers basic education programme and material.

We wish all the informal workers and those who encounter with this material the best in transitioning the informal economy towards formalisation, respect of workers' rights and implementation of better labour standards.

ZCIEA – THE CHAMBER THAT DELIVERS

Loraine Sibanda

PRESIDENT

ABBREVIATIONS

CBA	Collective Bargaining Agreement
DWA	Decent Work Agenda
ESAP	Economic Structural Adjustment Programme
ILO	International Labour Organisation
LEDRIZ	Labour and Economic Development Research Institute of Zimbabwe
NSSA	National Social Security Authority
ZCIEA	Zimbabwe Chamber of Informal Economy Associations
ZCTU	Zimbabwe Congress of Trade Unions
ZIMSTAT	Zimbabwe National Statistics Agency
ZRP	Zimbabwe Republic Police

CHAPTER FIVE: ECONOMIC LITERACY AND DECENT WORK AGENDA (DWA)

1. Objectives of the Chapter: (a). Workers will know the state of the countries' economy, the role and contribution of the informal economy.

(2) Understand the concepts of Decent Work Agenda, the four pillars and the role they play to achieve the DWA.

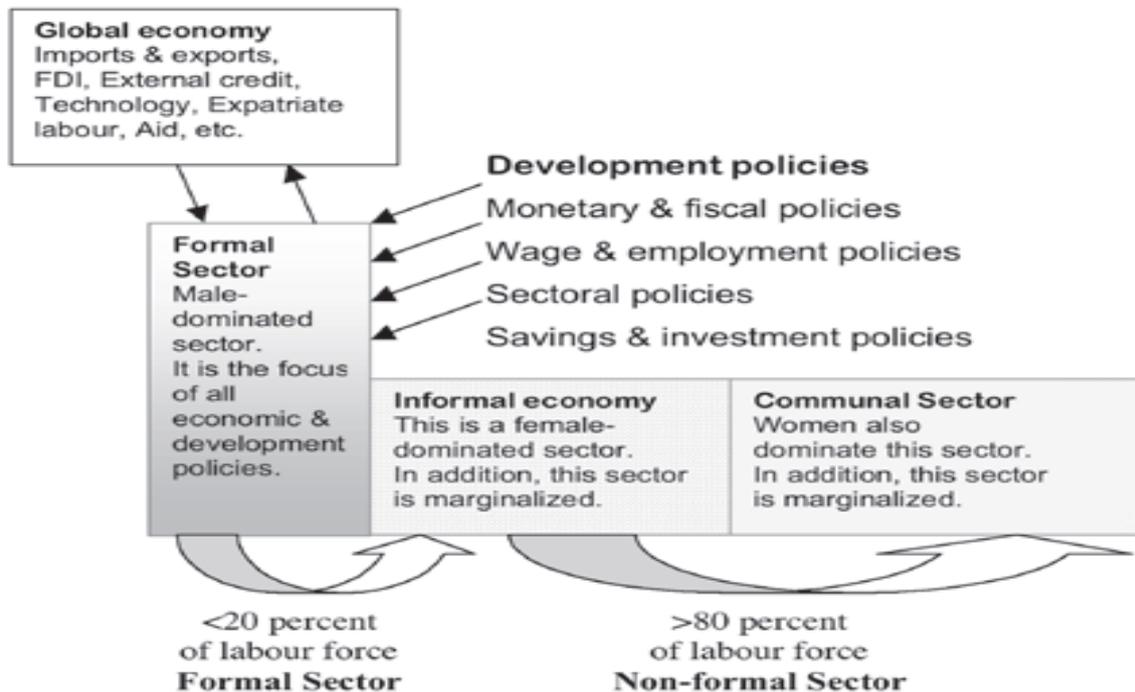
2. Introduction

Zimbabwe has been experiencing unstable economic trends since the country got independent from white settler colonisation in 1980. This instability has resulted in the growth of employment informalisation as well as increase in poverty rate. In chapter one the development of informal economy was discussed and it was realised that the situation has gone worse to the point of deeper crisis between 2006 and 2009. During this period the economy failed to provide jobs as companies closed due to high inflation, shortage of raw material, lack foreign currency, none production lack of investments and mainly corruption as well as poor economic policies. The years between 2009 and 2013 saw a bit of breath taking as the Government introduced multi-currency as a rescue to the collapse of the Zimbabwe dollar. In this period, a Government of National Unity had been formulated which gave some hope to resolution of the economic problems. The change of Government to one party (ZANU (PF)) saw the deterioration setting in again. Currently the industrial production has gone down with very few industries still operating. Therefore most products are now being imported.

3. State of the Zimbabwe Economy

Zimbabwe has remained in a dual and enclave economic structure, characterized by the existence of an almost extinct formal economy and a flourishing informal economy on the other hand. Currently the informal economy accounts for more than 94.5% of the labour force. The figure below shows the structure of the economy in

Zimbabwe Economy in 2010.



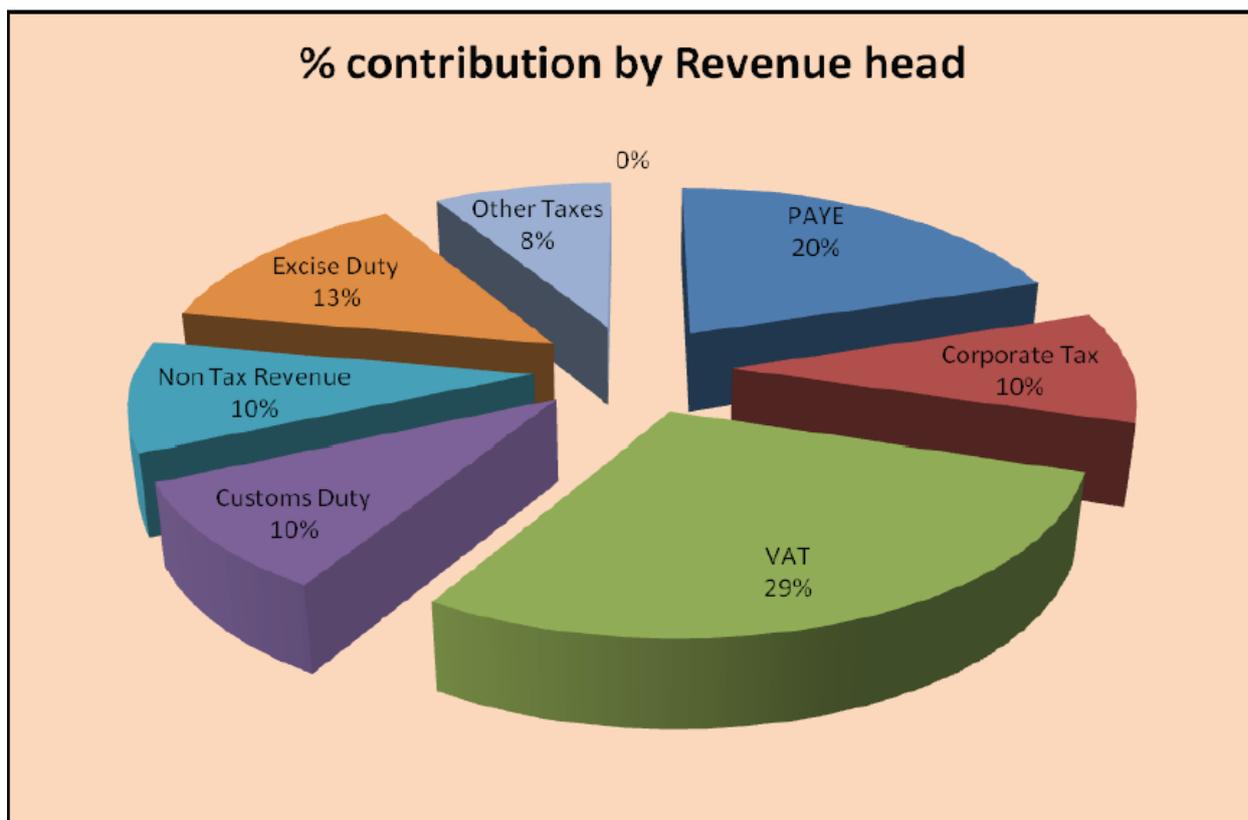
Source: LEDRIZ, 2910

The figure above shows clearly the dual and enclave nature of the economy and that the informal economy is the biggest sector and commands highest employment. It also reflects the non-recognition of the largest economy as development policies are all targeting and focused on the shrunken formal economy. The informal economy has been providing livelihood to majority of Zimbabweans since the period of crisis in 1997.

4. Contribution of the informal economy to the GDP in Zimbabwe

The informal economy contributed 19.5% of Zimbabwe's Gross Domestic Product in the period 2011 to 2012 as reported in the Poverty Income Consumption and Expenditure of the same period. This is a very significant contribution to the national GDP. As the nation has no investments while the existing companies are closing down with some down-sizing, the informal economy are employing majority of the workforce. This is reflected in the 2014 Labour Force and Child Labour Survey as 5.3 million working in the informal economy of the total 7.1 labour force.

The informal economy provides backward and forward linkages as they buy from and supply to the formal economy businesses. This economy also contribute to the fiscus as the treasury collects revenue such as presumptive tax, value added tax, customs duty, excise duty, development tax such as rural electrification, municipal tariffs and other taxes. The pie graph below shows the level of contributions to the central revenue.



Source: Ministry of Finance & Economic Development

5. National Economic development policies

All national economic and development policies remain biased towards the formal economy which employs only 4.5% workforce. These include:

- Monetary and fiscal policies such as shown on contribution pie chart above;
- The Wages and employment policies that provide conditions and standard of labour;
- Production Sectoral policies that regulate specific sectors;
- Savings and investment policies that regulate investments

The global economies such as the foreign direct investment, external credit, technology, expatriate labour, foreign aid, etc., have also remained focused on formal economy.

The informal economy remains unregulated and unsupported by these economic development policies. Thus informal economy workers encounter challenges of low income;

- difficulties in transforming into formal economy as they lack access to credit;
- out dated and fragmented regulations of the local authorities;
- inadequate and unsuitable infrastructure and public utilities to conduct their businesses;
- unfavourable macroeconomic environment;

- indecent work;

yet it evidenced that if this economy is formally regulated can develop into local significant enterprises and investments like what happened in the Asian Tigers.

6. Decent Work Agenda

6.1. Definition of terms

Decent Work is defined by ILO as the right to productive work in conditions of freedom, equality, security and human dignity.

6.2. Background to the Decent Work Agenda

The Decent Work Agenda was first adopted by the ILO at its 87th Session in 1999. In June 2008, the ILO adopted the Declaration on Social Justice for a Fair Globalization which institutionalized the Decent Work Agenda as the key policy and operational concept of the ILO. This ILO Declaration identifies two principles as:

- ✓ *Firstly, all countries should pursue policies based on the four pillars of the decent work agenda*
- ✓ *Secondly, the four pillars are described as ‘inseparable, interrelated and mutually supportive.’*

The qualities of decent work are important for increasing productivity of a worker and hence economic growth. However, due to globalisation, decent work has been compromised and poverty amongst workers has increased. The ILO observed the following decent work deficits:

- Unsafe work;
- Insecure and low incomes;
- Workers’ rights violations;
- Gender inequality;
- Lack of representation especially in informal economy jobs;
- Poor quality and unproductive jobs; and,
- Lack of adequate social security.

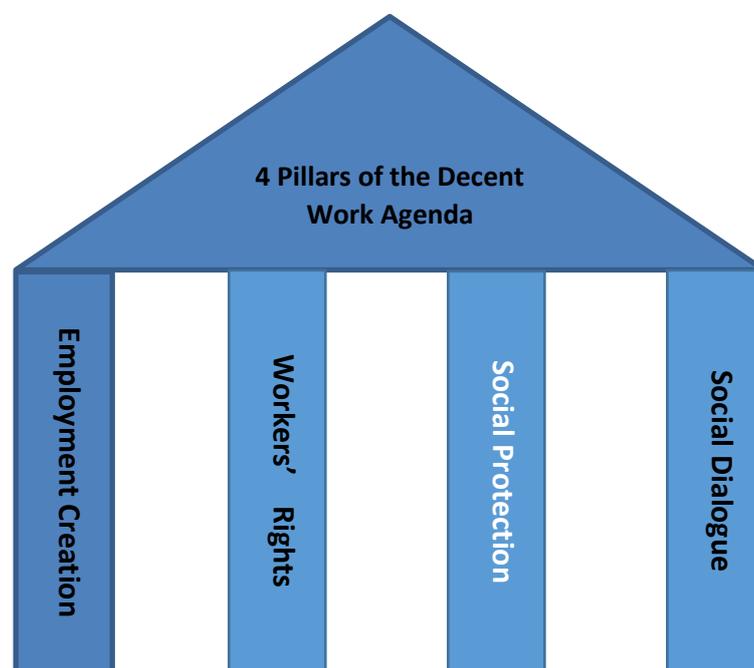
As a result, the ILO designed the Decent Work Agenda (DWA) which was launched by the ILO in 1999 as a new strategy for the twenty-first century geared towards promoting decent work and reducing and eliminating poverty amongst workers. The push towards development of the DWA was a result of the several challenges and insecurities that workers were facing due to globalisation. ILO states that workers are interested in seven types of securities namely:

- Labour market security – access to reasonable income-earning activities;
- Employment security – protection against unfair and arbitrary dismissal. Workers should obtain redress if they are subject to dismissal;
- Job security – refers to opportunity to build a career. It states that within the same company, a worker’s tasks and skills cannot undergo changes that will force the worker to adjust or even discontinue the job or change occupations;
- Work security – a worker has the right to safe and healthy working conditions;

- v. Skills reproduction security – refers to the availability of a wide range of opportunities for training, apprenticeship and education in order to acquire or refine skills;
- vi. Income security – a worker should be assured of adequate income;
- vii. Voice representation security – a worker or group of workers must have the effective right to be represented by a body of their choice that can bargain on their behalf.

As a result of globalisation, all these seven securities were eroded, leaving workers facing huge decent work deficits. Thus it is important to bring back decent work onto the fore in the labour market.

7. The Four Pillars of Decent Work Agenda



These four pillars are universal, inseparable, interrelated and mutually supportive. This means that failure to promote any one of the pillars hinders progress towards achieving the other three pillars.

7. 1. Workers' Rights Pillar

A right is an entitlement that cannot be negotiated. Fundamental rights are the most important rights of workers referred to as human rights. Human rights are rights that we are entitled to by being human e.g. the right to life, right to freedom of association e.t.c.

7.1.1 Sources of Workers fundamental rights

(a) International Conventions

The fundamental workers' rights form the decent work framework and are derived from the ILO Declaration on Fundamental Principles and Rights of 1998 that are embodied in the 8 Core ILO Conventions.

Freedom of association and the effective recognition of the right to collective bargaining	No. 87 – Freedom of Association and Protection of the Right to Organize, 1948; No. 98 – Right to Organize and Collective Bargaining, 1949
The elimination of all forms of forced or compulsory labour	No. 29 – Forced Labour, 1930; No. 105 – Abolition of Forced Labour, 1957
The effective abolition of child labour	No. 138 – Minimum Age, 1973; No. 182 – Worse Forms of Child Labour, 1999
The elimination of discrimination in respect of employment and occupation	No. 100 – Equal Remuneration 1951; No. 111 – Discrimination (Employment and Occupation), 1958.

Zimbabwe has ratified all of the 8 ILO Core Conventions although not being fully applied. The rights derived from these conventions are greatly undermined especially during the period of the politico-economic crisis (2006-2009) and the current period of crisis. The legal framework of DWA is anchored on Convention 122 Employment Policy 1964, which the country has not yet ratified.

Everyone has the right to freely choose employment, the right to respect of fundamental rights at work including the right to join a union and engage in collective bargaining, the right to earn an income that meets basic economic, social and family needs, the right to an adequate level of social protection for workers and their family members, and the right to equality between men and women.

However workers' right to decent work is practically and clearly not fully provided for in Zimbabwe as long as the international instruments which the country adopts do not give automatic effect to the rights provided or are subject to be legalised by another law.

(b) The Constitution of Zimbabwe

The Constitution is the supreme law and all laws must conform to its provisions. Therefore the Constitution Amendment (No. 20) Act, 2013) Section 65 provides for labour rights:

The following are the fundamental rights of workers as provided:

- Right to form and join trade unions of own choice;
- Right to participate in the lawful activities of those unions and organisations;
- Right to participate in collective job action;
 - including the right to strike
 - sit in,
 - withdraw labour
 - to take other similar concerted action,
 - **but a law may restrict** the exercise of this right in order to maintain essential services.
- Every worker is entitled to just, equitable and satisfactory conditions of work;
- every worker, trade union, or workers' organisation has the right to engage in collective bargaining;
- Right to organize;
- Right to form and to join federations of such unions and organisations.;
- Right to fair and remuneration for similar work;
- Right of female workers to maternity leave;
- Right to an environment that is not harmful to health or well-being;

Therefore all repressive and draconian laws such as Public Order and Security Act 11.17, (POSA), Access to Information and Protection of Property Act Chapter 10.27 (AIPA), Criminal Codification Act and many others that prohibit workers from exercising their rights to Decent Work and decent living must be repealed.

However, Members of the defences forces, prison service and police service do not have the right to form trade unions or worker organisations. Section 65 of the Constitution of Zimbabwe does not allow these workers to enjoy the right to freedom of association and to strike.

Trade union and worker organisations rights are provided both in the constitution and in labour laws. These are:

- ❖ Right to establish itself without government permission
- ❖ Right to operate without interference
- ❖ The right to organise
- ❖ Right to collective bargaining
- ❖ Right to organise a strike or a protest action
- ❖ Right to organise a demonstration
- ❖ Right to represent its members
- ❖ Right to information
- ❖ Right to own property
- ❖ Right to educate or advise its members during working hours

(c) Other Acts of Parliament and Regulations

The Government may put in place other laws through the Act of Parliament and regulations that regulate the workers and their operations. These too give entitlements to the workers such as Urban and Rural Councils regulations.

7.1.2 Exercise

1. What are your rights in as a citizen of Zimbabwe and as ZCIEA member?
2. Which regulation in your Council regulates you as informal workers?
3. Which regulations govern the operations of your business?

7.2. Employment Creation

Employment is one of the vital components of the decent work agenda since without employment there is no decent work to talk about. Employment refers to all work in both the formal and informal economy. ILO states that the principle route out of poverty is through work and income. Hence, national governments should put an emphasis on employment creation as an instrument of moving people out of poverty. However, less attention has been put on the decency of the jobs that are created.

The Zimbabwe Labour Market now characterised by the existence of a shrunken formal economy of about 4.5% of the total labour force (according to the 2014 Labour force survey). The informal economy has rapidly grown than the formal economy. This is due to the closure of industries and massive retrenchments which resulted in many people losing their jobs thereby people are being forced to enter into the informal sector as a means of survival. 11.3% of the Zimbabwean citizens are said to be unemployed (according to the 2014 Labour force survey).

The informal economy currently accounts for the majority of the labour force of about 94.5 % (according to the Labour force survey). A situation of job losses, a shrinking economy and scarce employment opportunities has existed since the introduction of ESAP and has persisted up to the present period.

Labour migration is one of the key aspects of the labour market. Brain drain refers to the significant emigration of skilled personnel from the country. Although the exact number of people who have emigrated from Zimbabwe is not known A Report by the Scientific Industrial Research and Development Centre (SIRDC) estimated that 3.1 million people were in the Diaspora by 2002.

The country has remained with no employment opportunities for school leavers and graduates. Thus unemployment keeps growing and as a result the informal economy the backbone of the country's economy and yet the government has over the years neglected this economy.

7.2.2 Exercise

Discuss what can be done to create decent employment in the informal economy.

7.3. Social Dialogue

7.3.1 Definition

According to ILO, social dialogue refers to all types of joint and collaborative relationships which include negotiations, consultations and exchanges of information between representatives of governments, employers and workers on issues of common interest relating to economic and social policy.

7.3.2 Requirements

- Institutions or mechanisms that permit individuals to express their views individually or collectively through unions and associations (e.g. employers) on issues that affect their daily lives on both professional and personal basis as per ILO Convention 87. For trade unions there should be non-interference from employers and government;
- A democratic culture;
- Respect for rules and laws;
- Strong and capable trade unions which are well resourced (financial and human resources);
- Willingness and readiness to consult, negotiate and share information in good faith; and,
- Enabling macroeconomic and legislative environment

7.3.3 Levels of social dialogue

Social dialogue is a process of engagement of two and more parties on issues of interest. Therefore there are three levels that where this process can take place.

1. Shopfloor level where workers at a workplace can engage shopfloor authorities
2. Sector level where the workers' organisation engages with authorities in that particular sector.
3. National level where the Government is engages with other stakeholders such as the employers and workers representatives.

7.3.4 Purpose and benefits of Social Dialogue

- It gives workers a voice in matters that concern them at work. “*Nothing for us without us*”
- To redress the imbalance of power in employment relationship where the employer is in a much stronger position while workers are considered weak;
- To improve industrial relations and create harmony where the parties voluntarily agree to engage in a social dialogue that would result in a signed agreement.
- Trade unions want to achieve from collective bargaining:

- Protection and improvement of the socio-economic interests of members;
- Raise the standards of living for workers;
- Create a community of workers that is conscious of the dignity and importance of workers role in nation development;
- Give self-respect and confidence to the workers as individuals;
- Build strong trade unions that are conscious of their responsibilities.
- It is an essential component for extension of democracy to the workplace for creation of:
 Employment; stabilising the economy; reduce social security burden; achieving political stability.

7.3.5 Structures of Collective Negotiations

There are no established structures of collective negotiations in the informal economy. ZCIEA has started engaging with local authorities or councils to develop such structures. Already training in collective negotiations is a programme that the organisation is currently doing. There is a model that has been developed and a campaign is running on social dialogue.

7.3.6 The Role of workers in Collective Negotiations

Informal economy workers are not new to negotiations as they do this every day in their business. However collective negotiations need to be structured and strategised as this needs skills to convince the other party and the benefits are for majority of the workers than an individual. Therefore workers should:

1. Develop required skills, techniques and tactics.
2. Must unite to speak with one voice
3. Should have the knowledge of the performance of the sector and the laws and policies of the country.

7.3.7 Exercise

What do you need to be able to effectively negotiate?

7.4. Social Protection

7.4.1 Definition

According to ILO, social protection refers to the provision of benefits to households through public or collective arrangements to protect against low or declining living standards. A decent work strategy therefore aims at universality of coverage of benefits.

7.4.2 Structure of social protection

COVERAGE	Status in Informal Economy
Universal Health Care	Not provided
Assistance for Unemployed and Poor	Not provided
Child benefit	Not provided
Universal Old-Age and Disability Pension	Not provided

7.4.3 Expected Schemes for Social security and those that exist in Zimbabwe

BENEFIT	STATUS in Informal Economy
Family Benefit	Not provided
Sickness Benefit	Not provided
Unemployment Benefit	Not provided
Maternity Benefit	Not provided
Medical Care Benefit	Not provided

The situation reflected above indicates a real condition of poverty. This shows that the informal economy workers standard of living is neglected. It is therefore the role and right of all informal workers to demand provision of these social protection and security benefits to improve on their lives and that of future generations.

7.4.4 Conclusion

There is need for decent work for all workers. In the absence of decent work, there are work deficits such as denial of rights at work, unsafe working conditions and lack of income security, and inadequate representation in social dialogue. The concept of decent work is based on people's aspirations such as rights, representation and recognition, opportunity and income, family stability and personal development, fairness and gender equality.

However, there may also be decent work gaps and exclusions in the form of unemployment and underemployment, that result in poor quality and unproductive jobs; unsafe work and insecure income; rights which are denied; gender inequality; exploitation of marginalised migrant workers; lack of representation and voice; and inadequate protection and solidarity in the face of disease, disability and old age.

7.4.5 Exercise

Discuss, suggest and list strategies to be taken to ensure informal economy workers are fully covered by social protection in Zimbabwe