

Forces for Change

Informal economy organisations in Africa



Workers
Education
Association
of Zambia



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List of acronyms

AMA	Accra Metropolitan Assembly
ASSOTSI	Associação dos Operadores e Trabalhadores do Sector Informal (Association of Informal Sector Operators and Workers)
AZIEA	Alliance of Zambian Informal Economy Associations
CASE	Community Agency for Social Enquiry
CBD	Central Business District
COMESA	Common Market of Eastern and Southern Africa
DACF	District Assemblies Common Fund
DEMATT	Development of Malawian Traders Trust
ERP	Economic Recovery Programme
ESAF	Enhanced Structural Adjustment Facility
FRELIMO	Frente de Libertação de Moçambique (Mozambique Liberation Front)
GHC	Ghana cedis
GDP	Gross Domestic Product
GNP	Gross National Product
GTUC	Ghana Trade Union Congress
HIPC	Heavily Indebted Poor Country
ICC	International Coordinating Committee
ICLS	International Conference of Labour Statisticians
IFWEA	International Federation of Workers' Education Associations
ILO	International Labour Organisation
ILO-ACTRAV	International Labour Organisation - Bureau for Workers' Activities
IMF	International Monetary Fund
INERP	Interim New Economic Recovery Programme
JCE	Junior Certificate of Education
LMBSA	Local Market Banana Sellers Association
LSVA	Limbe Street Vendor Association
MACs	Market Advisory Committees
MARDEF	Malawi Rural Development Fund
MCTU	Malawi Congress of Trade Unions
MFRC	Malawi Rural Finance Company
MIRTDC	Malawi Industrial Research and Technology Development Centre
MKW	Malawi kwacha
MMD	Movement for Multiparty Democracy
MPSD	Minister of Private Sector Development
MRA	Malawi Revenue Authority
MSCE	Malawi School Certificate of Education
MSMEs	Micro, Small and Medium Enterprises
MUFIS	Malawi Union for the Informal Sector
MZM	Mozambique metical
NBSSI	National Board for Small-Scale Industries
OTM	Organização dos Trabalhadores de Moçambique (Organisation of Workers of Mozambique)

PAP	Poverty Alleviation Programme
PARPA	Action Plan for the Reduction of Absolute Poverty
PRES	Programa de Reabilitação Económica e Social Economic and Social Recovery Programme
PRSP	Poverty Reduction Strategy Paper
SADC	Southern African Development Community
SAEMA	Shama Ahanta East Metropolitan Assembly
SALRI	Southern African Labour Research Institute
SALs	Structural Adjustment Loans
SEDOM	Small Enterprise Development Organisation of Malawi
SEWA	Self-Employed Women's Association
SEWU	Self-Employed Women's Union
SGA	StreetNet Ghana Alliance
SMEF	Small and Medium Enterprises Fund
SMEs	Small and Medium Enterprises
SMMEs	Small, Medium and Micro Enterprises
SSNIT	Social Security and National Insurance Trust
THPAZ	Traditional Healers' and Practitioners' Association of Zambia
TLA	Textile Labour Association
UDF	United Democratic Front
UNIP	United National Independence Party
WEA	Workers' Educational Association
WEAZ	Workers Education Association of Zambia
WIEGO	Women in Informal Employment: Globalising and Organising
WoW	War on Want
ZAEDD	Zambia Association of Employment and Development for the Disabled
ZANAMA	Zambia National Marketeers' Association
ZCCM	Zambia Consolidated Copper Mines
ZCTU	Zambia Congress of Trade Unions
ZKW	Zambia kwacha
ZPA	Zambia Privatisation Agency
ZULAWU	Zambia United Local Authorities Workers Union

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Foreword

This report is the result of a collaborative research project between War on Want (WoW), the Workers Education Association Zambia (WEAZ) and the Alliance for Zambia Informal Economy Associations (AZIEA). The report seeks to provide an insight into the organising and advocacy strategies of informal economy associations in Ghana, Malawi, Mozambique and Zambia, as well as shed light on the way they have interacted with local and central government. Furthermore, the report aims to provide a background to the reasons for growth of the informal economy, and discusses the extent to which local and central government have attempted to address the needs of workers in the informal economy.

This report is based on country reports that were produced by researchers in five countries: Ghana, Malawi, Mozambique, Zambia and South Africa. We would like to thank all the researchers for their hard work in preparing these reports. Of course, the report would not have been possible without the support of representatives of various informal economy organisations as well as local and central government officials who have generously donated their time and patience to participate in this research project.

Special thanks to Francis Owusu (Informal Economy Desk, Ghana Trade Union Congress), Davies Chimombo (Malawi Union for the Informal Sector, MUFIS), Albertina Simango (Associação dos Operadores e Trabalhadores do Sector Informal, ASSOTSI, Mozambique), Jose Ubisse (Associação dos Operadores e Trabalhadores do Sector Informal, ASSOTSI, Mozambique), Brenda Machila (WEAZ), Gwyn Kabelu (WEAZ), Elvis Nkandu (AZIEA), Violet Mumba (AZIEA), Humphrey Fumpa (rapporteur), Michel Saraiva (interpreter) and Pat Horn (StreetNet International) who all participated in either the research planning seminar in Kitwe, Zambia in

November 2004 or the final research seminar in Lusaka, Zambia in December 2005, or in both, and provided assistance and useful comments and suggestions on the set-up of this research project and on the first draft of the final report.

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Last but not least, we would like to thank Comic Relief for their financial support.

We hope you will enjoy reading this report and more importantly that it will contribute to better working conditions for informal economy workers in Africa and elsewhere!

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Introduction

Thousands of Zambians have been pushed out of formal employment due to the severe economic crisis and the widespread privatisation programme of the 1990s. They are now making a living from selling goods in overcrowded markets or on the streets in unprotected and very insecure conditions. The Zambian government is reluctant to recognise the enormous difficulties faced by marketeers, street vendors and other informal economy workers and has failed to adjust its policies to their needs. During the period of structural adjustment in Zambia in the late 1990s, informal economy associations have been formed in the markets and the streets to voice their concerns and needs to the government.

In response to the formation of these informal economy associations, a participatory consultation process was organised from March to October 2001 by War on Want (WoW)'s partner organisation, the Workers Education Association of Zambia (WEAZ). WEAZ was formed in 1997 by the Zambia Congress of Trade Unions (ZCTU) to provide education not only to formal workers but also to the educationally, economically and socially disadvantaged.

The consultation process sought to strengthen the voice of informal economy workers and during the process, existing grassroots informal economy associations resolved to promote unity through the formation of a national alliance, the Alliance for Zambia Informal Economy Associations (AZIEA), which was formally launched in October 2002. AZIEA can best be described as a new social movement of street traders and market vendors. During the consultation process, a need for further research on informal economy issues was identified in order to:

- better understand government policy in different countries regarding the informal economy in order to promote effective participation of informal economy associations in policy formulation processes;
- learn from the experiences of different street and market vendors organisations to improve effectiveness of strategies for organising and advocacy within Zambia;
- build links with other informal economy organisations in Africa.

This collaborative research project aims to compare the experiences of informal economy associations in Zambia, Ghana, Malawi, Mozambique and South Africa. The following criteria were used to identify the countries to be researched:

- presence of a large informal economy;
- presence of some form of organisation of informal economy workers;
- existence of potential for strengthening links between Zambian informal economy organisations;
- existence of different forms of organisation, i.e. organised by a trade union, affiliated to trade union, self-organisation and no affiliation to unions.



Participants during the research project planning seminar in November 2004 in Kitwe, Zambia.

In November 2004, a research planning seminar was conducted in Kitwe, Zambia which sought to decide on the final remit of the research project. It was decided that the research project would consist of four components:

1. Review of international and in-country literature on the informal economy and informal economy organisations in Ghana, Malawi, Mozambique, South Africa and Zambia.
2. Overview of number and characteristics of street trader and/or market vendor organisations in Ghana (Accra and Takoradi), Malawi (Blantyre and Mzuzu), Mozambique (Maputo) and Zambia (Kitwe and Mansa).
3. In-depth case study of organisational and advocacy strategies of eight organisations:
 - StreetNet Ghana Alliance and Local Market Banana Sellers Association in Ghana;
 - Malawi Union for the Informal Sector (MUFIS) and the Limbe Street Vendor Association (LSVA) in Malawi;
 - Association of Informal Sector Operators and Workers (ASSOTSI) and Association of Informal Sector Traders and Importers in Mozambique (Mukhero);
 - Alliance for Zambia Informal Economy Associations (AZIEA) and the Cross-Border Trader Association in Zambia.

4. Overview of local and central government policy towards the informal economy, street traders and/or market vendors and street trader and/or market vendor organisations in Ghana, Malawi, Mozambique and Zambia.

Because there was significant literature available on informal economy associations in South Africa, it was decided not to conduct fieldwork in South Africa but to draw upon the existing literature to inform the situation in the other countries. For the overview of informal economy organisations (component 2), structured interviews were conducted with representatives from the organisations in the following periods: Ghana (December 2004 and January 2005), Malawi (December 2004, January 2005 and May 2005), Mozambique (December 2004) and Zambia (October 2005)

For the case studies of informal economy organisations (component 3), semi-structured interviews were conducted with representatives from the organisations in the following periods: Ghana (April 2005), Malawi (March 2005), Mozambique (January 2005) and Zambia (September 2005)

For the overview of local and central government policy towards the informal economy (component 4), semi-structured interviews were conducted with government officials in the following periods: Ghana (April 2005), Malawi (March 2005) and Zambia (September 2005)

The first draft of the final report was discussed during a research seminar in Lusaka, Zambia in December 2005. During the seminar, country researchers and representatives of various informal economy organisations provided valuable comments on the first draft of the report.

Chapter outline

Chapter One will outline the theoretical debate on the concept of the informal sector and informal economy as it has taken place since the 1960s and 1970s. It will give an overview of the



Participants during the final research seminar in Lusaka, Zambia in December 2005.

main issues dominating the debate.

Chapter Two will provide a brief history of the origins of the informal economy and causes of its growth in the four countries that were part of this study: Ghana, Malawi, Mozambique and Zambia.

Chapter Three will look at the current state of the informal economy in the four countries. It will provide statistics on the contribution the informal economy makes towards the economies of our four case study countries, and it will shed light on the extent to which the informal economy provides employment to people in the various countries.

Chapter Four will offer a brief overview of the characteristics of informal economy organisations in selected cities in Ghana, Malawi, Mozambique and Zambia.

Chapter Five will discuss in more detail the organisational and advocacy strategies of eight case study organisations.

Chapter Six will examine the presence or lack of general government policies towards the informal economy in the context of changing practices at the International Monetary Fund (IMF) and World Bank.

Chapter Seven will consider policies and regulations at the local government level in Ghana, Malawi, Mozambique and Zambia.

I. Theoretical aspects of the debate on the informal economy

Conceptualising the link between the informal and formal 'sector'

Debates on the informal economy have often evolved around the relationship between the informal and formal 'sectors'. With regard to this relationship, Chen (2002: 6) makes a useful distinction between three schools of thought: the dualists, structuralists and legalists.

The dualists view the informal economy as a totally separate sector which is not directly linked to the formal sector.¹ They conceptualise the informal sector as a sector that includes the poor and unemployed. In their view, economic growth has not materialised and therefore failed to absorb all people into formal employment, hence the existence of an informal sector.

Dualists tend to deny any direct links between the formal and informal economy, and argue that with the growth of the economy informal workers will be automatically absorbed into the formal sector.

The structuralists on the other hand view the informal sector as subordinate to the formal sector. They emphasise that corporations in the formal sector often seek to erode employment relations in order to reduce their labour and input costs. They mainly focus on vested interests in the formal economy that promote informal arrangements. Whereas dualists focus on the self-employed, structuralists focus on informal waged workers.

The legalists view the existence of informal businesses as rational responses by small enterprises to over-regulation by government bureaucracies.² They argue that informal enterprises often find it impossible to comply with the cumbersome, complex, costly and time-consuming bureaucratic procedures associated with registration of their businesses. Legalists argue that the regulatory framework of

governments towards businesses tends to favour large firms instead of small enterprises. In their view, the legal framework is therefore the cause of the existence of informal businesses which compels these businesses to remain small and hidden without any legal protection of their investment by the state. These factors tend to create disincentives for growth and capital investment.

As we will see in the next section, the International Labour Organisation's (ILO) conceptualisation of the relationship between the formal and informal sector has drawn upon these various schools.

Towards an official definition of the 'informal sector'

The term 'informal sector' began to be used in ILO reports on Ghana and Kenya, prepared under the World Employment Programme in the early 1970s.³ In 1972, the first ILO mission that arrived in Kenya found that the main problem in developing economies was not unemployment but "the existence of working poor struggling to produce goods and services without their activities being recognised, registered or protected by public authorities". The concept of the 'informal sector' was taken to cover those small-scale income-generating activities which took place outside the official regulatory framework. The ILO mission found that contrary to earlier beliefs the 'informal sector' had expanded significantly although this was not acknowledged by policy makers and governments. The ILO's thinking in the 1970s very much corresponded with the dualist view

In 1972, the first ILO mission that arrived in Kenya found that the main problem in developing economies was not unemployment but "the existence of the working poor struggling to produce goods and services without their activities being recognised, registered or protected by public authorities".

discussed above. The organisation assumed that the 'informal sector' would disappear with the incidence of economic growth.

The debate on the 'informal sector' was reinvigorated in the 1990s when it was explicitly put on the agenda of the 1991 International Labour Conference.⁴ It was the first time that the topic was discussed during a major international conference. The discussion document of the conference *'The dilemma of the informal sector'* acknowledged that the 'informal sector' was not going to disappear spontaneously with economic growth. The report actually expected the sector to grow for example due to the increasing trend towards urbanisation. The report also narrowed down the ILO's definition of the informal sector as mainly an 'urban' one. Although it was acknowledged that informality existed in rural areas, the ILO felt that the causes and context of the 'informal sector' in urban areas was different. It therefore felt it was more useful to use the concept in an urban context.

The discussion document of the 1991 ILO conference 'The dilemma of the informal sector' acknowledged that the 'informal sector' was not going to disappear spontaneously with economic growth.

The dilemma as it was posited in the report was between on the one hand encouragement of the 'informal sector' so that it could 'absorb' unemployed people and provide income-generating opportunities, and on the other hand regulation and provision of social protection to workers in the 'informal sector' which could potentially reduce the employment-creation capacity of the 'informal sector'.

A second important event in the 1990s was the inclusion of the 'informal sector' on the agenda of the 15th International Conference of Labour Statisticians (ICLS) in January 1993. The conference concluded on a definition to be used in measuring the size of the 'informal sector'. It agreed that the 'economic unit' or enterprise-based definition of the informal sector was the most appropriate measurement unit.⁵ In this definition, informal enterprises are the unit of

analysis instead of individuals who work in informal conditions. The 1993 ICLS definition thus excluded employees hired on a casual basis by formal enterprises.

From informal enterprise towards indecent work

Almost a decade later, the 'informal sector' again formed the main topic during the 2002 International Labour Conference in Geneva. However, the ILO's concept of 'informal sector' had significantly changed from an enterprise-based definition of the 'informal sector' to a more employment-based definition. In its discussion document entitled *Decent work and the informal economy*, the ILO recognised that the concept of the 'informal sector' was no longer considered adequate, as there was no separate sector in the sense of a specific industry group or economic activity.⁶ The ILO suggested the term 'informal economy' was more applicable as it encompassed the heterogeneous group of workers in both rural and urban areas operating informally.

The report further acknowledged an "increasing flexibilisation and informalisation of production and employment relations".⁷ In the 1990s, investors faced with increasing global competition shifted their production to countries with lower labour costs or started to implement more flexible or informal employment arrangements. Subcontracting and outsourcing became common strategies for firms to cut costs. When multinational corporations relocated to developing countries, they often did not observe appropriate labour legislation such as complying with health and safety regulations, and providing environmental and social protection to workers. Including these types of informal employment arrangements in the ILO's new concept of the 'informal economy' served to include both informal work arrangements in formal businesses as well as in informal enterprises. Whereas the concept of the 'informal sector' implied the existence of a separate sector, the concept of informal economy encompassed any type of informal employment relationship, whether in formal or informal enterprises. Through this new definition,

the ILO therefore combined the view of dualists and structuralists: while the informal economy included those involved in self-employment, it also comprised those employed informally in the formal sector.

Whereas the 1991 ILO conference still posited a dilemma between growth of the informal economy on the one hand and social protection on the other hand, the 2002 ILO conference agreed that every worker is entitled to 'decent work'. According to the 2002 discussion document, workers in informal employment arrangements are denied seven essential securities:⁸

- labour market security (adequate employment opportunities through high levels of employment ensured by macroeconomic policies);
- employment security (protection against arbitrary dismissal, regulation on hiring and firing, employment stability compatible with economic dynamism);
- job security (a niche designated as an occupation or 'career', the opportunity to develop a sense of occupation through enhancing competences);
- work security (protection against accidents and illness at work, through safety and health regulations, limits on working time and so on);
- skill reproduction security (widespread opportunities to gain and retain skills, through innovative means as well as apprenticeships and employment training);
- income security (provision of adequate incomes); and
- representation security (protection of collective voice in the labour market through independent trade unions and employers' organisations and social dialogue institutions).

The ILO's new strategy aimed to promote 'decent work' along the entire continuum, from the informal to the formal end of the economy. The organisation proposed a three-fold strategy to promote these objectives. In the immediate term, it aims to recognise those who currently



Tailor at work in one of Maputo's markets

work in the informal economy in the law, provide them with legal and social protection and representation and voice. In the short and medium term, the strategy seeks to enable those in the informal economy to move into more formal work arrangements by ensuring that workers and entrepreneurs have the capacity, flexibility and conducive legal and policy frameworks to do so. In the long term, the strategy advocates creation of formal employment opportunities for all workers and employers. Whereas in 1991 the ILO still considered encouragement of job creation in the informal economy as a strategy, the 2002 conference focused unequivocally on social protection and 'decent work'.

The international research-policy network Women in Informal Employment: Globalising and Organising (WIEGO) has together with the ILO been advocating for a more employment-based definition. The network was established in 1997 and "seeks to improve the status of the working poor, especially

Informality in the new employment-based 2003 ICLS statistical definition of the informal economy refers to the conditions of all workers - whether in households, formal or informal enterprises - who are not recognised, recorded, protected or regulated by public authorities.

women, in the informal economy through better statistics, research, programs, and policies and through increased organisation and representation of informal workers”.⁹ As opposed to the 1993 ICLS definition, WIEGO recommended a definition that would include “all employers of informal enterprises, all self-employed person (except self-employed professionals and technicians) and all wage workers who work without minimum wage, assured work, or benefits, whether they work for formal or informal firms (including employees of informal firms, domestic workers, casual workers, home workers, temporary and part-time workers, and unregistered workers)”.¹⁰ In 2003, the ICLS adopted a broader definition during its 17th Conference.¹¹ The new definition defines “*informal employment* as comprising the total number of informal jobs, whether carried out in formal sector enterprises, informal sector enterprises, or households”.¹²

While the 1993 ICLS enterprise-based definition is helpful when calculating national accounts, the 2003 ICLS employment-based definition is useful in policy terms, e.g. when considering who to target and how to finance social protection policies.¹³ Informality in the new definition refers to the conditions of all workers who are not recognised, recorded, protected or regulated by public authorities.

Conclusion

Whereas in the last few years the ILO’s conceptualisation of the informal economy increasingly came to refer to both non-wage employment and wage employment, this study mainly focuses on the first type of employment for the following reasons. Firstly, in Africa 70 percent of informal employment (outside agriculture) is self-employment.¹⁴ Secondly, the members of the organisations that were part of this research project are predominantly self-employed, e.g. street vendors, market traders, hawkers, carpenters, tailors, fishermen, visual artists and cross-border traders.

2. Growth of the informal economy

In Chapter One, we have seen how conceptualisations of the informal economy have changed over time. Whereas dualists saw the ‘informal sector’ as strictly separate from the formal sector, the ILO’s new definition as spelled out in the *Decent work* discussion document sought to emphasise the existence of informal employment in both the formal and informal economy. Chapter Two serves to highlight this link further by looking at the causes of the growth of the informal economy in the four countries that are part of this report: Ghana, Malawi, Mozambique and Zambia. The chapter will conclude that macroeconomic policies targeted at the formal economy have a major effect on the size of the informal economy. All the countries, which form a part of this study, have been subjected to structural adjustment policies in the 1980s, which proved to have drastic consequences on the size of the formal sector.

Washington Consensus

In the 1980s, the International Monetary Fund and the World Bank reached a consensus in Washington on the content of structural adjustment policies and decided that these programmes should aim to reduce government

expenditure in order to alleviate balance-of-payment deficits, to switch expenditure from the industrial to the agricultural sector in order to encourage agricultural production, and to improve the efficient allocation of resources in the economy through reduced intervention of the state in the economy in order to stimulate economic growth. The extremely negative consequences of structural adjustment for the majority of populations in Africa have been widely documented. Enterprises in many African economies could not compete with their foreign counterparts after their economies were opened up and were faced with a liberalised trade regime. This resulted in the closure of many companies or the reorganisation and slimming down of industries. Reduced public sector investment in basic social services such as health and education made these services inaccessible to large number of people. Downsizing of the public sector meant that the number of jobs had to be reduced. The privatisation of state-run enterprises led to dismissals and reorganisations that sought to cut down labour costs. The following sections aim to discuss the impact of structural adjustment on the private and public formal sector in Ghana, Malawi, Mozambique and Zambia.

Table 1: Basic economic and development indicators¹

	Ghana		Malawi		Mozambique		Zambia	
GDP in \$US	6.2 billion		1.7 billion		4.3 billion		4.3 billion	
GDP per capita in \$US	2,300 ²		158		222		398	
Total population	20.3 million		10.9 million		18.8 million		10.5 million ³	
Average life expectancy (years) male/female	56.2	57.1	39.7	39.6	41	42.8	37.9	36.9
Average HIV prevalence rate (adults, 15-49)	3.1		14.2		12.2		16.5	
Illiteracy rate (adults, 15+) male/female	37.1	54.3	25.1	46.0	37.7	68.6	32 ⁴	

Sources: United Nations Statistics Division, World Bank, UNAIDS (see endnotes 1-4 for more details).

Ghana's Economic Recovery Programme

In Ghana, the government launched its Economic Recovery Programme (ERP) in 1983 which was intended to lead to economic growth and an improvement of the country's balance of payments. The main strategy behind this programme was to encourage exports through the introduction of economic incentives and to replace direct state control with a greater reliance on market forces.⁵ In order to generate revenue, the government started to impose fees on education and health services, increase taxes on petroleum, abolish subsidies on agricultural inputs and increase the retrenchment of public sector employees.

The retrenchments, the casualisation of labour and the inability of the formal sector to absorb the increasing economically active population in Ghana resulted into the expansion of the informal economy.

Although Ghana's structural adjustment experience has sometimes been described as a success because of the accelerated rate of economic growth that the country achieved after 1983, this was not accompanied by a growth in the number of private sector jobs. Whereas total formal sector employment

was 333,000 in 1960, it declined to 186,000 in 1991. This is in spite of the fact that the active labour force, which was estimated at 2.7 million in 1960 increased to 5.7 million in 1991.⁶

As already mentioned, the decline in formal sector employment could partly be attributed to the downsizing and retrenchments in Ghana's public sector. In 1989, 13,937 civil servants were redeployed and according to the Trade Union Congress, this number had risen to 150,000 in 1994.⁷

However, the decline of jobs in the private sector was even greater. The liberalisation of trade led to dumping of cheap and second-hand commodities in Ghana and the crippling of the few local budding manufacturing firms. The number of jobs in the private sector dropped from 149,000 in 1960 to 31,000 in 1991.⁸ In 2000, private sector employment accounted for only 15 percent of total employment in the formal sector.

The retrenchments, the casualisation of labour and the inability of the formal sector to absorb the increasing economically active population in the country resulted into the expansion of the informal economy. The loss of jobs in the formal sector accompanied with the high population growth rates forced many to make a living in less secure conditions.

Malawi's structural adjustment loans

In Malawi, the government accepted three structural adjustment loans (SALs) between 1981 and the end of the 1980s which mainly aimed to stimulate agricultural exports.⁹ These adjustments involved raising the producer prices of smallholder farmers to promote exports, eliminating consumer price and fertiliser subsidies, exchange and interest rate adjustment, higher fees for public utilities and services and cuts in public expenditure.

The programme also sought to restructure and improve the management of state-owned enterprises through liberalisation. The restructuring and privatisation of statutory corporations created serious job losses and desperation. For example, Press Corporation, a semi-state enterprise that controlled about 40 percent of Malawi's economy in the early 1980s laid off about 20 percent of its workforce in the late 1980s and early 1990s.¹⁰ However, efforts to deregulate and privatise state-owned firms have been firmly resisted by civil society organisations in Malawi, for example in 1996 when the Public Enterprises (Privatisation) Act was passed. By 2001, only 26 of the 99 public enterprises had been privatised.¹¹ The privatisation of state-owned enterprises has also been controversial because of allegations of corruption and lack of transparency in the process of selling off shares.

Most industries in Malawi are supply-based, processing agricultural products destined for export markets. There are few demand-based or import substitution industries producing goods for the domestic market. As statistics indicate, the share of industry in Malawi's economy has grown slowly from 11 percent in the 1960s to 12.5 percent in the 1980s and 13.6 percent in

1998, and industry's share of formal employment has ever remained low at 15 percent of the total workforce in formal employment.¹² Most of Malawi's formal employment is therefore outside the industrial sector.

As a result of opening up of the economy part of the structural adjustment policy change, several industries offering employment to urban people were forced to downsize operations and a number closed down completely. The enhanced liberalisation of the economy since the mid 1990s exposed local businesses to stiff competition from foreign goods. While manufacturing grew by 3.3 percent per annum from 1987 to 1995, it stagnated between 1996 and 1999 and since then several industries either stopped domestic production or closed completely.¹³ By 1999, the textile industry had shrunk by 44 percent compared to 1996, shedding over 70 percent of its workforce since then. Large firms such as Lever Brothers (manufacturers of soap, detergents and oils), David Whitehead (textiles) and British American Tobacco have stopped their domestic production altogether. Other industries like the poultry industry and agricultural estate giants like the Chamwavi Group, and the General Farming and Press Agricultural have all collapsed.¹⁴

National survey data in Malawi show massive expansion of the informal economy following market liberalisation in the 1990s.

forced workers to seek alternative means of surviving such as in the informal economy. National survey data shows massive expansion of the informal economy following market liberalisation in the 1990s. A government study on small and micro-enterprises indicated that the number of enterprises start-ups rose from 20,000 to 100,000 between 1992 and 1999.¹⁵

However, on the other hand, the opening up of the economy also created new opportunities for small-scale enterprises. Liberalisation of the

foreign exchange system and cross-border trade led to a growing number of small-scale entrepreneurs going to Zimbabwe and South Africa to purchase goods, most of which ended up being sold in the streets of Blantyre and other major centres in Malawi.¹⁶ To crown the significance of liberalisation of the economy to the growth of the informal economy in Malawi, the former president Dr Bakili Muluzi hailed the street vendors in a speech in the National Assembly for taking advantage of the liberalisation of the economy. He was quoted in a newspaper as saying: "I am proud to say that those who are doing small-scale business as vendors or hawkers are prospering in our liberalised economy".¹⁷

Mozambique's Economic Recovery Programme

Mozambique won its independence from the Portuguese colonial regime in 1975. The exodus of most Portuguese and Asian traders, subsequent adoption of central planning and nationalisation of major enterprises, and the internal armed conflict, resulted in the collapse of production, the destruction and deterioration of infrastructure and public services, and a heavy dependency on foreign aid. Mozambique's central planning apparatus began to be dismantled in the late 1980s. In 1987, the Mozambican government launched the Economic and Social Recovery Programme (PRES, Programa de Reabilitação Econômica e Social), which sought to achieve a turn-around in the economy by reactivating industrial production, which was followed in 1992 by a second part, PRES II, which sought to broaden the reforms implemented in the first part of the programme. After the 1992 peace settlement, the government introduced further market-based economic policies, including privatisation, market determination of prices and the exchange rate, rationalisation of public expenditure and fiscal balance, and reform of the public sector and the civil service.

According to research conducted by trade unions in Mozambique in mid-1998, privatisation has made more than 100,000 workers redundant.

According to research conducted by trade unions in Mozambique in mid-1998, privatisation has made more than 100,000 workers redundant.¹⁸ Mozambique also expected around 14,000 redundancies as a result of the restructuring of its port and rail systems, which the World Bank approved to finance in 1999 with a \$77 million loan to the government of Mozambique.¹⁹

The growth in the informal economy of Mozambique can also be attributed to the Sixteen Years War (1976-1992) which sped up migration from the rural to the urban areas. In the 1990s, many refugees relocated to the urban areas, which were not able to employ all of them. This forced migrants to find their source of remuneration in the informal economy.²⁰ In addition, repatriation of refugees from neighbouring countries and military demobilisation after the war added to the growing numbers of unemployed people in cities in Mozambique. Before independence, the informal economy provided supplementary income to formal economy workers' basic salaries. However, after independence, with the increased liberalisation of a formerly planned economy, the informal economy became an alternative source of income for many instead of a supplementary form of revenue. This also meant that increasingly men became involved in informal economy activities while this field had previously been mainly an area in which women could supplement their incomes.

Structural adjustment in Zambia

Structural adjustment policies were gradually implemented under President Kenneth Kaunda from the United National Independence Party (UNIP) in the mid-1980s during Zambia's Second Republic (1972-1991).²¹ Policy changes included the abolishment of price control on basic goods, removal of price subsidies on maize and fertiliser, adoption of a foreign exchange auction system, liberalisation of agricultural marketing, public sector reform and reduction in civil service employment. The policies led to a devaluation of Zambia's currency and prices of essential commodities rapidly shot up as a result of the

removal of price controls. Widespread discontent with the economic reforms led to a number of strikes and in May 1987 President Kaunda cancelled the agreement with the IMF. The IMF programme was replaced with the Interim New Economic Recovery Programme (INERP), which introduced some of the controls that were in place before the reforms.

Although INERP resulted in impressive GDP growth rates, mainly as a result of a bumper harvest, the economic crisis deteriorated and in early 1990, Zambia agreed to a new package with the IMF that would involve further reforms. In the same year, the growing opposition from the Movement for Multiparty Democracy (MMD) to the UNIP, which had ruled Zambia since Independence in 1964, forced President Kenneth Kaunda to sign a constitutional amendment that would mean an end to the one-party rule. With elections coming up in 1991, the UNIP government requested that the IMF postpone new reductions in maize meal subsidies, as it feared this could lead to some rioting before the elections and also would not make UNIP very popular during the elections, especially with the increasing competition from the MMD. The IMF refused and all financial disbursements to Zambia were suspended.

Zambia's first multi-party elections were held and both presidential and parliamentary elections were convincingly won by the MMD. The new MMD government under President Frederick Chiluba (also known as Zambia's Third Republic) continued with the implementation of the reform package that the IMF and the UNIP agreed in 1990. Reforms included price decontrols of all products and inputs (except maize), elimination of exchange rate restrictions, liberalisation of export and import trade, reform of civil service and parastatals and a privatisation and liquidation of state enterprises. It was argued that reform of state-owned enterprises was required in order to eliminate corruption and nepotism within these enterprises and improve their efficiency. Criticism was levelled particularly at the way in which these enterprises handed out jobs to political appointees as a reward for

their political loyalty rather than based on their expertise and experience.

The opening up of the Zambian economy to international competition had a disastrous effect on local industries as they were not able to compete.

The opening up of the Zambian economy to international competition had a disastrous effect on local industries as they were not able

to compete. Many manufacturing companies were forced to close and employment in manufacturing fell from 75,400 in 1991 to 43,320 in 1998.²² However, trade liberalisation also gave rise to investment by multinational corporations headquartered in South Africa. Zambia has sometimes been described as a huge supermarket for South African capital.

In 1992, the government enacted the Privatisation Act, which established the institutional and legal framework for the privatisation of all state-owned enterprises. It set up the Zambia Privatisation Agency (ZPA) whose

mandate it was “to plan, implement and control the privatisation of state-owned- enterprises in Zambia in cooperation with the government, by selling them off to those who are more competent to run them and who have the required capital to do so”. Starting off with a portfolio of 289 state-owned enterprises, the ZPA listed 150 companies on its first divestiture plan.

Employment in Zambia’s mining industry which is located in the densely populated Copperbelt Province was particularly affected. As part of the privatisation exercise, the state-owned Zambia Consolidated Copper Mines (ZCCM) conglomerate was split up into several smaller companies.²³ New investors acquired the mining assets and laid off many workers in order to operate the mines with lower costs. In 1991/92, employment in the ZCCM mines stood at 56,582. It declined to 31,033 in 1997/98 and currently is estimated to be around 22,000.²⁴ The privatisation of the mines also affected the social infrastructure that was part of the ZCCM. New owners of the mines were not interested in



An informal enterprise involved in construction of coffins on a former ZCCM mine outside Kitwe, Zambia.

continuing to run the schools, shops, hospitals and clinics that existed on the mines and used to be run by the ZCCM. By July 2000 well over 100,000 jobs had been lost through the sale and liquidations of state-owned enterprises.²⁵ By July 2005, 262 out of the planned 284 state-owned enterprises had been privatised.²⁶ Remaining parastatals such as Zambia National Commercial Bank, Zambia Electricity Supply Company and the Zambia Telecommunication Company are expected to be privatised though this has been firmly contested by the labour movement, churches and women's organisations.

According to government data, there has been a shift of employment from the manufacturing and mining sectors to agriculture and trade.²⁷ The proportion of the active labour force working in agriculture shifted from 16.8 percent in 1990 to 37.5 percent in 2000. In the trade sector, the percentage more than doubled from 6.5 percent to 13.2 percent. However, the proportion of people employed in mining declined from 16.9 percent in 1990 to 9.7 percent in 2000 whereas total employment in mining dropped from 10.3 percent in 1990 to 6.4 percent in 2000.

Parallel to privatisation was the public sector reform programme which the government was implementing in the name of making the public

service 'lean', 'efficient', and 'affordable'. The cumulative effect of these policy measures has been to create massive unemployment through processes euphemistically described as 'retrenchments', 'redundancies', 'lay-offs' or 'right-sizing the public service'. Public sector reforms have reduced employment from an estimated 150,000 in 1992 to 120,000 in 2004. However, the government is determined to reduce this number further to 80,000.²⁸

Conclusion

In summary, it can be stated that apart from rapid increases in population growth rates and processes of urbanisation, structural adjustment policies have significantly contributed towards a rapid growth of the informal economy in Ghana, Malawi, Mozambique and Zambia. Increasing foreign competition due to trade liberalisation has forced local companies to cut their costs and to either close their business or to retrench some of their labour force. Privatisation of state enterprises as well as reforms of the public sector resulted in more retrenchments. Lastly, the removal of state subsidies on basic commodities and agricultural inputs reduced people's real wages and sometimes forced those in formal employment to supplement their income with informal economic activities.

3. The size of the informal economy

Chapter Two has shown how macroeconomic policies have contributed towards the growth of the informal economy in Ghana, Malawi, Mozambique and Zambia. Chapter Three will discuss the size of the informal economy in these four countries.

The informal economy in Ghana

According to a 1997 Core Welfare Indicator Survey carried out by the Ghanaian government, employment in the informal economy as part of total employment was estimated to be 89 percent.¹ The survey defined people in the informal economy as those who define themselves as being in the informal sector at the time of the survey.² The survey covered the whole country, including paid domestic employees and persons aged 15 years and over.

According to a 2000 government survey, 71.4 percent of women in the urban areas in Ghana engage in non-agricultural self-employment. Table 2 illustrates that whereas 25 percent of men are employed in the formal private sector in the urban areas, only 6 percent of women have formal jobs.

In terms of its contribution towards Gross National Product (GNP), the informal economy in Ghana was estimated to contribute 38.4

percent towards GNP in 1999/2000.³ The informal economy in Ghana is made up of small-scale businesses, which are predominantly family businesses that engage mainly family members who earn inadequate incomes for a living but which are substantial in aggregate terms. The urban informal economy comprises small-scale industries or producers and their employees, the self-employed engaged in various economic activities, and those working in commerce, transport and other service-related areas. Informal workers are also found in metalworking, food and wood processing, textiles and garments, including batik tie-dye production.

Studies conducted on the urban informal economy in Ghana grouped a wide range of informal operations in services, construction and manufacturing.⁴ The service sector comprises urban food and other traders and processors, health and sanitation workers, domestic workers, who are also predominantly women, repairers of watches, refrigeration equipment, radios, mechanical or electrical/electronic equipment, auto mechanics, sprayers, welders, auto

According to a 1997 Core Welfare Indicator Survey carried out by the Ghanaian government, employment in the informal economy as part of total employment was estimated to be 89 percent.

Table 2: Type of employer for urban population in Ghana aged 15-64 yrs in the last 7 days, by sex (percent)

Main employer	Urban		
	Male	Female	All
Self employment (agriculture)	22.0	16.2	18.8
State owned company	17.5	6.5	11.4
Private formal	25.0	6.0	14.5
Private informal and self employment (non-agriculture)	35.5	71.4	55.3
All	100.0	100.0	100.0
Sample size	1195	1472	2667

Source: Ghana Statistical Service (2000). *Ghana Living Standards Survey - Report of the Fourth Round (GLSS 4) 2000*. Accra: Ghana.

electricians, graphic designers, audio-visual workers, hairdressers, barbers and private security men. Prominent among these are also street vendors who sell along the streets in the main cities of Accra, Kumasi and Takoradi as well as the young men and women who sell at traffic lights. Construction workers comprise masons, carpenters, steel benders, small-scale plumbers, house-wiring electricians, and carpenters. Manufacturing workers are mainly factory workers of firms, which engage in food processing, textile and garments, wood processing and metal works, some of whom are casual and part-time workers.

The informal economy in Malawi

The formal sector only absorbs 12 percent of the total labour force in Malawi, and this includes workers in the estate agricultural sub sector and the formal industrial sector. The remaining 88 percent get their livelihood from smallholder agriculture and other informal economy activities.⁵ A survey conducted by the National Statistical Office of Malawi concluded that micro and small enterprises contribute income to about 25 percent of Malawian households, and employ 1.7 million people which is equivalent to 38 percent of the total Malawian labour force. Furthermore, it found that women account for 42 percent of total employment in micro and small enterprises, and micro and small enterprises contribute about 15.6 percent to GDP.⁶ The World Bank estimated the contribution towards GNP of the informal economy in total at 40.3 percent in Malawi in 1999/2000.⁷

Another survey of 2,022 low-income households in Blantyre and Lilongwe in the early 1990s found that 30 percent and 22 percent of the households in Lilongwe and Blantyre, respectively, were involved in informal economy activities.⁸ The survey noted that many of the activities were casual and seasonal and often carried on alongside a range of other livelihood activities.

In both rural and urban areas in Malawi, trade is the dominant form of informal economy

activities. Yet, in rural areas it is the non-poor who have such businesses because they have sufficient capital to cover the costs. In urban areas street vending is the common activity and it appears that it is the poor who are the vendors.⁹ In terms of the characteristics, informal trading and vending mainly involves selling clothing, shoes, groceries and hardware items, cooked and uncooked foods, fruits and vegetables, second-hand clothes, motor spare parts, most of which are imported from Zimbabwe and South Africa.

According to a survey conducted in Mzuzu City, which is located in northern Malawi, most street vendors only sold fruits and vegetables prior to 1992.¹⁰ Most of the vendors currently operating in Mzuzu are newcomers; only 15-25 percent of the street vendors had been operating in the city prior to 1992. The survey also found that 80 percent of the street vendors in Mzuzu are self-employed, whereas 13.7 percent work as commission vendors. The majority of street vendors in Mzuzu attended secondary education, 80 percent had a Junior Certificate of Education (JCE), 15 percent had no formal education and 5 percent with primary and Malawi School Certificate of Education (MSCE).

The informal economy in Mozambique

In Mozambique, it is estimated that between 30 and 40 percent of urban households are dependent on the informal economy.¹¹

The World Bank estimated the contribution towards GNP of the informal economy in total at 40.3 percent in Mozambique in 1999/2000.¹² In Mozambique, 65 percent of workers in urban areas are employed in the informal economy, 77.9 percent of women and 50 percent of men in the urban areas are informal workers.¹³ Very

The formal sector in Malawi only absorbs 12 percent of the total labour force, and this includes workers in the estate agricultural sub sector and the formal industrial sector.

In Mozambique, it is estimated that between 30 and 40 percent of urban households are dependent on the informal economy.

few women are therefore employed in formal jobs. A survey among market vendors was also carried out in Maputo and Beira in 1996¹⁴ and another one among 100 market women in Maputo in 2000 as part of the ILO's Feminisation of Poverty Project.¹⁵ The 1996 study found that the modal monthly income for market vendors was US\$ 50-100 for Maputo. Interestingly, over half (60 percent) of those surveyed in Maputo indicated that they preferred their present occupation in the informal economy and would not prefer a waged job.

There is currently a lack of thorough research in Mozambique on the exact size and measurement of the informal economy. However, the National Institute of Statistics in Mozambique announced in September 2005 that it is going to conduct a national survey on the informal economy in order to "determine or capture the impact of the informal economy, in terms of the labour force involved, the activities covered by the sector, and its production and consumption, as well as its distribution across the national territory".¹⁶

The informal economy in Mozambique was at first dominated by women who began to sell agricultural products on the streets. Subsequently, men invaded the sector, mainly unemployed youngsters who sold goods and offered several kinds of services. Nowadays, both women and men work in the informal economy, although a larger percentage of women work in the informal economy than men. Temporary structures have been transformed from places where vegetables and basic food products were sold into out-of-doors supermarkets. The goods

sold in such markets often come into Mozambique through informal cross-border trade.

The informal economy in Zambia

In Zambia, structural adjustment policies brought about a cut in the share of formal sector employment from 17 percent in 1991 to 10 percent in 1998.¹⁷ The World Bank estimated the contribution towards GNP of the informal economy in total at 48.9 percent in Zambia in 1999/2000.¹⁸ According to a household survey carried out by the government in 1993, 2.3 million people in Zambia were employed in the informal economy, which represented 80.7 percent of total employment.¹⁹ A survey on living conditions in Zambia that was carried out in 2004 found that 83 percent of all employed persons in Zambia were engaged in the informal sector (see Table 3).²⁰ The survey defined informal employment as "employment where the employed persons were not entitled to paid leave, pension, gratuity and social security and worked in an establishment employing 5 persons or less".²¹ Table 3 shows that informal economy employment was more common among females (91 percent) than males (76 percent).²²

Table 4 demonstrates that only 9 percent of women in Zambia have jobs in the formal sector. In addition, the survey found that almost 54 percent of those households that reported to operate a non-farm enterprise were involved in trading.²³

A survey on living conditions in Zambia that was carried out in 2004 found that 83 percent of all employed persons in Zambia were engaged in the informal economy.

Table 3: Proportion of labour force in Zambia aged 12 years and above employed in the informal economy, by sex and location, 2002-3 (percent)

Residence/ Stratum/province	Share of informal employment	Share of male informal employment	Share of female informal employment	Total number of employed
All Zambia	83	76	91	3,517,371
Rural	93	89	96	2,571,153
Urban	56	47	71	946,218

Source: Government of Zambia (2004). *Living Conditions Monitoring Survey Report 2002-2003*, Lusaka: Living Conditions Monitoring Branch, Central Statistical Office, Government of Zambia, p. iii.

Table 4: Proportion of labour force in Zambia aged 12 years and above employed in the informal and formal economy, by sex and location, 2002-3 (percent)

Sex and residence	Number of people employed in formal sector	Share of formal sector	Number of people employed in informal sector	Share of informal sector	Total number of employed
All Zambia	597,953	17	291,9418	83	3,517,371
Males	441,813	24	139,9076	76	1,840,889
Females	150,883	9	152,5599	91	1,676,482
Rural	179,981	7	239,1172	93	2,571,153
Urban	416,336	44	529,882	56	946,218

Source: Government of Zambia (2004). *Living Conditions Monitoring Survey Report 2002-2003*, Lusaka: Living Conditions Monitoring Branch, Central Statistical Office, Government of Zambia, p. iii.

Conclusion

While most governments have not kept exact statistical data on the contribution of the informal economy towards GNP, the World Bank has provided some estimates which lie between 38 and 49 percent for the countries which form part of this study. In addition, governments of Ghana, Malawi and Zambia have conducted household sample surveys in order to calculate the share of informal employment as part of total employment.²⁴ In September 2005, the government of Mozambique announced that it

will also conduct surveys on the informal economy in the near future. The major conclusions drawn from surveys carried out in Ghana, Malawi and Zambia is that informal economy employment is estimated between 70 and 90 percent of total employment in most countries. Informal employment is usually higher in rural compared to urban areas. While relatively more men are employed in formal jobs, the majority of women work in the informal economy.

4. Characteristics of informal economy organisations

In recent years, various initiatives have been taken that sought to address the issue of organising workers in the informal economy. Trade unions have begun showing interest in the informal economy.¹ Due to structural adjustment and globalisation, their membership of formally employed workers significantly dropped. Apart from potential membership in the informal economy, some unions also felt they had a responsibility to advocate for the improvement of working conditions in the informal economy.

The final resolution of the 2002 ILO conference on *Decent work and the informal economy* specifically included the need for representative organisations in the informal economy. One of the conclusions adopted by the conference recommended that future ILO work and activities should be aimed at removing obstacles to the formation of organisations of workers and employers in the informal economy and assisting them to organise.² These initiatives were to a significant extent inspired by the success of the Indian organisation the Self-Employed Women's Association (SEWA).

Against this background, Chapter Four will give an overview of organisations in the informal economy in selected cities in Ghana, Malawi, Mozambique and Zambia. The Chapter will start with a brief history of various initiatives aimed at organising workers in the informal economy as well as research carried out in South Africa in the late 1990s on informal economy organisations.

Organising workers in the informal economy: SEWA, StreetNet International and SEWU

The Indian organisation, the Self-Employed Women's Association (SEWA), has often been cited as a successful example of how to organise workers in the informal economy. SEWA was

established in 1972 as a trade union for poor self-employed women. It was based in Ahmedabad, Gujarat and grew out of the Women's Wing of the Textile Labour Association (TLA), which was established in 1954, initially to assist women belonging to the households of textile workers. However, the scope of TLA's work expanded in the 1970s when other groups of informal women workers approached the union for protection.

The first struggle of SEWA was to gain recognition as an official trade union. This was an innovative concept since self-employed workers had no real history of organising. The Labour Department of the Indian government initially refused to register SEWA because they felt that since there was no recognised employer, the workers would have no one to struggle against. However, SEWA's argument was that a union was not necessarily meant as defending workers' interests against an employer but more broadly aimed at uniting workers, irrespective of their employment relationship. Finally, in April 1972, SEWA won its argument and was registered as a trade union. It grew continuously from 1972 to establish itself as the largest trade union in India.

SEWA's goals were focused on organising women in the informal economy to achieve full employment, i.e. work security, income security, food security and social security (health care, child care and shelter). They described themselves as both an organisation and a movement and provided living proof of how the working and living conditions of low paid informal workers could be improved through collective action. Many studies have revealed how SEWA's activities and interventions increased the security of women working in the informal economy.³ In the 1990s, SEWA began to establish international links and their successes and

achievements began to serve as a blueprint for similar movements and organisations internationally working to organise and represent the interests of informal women workers.

SEWA was an important driving force behind the progressive voices in the ILO 2002 *Decent Work* discussions and in 2003, the organisation hosted the first International Conference on Organising in the Informal Economy in Ahmedabad, India.⁴ The organising committee of the conference included representatives of member-based organisations of informal workers and trade unions such as HomeNet Thailand, Trade Union Congress Ghana, StreetNet International and the Nigeria Labour Congress. The conference mandated the organising committee to continue its coordinating role in ensuring increased representation and voice of informal economy workers, and this resulted in the establishment of the International Coordinating Committee (ICC). One of the key priorities of this committee was to ensure increased representation of informal economy workers at the ILO 2004 Conference and to draw up a plan of action for building increased cooperation between informal economy organisations globally.

SEWA's work inspired various initiatives around the world such as the establishment in 1997 of the international research-policy network Women in Informal Employment: Globalising and Organising (WIEGO); the foundation in 1994 of HomeNet which (now defunct) was a network of home-based workers' organisations; and the formation of StreetNet International, an international alliance of street vendor organisations in November 2002.

StreetNet International is particularly important in this study as it has played a central role - which will be discussed further in Chapter Five - in facilitating and supporting the development of federations of informal economy workers' organisations in Ghana and Southern Africa, influencing their internal policies (e.g. the insistence of women in leadership positions) as

well as through these national umbrella formations gaining representation and voice in a wider national and international arena.

StreetNet International was formally established in Durban, South Africa, in November 2002.⁵ It is an alliance of membership-based organisations (unions, co-operatives and associations) directly involved in organising street vendors, market vendors and hawkers. StreetNet aims to promote the exchange of ideas and information on vital issues facing these workers and also advises on practical organising and advocacy strategies. It enables member organisations to gain a wider understanding of the common problems of street vendors, and facilitates the joining of international campaigns to promote policies and actions that can contribute to improving the lives of vendors around the world. StreetNet held its first International Congress in March 2004, attended by 58 delegates from 15 organisations at which an International Council was elected for a three-year term. To date, over 15 street vendor organisations - with a combined total membership of over 275,000 members - have affiliated with StreetNet.

Apart from inspiring the formation of global networks, SEWA also served as model organisation for the launch of the South African organisation, the Self-Employed Women's Union (SEWU), which was established in Durban in 1994.⁶ Following a visit to Ahmedabad and discussions with leaders from SEWA, women with a background in trade union organisation returned to South Africa to establish SEWU. SEWU was launched as a trade union, initially in the Durban region, and later as a national organisation. The general scope of SEWU closely followed that of SEWA in that it also defined itself as organising informal women workers. In its early organising, SEWU was concerned with two main groups of women workers, street vendors and home-based workers, with a majority coming from the first group. By 1997, SEWU had approximately 4,000 members in both urban and rural areas. However, in 2004, SEWU was forced to dissolve itself due to a

financial crisis as a result of a claim made by two dismissed staff members.⁷

Overview of research on organising in the informal economy in South Africa

The 2002 International Labour Conference on *Decent work and the informal economy* was accompanied by an international research project 'Organising in the informal economy' which was launched in 2001 by the ILO. The project was aimed at gaining insights into the organisational strategies of informal economy actors in five countries: Bolivia, Colombia, Pakistan, Peru and South Africa. The project sought to "acquire deeper insights into the nature of membership-based organisations in the informal economy, their strengths and weaknesses, with a view to understanding the incentives and rules that shaped their creation and function, and the constraints that hamper their potential as effective 'voice' institutions".

The study in South Africa was conducted by the ILO together with the Community Agency for Social Enquiry (CASE) and the Southern African Labour Research Institute (SALRI). Case studies were carried out in four different sectors: clothing industry, construction sector, street trading and the transport industry.⁸ The study on street traders, which is of particular interest to our research project, analysed the organisational strategies adopted by street traders in South Africa's informal economy. It focused on three organisations: Informal Traders Management Board (ITMB), the Gauteng Hawkers Association (GHA) and the Self Employed Women's Union (SEWU).

The report concluded that all three organisations emerged as a response from street traders themselves rather than from existing workers' or employers' organisations. The organisations were established in order to represent traders as a group and facilitate dialogue with local government authorities. None of the organisations belonged to a national confederation, e.g. a trade union federation. Membership in all organisations was relatively small and confined to a specific

geographical area. Apart from one organisation - SEWU which was an organisation exclusively for women - leadership positions were predominantly held by men. All organisations experienced severe financial constraints and were mostly unable to employ staff. They mainly had to rely on the collection of membership fees which often proved difficult. In terms of achievements, organisations have managed to protect their members against harassment or eviction from public spaces and have secured trading sites for their members. In addition, local authorities have increasingly recognised them.

The School of Development Studies, University of KwaZulu Natal also conducted a research project between 1998 and 2000 in order to study street vendor organisations in South Africa in more depth. The final research report by Lund and Skinner provided a profile of 13 street vendor organisations in South Africa and selected 8 organisations as case studies.⁹ The study subsequently identified a number of barriers that often prevented street traders from joining, forming and building organisations such as:

- economic barriers: investing time in work for a street vendor organisation often means a loss of income for street vendors as time cannot be spent on trading;
- previous experience of organisations: street traders are often suspicious of organisations that they were involved in before and they might have had bad experiences;
- corrupt practices with e.g. collection of membership fees;
- political barriers: fears to join an organisation for political reasons;
- environmental barriers: lack of proper office space in which to discuss issues;
- psychological and cultural barriers: women experience problems as organisations are frequently dominated by men.

Table 5: Population in selected cities for survey of informal economy organisations

	Ghana (2000)	Malawi (2003)	Mozambique (1997)	Zambia (2000)
Population in selected cities	Accra 1,658,937	Blantyre 646,235	Maputo 989,386	Kitwe 363,734
	Takoradi 175,438	Mzuzu 119,592		Mansa 41,059

Source: <http://www.citypopulation.de/Africa.html> (last accessed: 14 March 2006)

It then made a number of recommendations that would improve the work of street vendor organisations:

- need for a democratically constituted organisation which is accountable to its members;
- need for organisations to be membership-based instead of service delivery-based;
- need for transparency about policy formulation, decision making, financial control and accounting;
- need for women to have positions of leadership in organisations;
- need for women to engage in negotiation with local government, formal sector and trade unions;
- need for a clear analysis of why women are not participating effectively in organisations;
- need for a clear analysis of the effects of globalisation on changing patterns of work.

Apart from the work at the University of KwaZulu Natal, the Centre for Policy Studies in Johannesburg recently published a report on street traders in Johannesburg.¹⁰ This report formed part of a multi-country study on local popular organisations and political participation in cities co-ordinated by the Centre for the Future State at the Institute for Development Studies, Sussex University. The main aim of this study was to investigate to what extent informal traders use their 'citizenship rights' to attempt to influence the policies that affect them. Their focus was in particular on the Gauteng Traders Association and the Yeoville Traders Association. The conclusion of the paper was a rather negative one, namely that traders' associations often show low levels of participation and

leadership accountability. Despite the often weak democratic character of organisations, the study does conclude with a few reasons for optimism as some organisations have honoured aspects of democratic practice by holding regular elections and meetings and making their leadership accountable. In addition, some organisations have also made attempts to influence government and to represent the interest of their members.

Overview of organisations in Ghana, Malawi, Mozambique and Zambia

As part of the overview of organisations in Ghana, Malawi, Mozambique and Zambia in this study, structured interviews were held through questionnaires with leaders of a variety of organisations in the following cities: Accra and Takoradi (Ghana), Blantyre and Mzuzu (Malawi), Maputo (Mozambique), Mansa and Kitwe (Zambia).

The main aim of this survey was to get an overview of the various organisations that were operating in these cities. Chapter Five will provide a more in-depth insight into the organising and advocacy strategies of 8 specific organisations. In Ghana, representatives from 33 organisations were interviewed, 16 in Malawi, 4 in Mozambique and 9 in Zambia. While the list of organisations interviewed and detailed findings can be consulted in Appendix 1, 2, 3 and 4, this section seeks to summarise some of the findings of this survey.

Basic characteristics of organisations (see Appendix 1) Most of the organisations in this survey were established fairly recently, in the early-mid 1990s or early 2000s. However, in Ghana, some organisations originate from the 1960s and

1970s such as the Ghana Electrical Services Technical Association and the Ghana Hairdressers and Beauticians Association, as well as several organisations located in Kaneshie Market close to Takoradi (Charcoal Sellers Association, Plantain Sellers Association, Spices Sellers Association and Yam Sellers Association).

The majority of organisations have a predominantly local focus, i.e. they tend to operate in a specific city only. Often, they were established in a particular locality, e.g. a market or a street vending area. However, the StreetNet Ghana Alliance (SGA), Alliance for Zambia Informal Economy Associations (AZIEA), Zambia National Marketeers' Association (ZANAMA), the Association of Audio, Video and CD Dealers in Zambia and more recently ASSOTSI in Mozambique and the Malawi Union for the Informal Sector (MUFIS) have expanded their organising efforts to the national level. The SGA and AZIEA are umbrella bodies of different kind of informal economy associations. ASSOTSI and MUFIS are organisations that started organising in a particular city and have gradually expanded their membership to other cities. In all cases except ZANAMA and the Association of Audio, Video and CD Dealers in Zambia, these nationally oriented organisations received assistance from trade unions or trade unions played important roles in the formation of the organisations.

Regarding the main activities of the organisations, these can be classified as follows:

- training: organisation of workshops and seminars, education on products, training in leadership and business skills;
- conflict resolution: mediate in cases of conflicts between members, settling disputes;
- social welfare: provide assistance in cases of births, funerals, illnesses and marriages;
- representation: protect interests and welfare of members, protection against harassment from local authorities, represent members at meetings with local authorities, liaise with police on theft cases in the market, liaise with local authorities to ensure security and

- cleanliness of markets;
- provision of security: employment of security guards in markets;
- allocation of vending space: collaborate with local authorities in allocating space to new vendors;
- political mobilisation role: mobilise members for political party functions.

As already mentioned, the majority of organisations were established in specific markets or trading areas and have been dealing with urgent issues arising in these locations, such as harassment faced from the police and solving disputes and conflicts among vendors. The social welfare role has been very important as well. People often make contributions towards the high costs of funerals or income losses as a result of illnesses. In the absence of social security schemes provided by the state, these organisations have tried to fill this gap by supporting each other.

Relations with central local government and other organisations (see Appendix 2)

Most organisations in Ghana are reported to have no relationship with central government. Those that had links with central government described them predominantly as 'engagement/negotiation'. Regarding the relationship with local government, the majority of organisations in Ghana reported these as



Market vendors in Maputo, Mozambique.

'cordial' or 'engagement/negotiation' in some instances. None of the organisations in Ghana felt government interfered with their operations. In Malawi, organisations reported to have good relations with local government, some describe them as 'engagement/negotiation'. Street vendor associations in particular emphasised having confrontational relations with local government and felt that government was sometimes interfering in their operations. In Mozambique, all organisations had cordial links with central government while they described interaction with local government as 'engagement/negotiation'. In Zambia, relations with central and local government were mostly characterised by 'engagement/negotiation'.

Many organisations surveyed in Ghana reported to have links with trade unions. The Ghana Trade Union Congress has been very actively involved in encouraging its affiliates to organise in the informal economy. It has also allowed other organisations in the informal economy to affiliate to the trade union federation. Whereas the Malawi Union for the Informal Sector (MUFIS) has close links with the trade movement, united in the Malawi Congress of Trade Unions (MCTU), other organisations did not have links with any other associations. In Mozambique, ASSOTSI had close links with the trade union federation, Organização dos Trabalhadores de Moçambique (OTM, Organisation of Workers of Mozambique). In Zambia, several organisations reported to have contacts with NGOs and some with trade unions.

Membership details of organisations (see Appendix 3)

The majority of organisations in Ghana, Malawi, Mozambique and Zambia had procedures to register members and charged membership fees. It was only in Malawi where a few organisations were reported not to charge any fees and did not have a specific procedure for people wishing to become members. Membership fees ranged from 2,000-50,000 cedis (£0.12-£2.89) per month in Ghana, to 120 kwacha (£0.60) per year in Malawi, 5,000 meticais (£0.12) in Mozambique and 5,000-25,000 kwacha (£0.83-£4.15) in Zambia.¹² As far as the size of membership, most

trading associations in Ghana have between 30-100 members. Street vendor organisations in Malawi had relatively large membership of 2,500-3,000 people. In Zambia, membership varied from 17 to 3,050.

Democratic practices, funding and staffing of organisations (see Appendix 4)

Most organisations in Ghana, Malawi, Mozambique and Zambia reported to hold elections in order to elect leadership, although some trader associations in Ghana mentioned that they appointed their leaders. Organisations often had executive committees in place that were responsible for making important decisions within organisations. Others involved members in more participatory ways of decision making. Although women often occupied leadership positions, men still dominated executive committees in many organisations. Nearly all organisations depended on membership fees as sources of income, though several organisations in Malawi reported not to have any source of income, and other organisations in Zambia received external donor grants. Nearly all organisations included in this survey did not employ any paid staff although some employed security personnel to protect goods in the markets.

Conclusion

In summary, it can be argued that the survey conducted as part of this research project brought similar conclusions to the survey done on organisations in South Africa. Although the information generated from our survey only gives limited information on the characteristics of the organisations and it is problematic to generalise, it appears we can safely argue that most of the organisations:

- have objectives that balance between representation and conflict resolution on the one hand, and fulfilling a social welfare role and provision of training on the other hand;
- are locally based, confined to a specific geographical area and with links mainly to local government;
- have been formed only recently, especially in

the late 1990s;

- do not have major links with other organisations, operate on their own, with the exception of nationally oriented organisations that have strong links with the trade unions;
- rely on membership fees as their main source of income although a few organisations receive external donor grants;
- do not tend to have paid members of staff;
- hold elections and have executive committees in place;

- have women involved in their leadership but men still dominate in numbers.

While these characteristics gave us a basic idea of the type of organisations that exist in the cities that we have selected in this research project, Chapter Five will discuss eight organisations in more depth and will particularly highlight the organising and advocacy strategies that they have used.

5. Organisational and advocacy strategies of informal economy organisations

Chapter Four provided a brief overview of the characteristics of informal economy organisations in selected cities in Ghana, Malawi, Mozambique and Zambia. Chapter Five will discuss in more detail the organisational and advocacy strategies of eight organisations.

Case study I: StreetNet Ghana Alliance

Organisational history

The StreetNet Ghana Alliance (SGA) was established in February 2003, following an international conference in South Africa organised by StreetNet International. Based on the recommendations made at this conference, Ghana decided to form a national alliance of street vendors, market vendors and hawkers.

The formation of this alliance was initiated and promoted by the Informal Sector Desk of the Ghana Trade Union Congress (GTUC). The GTUC realised the need to work with informal economy workers as its membership was dwindling as a result of the structural adjustment programme of the 1980s and its accompanying redundancies and privatisation. It called for a redefinition of trade union membership and the introduction of different categories and levels of membership to introduce flexibility that accommodates informal economy workers. The Alliance owes its existence to the GTUC and continues to be housed in the offices of the GTUC and uses its facilities. The nature of the Alliance's relationship with the GTUC is perceived by some people (Takoradi respondent) as limiting the freedom of the Alliance, as they cannot make their own decisions. It delays decision-making, as they must always wait for the GTUC. Although the SGA currently is dependent on the GTUC for its work, it is expected that the association will become a fully independent organisation in the future and also an affiliate member of the GTUC.

Although the SGA is still in its formative years, it has already organised some vendors, hawkers and traders in Accra and Takoradi, the majority of whom are women. Previously, there was no national organisation that brought traders together to work to educate them on their rights and to promote such rights and their interests.

According to the Constitution, SGA's aims and objectives comprise the following:

- to expand and strengthen market and street vendors' networks at national, regional and district levels in the country;
- to build and strengthen the capacity and leadership of women market vendors, street vendors and hawkers throughout the country;
- to build an information base on the numbers and situation of market vendors, street vendors and hawkers in Ghana;
- to document and disseminate information on effective organising strategies for promoting and protecting the rights of market vendors, street vendors and hawkers;
- to prioritise the upliftment of the poorest market vendors, street vendors and hawkers;
- to prioritise the interests of low-income market vendors, street vendors and hawkers by focusing on stopping the exploitation of such vendors by high-income vendors, intermediaries and wholesalers;
- to empower members to gain an understanding of their common problems and opportunities, develop new ideas for strengthening their organising and advocacy efforts, and join national campaigns to promote policies and actions that can contribute to improving the lives of market vendors, street vendors and hawkers;
- to work in partnership with national federations and centres of trade unions;

- to work in social partnership with NGOs who work with and in support of market vendors, street vendors and hawkers and who support the goals and constitution of the StreetNet Ghana Alliance.

The SGA has a membership of nineteen traders' associations with a total of 5,810 individuals.¹ Apart from trader associations, eight trade unions which have all been organising in the informal economy have become members of the SGA.² All off these unions are also affiliates of the GTUC.

Main activities and organising strategies

The SGA dialogues with government to see to the welfare of its members. On the local level, SGA's main activity is negotiating with the city authorities for places to operate from and on the taxes members pay. The SGA aims to create awareness among traders and enable them to fully appreciate that they are part of the economy and that without them the nation cannot go forward. This is done through workshops so that they can negotiate themselves with the city authorities. The SGA also sensitises its members on the need to be together and to develop their capacity to do business.

In efforts to recruit members, the SGA has coordinators in the field who market the Alliance to the associations but other associations come on their own accord, especially when they have problems. The SGA notes that it is difficult to organise workers in the informal economy. People are scattered and generally do not have time for meetings. Their survival is based on the sale of their wares on a daily basis, so only workshops with compensation for days lost attract them. One cannot, therefore, keep them for more than two days at workshops.

Most of the individual members of the organisations are females. The market vendors and street vendors comprise about two-thirds of this membership while hawkers comprise about one-third of the membership. At the moment, only a few of the associations pay membership

dues. Members of the SGA pay membership fees based on their numerical strength. This is, however, through negotiation and not an imposition. In Takoradi, each market pays affiliation fees of 300,000 Ghana cedis. However, membership has decreased because the organisation is not able to reach out to its members while some people are not paying dues and, therefore, drop out.

With regards to organising strategies, the Alliance initially planned to give its members training but this could not be done on a large scale because of lack of funds. The lack of support has made it difficult for them to continue and expand the training. Another important strategy to capture the informal economy is to give members financial support in the form of loans. This is of particular interest to women because they do not have the necessary collateral which would enable them to access loans.

The government could also put in place policies that would help the SGA to recruit more members, for example the provision of social protection, such as putting in place a suitable social security system and a pension scheme for the informal economy. A policy that would recognise the role of the informal economy in the economy and enable informal economy workers to obtain soft loans would assist the SGA to recruit more members and keep them. Also, re-establishing the ordinary people's financial institutions such as the Post Office Savings Scheme and the Credit Cooperative Bank would enable members to save their monies and also secure loans from these institutions that do not demand the collateral that the commercial banks demand.

Lobbying and advocacy

The SGA sees lobbying and advocacy as essential for the achievement of the aims and objectives of the organisation. Negotiations can sometimes take months or even years, such as the impasse between street hawkers and the Accra Metropolitan Assembly (AMA) where the AMA agreed to designate specific places for them to

sell their wares. However, the AMA insists that hawkers must register through their Association to qualify to sell at these designated places. Issues that are still being fought include places to sell and social protection. However, in Takoradi, the Alliance has been able to organise the women to participate in the health insurance forum to make their position on it known. Also, about sixty women now participate in the Social Security and National Insurance Trust (SSNIT) pension scheme, which has previously been the preserve of formal sector workers. A total of 300 members have now registered in the Scheme.

The SGA took part in the National Economic Dialogue where the general public interacted with government. Their regional representatives were also invited for meetings in connection with the taxes and lorry fares that were proposed as part of the budget. Also, stakeholder meetings are sometimes held with the government, which enable the Alliance to provide an input and understand government's stance on policy issues. It also enables them to get respect from government. However, there are certain policy-making occasions the Alliance does not hear about but if they get to know about it then they seek to participate. This is not satisfactory, as they should be represented in all discussions that affect them. At least there should be some consultation. Representation will mean constant interactions with the authorities. There are no formal mechanisms or statutory procedures or forums in place for negotiations. They are mainly ad hoc.

The SGA expects government to come out with a national policy on the informal economy that will guide everybody on social protection, provide laws to regulate the operations of the sector and institutionalise lobbying and advocacy with government. Government can also assist with workshops to bring stakeholders together to deliberate on the role they play and what they need and assist them. The strategy adopted by the Alliance is based on the belief that there is the need for dialogue with authorities. It therefore prefers negotiations with the

government rather than confrontation as "you cannot meet fire with fire" and that dialogue and negotiation is preferable to confrontation. Through dialogue they also make the authorities aware that harassment will not succeed and they have understood that. As such there is usually interaction when problems arise.

Case study 2: Local Market Banana Sellers Association

The Local Market Banana Sellers Association (LMBSA) consists of eight banana wholesalers in Ghana, who encountered problems with the source of supply of their wares. The group was formed under the umbrella of the GTUC, which successfully negotiated new terms with their main supplier and got them their supplies on a regular and satisfactory basis. The main aim of the organisation was, therefore, to have an organised voice, first to ensure regular and adequate supplies of their wares, and then to continue to bargain with other stakeholders for better relationships and to promote their interests.

Members of the organisation pay 2,000 Ghana cedis a month in dues to the GTUC, like any other member, but also contribute for their own welfare activities. In addition to helping each other in the case of business problems such as losses as a result of bananas going bad. They also help each other in times of bereavement, childbirth and marriage. The Association is not open to other members at the moment. LMBSA has no constitution and no official leadership structure, although the oldest woman amongst them acts as the President.

The main challenges and problems facing the members of the Association are financial constraints and the frequent power cuts, which can lead to the destruction of their wares, lack of a permanent place for their container (warehouse) and harassment from government officials. The organisation would appreciate if the government gave them a permanent place for their container where they store their bananas. However, the LMBSA has not made any attempt to negotiate with the government on their own

and do not plan to do so. The GTUC intervenes on their behalf and they are satisfied with the GTUC's performance so far.

Case study 3: Malawi Union for the Informal Sector

Organisational history

The Malawi Union for the Informal Sector (MUFIS) was formed in 2001 when the Malawi Congress of Trade Unions (MCTU) felt there was a need to organise people in the informal economy, as well as widows, sex workers, retirees and the unemployed.³ It took MUFIS three years before it was allowed to register with the government in 2004. In order to register, the government requested that MUFIS include only informal economy workers in its constituency. The organisation was not allowed to organise widows, sex workers, retirees and the unemployed.

During the three years that MUFIS' registration was in limbo, it lost most of its appeal to those who had expressed an interest in joining its ranks. The current MUFIS president Ken Williams Mhango, who used to be president of the MCTU, reported that in its early existence MUFIS had gathered a membership of over 7,500 members, among them 3,000 vendors, 3,500 widows and 1,500 pensioners.⁴ Most of these people left the union during the insecurities around MUFIS' registration. Therefore, when MUFIS was registered in mid 2004, it had virtually no grassroots members. However, from late 2004, the organisation has started to form five branches in the Blantyre District and has managed to elect branch committees. MUFIS plans to expand its organising efforts into Malawi's Central and Northern Region.

MUFIS is currently run by an interim committee of 12 members of which 7 are men and 5 are women. The members are drawn from the informal economy and some including the president and general secretary have experience in the trade union movement. Once the organisation has a presence in the whole of

Malawi, it intends to organise a National Congress during which a final executive committee will be elected.

MUFIS has applied for affiliation to the MCTU. According to MUFIS leadership, affiliation to the trade union federation would give them recognition among the well-organised labour movement in Malawi and offer them a better bargaining position. However, there is currently disagreement within the union federation and affiliates whether there should be a separate union that organises people in the informal economy, or whether existing unions should organise informal economy workers if their type of work relates to the type of trade the unions represent, e.g. the transport union could start organising bus drivers and conductors in the informal transport sector. MUFIS feels it is not always being included as a stakeholder in programmes on the informal economy carried out by the MCTU.

The aims and objectives of MUFIS are to train its members in business management skills, lobby for soft loans for its members, protect and advance the interests of its members and offer its members an opportunity to learn from each other. MUFIS aims to uplift the status of informal economy operators, in particular street and market vendors, cross-border traders and other small-scale businesses.

The process of becoming a member commences with attending awareness meetings at which those who are in the informal economy and motivated by the goals of MUFIS are allowed to complete a membership form. The annual membership fee is 200 Malawi kwacha payable on registration. At the moment, MUFIS has a total membership of 1,000 signed up members of which 200 are paid up members. 60 percent of the members are women while 40 percent are men. Whereas 90 percent of the members are market vendors, street vendors make up 10 percent of the total membership. MUFIS does not currently have members in the cross-border trade category. MUFIS' total potential membership is estimated at 30,000.

Organising and advocacy strategies

The main strategy pursued by MUFIS to recruit more members is the organisation of awareness meetings. Through awareness meetings, MUFIS is able to raise the interest of various categories of traders in the informal economy. Awareness meetings have been a success so far because MUFIS has mobilised 1,000 traders within a year and managed to establish five branches in Blantyre District. However, the leadership of MUFIS acknowledges that holding awareness meetings is a slow and taxing process considering the resource constraints the organisation is experiencing. The other strategy that MUFIS has experimented with is holding consultations with existing informal economy organisations such as the Limbe Street Vendors Association. They are yet to establish a working relationship.

Although MUFIS has been establishing its own branches in various markets and towns in Blantyre District, it also works together with the existing market committees that are in place in most of Malawi's markets. The role of these committees is e.g. to control prices in the market, to collect contributions from vendors to cover funeral expenses, to inspect food hygiene practices and to ensure the cleanliness of the markets.

MUFIS does not always agree with the way in which these committees run the market. It feels they are often politicised. However, the organisation agrees that it is crucial to try to work together with the existing committees. MUFIS makes it clear to the committees that it does not intend to replace them. However, what MUFIS is able to offer is to take up issues affecting market vendors at national level. As a new organisation, it is not always easy for MUFIS to convince potential members of the tangible benefits of joining the organisation.

MUFIS has not been able to try a variety of alternative strategies to mobilise and conscientise informal economy operators. The local authorities in Blantyre do not know MUFIS formally. MUFIS' leadership notes that



Through drama and theatre, MUFIS aims to raise awareness on issues of workers' rights in the informal economy.

bureaucratic deficiencies at registration delayed and paralysed the effectiveness of the organisation. Due to a limited financial resource base, MUFIS does not have office structures and paid staff.

MUFIS' members have shared aspirations such as training opportunities, improved access to loans and protection from harassment. At the moment MUFIS does not have the capacity to deliver on these three aspects, and therefore risks losing its appeal to members. The credibility gap between what MUFIS stands for and what it is able to objectively offer will determine the kind of conflicts that will emerge with the passage of

time. As a precautionary measure, MUFIS emphasises the need for awareness and conscientisation of the members and on the need for realistic expectations.

Based on the trade union example in Malawi, MUFIS aims to establish a separate Women's Wing and separate Women's Committees in its various branches. Women within MUFIS feel that this will enable them to talk freely about issues that affect them. Joining the main wing is often difficult for women as they do not feel comfortable to speak out. At the moment, the interests of women centre on financial empowerment in terms of access to loans, adequate protection of their business interests from harassment by local government authorities, and discrimination on the basis of gender. One of the goals of MUFIS is to ensure that its members have access to credit from various lending institutions. MUFIS intends to lobby financial institutions to consider providing credit to vulnerable women on more concessionary terms. It also intends to open negotiations with the City Assembly in Blantyre on how to enhance the protection of women's interests in the informal economy.

Case study 4: Limbe Street Vendor Association

Organisational history

The Limbe Street Vendor Association (LSVA) has been in existence for over a decade. It came into being around the 1993-5 period, which was a time when Malawi went through a political transition from one-party rule to multiparty democracy. As an earlier report on the emergence of street vendors' associations in Blantyre concluded, "This coincidence implies that a discussion of the street vendors' politics is inseparable or can be better understood as part and parcel of the transformations of Malawi's politics". The transition to multiparty politics provided the context in which street vendors could mobilise and organise in a meaningful way to advance with one voice their needs and interests. In the one-party state, street vending was repressed without recourse.

Although street vending is not allowed under the prevailing legal framework of market and peddler by-laws, street vending is tolerated in the current political dispensation, though not liked.

Although the LSVA has been in existence for the last 10 years, its legal status is ambiguous. It is not registered with the authorities. The LSVA's organisational structure is made up of a committee of fourteen members who are all male. The association does not have a written constitution, but it is not devoid of rules and regulations that are communicated to new entrants. As the chairman put it:

We do not have a written constitution. We are guided by a general code of conduct, which is partly informed and in line with the provisions of the by-laws handed to us by the City Assembly. We inform new members about our code of practice and rules such as cleanliness, honesty and diligence. We would wish to have a written constitution but we cannot afford the legal advice that may be required.

Despite its lack of registration, the LSVA is recognised and sometimes consulted by local government authorities as a legitimate representative of the street vendors operating in Limbe Central Business District (CBD), which is a town adjacent to Blantyre. Because of its proximity to Blantyre, the LSVA has strong bonds of cooperation with the members of the Blantyre Street Vendors Association. The close association between these two street vendor associations is also due to the fact that they operate under the same local authority, Blantyre and Limbe merged into Blantyre City in 1966. Hence, they are subject to similar by-laws and local government prerogatives.

The LSVA's main aim is to mobilise street vendors for collective action with the view of improving the status of all street vendors. The association has plans to form a national umbrella committee to serve the interest of all street vendors in major urban areas in Malawi.

Other objectives of the organisation can be summarised as follows:

- to represent the street vendors' interests at different levels including at local government (City Assembly);
- to be a focal point for any course of action intended to promote the interest of the street vendors;
- to provide leadership in all matters affecting street vendors;
- to promote cooperation and mutual assistance among the street vendors especially in times of sickness and bereavement;
- to enhance security and stability in the streets by cooperating with the police in the enforcement of law and order;
- to promote the image of street vendors as law abiding citizens;
- to encourage cleanliness in the places street vendors conduct their trade.

New vendors who wish to sell goods in Limbe's Central Business District need to ask permission from LSVAs chairman to set up a stall or to use space in a particular street as its business premises. Vendors will have to pay a fee of 1,000 Malawi kwacha upon registration and allocation of a business space. After the initial registration fee, vendors are not required to pay further fees, neither to the LSVAs nor to the City Assembly. One could therefore argue that the LSVAs has in this case to some extent taken over the role of local authorities in allocating



Stalls of street vendors in Limbe.

vending space to new vendors. In March 2005, the organisation had around 4,000 signed up/paid up members. This represents an increase of over 1,000 members from 2,957 members in November 2002.⁶ The majority of vendors in Limbe are male. Roughly, males constitute between 60 and 70 percent of the street vendors. However, these figures exclude mobile street vendors, that is, those without a specific operating space.

Whereas most female street vendors sell foodstuffs such as rice, maize flour, fruits and vegetables, male vendors tend to sell hardware products, clothing (both new and second hand clothes), shoes, groceries and electrical appliances (e.g. radios, cassette players and audio and video tapes, CDs, cellular phone chargers). A random sample survey of 100 street vendors in Blantyre found that 28 percent of the street vendors were selling foodstuffs, 33 percent clothing, 8 percent electrical products, 6 percent hardware products, 2 percent books and newspapers and 23 percent an assortment of products.⁷

Organising strategies

The principal activity of the LSVAs is to represent the interests of the street vendors in Limbe CBD. Representation is intended to foster the interests of the vendors, in particular access to vending spaces and freedom from harassment by the city authorities and the police. In this regard, another major activity is protection of the street vendors from relocation. The major problems experienced by street vendors in Limbe are lack of appropriate infrastructure to protect merchandise from damage due to extreme weather conditions like intensive heat and heavy rain, harassment by Asian shop owners who resent street vendors operating on the verandas of their shops, lack of capital and limited access to credit. Women engaged in makeshift restaurants need protection from City Assembly health inspectors who often criticise restaurant operators for unhygienic practices and for facilitating the spread of food borne diseases such as cholera and typhoid.

The LSVA committee holds two meetings per week during which critical issues are discussed and reported to the rest of the street vendor population. Another strategy is consultations to solicit views that may enhance the effectiveness of the association. Both strategies, meetings and consultations, have been successful as mechanisms for mobilising support and enhancing the interests of the street vendors. Through consultations, the committee is able to establish and pursue matters of interest to the street vendors. Some of the issues include threats of relocation from the street, collection of refuse and garbage by city authorities, indiscipline and theft cases.

Meetings are also a medium through which the committee communicates its agenda to the members and obtains views, and gauges popularity of certain courses of action. A shared perception is formulated as a yardstick of what is to happen or not. To promote the good image of street vending, the committee collaborates with the police in curbing theft cases on the streets and oversees the behaviour of vendors towards clients. In a few cases, the committee has been able to mobilise the street vendors to demonstrate against relocation. Demonstrations are organised as a show of power against unpopular policies, especially attempts to enforce laws that prohibit street vending.

The LSVA relies on membership fees as its only source of funding. The organisation does not have paid staff or office structures. LSVA's leaders are chosen through voting. At least one member of the City Assembly or Member of Parliament for the area oversees the elections. However, there is no time frame for holding elections. The last election was held in 2001. The chairman of the committee has been in office for the past 10 years. Most of the committee members have served for more than five years. Elections are only held when the members show dissatisfaction with the manner in which the committee is running their affairs.

From the leaders' perspective, the relations with the members are cordial. They have cooperation

from the members although sometimes problems do exist. However, in a similar study conducted in 2000, it was observed that there is often mistrust between the leadership of LSVA and the members. The members accused the leadership of abuse of power; harsh treatment of street vendors suspected of minor offences and undue fines in the form of money and extortion were reported. To a good number of street vendors interviewed, their leadership was a tool of oppression and they were often perceived as agents of the ruling party. The chairman of the LSVA is also the chairman of the local United Democratic Front (UDF) branch. Although the leadership has not changed, the recent change in government appears to have a remarkable effect on the manner the leadership conducts itself. It appears there is a degree of separation between political party loyalties and street vendors' issues.

Lobbying and advocacy

The Limbe Street Vendors Association bargains with the Blantyre City assembly and the police on various issues including sanitation refuse collection, community policing and relocation from the streets. One of the strategies that has worked to the advantage of the street vendors is aligning themselves with the vested interests of the politicians, the ruling party in particular. Another strategy that has also worked well is stubborn resistance when city authorities deploy armed police officers to enforce relocation. In November 2002 there were street battles between the police and street vendors in Blantyre CBD.

One of the most remarkable achievements is that despite a lack of enabling legislation, the street vendors have over the years gained tolerance. As previously stated, street vending is tolerated though not liked by the city authorities and the national government. The leadership of the LSVA is of the view that the local and national government could do better to improve the working conditions of the street vendors and other people in the informal economy by developing enabling legislation, providing necessary infrastructure in the markets and

facilitating access to business loans. The leadership also noted that agreements between the LSVA and local authorities are often not signed which means that agreements are not kept despite reminders. The introduction of statutory negotiations could improve the consultation between street vendors and local authorities.

Case study 5: Association of Informal Sector Operators and Workers - ASSOTSI

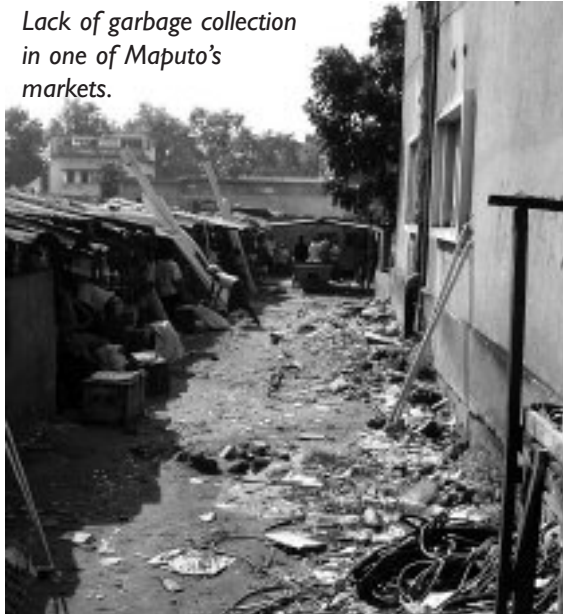
Organisational history

The 'Associação dos Operadores e Trabalhadores do Sector Informal' (Association of Informal Sector Operators and Workers, ASSOTSI) was launched during a seminar in Maputo in November 1998 which was organised by Mozambique's trade union federation, OTM, which played an important role in the foundation of ASSOTSI. By April 1999, the organisation was present in 16 markets. The Mozambican government also supported the organisation through a donation of 5 million Mozambique meticals towards the foundation of ASSOTSI from the previous Mozambican President Joaquim Alberto Chissano.

ASSOTSI is a full affiliate of OTM and has its headquarters in the OTM premises in Maputo. ASSOTSI enjoys a good relationship with OTM. They have the same rights as other affiliates and as one of the last affiliates to join the federation, ASSOTSI feels it benefits from exchanging experiences with older affiliates. OTM frequently adds representatives from ASSOTSI to its delegation at international events. However, sharing office accommodation with OTM is not always ideal and the organisation has expressed interest in having its own office, including having access to its own fax, computer and photocopier.

One of the reasons why ASSOTSI was established was to avoid police harassment. The expression 'dumba nengue', which literally means 'trust your feet' in the local language Ronga, was often used by informal economy workers to refer to activities in the informal economy. The authorities associated these activities with

Lack of garbage collection in one of Maputo's markets.



illegality and used harsh measures to repress them.

ASSOTSI's main aims are:

- to protect the interests of market vendors;
- to assist in the management of the markets;
- to provide improvements to infrastructure in the markets.

ASSOTSI currently has 26 branch committees within 59 markets in Maputo. In 2005, ASSOTSI had 4,870 paid-up members and an additional large amount of members (estimated at 37,000, three quarters are women) who were unable to pay their monthly fees. Vendors who want to become members need to fill in a form and pay 5,000 Mozambique meticals per month. ASSOTSI represents both self-employed marketeers and employees of vendors.

Because of an alleged incident of diversion of funds in a particular market in Maputo, some ASSOTSI members reported that they prefer to pay cleaners and security guards directly rather than through ASSOTSI as they are not sure how the money is being used. However, ASSOTSI members in Chikhelene Market on the other hand had more confidence in the management of fees collected from ASSOTSI members. This market is highly organised and basic hygiene rules are respected. It is also through traders established in this market that ASSOTSI was founded.



*Ramos Marrengula,
President ASSOTSI, at the
office in Maputo.*

The Municipal Council also collects levies from market vendors. It employs a number of officers in each market who are responsible for collection of revenue. For example in Estrela Vermelha Market in Maputo, the Council is charging vendors 2 Mozambique meticaís per squared meter. Apart from having revenue collectors in the market, the Council also employs security guards.

ASSOTSI is organised through an Executive Secretariat that is responsible for budget monitoring and the organisation is headed by a president. Elections take place every five years through a secret ballot. In October 2005, ASSOTSI launched its national organisational structure. Whereas it was previously mainly based in Maputo, the organisation now has a presence in other provinces such as Gaza, Inhambane, Sofala, Manica, Zambezia, Tete, Nampula. Provincial Assemblies were organised during which delegates that were going to participate in the National Assembly were elected. The National Assembly was attended by 70 delegates from all provinces except Cabo Delgado and Niassa. Various government representatives also attended such as the Minister of Industry and Trade, the Minister of Labour, the City Governor of Maputo.

Organising strategies

ASSOTSI's organising strategy comprises setting up a 'Núcleos de Base' through the formation of a 'Constituency Centre' in the various markets. These branch committees comprise five representatives from the market vendors: a chairman, an organiser, a mobilisation officer, a finance officer and a social issues officer. The branch committees hold regular meetings (weekly or fortnightly) during which various issues are discussed, e.g. conflicts between vendors about debts and even marital disputes. In most markets, ASSOTSI employs its own guards who provide security overnight.

In order to make it attractive for members to join ASSOTSI, the organisation offers to represent market vendors in disputes against the government, assist them with credit options through negotiating with banks, mediate in situations of conflicts between marketeers, and assist marketeers should they end up in prison.

ASSOTSI also organises workshops on health issues such as tuberculosis, diarrhoea and HIV/AIDS. Workshops are organised with the assistance of HIV/AIDS activists trained by OTM. ASSOTSI also has a partnership with the National Council towards the Fight Against HIV/AIDS which is a governmental body. As a way to raise awareness, ASSOTSI invites theatre groups in certain markets to raise awareness about health issues, and the organisation plans to have its own theatre groups as well.

Each branch in the market also has its own Women's Committee that deals with childcare issues, the establishment of crèches in the market and provision of training for women such as lessons in sewing. In some cases, women assist each other in establishing small businesses in the market. A group of women then each contribute a small amount of money that will assist a woman new to the business to set up a stall. She will then have to pay back the other women later.

Although women dominate as members of ASSOTSI, they occupy marginal positions in the

leadership of the organisation, both at the national level and at the level of the 'Núcleos de Base'. Women interviewed in Fajardo Market, Xipamanine Market, Red Star Market and Mandela Market 1 and 2 reported that they feel excluded from taking part in the elections. They feel they also have a right to occupy key positions in the organisation because they make up the majority of ASSOTSI. Women in these markets felt it would be better to set up their own organisations that would cater for their needs instead of joining a male-dominated organisation. By contrast, women in Chikhelene Market felt that women should be included in the direction of the commissions at local level but they would prefer not seeing them involved in the leadership. Women in this particular market thought it would be better if women were involved in sales instead of wasting time on discussions and resolutions of peripheral issues.

Lobbying and advocacy

ASSOTSI has a good relationship with local and central government. When problems have arisen for the traders, there has been an opportunity for ASSOTSI to negotiate. ASSOTSI has tried to lobby government in order to build covered markets and the organisation has managed to improve water and sanitation services in the markets and build toilets. Some of ASSOTSI's leaders in the Xipamanine and Fajardo markets in Maputo are also representatives from the ruling party Frente de Libertação de Moçambique (Mozambique Liberation Front, FRELIMO) at the local level. This has meant that ASSOTSI has therefore often been perceived as being closely linked to FRELIMO.

However, this close relationship has sometimes given them the advantage to be able to influence policies affecting market vendors. FRELIMO councillors who are also ASSOTSI members have on several occasions been able to highlight the problems which market vendors are facing in Mozambique. For example, in 2003, ASSOTSI organised a strike in Maputo in response to government comments that a cholera outbreak was caused by the existence of informal markets. Market vendors were furious and agreed for two

days not to pay any levies and vendors were not manning their stalls. This forced the government to come to the negotiating table and to withdraw its comments. A medical officer was asked to look into the matter and things were rectified. One of the conclusions of the investigation was that the lack of government action on water provision was causing the problem. As one of ASSOTSI's members said: "In the informal economy, we don't need to march, we just need to stop paying levies and the government listens".

Case study 6: Association of Informal Sector Traders and Importers - Mukhero

Organisational history

The Association of Informal Sector Traders and Importers, better known as Mukhero (which literally means 'to carry'), was established in 1999 and legally recognised in 2004. Mukhero's main objectives are:

- to defend the interests of informal importers (meaning those who do not have official import licences);
- to organise and improve the activities of importers in the informal economy;
- to end the violation of visa regimes between Mozambique and neighbouring countries and abolish tax evasion practices.

The practice of *mukhero* refers to the trading of a variety of goods, vegetables, fruits, clothes and small home appliances brought in from other parts of Mozambique and neighbouring countries in order to be sold in markets in Maputo. Most 'mukheristas' are women and revenues are often used to buy goods in South Africa, Swaziland and other neighbouring countries, and are all sold in Maputo. The government has tried to control and regulate borders and trading in various ways but people have used various strategies to circumvent these controls. Cross-border traders often operate without official travel documents. For example, Mozambican traders arrive at the border. In order to cross the border to enter a neighbouring country to buy goods for trading, they strike a deal with the customs officers who they pay a small fee in order to be allowed to

enter the country. In this way, the trader manages to enter the country to buy the goods he/she wishes to trade.

Mukhero's members are mostly based in Maputo and estimated to be 476 at present, 70 percent are women and 30 percent are men. Mukhero represents informal traders and importers as well as other people who are involved in businesses related to cross-border trade such as carriers, dealers, warehouse workers, guards and others. Each member is expected to contribute 30,000 Mozambique meticaïs per month. Mukhero has a fixed office in Maputo and employs some seasonal staff. Its leadership structure comprises 5 men and 1 woman. Mukhero considers lack of capacity and technical assistance in economic and legal affairs to be one of its weaknesses.

Lobbying and advocacy

Mukhero values lobbying and advocacy as an important activity. Mukhero aims to lobby with the government for improvement of the import regulations that its members are subject to, e.g. access to reduced visa fees and reduction of custom duties and import taxes. According to Mukhero's president, this would in the long run result in:

- improvement of the Human Development Index in Mozambique, considering that small-scale cross-border trade represents a significant percentage of international trade in Mozambique;
- a better supply of goods which are not provided by national producers;
- higher levels of employment, as cross-border trade involves many people who do not have access to formal employment.

The organisation regularly has meetings at national government level. For example in May 2005, Mukhero was reported to have met with the Minister of Industry and Trade in Mozambique.¹⁰ In the meeting, the organisation complained of what they regarded as excessively high customs duties, difficult forms of payment imposed by customs officials and delays in clearing their, often perishable, goods through

customs. In order to address some of these issues, the Minister promised to set up a commission that would involve informal traders and members of the National Directorate of Trade to investigate ways that would reduce transaction costs at the borders. At first the government saw Mukhero as an opponent as it perceived some of its members as tax evaders, and thought that it was against development. However, the government increasingly sees Mukhero as a partner.

Case study 7: Alliance for Zambia Informal Economy Associations

Organisational history

Fully supported by StreetNet International, AZIEA was formally launched in October 2002 with the assistance of the Workers Education Association Zambia (WEAZ) and in partnership with the Zambia Congress of Trade Unions (ZCTU). A consultative process between and among informal economy associations, WEAZ and the ZCTU preceded the launch of AZIEA in 2002.

WEAZ was crucial in the formation of AZIEA, and remains important up to this day. The formation of WEAZ was the result of a partnership between the ZCTU and the Workers' Educational Association (WEA) - England and Scotland, which started in 1995. This partnership aimed to examine the opportunities for developing education programmes for workers who were retrenched and forced to find resort in the informal economy as a result of the privatisation of the mines in the Copperbelt area. Subsequent to the numerous retrenchments, the Zambia Informal Economy Workers' Education Project was created in order to enable WEAZ to undertake structured consultations between and among informal economy associations at a local, national and international level. The final consultative report was discussed during a seminar organised in October 2001 by WEAZ in partnership with WEA - England and Scotland.

During this seminar, thirteen attending Zambian informal economy organisations began to

explore the possibilities of forming a national alliance in order to promote unity and strengthen representation of informal economy workers in Zambia. The seminar was also attended by representatives from the Self-Employed Women's Union from South Africa, the Ghana Trade Union Congress, StreetNet, the Uganda Public Employees Union, ASSOTSI from Mozambique and the Ishmael Nedziwe College of Labour Studies from Zimbabwe.

AZIEA's mission is to promote full participation and protection of informal economy workers in community and national development. The main objectives of AZIEA as described in their leaflet are:

- to organise the unorganised and all associations engaged in the informal economy in Zambia;
- to promote local and national solidarity between informal economy workers organisations;
- to fight for recognition by advocating for the establishment of bargaining forums between government and informal economy representatives;
- to secure substantial representation of street and market vendors and hawkers in national and international forums;
- to educate workers and members in the informal economy on their civil, social and workers' rights;
- to lobby government on legislation or policies affecting the interests of members and to provide support or oppose such legislation or policies and make representation to public and other bodies;
- to promote democratic and effective leadership in all structures of the Alliance.

AZIEA's nine affiliated member organisations represent different types of workers in the informal economy such as market traders, street vendors, hawkers, carpenters, fishermen, craftsmen, cross border traders, tinsmiths and fence wire makers.¹² All associations in the informal economy can apply through the General Secretary to join AZIEA. Affiliated members are

required to pay 100,000 Zambia kwacha affiliation fee and a monthly subscription fee of 25,000 Zambia kwacha. Not all organisations listed above are fully paid up members. Those organisations that have not contributed their affiliation fees are unable to participate in all activities organised by AZIEA, e.g. training workshops, nor will they have voting rights during the convention. In total, AZIEA's affiliates are estimated to have 48,300 members and a potential membership of 4 million. Women represent the majority in the membership of most of AZIEA's affiliates.

AZIEA is a member of StreetNet International and this alliance of street vendor organisations played a crucial role in the establishment of the organisation. Furthermore, the organisation is an associate member of the ZCTU, which means that it does not have voting rights as compared to full members. According to AZIEA member organisations, the relationship with the ZCTU could be strengthened further. It was felt that ZCTU does not always take up issues affecting workers in the informal economy in the various fora in which it participates. Representatives from informal economy organisations are not part of the official ZCTU delegation to the ILO Annual Conference and they are not always being invited to attend workshops on the informal economy organised by e.g. the ILO Bureau for Workers' Activities (ILO-ACTRAV).

AZIEA members feel that the ZCTU could do more to bring up the needs of informal economy workers as represented by AZIEA, and to recognise AZIEA as a major stakeholder in issues to do with the informal economy. Being affiliated to ZCTU gives AZIEA a public profile and visibility as the ZCTU has a direct platform with the government and is able to put issues on the agenda. However, AZIEA feels that ZCTU as a trade union federation does not always sufficiently represent AZIEA and informal economy workers in general. In the past, the ZCTU has organised workshops on the informal economy and not invited representatives from AZIEA or other informal economy organisations to these. AZIEA would also like to be part of a



Members of AZIEA's Women's Subcommittee.

tripartite forum in the same way as other ZCTU affiliates are.

AZIEA also has links with other civil society organisations in Zambia such as Jubilee Zambia and has recently forged an alliance with the Zambia United Local Authorities Workers Union (ZULAWU). Many of ZULAWU's members have been laid off in the past as part of structural adjustment policies implemented by the government of Zambia that sought to slim down local government.

Organising strategies

AZIEA provides a platform for all informal economy organisations in Zambia. It aims to represent informal economy workers at a national level. In this respect, the organisation lobbies with local and national government for the improvement of conditions in the informal economy and to demand a social dialogue mechanism in order to ensure full participation of informal economy workers in policy formulation processes. Apart from a representative role, AZIEA also aims to build the capacity of affiliated organisations through provision of training workshops, together with WEAZ in the areas of leadership and negotiation skills. Through exchange visits between its affiliated members, AZIEA also attempts to establish a sense of solidarity among different informal economy organisations in Zambia.

AZIEA has an office in Kitwe which is located in Zambia's Copperbelt Province. The organisation employs three people at national level and four organisers at district level (Kitwe, Mansa, Lusaka, Kalulushi). AZIEA's structure also includes a Women's Subcommittee to cater for the special needs of women in the informal economy. However, the Subcommittee has not been fully operational. It is composed of 10 members but currently only 7 members have been appointed. It is expected that elections of the positions in this committee will take place at AZIEA's second convention in October 2005. Although two out of four committee members part of AZIEA's National Executive Committee should be women according to the Constitution, some women feel other leadership positions should be occupied by women as well.

The role of the Women's Subcommittee is to share ideas, mobilise women and to initiate income-generating projects. Some women within AZIEA have been exposed to exchange visits with other organisations such as ASSOTSI in Mozambique and the Self-Employed Women's Association (SEWA) in India. They have become aware of facilities in the market in those countries such as for example a clinic, nursery and a bank. SEWA is also providing adult education and women are eager to replicate these activities in Zambia.

AZIEA is an umbrella body that links up different kinds of associations. For example, the Zambia National Marketeers' Association (ZANAMA) which is an organisation that was established in 1999 and which has an estimated potential membership of 1 million marketeers. By contrast, the Tinsmith's Association in Lubarma Market in Lusaka which is also affiliated to AZIEA currently has a membership of 21 members. The smaller organisations present in AZIEA sometimes feel undermined by the dominant role of ZANAMA in the coalition. Leadership of AZIEA partly overlaps with leadership of ZANAMA and this could lead to further conflicts within the organisation. Some of the smaller organisations find it difficult to distinguish between ZANAMA and AZIEA and

argue that they are one and the same.

One of the main problems that members of AZIEA's affiliates cited is lack of access to credit. Current banks and other credit delivery institutions charge high interest rates, require potential lenders to have collateral or demand repayment soon after disbursement of loans. Some credit institutions catering for small-scale entrepreneurs such as Pride Zambia would only offer credit to groups. Informal economy workers, however, often prefer to get individual loans as group loans can lead to problems in case one member of the group defaults on paying. Other members of the group then end up paying for that member.

Lobbying and advocacy

Since AZIEA's establishment in 2002, the organisation has increasingly been recognised by both local and central government. AZIEA has managed to bring to the national level some of the issues facing market vendors and other informal economy workers in Zambia. According to AZIEA, the most pressing issues on its agenda include:

- lack of effective representation in policy-dialogue and decision making both at local

and national government levels;

- lack of social security and legal protection;
- lack of recognition by the authorities;
- absence of a conducive policy framework for the informal economy.

With regard to the changes in the administration of markets in Zambia, AZIEA has called on the government to speed up the implementation of the Market Task Force which was commissioned by government to review, among other issues, management of the markets in Zambia. The Market Task Force, comprising a wide group of stakeholders, was formed in 2003 following the demand by AZIEA that the government intervene to resolve the problem of arbitrary local government increases in market levies and replace outdated colonial market regulation.

AZIEA presented a position paper on the organisation's vision on management of the markets in Zambia during a meeting with President Levy Mwanawasa in July 2004. The organisation has also urged government to repeal or amend old laws in order to improve protection and recognition of informal workers. The Market Act which is currently in place dates back from the 1930s.

As a result of holding several public meetings and events, AZIEA has managed to strengthen its representation. In some instances, AZIEA has experienced resistance from local government during meetings. On several occasions, local authority refused AZIEA to use Council venues during their public meetings, and on one occasion even instructed staff at the city square to cut off electricity in order to disturb the public address system. However, in another town the Mayor has been very grateful for AZIEA's initiative in holding a meeting and urged AZIEA leaders to show leadership. The Mayor admitted to the failure on the part of the Councils to provide services to the community and the absence of dialogue between the two parties.

AZIEA is now generally recognised because of publications such as leaflets, posters, radio and



Members of ZANAMA in Soweto Market in Lusaka.

TV interviews, press conferences and press releases commenting on national issues. There has also been less harassment of street vendors and better delivery of services in the markets by the Council. Because of the increasing visibility and strength of street vendors, there have been fewer clampdowns on street traders. Services that are supposed to be delivered by the City Councils have improved, e.g. garbage now tends to be collected more frequently.

Local government ministers and Councillors pass by AZIEA to get their views on issues and to have meetings together. However, not all meetings are always held in a formal way and AZIEA has complained about that. Town clerks have a different way of working which is not always formal. AZIEA hopes this will improve in the future so that the organisation is more frequently consulted in a formal and more sustained way. The organisation is actively lobbying for the establishment of a collective bargaining forum to ensure the government is consulting informal economy workers on the issues affecting them.

As an umbrella body, AZIEA also protects and defends its affiliated member organisations. For example, in mid-2004 Kitwe and Ndola City Council blamed one of AZIEA's biggest affiliates, the Zambia National Marketeers' Association (ZANAMA) of being the biggest hindrance to maintenance of the markets. ZANAMA was criticised for collecting its own market levies and the Council appealed before the Parliamentary Subcommittee on Local Governance and Chief Affairs to deregister the association. AZIEA subsequently organised a press conference on the issue in which it strongly condemned the deregistration of ZANAMA and argued that ZANAMA was justified in collecting subscription fees from its own members. It also demanded from the Clerk of the National Assembly to defend AZIEA's position on the planned de-registration of ZANAMA before the Parliamentary Subcommittee which it was granted in July 2004. The de-registration was subsequently called off.

Case study 8: Cross-Border Trader Association

Organisational history

The Cross-Border Trader Association was established in 1995 in Lusaka. Many cross-border traders were experiencing harassment from immigration and custom officials. In their journeys to surrounding countries, traders would sometimes fall ill or even die in some cases. The Zambian embassy would not always take care of the traders in these instances and this is where the need for an association arose. Also, cross-border traders were confronted with high custom levies at the borders to enable them to import their goods. As these levies were very high, the response of traders was often to evade paying these taxes. The establishment of an association would enable traders to set up a dialogue with government about these issues in order to lobby for changes in import levies that would be friendlier towards small-scale cross-border traders. In summary, there was a clear need for an association that could represent cross-border traders and assist them in case of emergency.

The Cross-Border Trader Association currently has 35,000 members. Out of this membership, 8,000 people have a presence in the Cross-Border Trader market in the city centre of Lusaka and in other areas in Zambia. The Association currently has 40 branches and a presence in over 15 markets in the Common Market of Eastern and Southern Africa (COMESA) region. Traders originate from different countries in the region and sell a wide variety of goods such as jewellery, watches, clothes, blankets and music tapes. Some members go as far as Dubai and China to source products. In many cases, a group of traders put money together to enable one of them to travel abroad.

Apart from representing cross-border traders in negotiations with government, the Association also provides training on HIV/AIDS issues. Cross-border traders are very vulnerable in terms of HIV/AIDS as they are travelling long

distances within the region, often taking lifts from truck drivers. This exposes them to the risk of HIV/AIDS and the Association therefore saw the need to raise more awareness on this issue. Through leaflets and posters in buses and trains, the Association also provides its members with information on the legislation that guides cross-border trading. In the event of policy changes, the Association organises public meetings in order to provide members with up-to-date information. The Association has a social welfare role in that it provides assistance to relatives of deceased cross-borderers for funeral expenses. It also assists with the costs of repatriation of bodies from surrounding countries. Because of the different languages that people speak in the COMESA zone, the Association introduced education programmes in basic business language skills to enable different traders to communicate with each other. If traders have been robbed on their journeys, the Association provides some sort of insurance against losses made. Lastly, the Association helps members in acquiring travel documents.

Lobbying and advocacy

One of the first successes that the Association achieved was the establishment of a market in Lusaka exclusively for cross-border traders coming from Zambia and surrounding countries. The Association managed to buy land from the Council and the market became a reality in 1999 and brought most cross-border traders under one roof. People who wish to sell their products in the market can apply for space with the Association. They have to contribute 120,000 Zambia kwacha in membership joining fee and 80,000 Zambia kwacha in renewal fees. The fact that the market in Lusaka brought all cross-border traders under one roof also made it easier for the Association to educate their members on various issues, for traders to support each other and to ensure they would not be intimidated.

The Association lobbies the Ministry of Home Affairs on immigration issues and the Ministry of Finance on custom duties. It strongly feels there should be special custom levies for small-scale

traders. Currently, both small-scale and large-scale traders are subject to the same rules in terms of payment of custom levies, often 40 percent of the estimated value of good plus value-added tax. However, the profit margins of licensed importers are much higher than that of small-scale cross-border traders. The Association therefore lobbies government on a custom policy that is friendlier towards smaller traders. At the moment, most cross-border traders evade taxes through various strategies which means that government is not collecting any revenues. A more suitable policy towards cross-border traders could potentially reduce tax evasion and motivate traders to contribute. So far, the Association has managed to negotiate a rebate on some products. Another problem that cross-border traders face is the fact that the various currencies in the COMESA region are not directly convertible. Currencies also need to be converted to US dollars first. The Cross-Border Trader Association feels there is a need for direct convertibility between currencies in the COMESA region.

Analysis and conclusion

This chapter has provided a number of case studies on eight organisations operating in the informal economy in Ghana, Malawi, Mozambique and Zambia. It has discussed the various ways in which they try to organise themselves and become more vocal on issues affecting their members. It has also described the various ways in which these organisations have interacted with local and central government.

With respect to organising, organisations have used a variety of strategies. Many organisations are confronted with trying to find a balance between representing their members towards local and central government, and delivering services in order to attract and keep members. They feel it is necessary for them to offer tangible benefits to their members in order to convince them to become members and remain interested in the organisation. On the other hand, they do not want to give false expectations to their members which they know they are unable to meet. As a result of low sources of

income, offering services such as education and micro-credit is difficult. In addition, it also requires capacity from the organisation in terms of organising delivery of these types of services.

Within the case studies discussed in this chapter, we can distinguish between different types of organisations. First of all, umbrella bodies of different informal economy associations such as the StreetNet Ghana Alliance (SGA) and the Alliance for Zambia Informal Economy Associations (AZIEA). These organisations were set up as part of initiatives taken by local trade union federations and also in close cooperation with StreetNet International, an international network of street vendor organisations in Africa, Asia and Latin America. Their aim was to provide a platform for informal economy organisations and to bring the issues to national level. Often, these organisations have also participated in exchange visits with other similar organisations in Asia and Latin America. These are very recent initiatives but some successes have been achieved e.g. in Zambia where AZIEA is increasingly recognised by government officials and is invited to participate in various forums. The link with trade union federations is often perceived as posing both advantages and disadvantages. On the one hand, it facilitates the recognition of organisations at national level. On the other hand, it is sometimes argued that close links can slow down decision making processes as was mentioned by one respondent in Ghana.

The second type of organisations are those that started working together with existing market committees in specific markets in towns such as the Malawi Union for the Informal Sector and ASSOTSI in Mozambique. Gradually, they have expanded their organising efforts and now are on the way to become more nationally oriented organisations. Whereas SGA and AZIEA work with different type of informal economy organisations, ASSOTSI and MUFIS mainly tend to work with small-scale market vendor committees.

In terms of advocacy strategies, we have also seen how some organisations have used close links with local government officials as a way to achieve objectives. In the case of Mozambique, the government was involved in setting up the organisation and it has had an ambivalent relationship with the ruling party FRELIMO, where it has criticised them on some occasions and tried to become more involved in their activities in other instances. The Limbe Street Vendor Association has been using similar strategies, where the chairperson of the association is also the chairperson of the local political party branch. Markets have often been hubs of political activity; marketeers are an important political constituency. This can also be seen in Zambia where political parties established branches in the markets or tried to establish organisations. Marketeers often feel they have been used in party politics and this has been an important reason for the establishment of organisations such as ZANAMA. By organising market vendors into an organisation, ZANAMA aimed to prevent party 'cadres' from extorting money from vendors with the threat of violence.

Advocacy strategies were mainly targeted at local government to address issues such as improvement of market infrastructure, harassment by police officials and complaints about levies in the markets. However, other organisations such as Mukhero and the Cross-Border Trader Association have looked at overall government policies towards the informal economy. They have particularly been vocal about the way in which current policies disadvantage small importers and are mainly drawn up for large-scale importers. Although governments have victimised cross-border traders for evading taxes and import duties, Mukhero and the Cross-Border Trader Association have lobbied for policies that are friendlier towards small-scale importers. The next chapter will discuss in more detail the extent to which central governments have tried to address the needs of workers in the informal economy.

6. Central government policy towards the informal economy

Chapter Six will provide an overview of the presence or lack of general government policies towards the informal economy in the context of changing practices of the IMF and World Bank. It will then conclude with an analysis of the various ways in which governments have approached the debate for or against government intervention in the informal economy.

Arguments for and against government intervention in the informal economy

The question of whether the government should intervene in the informal economy has been approached from various angles.¹ Some have advocated for a withdrawal of the government from the economy. Neo-liberal economists would argue that intervention of governments in the informal economy would distort operations and create inefficiencies. They assert that the informal economy will disappear with time as long as economies achieve sufficient growth which will lead to job creation. Others have contended that it is impossible to regulate the informal economy because the people working in the sector are eager to avoid regulation and taxation. They conclude that the informal economy is therefore beyond government control.

Those who feel that there is a strong role for the government in the informal economy have put forward a number of reasons for this intervention.² Firstly, for equity reasons, because informal economy workers do not have sufficient skills or because they are vulnerable and not insured against unemployment, illness, the government should step in to protect informal producers and provide them with equal opportunities to those formally employed. Those working in the formal economy have benefits such as collective bargaining, medical aid, maternity and sick leave, and unemployment insurance fund benefits. However, informal economy workers have limited or no benefits and protection.

Secondly, for efficiency reasons, others have advanced the argument that the informal economy makes a large contribution to GDP, it provides goods to middle and low-income groups and absorbs a large part of the labour force due to its labour-intensive character. Governments should therefore invest in the informal economy in order to promote its productivity and growth.

The third argument acknowledges that contrary to neo-liberal arguments of state withdrawal governments do actually intervene in markets in order to support large industries and enterprises at the expense of smaller entrepreneurs. In response to neo-liberals, they argue that because governments are already intervening in the economy to support big corporations, there is no reason why they should not intervene in the informal economy to support smaller businesses.

Poverty Reduction Strategy Papers

Since the late 1990s, overall policy frameworks of the four countries which form part of this study have been strongly influenced by changing practices of the World Bank and the IMF. While in Chapter Two, we saw how the 1980s and early 1990s were characterised by structural adjustment policies in Ghana, Malawi, Mozambique and Zambia, the 'buzzword' in the late 1990s and early 2000s became 'PRSP' (Poverty Reduction Strategy Paper). Before the role of these changes in relation to policies on the informal economy will be discussed, a brief background to PRSPs will be provided.

Since 1999, developing countries need to submit a PRSP in order to be eligible for concessional loans and debt relief under the Heavily Indebted Poor Country (HIPC) initiative which is a joint World Bank-IMF scheme. In their PRSP, countries are expected to quantify the extent and dimensions of poverty in their countries, and to

suggest macroeconomic, structural and social policies that will result in a reduction of poverty.

In September 1999, the IMF launched the so-called 'Poverty Reduction and Growth Facility' which aimed to "make the objectives of poverty reduction and growth more central to lending operations" and replaced its Enhanced Structural Adjustment Facility (ESAF). In the same year, the World Bank created the 'Poverty Reduction Support Credit'.³

The majority of countries eligible for debt relief under the HIPC scheme are located in Africa (34), 3 are in Asia, 4 in Latin America and one in the Middle East. All four countries part of this study were eligible for debt relief and have submitted their PRSPs in the last few years.⁴

According to the World Bank and the IMF, PRSPs should not be drawn up by governments in a top-down manner but should evolve from a participatory consultation process organised within countries. In their view, this would then ensure that development strategies are country-

Under the pretext of country-ownership and civil society participation of PRSPs, it has been argued that the World Bank and IMF were trying to "engineer consent for structural adjustment-type-of-policies" from developing countries.

driven rather than donor-driven. PRSPs were supposed to correct weaknesses identified and criticised in earlier structural adjustment policies, namely lack of poverty focus and poor country ownership of the reforms. The World Bank and IMF felt that economic recovery in developing

countries could not take place unless civil society organisations were involved in the policy making process, particularly in the formulation of macroeconomic policies. This has been quite new for many countries as they have so far not regarded civil society as a stakeholder.

However, the PRSP processes have been criticised for several reasons. Firstly, because they were prepared rapidly and did not sufficiently involve civil society. A recent report, for example, pointed out the neglect of trade union voices in PRSP processes.⁵ Similarly, the ILO has produced

a report that sought to encourage inclusion of employment-related issues such as the ILO's *Decent work* agenda into PRSPs. Under the pretext of country-ownership and civil society participation of PRSPs, it has been argued that the World Bank and IMF were trying to "engineer consent for structural adjustment-type-of-policies" from developing countries.⁷ Some critics have contended that instead of encouraging dialogue between governments and civil society organisations, preparing a PRSP became an end in itself. Others have argued that PRSP processes seriously violate the sovereignty of borrowing countries since it has given the IMF and World Bank the power to approve and disapprove the entire macro-economic policy framework of a country, formulated under the pretext of popular participation.

Ghana's 'Golden age of business'

In its *National Medium-Term Private Sector Development Strategy 2004-2008*, the government of Ghana articulates its commitment to facilitating private sector growth to lead Ghana into a 'Golden Age of Business'.⁸ In order to stimulate growth, the government seeks to remove institutional and legal bottlenecks that impede the development of the private sector; improve private sector access to capital, encourage and facilitate the provision of public services by the private sector and facilitate innovation and entrepreneurship within both the formal and informal economy to enhance factor productivity.

The document acknowledges that Ghana has a large number of small and micro firms with 70 percent of enterprises employing less than five people. The document states that most of the micro, small and medium enterprises (MSMEs) operate at the informal level which hinders their ability to invest and grow. They lack access to land and cannot, therefore, use land as collateral to secure loans. One of the tasks of the newly established Ministry of Private Sector Development has been to raise funds to support small and medium enterprises (SMEs) with loans and to urge banks to provide them with loans.

In his State of the Nation Address to Parliament in February 2005, the Minister of Private Sector Development (MPSD) outlined several measures that aim to incorporate Ghana's informal economy into the formal economy such as "to facilitate basic courses for the informal sector to awaken individuals and enterprises of the sector to the potential benefits of basic disciplines such as bookkeeping, banking and other entrepreneurship skills".⁹ The Ministry has also set up a Business Development Unit, which will carry out programmes aimed at improving the capacity of the informal economy to help migrate to the formal sector. It will offer various business support services targeted at the informal economy such as training, mentoring, capacity building as well as provision of credit.

In this respect, the MPSD recently budgeted 5 million Ghana cedis to carry out training programmes through agencies like Empretec and the National Board for Small-Scale Industries (NBSSI) to improve the capacity of small businesses in the informal economy such as dress-makers and carpenters.¹⁰ Currently, the NBSSI grants credit, offers advice and counselling and conducts training (entrepreneurial, managerial and technical) for informal economy operators. However, the NBSSI deals only with informal economy operators in the manufacturing and service sector and not those in commerce or trading. It also deals with enterprises and not individual workers and so it trains the workers only where they are lacking certain skills in an enterprise.

In summary, Ghana's policy towards the informal economy has been mainly geared towards formalising businesses instead of catering for the needs of informal workers. They are required to formalise their businesses in order to have access to capital instead of credit delivery agencies becoming friendlier towards informal economy workers. This does not address the problems informal businesses experience if they have to formalise their operations.

In addition, the government's view of the SMEs often refers to those small and medium scale

enterprises that are in the formal sector, which, by definition, comprises mainly those enterprises that are registered with the government's appropriate authorities and pay taxes. As such, most government policies aimed at addressing the private sector do not sufficiently target the micro enterprises or self-employed individuals but are biased towards slightly bigger and formalised businesses.

While Ghana's overall economic policy has tried to cater to supporting smaller businesses, it seems they have not targeted the self-employed individuals which are members of the informal economy organisations that were discussed in Chapter Four and Five. However, the government of Ghana has been implementing some encouraging policies in the area of social protection. For example, the government established social security agency, the Social Security and National Insurance Trust (SSNIT) has now instituted measures to include informal economy workers into a security scheme and encourage them to contribute to it so that they can benefit when they stop working. However, the problem here is the lack of job security because the SSNIT system requires a contribution for 240 months (20 years) for a contributor to derive full benefits when they retire. Informal economy workers often do not have this security. The newly established National Health Insurance Scheme will also cater for the health needs of the informal economy although the scheme has not fully taken off yet and nobody can predict its benefits.

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The Poverty Alleviation Programme in Malawi

Although there is recognition of the importance of the informal economy, the government of Malawi does not have a comprehensive national policy framework that addresses all challenges confronting the informal economy. In its Poverty Alleviation Programme (PAP) and Vision 2020, the government of Malawi considers the informal economy and the existence of micro and small

enterprise (MSEs) as a vital solution to the country's growing unemployment problem among the poor.¹¹

The poverty alleviation programme policy framework identifies several constraints to the informal economy such as:¹²

- limited access to credit due to lack of collateral;
- lack of business management skills and technical know-how;
- lack of access to appropriate technology;
- lack of suitable business premises;
- stiff competition from large firms and among informal entrepreneurs themselves;
- policy and legislative obstacles;
- severe market limitations due to lack of real purchasing power, particularly in rural areas;
- lack of raw materials.

Recognising the crucial role of the informal economy, the government of Malawi in the same policy framework for poverty alleviation has suggested the following strategies to promote the informal economy:¹³

- increase and improve access to credit in short term;
- provide management, entrepreneurial and technical skills training;
- provide suitable premises and infrastructure for industrial estates, village centres and flea markets;
- development of markets and improved access to markets through promotion of cooperatives, associations and clubs;
- review restrictive legislation, policies and practices and introduce new conducive ones;
- address gender issues through specific targeted policy interventions by support institutions e.g. credit and training by support institutions;
- promote use of appropriate technology through relevant institutions like Malawi Industrial Research and Technology Development Centre (MIRTDC), the university and private companies;
- institute credit guaranteeing schemes and

revolving fund arrangements;

- encourage the formal sector to assist the informal sector by sub-contracting small enterprises.

With reference to the PRSP process in Malawi, there has been significant involvement of civil society organisations. Trade unions federations such as the MCTU were invited to participate in the consultation. However, MUFIS has criticised MCTU for not sufficiently consulting MUFIS about the needs of informal economy workers. This was also hampered by the fact that MUFIS is not an official MCTU affiliate.

As Ghana's overall policy framework, Malawi's PRSP underscores the importance of micro, small and medium scale enterprises (MSMEs) as a tool to enable the poor to generate their own incomes. Malawi's pro-poor growth strategy, as outlined in its PRSP, mainly focuses on agriculture although "efforts will be made to diversify, especially though MSMEs into natural resources, manufacturing, tourism and small-scale mining".¹⁴ According to the Malawi's PRSP, the development of MSMEs has been hampered by "a lack of business skills and technological expertise, lack of capital, and inadequate supportive infrastructure for efficient production and marketing".¹⁵ The government of Malawi therefore intends to provide more support for MSMEs in the areas of training, micro credit and skills development.

Because of similar business support initiatives that have failed in the past, Malawians have been sceptical about these kinds of programmes. In the 1980s and 1990s, several institutions were established by the government to cater for some of the needs of small and medium enterprises such as the Small Enterprise Development Organisation of Malawi (SEDOM), the Development of Malawian Traders

Although there is recognition of the importance of the informal economy, the government of Malawi does not have a comprehensive national policy framework that addresses all challenges confronting the informal economy.

Trust (DEMATT), the Small and Medium Enterprises Fund (SMEF) and the Malawi Rural Finance Company (MFRC). Whereas the SMEF and MFRC offer credit, other institutions such as DEMATT focus on the provision of management, entrepreneurial and technical skills training.

However, access to loans from the above institutions has been very minimal among informal economy operators. Also, the schemes have been criticised. It has been argued that access to loans was often dependent on political connections instead of the soundness of business proposals. As a result, most clients were not able to pay back their loans and at the moment the institutions do not have the capacity to respond to the capital needs of the business community.

In January 2005, the government announced a new 5 billion Malawi kwacha loan scheme that, through the Malawi Rural Development Fund (MARDEF), would provide small loans to groups of 10 individuals.¹⁶ As a result of corruption in previous schemes, many Malawians - including some Members of Parliament - have been sceptical about this initiative. There is a concern that lack of clear guidelines may result in poor targeting, political interference and lack of sustainability.

Mozambique's Reduction of Absolute Poverty

Mozambique's PRSP which is also known as the *Action Plan for the Reduction of Absolute Poverty (PARPA 2001-2005)*, is virtually silent on the informal economy. Whereas OTM was part of the consultation in Mozambique, ASSOTSI did not directly participate in the PRSP process. Although Mozambique's paper argues that "A pro-poor growth strategy also requires a policy climate which stimulates the private sector to accelerate job creation and increase income generating opportunities through self-employment", it does not mention in great detail how this can be achieved.¹⁷ The document briefly mentions the need for better support services to the MSME sector in the form of credit. It also highlights the need for technical-vocational training to improve the skills of the self-

employed as entrepreneurs. However, it considers agriculture and rural development as priority in poverty reduction as more than 70 percent of Mozambique's population is concentrated in the rural areas.

PRSP in Zambia

Although Zambia does not currently have a comprehensive policy framework towards the informal economy, its PRSP does make relatively more explicit reference to the existence of an informal economy than we have seen in Ghana, Malawi and Mozambique.¹⁸ It is also worth noting that the government of Zambia has in the past actively acknowledged the existence of the informal economy, although perhaps not for the right reasons. When the informal economy in Zambia in the early 1990s started to grow rapidly and increasingly became visible on the streets of many cities in Zambia with larger amounts of street vendors, President Chiluba decided to establish a special Vendors' Desk at State House. A full-time Deputy Minister was also appointed to be in charge of street and market vendors' affairs. Whereas local government in, for example, Lusaka was eager to discourage street vending, traders and vendors were effectively protected by central government ministers and even the State President. Although one can argue this was mainly done in order to secure votes and use vendors as a political force, it perhaps does say something about the level of acceptance of the informal economy in a country like Zambia.

Zambia's PRSP recognises that 70 percent of the Zambian population operates in the informal economy. It acknowledges that wages are lower than in the formal economy and the government therefore feels people should be taken out of the informal sector by encouraging expansion of the formal sector through economic growth. More or less in agreement with the ILO's Decent

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work strategies that we discussed in Chapter One, the government of Zambia advocates that while people are operating in the informal sector, they must be supported. Means of supporting the informal sector include micro credit schemes, the provision of marketing and technological information to improve productivity, and the development of infrastructure.

As we have seen in the PRSPs of Ghana, Malawi and Mozambique, Zambia also stresses the importance of development of MSMEs. Zambia's PRSP explicitly mentions the need to support 'producers of all scales', meaning small enterprises as well as larger-scale operations. Its strategy focuses on training in entrepreneurship, the encouragement of linkages between MSMEs and larger-scale enterprises, the development of industrial estates to be leased to MSMEs, the removal of legal impediments to MSMEs or of women/youth access to productive resources, fostering the procurement of goods and services from MSMEs, and facilitating the acquisition of land titles, among others.

With respect to the PRSP process, AZIEA felt that this was dominated by well-funded NGOs rather than grassroots representative organisations. Participation in the process depended on whether the organisation was a key player in civil society in Zambia. AZIEA also noted that the consultation process itself was not very friendly to more community-based organisations as it involved submission of detailed position papers. Grassroots organisations do not always have the capacity to comply with these regulations. However, despite these weaknesses, civil society did get more involved into policy formulation at the national level during the PRSP consultation process.

Conclusion

In this chapter, we have seen how the process of preparing Poverty Reduction Strategy Papers (PRSPs) to become eligible for debt relief under the Heavily Indebted Poor Country (HIPC) initiative came to play an increasingly important role in determining the overall macroeconomic

policy framework of the countries included in this study. Whereas we have seen in previous chapters the important role the informal economy plays, it does not feature in a major way in various PRSP documents. Where it is mentioned, governments part of this study mainly intervene to support the informal economy for reasons of efficiency, i.e. because the informal economy currently provides employment to the majority of people in Ghana, Malawi, Mozambique and Zambia.

Other reasons for government intervention have been to adjust the previous bias towards large industries. In this respect, all governments are calling for the introduction of support schemes that favour micro, small and medium enterprises (MSMEs). Although these developments should be commendable, there is a need to ensure that these schemes favour disadvantaged self-employed individuals instead of better-off small and medium enterprises. In a recent study on the impact of the first ten years of South Africa's small, medium and micro enterprise (SMME) programme, it was observed that this programme tended to be biased towards groups of small and medium-sized enterprises, whereas it bypassed micro enterprises in the informal economy.¹⁹ In the case of Malawi, previous schemes have also often resulted in corruption.

In addition, it can be concluded that none of the governments except for Ghana have intervened in the informal economy because of equity reasons. It has only been the Ghanaian government that has paid attention to the social protection of informal economy workers through the introduction of a social security scheme. Other governments have not yet looked into this matter.

Lastly, it should be noted that whereas the PRSP process has called for an active involvement of civil society into the formulation of macro economic policies, none of the informal economy associations mentioned in Chapter Four and Five have been able to participate in a meaningful way in drawing up the papers in their respective countries. While we have seen in Chapter Two

that the informal economy contributes in major ways towards countries' GNP, the voice of informal economy workers has remained largely unheard in the consultation process leading up

to the finalisation of a PRSP. This seriously questions the presumed participatory nature of PRSP processes in these countries.

7. Local government policy towards the informal economy

Chapter Six looked at how central government addressed the needs of workers in the informal economy. Chapter Seven will discuss policies and regulations at the local government level in Ghana, Malawi, Mozambique and Zambia.

Local government policies towards the informal economy

All countries, which form part of this research project, are currently undergoing processes of decentralisation where responsibilities are increasingly transferred from central to local government. In Malawi, the first local government elections took place in November 2000 and in Mozambique in June 1998.

In the four countries concerned, local government has been responsible for both regulation of street vending and maintenance and management of municipal markets. Through by-laws, local authorities make attempts to contain street trading and ban vending from certain areas while tolerating it from others. Within the markets, representatives from local government collect fees and levies from market vendors which is considered as an important source of revenue. Health inspectors carry out inspections to investigate hygiene practices in food preparation and overall health standards. However, all important policy decisions are taken at the central government level. Local authorities are merely implementing central policies, and are unable to contradict these.

Local government policies in Ghana

In January 2005, the Accra Metropolitan Assembly (AMA) initiated a programme to decongest the streets of Accra of unauthorised traders who crowd the Makola Market area and cause vehicular congestion. One of the proposals was to allocate certain streets to them to sell their wares on specific days where vehicles would not be allowed to use such streets. The AMA has spent about one billion Ghana cedis to improve some markets to make the operations of the traders easier. In return, the AMA imposes levies on market vendors and requires them to obtain operating permits at a fee. The AMA also puts up decent markets for the vendors to sell their wares and provides them with bathroom and toilet facilities in the markets. In some markets the Assembly provides day care centres and security personnel to protect the traders and vendors. The steps to improve the current situation include the rehabilitation of the markets and provide other services that will help in the functioning of the markets. There are also efforts to keep the markets clean for their operation.

The Shama Ahanta Metropolitan East Assembly (SAEMA), which includes Takoradi, assists the informal economy with loans from the Poverty Alleviation Fund to improve and expand their businesses and provides scholarships for the training of artisans. The SAEMA provides new markets and rehabilitates existing ones with the

Table 6: Local government structures and administrative regions

Ghana	Malawi	Mozambique ¹	Zambia
10 regions	3 regions	11 provinces	9 provinces
4 metropolitan assemblies	3 city assemblies	23 municipalities (cities)	4 city councils
10 municipal assemblies	8 towns assemblies 1 municipal assembly	10 municipalities (towns)	14 municipal councils
124 district assemblies	27 district assemblies		54 rural district councils

Source: Commonwealth Local Government Forum (CLGF), Country Profiles, http://www.clgf.org.uk/index_profiles.htm

aim of decongesting them and resettling the market traders in other markets. The SAEMA provides all the necessary facilities such as lorry parks and day nurseries and uses its development budget, the District Assemblies Common Fund (DACF), for these projects. Where members of the informal economy organise themselves the Assembly assists them with loans.

The Accra Metropolitan Assembly (AMA) consults informal economy organisations in its policy making prior to its annual fee-fixing resolutions, which determine the fees and levies to be charged during the year. These consultations are statutory and they are done through meetings and the departments involved are the Budgeting and Rating Department, the Treasury Department and the Internal Audit Department, all of the AMA.

In summary, local government authorities in Ghana have made attempts to improve the situation in which street vendors and market traders work. In Accra, a license system has been introduced in order to regulate street trading. The Assembly has invested in the markets in order to provide infrastructure such as day care centres and nurseries, and in Takoradi it has sought to assist vendors with loans. Improvement of infrastructure has been significantly aided with grants provided by central government through the District Assemblies Common Fund. It is estimated that in Ghana central government transfers comprise 69 percent of total revenue of local government whereas taxes, user fees and charges only make up 31 percent.² In addition, informal economy organisations are being consulted on a statutory basis in Accra's annual fee-fixing resolutions.

Street vendors and local government in Malawi

In Malawi, relations between local government and street vendors have often been confrontational. In November 2002, there were many clashes between street vendors and officials of the Blantyre City Assembly. Scarcity of vending space appears to be one of the serious

problems encountered by the street and market vendors. Few places have been earmarked for informal trading, forcing many informal traders to operate outside the produce markets and more visibly in the streets. In almost all townships secondary or un-gazetted markets have emerged.

One strategy the city authorities in collaboration with the national government have experimented with is to construct flea markets. At the moment, the national government has a programme to construct six flea markets in the major urban areas: two flea markets each in Blantyre and Lilongwe and one flea market each in Mzuzu and Zomba. So far three markets have been completed: one each in Blantyre, Lilongwe and Zomba. However, street vendors often refuse to occupy the markets for several reasons, e.g. some of them being inadequate space to accommodate all the street vendors, high market rates/fees, limited space for storage, insecurity, poor design, fear of poor patronage and loss of business once in the market and fears about witchcraft.

Although local authorities in the two cities are mandated to provide infrastructure, they report that they often do not have the financial capacity to do so, yet when they see people trading in the street they feel obliged to relocate them with or without consultations. Local authorities are handicapped by financial deficiencies and incongruence between the mandates and their objective situations. Very often, local authorities are at loggerheads with informal economy operators, in particular the street vendors.

Consultations with the informal economy workers are not institutionalised in the by-laws. Of course this does not prevent the local government authorities in both cities from consulting the leaders or representatives of the informal economy workers but the consultation process is limited in the sense that the informal workers are not directly involved in the formulation or review of by-laws. The procedure is that the City Assemblies develop by-laws, which are then displayed for inspection by the

public for a period of 14 days, after which they are forwarded to the Minister of Local Government for approval (Local Government Act (1998) Section 104 sub section 2).

Therefore, consultations between the local government authorities and various informal economy organisations have been ad hoc. In the absence of proper policy guidelines, consultations with the street vendors, particularly in Blantyre, have with few exceptions been done in bad faith.

Local government and the informal economy in Mozambique

In Mozambique, the government, and local government in particular, has only recently begun to acknowledge the informal economy and its contribution. While in the past local government tended to carry out so-called 'mirror operations' in order to remove street vendors from the streets, they have come to realise the importance of consulting informal economy associations such as ASSOTSI as stakeholders before embarking upon another 'clean-up' operation. This also became apparent during efforts on the part of local government to increase market levies. ASSOTSI requested an explanation from local government for the increase in levies. However, the organisation felt they were not able to explain these changes properly, particularly because the conditions in the markets have not improved in recent years. Intervention by ASSOTSI has forced local government to respond, and will perhaps provide an incentive to them to consult informal economy workers in the future.

Managing the markets in Zambia

In Zambia, local government has been severely criticised by market vendor organisations such as ZANAMA for not making improvements to the infrastructure of the markets. While market vendors are charged levies, they feel this has not resulted into visible improvements in the markets. The government has acknowledged this and hired an Italian consultant in 1996 in order to investigate the causes of the main problems in the markets. The consultant found that Council budgets for the markets often only include



salaries of people employed in the markets but there is no provision for maintenance of physical infrastructure and garbage collection. Whereas we have seen in other countries such as Ghana that central government provides a major source of income to local government, this is not the case in Zambia. Only 3 percent of total income of local government is made up of national support. 59 percent of total income consists of local taxes and 18 percent comprises fees and charges.³

The consultant found that it is often assumed that markets manage themselves as they are raising income. There is also inadequate information on the income and expenditure in markets. The consultancy bureau concluded that there is an urgent need to restructure

management of the markets in Zambia in order “to ensure the commercial viability and self-sustainability of market while at the same time being cost-effective in the delivery of services to both the marketeers and the residents”.⁴

In order to address the problems in the markets, President Mwanawasa appointed a Market Task Force in April 2003 that comprised representatives from the Ministry of Local Government and Housing, City Councils and marketeers' organisations such as ZANAMA. Amongst the responsibilities of the task force were to review the Market Act and other legislation that affected the management of markets, to make recommendations on a better management system of the markets and to improve relations between different stakeholders, i.e. market vendor organisations and the Council.

ZANAMA and AZIEA have been actively campaigning for a revision of the current Market Act and accompanying byelaws, which date back from the colonial era. The organisations have also been critical of the 'Fast-Track Court' which was introduced by the Lusaka City Council in order to prosecute street vendors in breach of certain by-laws immediately through the imposition of fines or even a prison sentence.

In their final report that was presented to the Ministry of Local Government and Housing in July 2003, the Market Task Force concluded that the Market Advisory Committees (MACs) had been unsuccessful as the committees were headed by Councillors with political interests, the committees had failed to reinvest market levies into development of the markets and marketeers were insufficiently involved in management of the markets.⁵ MACs were established in 1994 and were composed of the Councillor of the area in which the market was located, the Market Master who is the overall administrator of the market and employed by the Council, a Council police officer, a Cashier and three democratically elected representatives from the marketeers. The responsibilities of the MACs were to collect market levies in the

market, provide security, enforce the Council by-laws, maintain appropriate levels of hygiene and cleanliness and allocate market stalls. The Committee was also expected to undertake or recommend improvements in the physical infrastructure of the markets to the Council such as improvement of sanitation, electrification and resurfacing of the markets.

In order to improve management of the markets, the government announced plans for a new system of market boards in September 2004.⁶ Whereas MACs did not have many responsibilities, the new market boards are fully responsible for the management of the markets although the Councils do retain ownership of the markets and direct overall policies towards the markets. Market boards will also have the power to appoint management and staff for the markets. The major change is therefore the transfer of decision-making powers from the Council to the market boards.

According to the presentation of the new model in September 2004 by the Ministry of Local Government and Housing, the main objectives of the new model are “to increase efficiency, attain viability and sustainability of the markets – thus do away with council subsidies – and to ensure a pleasant environment in which business will flourish which is as of now unattainable”. “The need to operate markets on commercial lines” is required according to the Ministry in order “to maintain and sustain high standards of the markets which is necessary to attract customers and ultimately ensure viability and sustainability”.⁸

Concerns have been raised by the Zambia National Marketeers Association (ZANAMA) that the new system of market boards will not empower marketeers. Although they will have a seat in the market boards, other stakeholders will be part of the market boards as well. ZANAMA has been advocating for total control of the marketeers in the markets as they do not have confidence in bureaucrats being involved in running the markets. In addition, concerns have been raised about increases in levies as a result of the reduction of Council subsidies. The new

market management has not been fully implemented and it therefore remains to be seen whether it will lead to improvement of the management of markets in Zambia. Perhaps it is worth noting that marketeers have been actively involved in the policy formulation as ZANAMA was part of the Market Task Force appointed by the President.

Apart from changes in market management in Zambia, the government also plans to improve the physical infrastructure of the markets. In order to finance the rehabilitation of 11 urban markets in Zambia, it secured a 16.5 million euro grant from the European Union. A pilot project targeted three markets in Lusaka: Chilenje, Libala and Nyumba Yanga, and was completed in 2002. In October 2005, the Urban Market Development Programme unit, which is housed at the Department of Infrastructure and Support Services within the Ministry of Local Government and Housing, was reviewing and evaluating various tenders and the second phase of the Urban Markets Development Programme which involved the construction of 11 modern markets in Zambia was expected to be completed in 2007/8.

Marketeers have raised concerns about the lack of consultation with them about these new developments. Although the EU stipulated that marketeers should be actively involved in the process, for example through the establishment of Market Development Committees in the 11 markets, marketeers often felt consultations were left till the last moment and they were not involved in the early stages of the project. Furthermore, based on other examples such as the construction of Kamwala Market in Lusaka, marketeers have been concerned that not all vendors currently present in the 11 markets, will be able to move into the newly constructed modern markets. In addition, they are worried that market levies will go up and only more well-to-do marketeers will be able to afford a place in the new markets.

Market vendors frequently cited the example of Lusaka City Market which is a 'modern market'

that was opened in 1997. The design of the market is based upon an Israeli public market, and it is run by a private management company subcontracted by the City Council. Street vendors who managed to get a stall within the City Market quickly vacated because of the high fees charged by the management company. By April 1999, the market had become a 'white elephant' and the occupancy rate was only 10 percent, i.e. 400 traders occupying the market whereas it had a capacity of 4,000 traders.⁹ In order to encourage vendors to occupy stands in Lusaka City Market, the Lusaka City Council launched a massive crackdown on street vendors in 1999. Subsequently, vendors did take up stalls inside Lusaka City Market and the market has now become overcrowded.

Conclusion

The example of the Durban Metropolitan Council in South Africa has often been cited as a more progressive example of how local authorities can involve informal economy workers in their policies.¹⁰ In 2001, the Council introduced an overall policy framework towards informal economy workers and incorporated street traders into city planning processes. It recognised the need for representative organisations in the informal economy and initiated a capacity building programme to assist organisations in becoming stronger. In addition, it began issuing street trading permits to traders in



Lusaka City Market

Durban. The example of Durban has subsequently been celebrated by the ILO and other organisations as 'international best practice' as it sought to actively involve informal economy workers in policy formulation processes. However, this came to change in May 2005 when fifty armed police officers were deployed in Durban to remove street traders without permits.¹¹ Whereas a 1998 survey estimated 19,000 street vendors to be operating in the whole Durban Metropolitan Area, only 872 permits were issued between 2001 and 2005. The crackdown on street vendors threatened the livelihoods of 18,000 street vendors and this therefore brought into question the so-called success story of Durban.

This chapter has provided a brief overview of the way in which local government interacts with informal economy workers in Ghana, Malawi, Mozambique and Zambia. It has become clear that there has often been a confrontational

relationship between local government and market vendors and street traders. Whereas the Durban example seemed promising at the start, it now seems the Council has reverted back to its previous practices. In many cases, the emphasis in local policy making has been on containing and regulating instead of enabling and promoting. The challenge for local governments is to involve workers more into formulation of new plans with regard to street trading and management and maintenance of markets. Current legislation is mainly through acts and byelaws that date back from the colonial era and require urgent revision. If informal economy workers are not involved in the process of revision of legislation and improvement of infrastructure, there could be high costs for local governments such as became evident in Blantyre, Malawi where a newly constructed flea market has remained empty because street vendors were not consulted sufficiently and were therefore unhappy with the design of the market.

Conclusion and recommendations

It has become clear in this report that structural adjustment policies in the late 1980s and early 1990s have significantly contributed towards a rapid growth of the informal economy in many African countries. Increasing foreign competition due to trade liberalisation forced local companies to cut down their costs and to either close their business or to retrench some of their labour force. Privatisation of state enterprises as well as reforms of the public sector resulted in more retrenchments. The removal of state subsidies on basic commodities and inputs reduced people's real wages and often forced those in formal employment to supplement their income with informal economic activities.

While the informal economy is estimated to contribute between 38 and 49 percent towards the GNP of the four countries included in this study, workers in the informal economy are only gradually acknowledged as stakeholders in policy formulation processes. Although the informal economy provides employment to between 70 and 90 percent of people in Africa, this has not meant that their views and needs have been represented or consulted. Women especially rely on the informal economy in order to survive or supplement their incomes.

Several organisations have been established in the past decades that sought to represent the views of street traders, market vendors and other informal economy workers. Most of these organisations had a predominantly local orientation in the sense that they were established in order to address immediate problems in their environments such as harassment by local authorities, high market levies, poor maintenance of markets and lack of vending space. Their role has mainly been to negotiate with local government with the aim of improving the working conditions of their members. They were often established to

provide a social welfare role, e.g. to support each other financially as members in the case of funerals and illnesses.

Recently, several new initiatives have been taken by trade union federations and international organisations such as StreetNet International to bring some of these organisations together under umbrella bodies like the StreetNet Ghana Alliance and the Alliance for Zambia Informal Economy Associations. By providing a platform to all workers in the informal economy, these organisations aim to bring their problems to a national level. Whereas other organisations have tended to interact mainly with local government, these organisations aim to defend their interests towards central government and could therefore potentially be more effective forces of change.

This is an encouraging development, especially after it has become clear in this research project that most national governments have not developed overall policy frameworks to address the needs of informal economy workers. An investigation of the macro-economic policy frameworks of the four countries in this study, as expressed in their Poverty Reduction Strategy Papers, has demonstrated that policies have not sufficiently focused on the informal economy. Where the informal economy was mentioned, policies have tended to focus on eliminating the bias towards large enterprises in favour of micro, small and medium enterprises (MSMEs). Governments are promising to improve their support to smaller enterprises through the provision of vocational and technical training and delivery of credit.

Although this should be encouraged, it remains doubtful to what extent these policies will really target the most disadvantaged self-employed people in the informal economy. An evaluation of similar type of strategies in South Africa has

shown that support still tends to be biased towards the small and medium enterprises instead of micro enterprises, individual street traders and market vendors. It is therefore crucial that informal economy workers have a voice at the national level and are recognised by governments in order for them to ensure that future policies will be beneficial to them.

Recommendations to stakeholders

This report recommends:

- trade union federations to include representatives from informal economy organisations in their official delegation to the International Labour Organisation (ILO) Annual Conference in Geneva;
- trade union federations to promote supportive relations between trade unions and informal economy organisations;
- trade union federations and central governments to include informal economy organisations into tripartite negotiation platforms;
- central and local governments to establish legal institutions that will compel government to a dialogue with informal economy organisations;
- central governments to engage informal economy organisations into policy formulation processes such as the Poverty Reduction Strategy Paper (PRSP) consultation;

- the International Labour Organisation - Bureau for Workers' Activities (ILO-ACTRAV) to invite representatives from informal economy organisations whenever organising activities on the informal economy;
- informal economy organisations to consider investing in research capacity building in order to enable organisations to analyse policy changes and to provide an analytical response to these changes.

Recommendations for further research

This report recommends that further research be focused on:

- analysis of the relation between gender and effective participation of members in informal economy organisations;
- assessment of the applicability of the Ghanaian social protection model in the informal economy to other countries;
- analysis of the impact of Southern African Development Community (SADC) and Common Market of Eastern and Southern Africa (COMESA) trade rules on the informal economy;
- analysis of the different status in terms of government recognition of trade unions versus informal economy organisations;
- analysis of effectiveness of informal economy organisation in influencing local and central government policies.

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4. Characteristics of informal economy organisations

- 1 For example, the ILO Bureau for Workers' Activities (ACTRAV) held an "International Symposium on Trade Unions and the Informal Sector" in Geneva from 18-22 October 1999. The meeting brought together trade union representatives from developing and industrialised countries to discuss ways to organise and represent the interests of workers in the informal economy more effectively. See for reports on this meeting: ILO (1999). *Trade unions and the informal sector: towards a comprehensive strategy*. Report prepared for the International Symposium on Trade Unions and the Informal Sector, Geneva, 18-22 October 1999. Other publications include: Birchall, J. (2001). *Organising workers in the informal sector. A strategy for trade union cooperative action. Coop Working Paper 01-1*. Geneva: ILO-Cooperative Branch. Two issues of the journal *Labour Education* were also devoted to the same topic: Trade unions in the informal sector: finding their bearing, *Labour Education* (1999); Unprotected labour: what role for unions in the informal economy?, *Labour Education* (2002).
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- 10 Thulare, P. (2004). *Trading democracy. Johannesburg informal traders and citizenship*. Johannesburg: Centre for Policy Studies.
- 11 Our questionnaire has been inspired by the questionnaire used in the following study: Lund, F. and C. Skinner (1999). *Promoting the interests of women in the informal economy: an analysis of street trader organisations in South Africa*. Durban: School of Development Studies, University of Natal.
- 12 During the time of fieldwork in Ghana (estimated as the exchange rate on 20 December 2004), the exchange rate for £1 was 17,310 Ghana cedis (GHC). Obtained from the Economist website: <http://www.economist.com/markets/currency/fullconverter.cfm> (last accessed: 16 March 2006). During the time of fieldwork in Malawi (estimated as the exchange rate on 4 January 2005), the exchange rate for £1 was 201 Malawi Kwacha (MKW). Obtained from the Economist website: <http://www.economist.com/markets/currency/fullconverter.cfm> (last accessed: 16 March 2006). During the time of fieldwork in Mozambique (estimated as the exchange rate on 20 December 2004), the exchange rate for £1 was 43,441 Mozambique Metical (MZM). Obtained from the Economist website: <http://www.economist.com/markets/currency/fullconverter.cfm> (last accessed: 16 March 2006). During the time of fieldwork in Zambia (estimated as the exchange rate on 15 October 2005), the exchange rate for £1 was 6,017 Zambia Kwacha (ZKW). Obtained from the Economist website: <http://www.economist.com/markets/currency/fullconverter.cfm> (last accessed: 16 March 2006).

5. Organisational and advocacy strategies of informal economy organisations

- 1 These associations are the following: Makola Market Vendors Union, Ghana Young Christian Workers, Street Food Vendors Association, Farmers and Traders Association of Ho, Craft and Art Makers Association, Small Scale Farmers, Vendors and Traders Association

(Sunyani), Kumasi Race Course Traders and Vendors Association, Takoradi/Sekondi Market Vendors Association, New Amanful Traders Association, Adjoah Traders Association, Apremo Market Traders Association, Ankyernyin/Yebikrom Traders Association, Apowa Traders Association, Takoradi Traders Association, Railways & Ports Traders Association, Ghacem Traders Association, Lagos Town Traders Association, Adiembra Traders Association, St. Mary's Traders Association. These are the following unions: Industrial and Commercial Workers Union (ICU), Ghana Private Road Transport Union (GPRTU), Timber and Woodworkers Union (TWU), General Agricultural Workers Union (GAWU), Local Government Workers Union (LGWU), Public Services Workers Union (PSWU), Construction and Building Materials Workers' Union (CBMWU) and the General Transport Petroleum and Chemical Workers' Union (GTPCWU).

- 3 Malawi has two union federations: Malawi Congress of Trade Unions (MCTU) which has 17 affiliates and the Congress of Malawi Trade Unions (COMATU) which has 3 affiliates. The latter broke away from the MCTU in 1999 to form its own federation.
- 4 *Weekend Nation*, 18-19 May, 2002, carried a story titled 'Unemployed to have union' in which MCTU pressed government to register MUFIS to represent vendors, job seekers, pensioners and widows. Ministry of Labour Acting Registrar of Trade Unions Benson Chirwa turned down the application but was quoted as saying 'We didn't necessarily reject the union but there were some things we wanted them to clarify in their application'.
- 5 Jimu, I. M. (2003). *Appropriation and mediation of urban spaces: Dynamics and politics of street trading in Malawi*. Unpublished MA Thesis. Gaborone: University of Botswana, p. 107.
- 6 Ibid.
- 7 Ibid, p. 46.
- 8 Ibid.
- 9 In the southern Mozambican area of Maputo, cross-border trade is known as mukhero, as madjolidjos in Zobwe (Tete); djambaboda (derived from 'border jumper' in English) in

Machipanda (Manica) and as nadyanji in (Mutarara/Nsanje, border with Malawi).

- 10 See report on 28 May 2005 by Mozambique's News Agency (AIM):
http://www.bernama.com/cgi-bin/snni2/list_item.cgi?peserta/mozambique/mo2805_3.txt (last accessed: 23 March 2006).
- 11 For a report of this seminar, please refer to:
http://www.wiego.org/papers/ilo/africa_rep.pdf (last accessed: 23 March 2006).
- 12 As of September 2005, AZIEA's members are: Zambia Fisheries and Marketeers Union, Visual Arts Council of Zambia, Zambia National Marketeers Association, Cross-Border Traders Association, Tinsmith Association of Zambia (based in Lusaka), Chibolya Carpentry, Shoe and Fence Wire Making and Blacksmith Association (based in Kitwe), Mansa Carpenters Association (based in Mansa), Tuntemba Association of Zambia (based in Kalulushi), Twapya Women Poultry Farmers Association (Ndola).

6. Central government policy towards the informal economy

- 1 Chen, M.A., R. Jhabvala and F. Lund (2002). *Supporting workers in the informal economy: A policy framework*. Working Paper on the Informal Economy, Employment Sector 2002/2. Geneva: ILO, p. 14.
- 2 Ibid.
- 3 For more information on the IMF 'Poverty Reduction and Growth Facility', refer to IMF website,
<http://www.imf.org/external/np/exr/facts/prgf.htm> (last accessed: 17 November 2005). For a critical view on the World Bank and IMF, see the Bretton Woods Project,
<http://www.brettonwoodsproject.org/index.shtml> (last accessed: 17 November 2005).
- 4 The dates of submission were the following: Mozambique (30 April 2001), Zambia (31 March 2002), Malawi (23 April 2002) and Ghana (19 February 2003). See World Bank website:
<http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTPOVERTY/EXTPRS/0,,contentMDK:20200608~menuPK:421515~pagePK:14>

- 8956~piPK:216618~theSitePK:384201,00.html (last accessed: 17 November 2005).
- 5 Trade unions and Poverty Reduction Strategies, *Labour Education*, 2004(1/2) 134-135, <http://www.ilo.org/public/english/dialogue/actrav/publ/134/134.pdf> (last accessed: 24 November 2005).
 - 6 ILO (2005). *Decent work and Poverty Reduction Strategies. A reference manual for ILO staff and its constituents*. Geneva: ILO, <http://www.ilo.org/public/english/bureau/integration/department/national/prsp/download/prsrefmanual.pdf> (last accessed: 24 November 2005).
 - 7 See the website of: "IMF/World Bank: 50 years is enough", <http://www.50years.org/cms/ejn/story/159> (last accessed: 22 November 2005).
 - 8 This policy strategy falls within Ghana's overall PRSP paper. See: Government of Ghana (2003). *Ghana Poverty Reduction Strategy 2003-2005. An agenda for growth and prosperity. Volume 1: Analysis and policy statement*. Accra: Government of Ghana. Available from: http://povlibrary.worldbank.org/files/Ghana_PRSP.pdf (last accessed). For more info on the PRSP process in Ghana, see: Baah, A. (2004). In doubt but on board – Ghana's unions and the PRSP. In: 45-50. In: *Labour Education* 1/2, No. 134-135: 45-50 (special issue on "Trade unions and poverty reduction strategies").
 - 9 See website Government of Ghana: <http://www.ghana.gov.gh/governing/ministries/economy/private.php> (last accessed: 20 November 2005).
 - 10 The NBSSI was set up in 1972 by the government of Ghana in order to encourage small-scale enterprises in manufacturing, agriculture and agro-processing. Empretec (see: <http://www.empretec.net>) is a capacity building programme of the United Nations Conference on Trade and Development (UNCTAD) that seeks to support small and medium enterprises. Both institutions have been involved in the provision of microcredit in Ghana.
 - 11 Government of Malawi (2002). *Final draft. Malawi Poverty Reduction Strategy Paper: Lilongwe: Government of Malawi*. Available from: http://povlibrary.worldbank.org/files/Malawi_PRSP.pdf (last accessed: 20 March 2006). For more info on the PRSP process in Malawi, see Jenkins, R. and M. Tsoka (2003). Malawi. In: *Development Policy Review* 21(2): 197-215.
 - 12 Government of Malawi (1995). *Policy Framework for Poverty Alleviation Programme*. Lilongwe: PAP Coordinating Unit Ministry of Economic Planning and Development.
 - 13 Ibid, p. 37.
 - 14 Government of Malawi (2002). *Final draft. Malawi Poverty Reduction Strategy Paper: Lilongwe: Government of Malawi*, p. xi. Available from: http://povlibrary.worldbank.org/files/Malawi_PRSP.pdf (last accessed: 20 March 2006).
 - 15 Ibid.
 - 16 IRIN News, 22 April 2005, *MALAWI: Loan scheme to assist rural poor*, <http://www.irinnews.org/report.asp?ReportID=46774> (last accessed: 20 November 2005).
 - 17 Government of Mozambique (2001). *Action Plan for the Reduction of Absolute Poverty (2001-5) (PARPA) (Strategy Document for the Reduction of Poverty and the Promotion of Economic Growth)*. Maputo: Ministry of Planning and Finance. Available from: http://povlibrary.worldbank.org/files/Mozambique_PRSP.pdf (last accessed: 20 March 2006). For more info on the PRSP process in Mozambique, see Falck, H., K. Landfald and P. Rebelo (2003). Mozambique. In: *Development Policy Review* 21(2): 235-52.
 - 18 Government of Zambia (2002). *Zambia Poverty Reduction Strategy Paper 2002-2004*. Lusaka: Ministry of Finance and National Planning. Available from: http://povlibrary.worldbank.org/files/11240_Zambia_PRSP.pdf (last accessed: 20 March 2006).
 - 19 Rogerson, Christian M. (2004). The impact of the South African government's SMME programmes: a ten-year review (1994-2003). In: *Development Southern Africa*, 21(5): 765-84.

7. Local government policy towards the informal economy

- 1 Only a portion of Mozambique presently has local government. There are 33 municipalities covering Mozambique's 23 cities (cidades) and ten of the 116 towns (vilas) in the districts. From: *The local government system in Mozambique, Country Profile Mozambique*, p. 157, <http://www.clgf.org.uk/2005updates/Mozambique.pdf> (last accessed: 24 November 2005).
- 2 See: *The local government system in Ghana, Country Profile Ghana*, p. 92, <http://www.clgf.org.uk/2005updates/Ghana.pdf> (last accessed: 24 November 2005).
- 3 See: *The local government system in Zambia, Country Profile Zambia*, p. 279, <http://www.clgf.org.uk/2005updates/Zambia.pdf> (last accessed: 24 November 2005).
- 4 Government of Zambia (2004). *The new market management model*. Lusaka: Urban Markets Development Programme, Ministry of Local Government and Housing, p. 7.
- 5 Government of Zambia (2003). *Report of the Markets Task Force to be presented to the Honourable Minister of Local Government and Housing*. Lusaka: Market Task Force, Ministry of Local Government and Housing.
- 6 Government of Zambia (2004). *The new market management model*. Lusaka: Urban Markets Development Programme, Ministry of Local Government and Housing.
- 7 Ibid, p. 7.
- 8 Ibid, p. 15.
- 9 Hansen, K. Tranberg (2004) Who rules the streets? The politics of vending space in Lusaka. In: K. Tranberg Hansen and M. Vaa (eds.), *Reconsidering informality: perspectives from urban Africa* (pp. 62-80). Uppsala: Nordic Africa Institute, p. 66.
- 10 See for example the work done at the School of Development Studies, University of Natal on local government policy in Durban, South Africa. Skinner, C. (1999). *Local government in transition. A gendered analysis of trends in urban policy and practice regarding street trading in five South African cities*. Durban: School of Development Studies, University of Natal. Skinner, C. and I. Valodia (2003). Local government support for women in the informal economy in Durban, South Africa. In: *International Journal of Politics, Culture and Society* 16(3): 431-44.
- 11 See: Horn, P. (2006). *From best practice to Pariah: the case of Durban, South Africa*, available from: <http://www.streetnet.org.za/english/Durban06.htm> (last accessed: 22 March 2006).

Appendix I: Basic characteristics of organisations

Table I.1: Ghana

	Name of organisation	Date of establishment	Location of organisation	Areas of operation	Main activities
1	Local Market Banana Sellers Association	2000	East Legon, Accra	East Legon, Accra	• Organising contributions to help members.
2	Ghana Association of Barbering and Salon Owners	1995	Accra Main	Nima, Adabraka, Abeka Lapaz, Teshie/Nungua, Nowlow and Adenta Madina	• Organising workshops and seminars.
3	Ghana Electrical Dealers Association	1980s, reorganised in 1993/94	Opera Square, Accra Central	Mainly Accra and Kumasi	• Protecting the interests and welfare of members.
4	Ghana Electrical Services Technical Association (Radio and TV Repairers Association)	1972	Accra Technical Training Centre, Accra	New Town	• Sharing ideas on how to solve complex problems.
5	Ghana Hairdressers and Beauticians Association	1972	Kokomlemlé, Accra	21 districts in Accra	• Organising workshops to promote work and enhance the image of Association; • Providing education on the latest products.
6	Ghana Tailors and Dressmakers Association	1997	Electricity – Adjacent Guest Inn Teshie	Greater Accra Branch, Accra	• Supporting each other, especially on how to pay Accra Metropolitan Assembly taxes.
7	Tetteh Quarshie Roundabout Woodworkers Association (carvers, carpenters and ceramics sellers)	2003	Tetteh Quarshie Roundabout	Tetteh Quarshie Roundabout	• Making decisions regarding the welfare of members.
8	Odorkor Water Tankers' Owners Association	2000	Odorkor	Water supply to Kasoa, cantonments and all areas in Accra	• Organising the end of year get-together; • Providing support in case of illness and hospital bills.
9	Odorkor Water Tankers' Drivers Welfare Association	2004	Odorkor branch	All areas in Accra	• Looking out for the welfare and interests of members in cases of bereavement.
10	Kantamanto Used Clothing Sellers Association	1984	Kantamanto	Retailers around Accra	• Fostering peace, unity, happiness and mutual assistance.
11	Nsokodua Cooperative Society	1990	Timber Market	Accra, Togo, Nsawam, Koforidua	• Working to ensure that everybody has access to facilities.
12	Abossey Okai Spare Parts Dealers Association	1979	Kaneshie and Abossey Okai	Kaneshie and Abossey Okai	• Looking out for the interest and welfare of members.
13	Yam Sellers Association	1964	Kaneshie Market	Kaneshie Market	• Assisting members in cases of bereavement.

	Name of organisation	Date of establishment	Location of organisation	Areas of operation	Main activities
14	Cassava Sellers Association	1979	Kaneshie Market	Kaneshie Market	<ul style="list-style-type: none"> • Providing a system of checks and balances; • Aiding each other in cases of bereavement.
15	Spices Sellers Association	1972	Kaneshie Market	Kaneshie Market	<ul style="list-style-type: none"> • Helping with funerals, marriages and end of year parties.
16	Plantain Sellers Association	1964	Kaneshie Market	Kaneshie Market	<ul style="list-style-type: none"> • Providing support during births and deaths.
17	Onion Sellers Association	1999	Kaneshie Market	Kaneshie Market	<ul style="list-style-type: none"> • Providing support during bereavements.
18	Tomato Sellers Association	1983	Kaneshie Market	Kaneshie Market	<ul style="list-style-type: none"> • Organising <i>susu</i>¹ collections to help themselves as a credit scheme.
19	Charcoal Sellers Association	1974	Kaneshie Market	Kaneshie Market	<ul style="list-style-type: none"> • Supporting each other in <i>susu</i> collections.
20	Kaneshie Butchers Cooperative Association	1994	Kaneshie Market	Kaneshie Market	<ul style="list-style-type: none"> • Providing support during bereavement.
21	New Amanful Traders Association	2003	New Amanful Fishing Community	New Amanful Fishing Community	<ul style="list-style-type: none"> • Supporting each other through social protection.
22	Adjoah Traders Association	2003	Adjoah Fishing Community	Adjoah Fishing Community	<ul style="list-style-type: none"> • Defending members' interests and welfare.
23	Apremdo Market Traders Association	2003	Apremdo	Apremdo	<ul style="list-style-type: none"> • Looking out for the welfare and interests of members and help each other.
24	Ankyernyin/Yebikrom Traders Association	2003	Ankyernyin/Yebikrom Community	Ankyernyin/Yebikrom Community	<ul style="list-style-type: none"> • Helping each other when the need arises.
25	Apowa Traders Association	2003	Apowa Community, Takoradi	Apowa Community	<ul style="list-style-type: none"> • Helping to protect each other's interests.
26	Takoradi Traders Association	2003	Takoradi Community	Takoradi Community	<ul style="list-style-type: none"> • Coming together to work for members' interest.
27	Railways and Ports Traders Association	2003	Railways, ports and harbours community	Railways, ports and harbours community	<ul style="list-style-type: none"> • Helping others.
28	Ghacem Traders Association	2003	Ghacem Community, Takoradi	Ghacem Community, neighbourhood	<ul style="list-style-type: none"> • Supporting each other.
29	Lagos Town Traders Association	2003	Lagos Town, Takoradi	Lagos Town, neighbourhood	<ul style="list-style-type: none"> • Supporting each other.
30	Adiembra Traders Association	2003	Adiembra Community, Takoradi	Adiembra, neighbourhood	<ul style="list-style-type: none"> • Helping each other meet their needs.
31	St. Mary's Traders Association	2003	St. Mary's Community	St. Mary's neighbourhood	<ul style="list-style-type: none"> • Looking out for members' welfare and supporting each other
32	StreetNet Ghana Alliance, Accra	2003	Accra, Takoradi and Kumasi	Accra, Takoradi and Kumasi (all cities)	<ul style="list-style-type: none"> • Protecting the rights of street vendors; • Developing the capacity of members in managing work.
33	StreetNet Ghana Alliance, Takoradi	2003	Shama Ahanta East Metropolis, Takoradi	Takoradi (city)	<ul style="list-style-type: none"> • Capacity building and creating awareness among traders.

Note 1 Susu refers to informal savings groups.

Table 1.2: Malawi

	Name of organisation	Date of establishment	Location of organisation	Areas of operation	Main activities
1	Malawi Union of Informal Sector (MUFIS), Blantyre Branch	Formed in 2001. Registered with government in June 2004.	Blantyre Central Business District (CBD) business skills;	Blantyre City	<ul style="list-style-type: none"> • Organising and recruitment; • Sensitisation; • Training in leadership and • Protection of members from harassment by authorities.
2	Wenela Vendors		Blantyre City	Blantyre, Wenela Bus depot	<ul style="list-style-type: none"> • Overseeing the welfare of the vendors that includes resolving conflicts; • Representing vendors' interests at meetings with city authorities.
3	MUFIS, Namilango Branch	2004	Blantyre City, South Lunzu	Township named Machinjiri	<ul style="list-style-type: none"> • Recruitment; • Training
4	MUFIS, Lunzu Branch	2004	Blantyre Rural	Blantyre Rural at Lunzu Trading	<ul style="list-style-type: none"> • Organising recruitment campaigns; • Training members in business venturing.
5	Vegetable Vendors Committee		Blantyre City at Limbe Central market	Limbe Produce Central Market	<ul style="list-style-type: none"> • Overseeing the welfare of vegetable vendors; • Settling disputes among the vendors; • Organising condolence of bereaved members; • Liasing with police on theft cases in the market.
6	Newspaper and Magazine Vendors		Blantyre City, Limbe Central Market	Limbe Produce Central Market	<ul style="list-style-type: none"> • Settling disputes; • Organising condolence of bereaved members.
7	Fish Vendors	Since the market was established.	Blantyre City, Limbe Central Market	Limbe produce Central Market (dried fish section)	<ul style="list-style-type: none"> • Settling disputes; • Condolence; • Mobilising members for political party functions.
8	Blantyre Market Vendors	Since the market was established.	Blantyre City, Blantyre Market	Blantyre CBD, Blantyre Market	<ul style="list-style-type: none"> • Settling disputes among the vendors; • Providing social welfare and support of the sick or bereaved.
9	Limbe Street Vendors Association	1994-5	Blantyre City	Limbe CBD	<ul style="list-style-type: none"> • Allocating vending space; • Settling disputes among the vendors; • Representing the street vendors at meetings organized by City Assembly; • Liasing with the City Assembly to ensure proper waste disposal; • Working with police to curb theft cases.
10	Blantyre Street Vendors Association	1994-5	Blantyre City	Blantyre CBD	<ul style="list-style-type: none"> • Allocating vending space; • Settle disputes among the vendors; • Representing street vendors at meetings organized by City Assembly; • Liasing with the City Assembly to ensure proper waste disposal; • Working with police to curb theft cases.

	Name of organisation	Date of establishment	Location of organisation	Areas of operation	Main activities
11	Kaunjika (second-hand clothes) Vendors		Mzuzu City Centre	Mzuzu City Centre Market, Kaunjika Section	<ul style="list-style-type: none"> • Resolving conflicts among the vendors; • Mobilising money from members for supporting sick and bereaved members; • Negotiating with the market master and City Assembly; • Liasing with the chairman for the whole Mzuzu main market.
12	Hardware Market Vendors	2001	Mzuzu City	Mzuzu City Centre, Hardware market	<ul style="list-style-type: none"> • Providing social support during times of bereavement; • Maintaining a bank account; • Negotiating with City Assembly on various issues including security and cleanliness; • Settling disputes among the vendors.
13	Jombo Vegetable Vendors	2004	Mzuzu City	Mzuzu City, Old Town, new market site	<ul style="list-style-type: none"> • Liasing with City Assembly on various problems at the new market; • Allocating space to vendors; • Settling disputes among the vendors.
14	Chibavi Community Market Vendors	Since the market was established.	Mzuzu City Chibavi market		<ul style="list-style-type: none"> • Settling disputes in the market; • Overseeing the security of goods in the market; • Mobilising members for social support when one is sick and bereaved; • Representing the vendors' needs to City Assembly.
15	Katawa Market Vendors	Since the market was established.	Mzuzu City, Katawa Market	Katawa Neighbourhood (township)	<ul style="list-style-type: none"> • Representing vendors at City Assembly meetings; • Settling disputes; • Providing social support during sickness and in case of bereavement.
16	Freedom Square (Mataifa) Market	1998	Mzuzu City, Old Town	Mzuzu City, Mataifa market	<ul style="list-style-type: none"> • Representing members at meetings with City Assembly and Malawi Revenue Authority (MRA); • Collaborating with City Assembly in allocating space to new vendors; • Assisting other organisations in mobilizing funds for charity in the market; • Assisting bereaved members with burial arrangements.

Table 1.3: Mozambique

	Name of organisation	Date of establishment	Location of organisation	Areas of operation	Main activities
1	Association of Informal Sector Operators and Workers (ASSOTSI)	Established between 1998-1999	Maputo City	Maputo City, Matola, Marracuene, Xai-xai, Inhambane and Beira.	<ul style="list-style-type: none"> • Defending informal sector workers' rights; • Organising the informal sector.
2	Association of Barbers of Maputo City's Suburbs		Maputo, Chamanculo	Maputo City and suburbs.	<ul style="list-style-type: none"> • Regulating prices; • Organising the sector's workers.
3	Mukhero - Association of Informal Sector Traders and Importers	1999	Maputo City	Borders with nearby countries.	<ul style="list-style-type: none"> • Protecting informal importers; • Organising and improving the activities of informal sector's importers; • Working to eradicate the violation of the borders and tax evasion.
4	Association of Micro-Importers of Mozambique	1999	Maputo City	Borders with nearby countries and markets.	<ul style="list-style-type: none"> • Protecting informal importers; • Organising and improving the activities of informal sector's importers; • Working to eradicate the violation of the borders and tax evasion.

Table 1.4: Zambia

	Name of organisation	Date of establishment	Location of organisation	Areas of operation	Main activities
1	Association of Audio, Video and CD Dealers in Zambia	2001	Lusaka Province, Central Province, Northwestern Province, Copperbelt Province, Luapula Province and Northern Province	Lusaka City Market Market in Kitwe	<ul style="list-style-type: none"> • Training members to be professional in their businesses; • Educating members to deal in genuine products, e.g. audio tapes, video tapes, CDs, DVDs and electronics; • Training members on how to protect intellectual property rights, e.g. music, arts and crafts.
2	Chibolya Carpentry Shoe Making, Blacksmith and Wirefence Making Association	1999	Wusakile Old Market	Wusakile (previously Zambia Consolidated Copper Mines township)	<ul style="list-style-type: none"> • Carpentry; • Saw milling; • Welding; • Wire fence making.
3	Zambia Fisheries and Marketeers Union	Established 1963, registered 1965	Based throughout Zambia, offices are located in Kitwe	Mainly in Luapula Province and Northern Province	<ul style="list-style-type: none"> • Promoting and protecting the interests of members • Recruiting and organising membership • Organising markets for the fishermen; • Negotiating and resolving their grievances with relevant authorities.
4	Zambia Association of Employment and Development for the Disabled (ZAEDD)	1994	Mansa town centre, Samfya, Mwense town centre	Mansa town centre, Samfya town centre, Mwense town centre	<ul style="list-style-type: none"> • Helping disabled people; • Teaching them how to work and also how to become productive citizens in the future.

	Name of organisation	Date of establishment	Location of organisation	Areas of operation	Main activities
5	Zambia National Marketeers Association (ZANAMA), Mansa Branch	1999	Mansa, Mwense, Samfya and Kawambwa	New market, Chilyapa, Senama, Maiteneke, Muchinka, Mwamfuli, Chinsanka, Lubwe, Mwense, Chembe, Kasasa	<ul style="list-style-type: none"> • Advocating /lobbying for the promotion and protection of the marketeers' interests; • Resolving and providing arbitration services when dealing with disputes among members; • Organising and managing funeral and health sub committees; • Providing credit facilities to members.
6	Visual Arts Association Mansa	1995	Lusaka Showground	Mansa, Lubunda, Lusaka showground	<ul style="list-style-type: none"> • Working with visual arts.
7	Mansa Carpenters and Joiners Association	2002	Mansa central	Mansa	<ul style="list-style-type: none"> • Promoting good working cooperation among the carpenters.
8	Traditional Healers and Practitioners Association of Zambia (THPAZ)	1972	Lusaka, Mansa, Chipata	Mansa main market, Lusaka at hospital	<ul style="list-style-type: none"> • Helping people in need; • Bringing people together as a community.
9	Mansa Street Vendors Association	1998	Mansa	Mansa	<ul style="list-style-type: none"> • Providing a collective voice for the poor, especially street vendors.

Appendix 2: Relations with central and local government and other organisations

Table 2.1: Ghana

	Name of organisation	Relationship with central government	Relationship with local government	Interference with operations	Relationship with other organisations
1	Local Market Banana Sellers Association	No relations	Cordial	No	Trade union
2	Ghana Association of Barbering and Salon Owners	Cordial	Confrontational	No	Trade union, local and international NGOs.
3	Ghana Electrical Dealers Association	Engagement/negotiation	Cordial	No	Trade union
4	Ghana Electrical Services Technical Association (Radio and TV Repairers Association)	Engagement/negotiation	Cordial	No	Trade union
5	Ghana Hairdressers and Beauticians Association	Engagement/negotiation	Engagement and negotiation	No	Trade union
6	Ghana Tailors and Dressmakers Association	Engagement/negotiation	Cordial	No	Trade union
7	Tetteh Quarshie Roundabout Woodworkers Association (carvers, carpenters and ceramics sellers)	No relations	Cordial	No	Trade union
8	Odorkor Water Tankers' Owners Association	Cordial	Cordial	No	None
9	Odorkor Water Tankers Drivers Welfare Association	No relations	No relations	No	None
10	Kantamanto Used Clothing Sellers Association	Cordial	Cordial	No	None
11	Nsokodua Cooperative Society	No relations	Cordial	No	None
12	Abossey Okai Spare Parts Dealers Association	No relations	Cordial	No	Trade union
13	Yam Sellers Association	No relations	Cordial	No	None
14	Cassava Sellers Association	No relations	Cordial	No	None
15	Spices Sellers Association	No relations	Engagement/negotiation	No	None
16	Plantain Sellers Association	No relations	Engagement/negotiation	No	None
17	Onion Sellers Association	No relations	Cordial	No	None
18	Tomato Sellers Association	No relations	Engagement/negotiation	No	None
19	Charcoal Sellers Association	No relations	Engagement/negotiation	No	None
20	Kaneshie Butchers Cooperative Association	No relations	Engagement/negotiation	No	None
21	New Amanful Traders Association	No relations	Cordial	No	Trade union
22	Adjoah Traders Association	No relations	Cordial	No	Trade union
23	Apremdo Market Traders Association	No relations	Cordial	No	Trade union
24	Ankyernyin/Yebikrom Traders Association	No relations	Cordial	No	Trade union
25	Apowa Traders Association	No relations	Cordial	No	Trade union
26	Takoradi Traders Association	No relations	Cordial	No	Trade union
27	Railways and Ports Traders Association	No relations	Cordial	No	Trade union

	Name of organisation	Relationship with central government	Relationship with local government	Interference with operations	Relationship with other organisations
28	Ghacem Traders Association	No relations	Cordial	No	Trade union
29	Lagos Town Traders Association	No relations	Cordial	No	Trade union
30	Adiembra Traders Association	No relations	Cordial	No	Trade union
31	St. Mary's Traders Association	No relations	Cordial	No	Trade union
32	StreetNet Ghana Alliance, Accra Branch	Engagement/ negotiation with government agencies	Engagement and negotiation	No	StreetNet International, Workers Education Association of Zambia and trade union.
33	StreetNet Ghana Alliance, Takoradi Branch	Engagement/ negotiation	Cordial	No	Trade union and StreetNet International.

Table 2.2: Malawi

	Name of organisation	Relationship with local government	Interference with operations	Relationship with other organisations
1	Malawi Union of Informal Sector (MUFIS),	Cordial Blantyre Branch	No	Trade union
2	Wenela Vendors	No relations	Yes	Trade union and MUFIS
3	MUFIS, Namilongo Branch	Cordial	Yes	Trade union
4	MUFIS, Lunzu Branch	Cordial	Yes	Trade union
5	Vegetable Vendors Committee	Cordial	No	None
6	Newspaper and Magazine Vendors	Cordial	No	None
7	Fish vendors	Cordial	No	None
8	Blantyre Market Vendors	Cordial	No	None
9	Limbe Street Vendors association	Engagement/negotiation/ sometimes confrontational	Yes	None
10	Blantyre Street Vendors Association	Engagement/negotiation/ sometimes confrontational	Yes	None
11	Kaunjika (second-hand clothes) vendors	Engagement/negotiation	No	
12	Hardware Market Vendors	Engagement/negotiation	No	
13	Jombo Vegetable vendors	Confrontational	Yes	None
14	Chibavi Community Market Vendors	Engagement/negotiation	No	None
15	Katawa Market Vendors	Engagement/negotiation	No	None
16	Freedom Square (Mataifa) Market	Engagement/negotiation	Yes	

Table 2.3: Mozambique

	Name of organisation	Relationship with central government	Relationship with local government	Interference with operations	Relationship with other organisations
1	Association of Informal Sector Operators and Workers (ASSOTSI)	Cordial	Engagement/ negotiation	No	Trade union
2	Association of Barbers of Maputo City's Suburbs		Engagement/ negotiation		
3	Mukhero - Association of Informal Sector Traders and Importers	Cordial	Engagement/ negotiation		
4	Association of Micro-Importers of Mozambique	Cordial	Engagement/ negotiation		

Table 2.4: Zambia

	Name of organisation	Relationship with central government	Relationship with local government	Interference with operations	Relationship with other organisations
1	Association of Audio, Video and CD Dealers in Zambia	Confrontational	Cordial	Yes	
2	Chibolya Carpentry Shoe Making, Blacksmith and Wirefence Making Association	Confrontational	No relations	No	
3	Zambia Fisheries and Marketeers Union	Engagement/ negotiation	Engagement/ negotiation	No	Trade union
4	Zambia Association of Employment and Development for the Disabled (ZAEDD)	No relations	No relations	No	NGOs
5	Zambia National Marketeers Association (ZANAMA)	Engagement/ negotiation Cordial Confrontational	Engagement/ negotiation Cordial Confrontational	Yes	Trade union, local and international NGOs.
6	Visual Arts Association Mansa	Engagement/ negotiation	No relations	No	NGOs
7	Mansa Carpenters and Joiners Association	Engagement/ negotiation	Engagement/ negotiation	No	NGOs
8	Traditional Healers and Practitioners Association of Zambia (THPAZ)	Engagement/ negotiation	Engagement/ negotiation	No	NGOs, trade unions, social movements.
9	Mansa Street Vendors Association	No relations	No relations	Yes	

Appendix 3: Membership details of organisations

Table 3.1: Ghana

	Name of organisation	Method of becoming a member	Membership fees ¹	Size of membership
1	Local Market Banana Sellers Association	No specific procedure.	GHC 2,000 per month to Ghana Trade Union Congress.	8
2	Ghana Association of Barbering and Salon Owners	Sign form and pay membership fee.	Registration fee GHC 200,000. Monthly dues GHC 5,000.	200
3	Ghana Electrical Dealers Association membership fee.	Sign form and pay	Registration fee GHC 100,000. Monthly dues GHC 50,000.	200
4	Ghana Electrical Services Technical Association (Radio and TV Repairers Association)	Buy membership card.	Annual dues GHC 50,000.	
5	Ghana Hairdressers and Beauticians Association	Buy membership card.	Registration fees GHC 50,000 - 100,000. Monthly dues GHC 5,000.	1,500
6	Ghana Tailors and Dressmakers Association	Sign form and pay membership fees.	Registration fee GHC 60,000. Monthly dues GHC 10,000.	120 – 150
7	Tetteh Quarshie Roundabout Woodworkers Association (carvers, carpenters and ceramics sellers)	Buy membership card.	Registration GHC 70,000. Monthly dues GHC 5,000.	25 – 50
8	Odorkor Water Tankers' Owners Association	Sign form and pay membership fee.	Initial fee GHC 200,000 – 300,000. Monthly dues GHC 10,000.	30
9	Odorkor Water Tankers Drivers Welfare Association	Sign form and pay membership fee.	Registration fee GHC 20,000. Monthly dues GHC 10,000.	50
10	Kantamanto Used Clothing Sellers Association	Buy membership card.	Annual dues GHC 50,000.	1,640
11	Nsokodua Cooperative Society	No specific procedure.	Annual dues GHC 50,000.	150
12	Abossey Okai Spare Parts Dealers Association	Sign form and pay membership fee.	Registration GHC 20,000. Monthly dues GHC 10,000.	5,000
13	Yam Sellers Association	Buy membership card.	Registration GHC 50,000 - 100,000. Monthly dues GHC 2,000.	120
14	Cassava Sellers Association	Buy membership card.	Registration GHC 50,000. Commission GHC 1,000 a day.	40
15	Spices Sellers Association	Buy membership card.	Registration GHC 50,000 - 100,000. Monthly dues GHC 2,000.	100
16	Plantain Sellers Association	Buy membership card.	Initial fee GHC 20,000. Monthly dues GHC 2,000.	100
17	Onion Sellers Association	Buy membership card.	Monthly dues GHC 2,000.	80
18	Tomato Sellers Association	No specific procedure.	Monthly dues GHC 1,000 but contributions when need arises.	195

Note 1 During the time of fieldwork in Ghana (estimated as the exchange rate on 20 December 2004), the exchange rate for £1 was 17,310 Ghana cedis (GHC). Obtained from the Economist website: <http://www.economist.com/markets/currency/fullconverter.cfm> (last accessed: 16 March 2006).

	Name of organisation	Method of becoming a member	Membership fees¹	Size of membership
19	Charcoal Sellers Association	No specific procedure.	Susu contribution amongst themselves.	25
20	Kaneshie Butchers Cooperative Association	No specific procedure.	No monthly dues but members contribute when needs arise.	50
21	New Amanful Traders Association	Buy membership card.	Affiliation fees based on numerical strength. Membership dues of GHC 100,000 but not paying.	36
22	Adjoah Traders Association	Buy membership card.	Affiliation fees based on numerical strength. Membership dues of GHC 100,000 but not paying.	30
23	Apremdo Market Traders Association	Buy membership card.	Affiliation fees based on numerical strength. Membership dues of GHC 100,000 but not paying.	345
24	Ankyernyin/Yebikrom Traders Association	Buy membership card.	Affiliation fees based on numerical strength. Membership dues of GHC 100,000 but not paying.	33
25	Apowa Traders Association	Buy membership card.	Affiliation fees based on numerical strength. Membership dues of GHC 100,000 but not paying.	120
26	Takoradi Traders Association	Buy membership card.	Affiliation fees based on numerical strength. Membership dues of GHC 100,000 but not paying.	67
27	Railways and Ports Traders Association	Buy membership card.	Affiliation fees based on numerical strength. Membership dues of GHC 100,000 but not paying.	81
28	Ghacem Traders Association	Buy membership card.	Affiliation fees based on numerical strength. Membership dues of GHC 100,000 but not paying.	31
29	Lagos Town Traders Association	Buy membership card.	Affiliation fees based on numerical strength. Membership dues of GHC 100,000 but not paying.	68
30	Adiembra Traders Association	Buy membership card.	Affiliation fees based on numerical strength. Membership dues of GHC 100,000 but not paying.	38
31	St. Mary's Traders Association	Buy membership card.	Affiliation fees based on numerical strength. Membership dues of GHC 100,000 but not paying.	51
32	StreetNet Ghana Alliance, Accra	Sign form and pay membership fee.	Affiliation fee GHC 300,000. Membership fee GHC 50,000.	11 organs with 400,000 individual members.
33	StreetNet Ghana Alliance, Takoradi	Sign form and pay membership fee.	Affiliation fee GHC 300,000.	11 groups with 900 individual members.

Table 3.2: Malawi

	Name of organisation	Method of becoming a member	Membership fees ²	Size of membership
1	Malawi Union of Informal Sector (MUFIS), Blantyre Branch	Sign a form.	No fee	2,500
2.	Wenela Vendors	No specific procedure.		1,000
3	MUFIS, Namilongo Branch	Sign form.	MKW 120	250
4	MUFIS, Lunzu Branch	Sign form.	MKW 120	105
5	Vegetable Vendors Committee	No specific procedure.		700
6	Newspaper and Magazine Vendors	No specific procedure.		30
7	Fish vendors	No specific procedure.		100
8	Blantyre Market Vendors	No specific procedure.		1,000
9	Limbe Street Vendors association	Register name with the chairman.	3,000	
10	Blantyre Street Vendors Association	Register name with the chairman.	2,500	
11	Kaunjika (second-hand clothes) vendors	No specific procedure.		400
12	Hardware Market Vendors	Automatic/pay a fee.	Membership fee: MKW 50 per month, security fee: MKW 100 per month.	600
13	Jombo Vegetable Vendors	No specific procedure.		200
14	Chibavi Community Market Vendors	No specific procedure.		
15	Katawa Market Vendors	No specific procedure.		
16	Freedom Square (Mataifa) Market	Register name with the chairperson.		700

Note 2 During the time of fieldwork in Malawi (estimated as the exchange rate on 4 January 2005), the exchange rate for £1 was 201 Malawi Kwacha (MKW). Obtained from the Economist website: <http://www.economist.com/markets/currency/fullconverter.cfm> (last accessed: 16 March 2006).

Table 3.3: Mozambique

	Name of organisation	Method of becoming a member	Membership fees ³	Size of membership
1	Association of Informal Sector Operators and Workers (ASSOTS)	Filling in the token.	5,000 MZM per month.	36,000
2	Mukhero - Association of Informal Sector Traders and Importers			476

Note 3 During the time of fieldwork in Mozambique (estimated as the exchange rate on 20 December 2004), the exchange rate for £1 was 43,441 Mozambique Metical (MZM). Obtained from the Economist website: <http://www.economist.com/markets/currency/fullconverter.cfm> (last accessed: 16 March 2006).

Table 3.4: Zambia

	Name of organisation	Method of becoming a member	Membership fees⁴	Size of membership
1	Association of Audio, Video and CD Dealers in Zambia	Sign form and pay membership fee.	Varies from ZKW 25,000 to ZKW 150,000 depending on your income from your business.	300
2	Chibolya Carpentry Shoe Making, Blacksmith and Wirefence Making Association	Sign form and pay membership fee.	You renew by paying ZKW 10,000 annually.	30
3	Zambia Fisheries and Marketeers Union	Sign form and pay membership fee.	ZKW 5,000.	450
4	Zambia Association of Employment and Development for the Disabled (ZAEDD)	Buy membership card.	ZKW 10,000 per year.	68
5	Zambia National Marketeers Association (ZANAMA)	Sign form and pay membership fee.	ZKW 12,000 per year with a ZKW 2,500 initial joining fee.	3,050
6	Visual Arts Association Mansa	Sign form and pay membership fees.	ZKW 20,000 per year.	36
7	Mansa Carpenters and Joiners Association	Sign form and pay membership fee.	ZKW 25,000 per year.	17
8	Traditional Healers and Practitioners Association of Zambia (THPAZ)	Buy membership card.	ZKW 5,000 per year.	300
9	Mansa Street Vendors Association	Sign form and pay membership fee.	ZKW 5,000 per year.	50

Note 4 During the time of fieldwork in Zambia (estimated as the exchange rate on 15 October 2005), the exchange rate for £1 was 6,017 Zambia Kwacha (ZKW). Obtained from the Economist website: <http://www.economist.com/markets/currency/fullconverter.cfm> (last accessed: 16 March 2006).

Appendix 4: Democratic practice, funding and staffing of organisations

Table 4.1: Ghana

	Name of organisation	Method of choosing leadership	Method of decision making	Gender composition of leadership	Sources of income for organisation	Number of paid staff
1	Local Market Banana Sellers Association	By appointment	Participatory	Total number: 3 Men: 0 Women: 3	Membership fees	None
2	Ghana Association of Barbering and Salon Owners		Elections	By voting	Membership fees	None
3	Ghana Electrical Dealers Association	Elections	General meeting but executive committee decides and then discusses with members.	Total number: 12 Men: 9 Women: 3	Membership fees	None
4	Ghana Electrical Services Technical Association (Radio and TV Repairers Association)	Elections	Executive decides and then submits it to membership for discussion.	Total number: 12 Men: 12 Women: 0	Membership fees	None
5	Ghana Hairdressers and Beauticians Association	Elections	Executive council in zones, then regional meetings.	Women only.	Membership fees	None
6	Ghana Tailors and Dressmakers Association:	Elections	Executive decides and relays to members.	Total number: 12 Men: 4 Women: 8	Membership fees	None
7	Tetteh Quarshie Roundabout Woodworkers Association (carvers, carpenters and ceramics sellers)	Elections	Executive decides and relays to members.	Total number: 10	Membership fees	None
8	Odorkor Water Tankers' Owner Association	Appointment	Executive members then relay to members.	Total number: 3	Membership fees	8
9	Odorkor water Tankers Drivers Welfare Association	Elections	Executive members then have a general meeting to relay and discussion.	Total number 8 Men: 8 Women: 0	Membership fee and daily toll	No
10	Kantamanto Used Clothing Sellers Association	Elections conducted by Electoral Committee.	Executive decision and passed to members at the general meeting.	Total number: 5 Men: 3 Women: 2	Members fees	8
11	Nsokodua Cooperative Society	Appointment	Executive decides and relays to members.	Total number: 3 Men: 2 Woman: 1	Charge for offloading	None
12	Abossey Okai Spare Parts Dealers Association	Election	Executive then group level for decision to be taken.		Membership fees	1
13	Yam Sellers Association	Appointment	Executive Committee decides and relays to members for agreement.	Total number: 5 Men: 0 Women: 5	Membership fees	None

	Name of organisation	Method of choosing leadership	Method of decision making	Gender composition of leadership	Sources of income for organisation	Number of paid staff
14	Cassava Sellers Association	Appointment	Participatory	Total number: 4 Men: 0 Women: 4	Membership fees	None
15	Spices Sellers Association	Appointment	Participatory	Total number: 1 Men: 0 Women: 1	Membership fees	None
16	Plantain Sellers Association	Appointment	Participatory	Total number: 5 Men: 0 Women: 5	Membership	None
17	Onion Sellers Association	Appointment	Participatory	Total number: 3 Men: 0 Women: 3	Membership fees	None
18	Tomato Sellers Association	Appointment	Participatory	Total number: 4 Men: 0 Women: 4	Membership fees and other contributions.	None
19	Charcoal Sellers Association	Appointment	Participation	Total number: 2 Men: 0 Women: 2	Membership fees	None
20	Kaneshie Butchers Cooperative Association	Appointment	Participatory but most decisions come from the national association.	Total number: 10 Men: 10 Women: 0	Membership fees	None
21	New Amanful Traders Association	Elections	Participatory	Total number: 9 Men: 3 Women: 6	Membership fees	None
22	Adjoah Traders Association	Elections	Participatory	Total number: 9 Men: 2 Women: 7	Membership fees	None
23	Apremdo Market Traders Association	Elections	Participatory	Total number: 9 Men: 2 Women: 7	Membership fees	None
24	Ankyernyin/Yebikrom Traders Association	Elections	Participatory	Total number: 9 Men: 2 Women: 7	Membership fees	None
25	Apowa Traders Association	Elections	Participatory	Total number: 9 Men: 3 Women: 6	Membership fees	None
26	Takoradi Traders Association	Elections	Participatory	Total number: 9 Men: 3 Women: 6	Membership fees	None
27	Railways and Ports Traders Association	Elections	Participatory	Total number: 9 Men: 3 Women: 6	Membership fees	None
28	Ghacem Traders Association	Elections	Participatory	Total number: 9 Men: 3 Women: 6	Membership fees	None
29	Lagos Town Traders Association	Elections	Participatory	Total number: 9 Men: 0 Women: 9	Membership fees	None
30	Adiembra Traders Association	Elections	Participatory	Total number: 9 Men: 0 Women: 9	Membership fees	None
31	St. Mary's Traders Association	Elections	Participatory	Total number: 9 Men: 0 Women: 9	Membership fees	None

	Name of organisation	Method of choosing leadership	Method of decision making	Gender composition of leadership	Sources of income for organisation	Number of paid staff
32	StreetNet Ghana Alliance, Accra	Elections at general meeting/conference for 4 years.	General meeting/conference is the highest decision making body and meets every 4 years. Management Committee 4 times a year. Decisions made by consensus.	Leadership dominated by men; 2 women only.	Membership fees	None
33	StreetNet Ghana Alliance, Takoradi	Elections	Participatory	Total number: 9 Men: 2 Women: 7	Membership fees	None

Table 4.2: Malawi

	Name of organisation	Method of choosing leadership	Method of decision making	Gender composition of leadership	Sources of income for organisation	Number of paid staff
1	Malawi Union of Informal Sector (MUFIS), Blantyre Branch	Democratic process through elections.	Through discussion and consultation.	Total number: 12 Men: 7 Women: 5	External donor grant and in future membership fees	None
2	Wenela Vendors	Elections for chairperson, secretary and treasurer and their vice. Appointment of representatives from each category of vendors.	Committee discuss/debate then consult the total membership	Total: 12 Men: 8 Women: 4	No regular income. Members contribute to support bereaved members.	
3	MUFIS, Namulongo Branch	Elections	Consultation	Total number: 10 Men: 4 Women: 6	Membership fees	None
4	MUFIS, Lunzu Branch	Democratic elections	Holding consultation meetings with total membership.	Total number: 10 Men: 7 Women: 3	Membership fees	None
5	Vegetable Vendors Committee	By elections every 2 years.	Discussion to reach consensus.	Total number: 42 Men: 14 Women: 14 Youth: 14	No income	None
6	Newspaper and Magazine Vendors	Appointment by former chairperson.	Through discussion with the total membership.	Total number: 2 Men: 2 Women: 0	No income	None
7	Fish vendors	Elections	Discuss with chairpersons in other section.	Total number: 2 Men: 2 Women: 0	No income	None
8	Blantyre Market Vendors	Through vote.	The committee discusses to reach consensus.	Total number: 10 Men: 6 Women: 4	No income	None

	Name of organisation	Method of choosing leadership	Method of decision making	Gender composition of leadership	Sources of income for organisation	Number of paid staff
9	Limbe Street Vendors association	Organise elections every 2 years. Vacant positions are filled as and when they exist.	The committee meets every Tuesday to discuss outstanding issues and reach consensus.	Total number: 14 Men: 14 Separate women's committee: 7	No income	None
10	Blantyre Street Vendors Association	Organise elections every two years. Vacant positions are filled as and when they exist.	The committee meets whenever there is burning issue. Members discuss openly. Sometimes voting is used to decide on sensitive issues.	Total number: 10 Men: 10 Women: 0	No income	None
11	Kaujika (second-hand clothes) vendors	Elections every two years.	Discussion to reach consensus.	Total number: 12 Men: 10 Women: 2	No income	None
12	Hardware Market Vendors	Elections every 2 years.	Committee meets to analyse issues and reach consensus.	Total number: 12 Men: 11 Women: 1	Membership fees	None
13	Jombo Vegetable Vendors	Elections	Discussion to reach consensus.	Total number: 3 Men: 2 Women: 1	No income	None
14	Chibavi Community Market Vendors	Elections whenever the members feel necessary or when the committee is not performing as expected.	The committee meets to discuss and then members are informed. Action is only taken when members are agreeable to the committee's decision.	Total number: 10 Men: 5 Women: 5	No income	None
15	Katawa Market Vendors	Elections every year.	Discuss and reach consensus.	Total number: 10 Men: 6 Women: 4	No income	None
16	Freedom Square (Mataifa) Market	Elections every 2-3 years.	Discuss and reach consensus.	Total number: 15 Men: 9 Women: 6	No income	None

Table 4.3: Mozambique

	Name of organisation	Method of choosing leadership	Method of decision making	Gender composition of leadership	Sources of income for organisation	Number of paid staff
1	Association of Informal Sector Operators and Workers (ASSOTS)	Democratic process and universal suffrage.	Consensus and simple majority vote.		Contributions from members. Donations from the FRELIMO Party.	6
2	Mukhero - Association of Informal Sector Traders and Importers	Democratic process and universal suffrage.	Consensus and simple majority vote.			

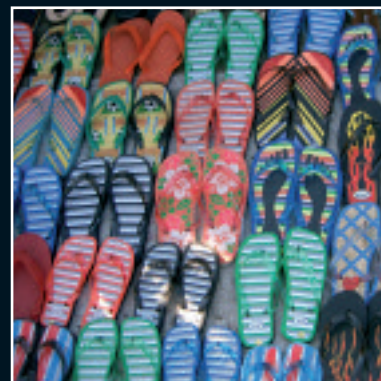
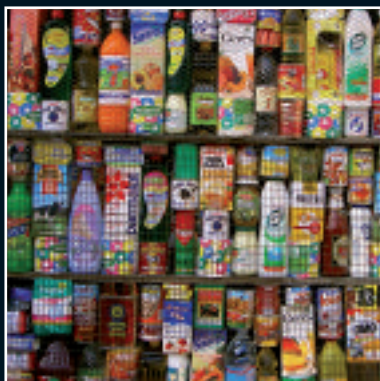
Table 4.4: Zambia

	Name of organisation	Method of choosing leadership	Method of decision making	Gender composition of leadership	Sources of income for organisation	Number of paid staff
1	Association of Audio, Video and CD Dealers in Zambia	Elections	Collectively	75% composed of men.	Membership fees and contributions	2
2	Chibolya Carpentry Shoe Making, Blacksmith and Wirefence Making Association	Elections every three years at the General meeting.	There is a constitution which is subject to change during general meeting.	Men hold all the leadership positions.	Membership fees	None
3	Zambia Fisheries and Marketeers Union	Elections and appointments.	The national executive committee makes decisions about important issues facing the organisation through the policy making body.	Total number: 10 Men: 10 Women: 0	Membership fees	None
4	Zambia Association of Employment and Development for the Disabled (ZAEDD)	Elections	By holding meetings with the executive and general membership.	Total number: 11 Men: 6 Women: 5	External donor grant	12
5	Zambia National Marketeers Association (ZANAMA)	Elections	Decisions are passed in meetings by majority votes.	Total number: 16 Men: 10 Women: 6	Membership fees Fines	22
6	Visual Arts Association Mansa	Elections	Meeting with the executive.	Total number: 10 Men: 8 Women: 2	External donor grant	6
7	Mansa Carpenters and Joiners Association	Elections	General meeting are called.	Total number: 10 Men: 10 Women: 0	Membership fees	
8	Traditional Healers and Practitioners Association of Zambia (THPAZ)	Through elections	By the executive committee.	Men: two-third Women: one-third	Membership fees and grants	50
9	Mansa Street Vendors Association	Elections	The executive calls for meetings with the general members.	Total number 10 Men: 6 Women: 4	Membership fee	None

Back page photos:

Products for sale in a market in Maputo, Mozambique (left, right).

Market vendor in a market in Maputo, Mozambique (centre).



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War on Want fights poverty in developing countries in partnership and solidarity with people affected by globalisation. We campaign for workers' rights and against the root causes of global poverty, inequality and injustice.

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The Workers Education Association of Zambia was formed in 1997 by the Zambia Congress of Trade Unions (ZCTU) to provide education not only to formal workers but also to the educationally, economically and socially disadvantaged.



The Alliance for Zambia Informal Economy Associations was formed in 2001 by 12 informal economy workers associations to promote and protect the interests of informal economy workers.

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