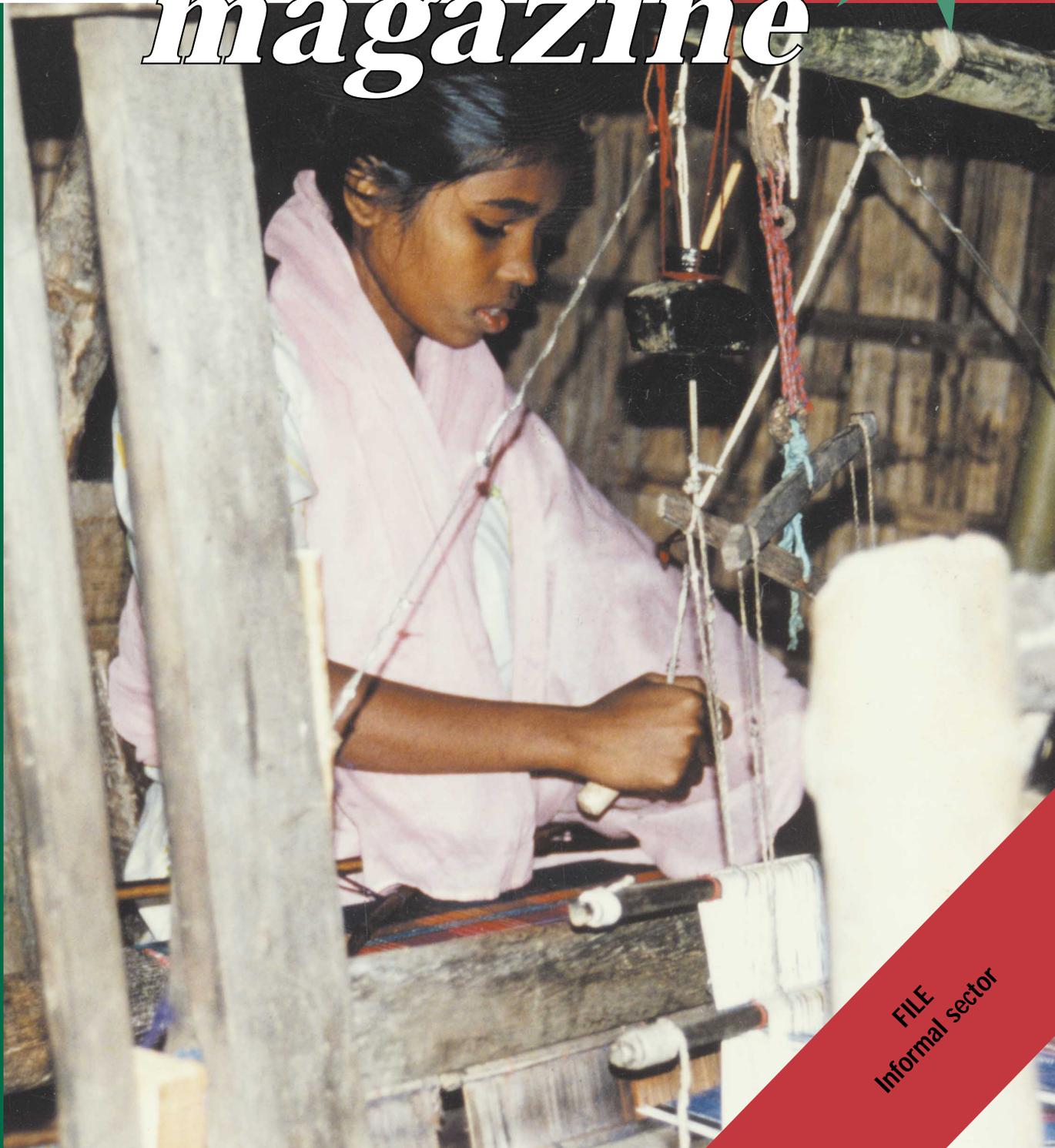


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FILE
Informal sector

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Picture

*The informal sector at
the Centre of the debates*

PORTRAIT

At first I never really had the intention of joining the trade union movement. In fact, I was thinking more of my career. In the early 1980s I was working at MB Finance Corporation, a company in the Philippines where I discovered the real situation of workers in this region as well as the difficulties that trade unions could face at that time in making themselves heard. I therefore decided to do all I could to help my colleagues in the company. It was at that time that I started my trade union activities. I joined the Union of Commercial Industries, INUCIN, of which I became president in 1990.



*Necie Lucero,
secretary general of the BATU*

My international trade union activity began with my election onto the Board of the Federation of Free Workers, FFW, the Philippine affiliate of the World Confederation of Labour. In 1992, I became a member of the Executive Committee of the Brotherhood of Asian Trade

IT IS A RETURN HOME FOR NECIE LUCERO. AFTER SPENDING SIX YEARS AT THE HEADQUARTERS OF THE WORLD CONFEDERATION OF LABOUR AS CONFEDERAL SECRETARY, SHE IS HERE TODAY AS SECRETARY-GENERAL OF THE BROTHERHOOD OF ASIAN TRADE UNIONISTS (BATU), BASED IN MANILA, AND MEMBER OF THE WCL CONFEDERAL BOARD.

Necie Lucero

Unions (BATU), the regional organisation of the WCL in Asia. I was elected president of the Asian Brotherhood of Clerical Workers (ABCW) and member of the World Federation of Clerical Workers (WFCW), one of the international trade federations of the WCL. Finally, in 1996, I was elected confederal secretary of the WCL.

Q. Can you describe your work with the WCL from 1996 to 2001?

During the six years at WCL, I was in charge of co-ordination with Asia. We co-ordinated the different activities of the national organisations. It must be recalled that the World Confederation of Labour is present in South, South-East and North-East Asia. We have twelve affiliated organisations in the region as well as other contacts.

I must say that it was not an easy task but neither was it an impossible one considering that I had a

good knowledge of the Asian trade union movement. Within the WCL, I was also responsible for women, migrations and child labour. To work at Brussels was a big challenge for me because it meant that I had to work with trade unions at an international level. At the same time the challenge was personal. I had to live in Brussels, far from my relatives, leading a life completely different from what I had hitherto known. As far as work was concerned, it was obviously interesting and enriching to work in an international organisation with people of other origins from other countries. It is one of the best opportunities that one can have. This experience has really changed my life and enriched my knowledge of the international trade movement environment. What is most important is that I have now the opportunity to utilise all my skills at the service of development of the trade union movement in Asia. It is also a way to thank all those who helped me during my stay in Brussels.

You participated in the 5th International Women's Conference, which took place in Bucharest on the eve of the Congress of the World Confederation of Labour. Do you think this sort of conference has an important impact on the status of women?

Follow on page 23



Intense international activity!

Some months have already elapsed since our 25th Congress, which took place in Bucharest last October. Since then, we have started the full implementation of its decisions. First, there is the approval of a more efficient trade-action structure during the Confederal Board in April, the highest decision-making body of the World Confederation of Labour between two congresses. This new, stronger structure enables us to start implementing the Plan of Action, which is the materialisation of the Congress resolutions (the policy resolution and the topical resolutions). It constitutes the basis for the intense international activity we are experiencing, the activities during the Doha Ministerial Conference last November, for example. The World Confederation of Labour is however still of the view that the World Trade Organisation (WTO) had a real opportunity to move forward for effective collaboration with the International Labour Organisation (ILO). At Monterrey, the WCL realised that the Summit succeeded in bringing the IMF, the World Bank and the WTO around the same table under the auspices of the United Nations for discussions on development funding. In spite of everything, consensus seemed out of reach and was disappointing. The ILO must be recognised as a social pillar of a new world governance. It is important to bridge these gaps and formulate strategies on development funding for the next United Nations Summit. Finally, the WCL has always monitored the evolution of the informal sector (see main document page 9) and will therefore be particularly active during the 90th International Labour Conference at Geneva in June.

Of course it is difficult to talk about international news without revisiting the Israeli-Palestinian conflict which has taken centre stage for some time now. The World Labour Organisation condemns all forms of violence and launches an appeal for fair and lasting peace between Palestine and Israel. It is obvious that peace in the Middle East will only be attainable if the United Nations resolutions are respected and applied.

As you have noticed, there is a great challenge at the heart of our concerns: to succeed in providing a social countervailing power to the effects of current globalisation of the economy, which directly affects workers throughout the world and places man at the service of profit and competition instead of promoting integral and sustainable development for the benefit of society as a whole



Willy Thys
Secretary-general

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PORTO ALEGRE 2002

The maturity of the World Social Forum?

AT THE BEGINNING OF THIS YEAR, FROM 31 JANUARY TO 5 FEBRUARY 2002, THE SECOND WORLD SOCIAL FORUM WAS HELD AT PORTO ALEGRE. WHAT CAN WE SAY ABOUT IT TODAY?

First of all, it must be pointed out that in terms of participation, as compared to 2001 the Social Forum was a real success. In fact, more than 50,000 people from social movements, trade unions, etc. converged on the university campus of PUC, the Catholic University of Porto Alegre (the venue of the forum), to take part in the various seminars and other discussions organised as part of the WSF. Of course it was difficult to have a uniform message with such diversity but it is already a victory to be able to meet and discuss sensitive subjects. Next, and not the least, the Porto Alegre Forum has become an event that cannot be ignored. It will be recalled that a number of political personalities from the entire world participated or wanted to participate in this great democratic meeting. This is a new

phenomenon, but one which contributes to strengthening the legitimacy of the alternative-globalisation movement. It is interesting when one recalls that some of these political figures, just after the events of 11 September 2001, thought that the movement for another globalisation (in any case other than the globalisation according to the neo-liberal model) was an antidemocratic movement (see *Labor 2002-01*).

AND IN 2003?

It is still at Porto Alegre that the third edition of the World Social Forum will take place. India is being considered for 2004. Regional forums, on the contrary, are organised everywhere in the world like in Europe for example. Let us remember that the World Confederation of Labour (WCL) has been part of the international committee of the World Social Forum since the first edition.

GLOBALISE SOCIAL JUSTICE!

Trade union presence at Porto Alegre was important. What is also noteworthy is the increase in interventions of personalities from the trade union world in the main stream of the forum, as well as the positive evolution of pluralism which already existed during the first forum. Furthermore, the forum evolved not only in quantity but also in quality. During the Trade Union Forum, which was held on the opening day of the WSF, Willy Thys, secretary-general of the WCL, declared: "*We must strengthen trade union solidarity and establish alliances with other civil society actors*". And indeed, this willingness exists and this trade union forum is proof of it, since it was jointly organised by the WCL and the ICFTU with their respective regional organisations, the CLAT and the ORIT, and with the ETUC. They were able to count on the support of the CAT, the CUT, Fuerza Trade Union and the CGT. It was equally so for the seminar on decent work, organised within the World Social Forum, where this time, Juan Somavia, director-general of the International Labour Organisation ILO affirmed that "*the ILO is an organisation where trade*



International Trade Union Forum



unions have a voice and authority, together we have to strive for globalisation of social justice". The World Social Forum says that another world is possible. Muchtar Pakpahan, vice-president of the WCL and president of the SBSI (Serikat Buruh Sejahtera Indonesia), present during the Forum, is convinced about it: "Another world where respect for the worker and therefore for the human rights is based on social justice and where the economy is at the service of man!" he affirms.

AN IMPORTANT DISCUSSION ON THE DEBT OF THE SOUTH

In the immense array of workshops (more than 700), seminars and other conferences organised during the World Social Forum, a recurrent theme, forming part of the fight against poverty, was undoubtedly that for debt cancellation of third world countries. In fact, some African or Latin American countries are making enormous sacrifices to repay these huge amounts. It is a paradox since the most deprived must re-borrow in order to be able to mop up this huge debt often contracted many decades ago. A striking example although not an isolated one, is that of Argentina. According to Luis Enrique Marius, vice-president of the World Confederation of Labour and member of CLAT, "In Latin America, each child born must pay \$1,500 per year for the debt" (La Croix, 04-02-2002).

A people's court was thus established, with the participation of Basile Mahan Gahé, president of the WCL and secretary-general of *Dignité*, the Confederation of Free Trade Unions in Côte d'Ivoire, and the sentence pronounced by the jury was unequivocal. It questions the very legitimacy of the debt of developing countries and thus calls for its cancellation, pure and simple. It is not as easy as it seems, given the extent of interests at play, it at least deserves to take a position on this issue and gives hope, which is no mean thing, to the inhabitants of these third world countries who remain the prime interested parties.

M. D.



Strong trade union presence

DIVERSITY OF SPEAKERS AT THE FORUM, HINDRANCE TO CREDIBILITY?

From the perspective of the World Confederation of Labour, the diversity of speakers is rather seen as an asset. In fact, the WCL can not accept the idea of a single dominating thought, which is that of neo-liberalism. That is why the WCL is happy to see a plural society with a significant diversity of thought. The goal now is to build, from this multitude of ideas, constructive alternatives to the neo-liberal model. According to Eduardo Estévez, deputy secretary-general of the World Confederation of Labour, "it must be recalled that one of the main functions of Porto Alegre is to be a space for discussion. We must be able to create networks and alliances. We must reject sectarianism and stop thinking that we are owners of the truth. We must share our truth with other social actors to build the common truth". It therefore seems that the forum can be an element to promote the organisation from a countervailing power to the dominant model, to transform the current society into a democratic society, where fundamental rights, the rights of persons, organisations and people are guaranteed. In any case, the forum is an important open space where willingness to change the world is real.



Clubs of London and Paris: discrete, but powerful

THE BANKERS' INTEREST

Where do profits of a commercial bank proceed from? To be brief, from the difference between the interests it receives lending money and the interests it pays those (the public at large) placing their money in accounts with this bank.

So, a bank that does not lend is a dead bank. In the 1970s, the accrued amount of petrodollars led the financial institutions to persuade the developing countries into applying for loans.

Today, when the bank accounts show a country's outstanding debt, it may be interesting for the bank to accept a rescheduling. Indeed, as long as the debt remains registered and there is a spark of hope left that it will be paid back, it remains an asset; the moment it is wiped off, it becomes a loss.

It even happens that such debts are resold below par.

A (fictitious) example: Cameroon has incurred a one-million-dollar debt with bank X. The experts estimate the chances of repayment at 60%. Logically, the bank will gradually lay by (provision) amounts of money in order not to lose the lacking 40% at once.

At a given moment, a captain of industry wanting to invest in Cameroon will buy the debt over from the bank for 600,000 dollars (60% of the value) and have the government exchange them for local currency, his investment capital. Nothing gets lost...

PRIVATE DEBT, PUBLIC DEBT

Debts of countries have already caused much ink to flow. But who owes money, and to whom? Four situations occur, according to the natures of the creditors and the debtors respectively:

Creditor \ Debtor	PUBLIC SECTOR ¹ (public debt)	PRIVATE SECTOR (private debt)
Public	1 Loans from government to government, or from multilateral body to government	3 Loans contracted by private companies with governments or multilateral bodies.
Private	2 Loans subscribed to by governments with private banks.	4 Loans contracted by private companies with private banks.

According to ABDELMAKI Lahsen and MUNDLER Patrick, *Économie du développement*, Hachette, 1995, p. 188.

Situation 3 is less common, but occurs. Yet, one should not confuse a loan to a company, which must be paid back, with an investment, also called venture capital. In the latter case, the return to the investor will be on a par with the results of the economic activity. Situations 1 and 2 are the most frequent ones.

WHAT ARE THE AIMS OF THESE CLUBS?

The main private creditors are united in an informal group called **Club of London**, public creditors in the **Club of Paris**. Like the G7 and the G8, neither body has official powers, and they both escape each democratic control. But their real influence is absolutely huge.

The international bodies intervening in debt matters are associated with the debates of these two very select clubs. The fate of countries wanting their foreign debts rescheduled lies entirely in their hands.

Indeed, confronted with credits it must pay back, a government can adopt several attitudes. First, it can **pay its debts at any cost**, even at the cost of disastrous social consequences for the population. This often occurs when the government is afraid to confront the creditors and to lose ulterior access to credits.

Conversely, a government can **refuse to pay its debts**. In that case it must prepare itself for an open conflict with the creditors, the IMF, the World Bank, ... Its assets abroad are very likely to be frozen, and the country can expect retaliation measures.

Halfway solution: it can **temporarily suspend** the payments, hoping that they get away with it.

Lastly, a government can apply for a **rescheduling** of its debts, which will then be the subject of a planning in time.

That is where the Clubs of London and Paris intervene, in an utterly discrete manner. They have no decision power whatsoever, but they guide the answers from the creditors to the countries applying for a rescheduling. This answer will depend in particular on the credibility of the future financial commitments of the country concerned and therefore also on its financial and economic measures. So, both clubs are good examples of how external influence is exerted on a country's policy. Both –but particularly the London one– apply a financial logic that does not tally with the social logic.

1 The extension to decentralised co-operation involves other public sector actors: cities, provinces, regions, ...



Republic of South Africa

POLITICAL REMINDER

It is already more than eleven years since Apartheid was officially abolished by the South African Parliament. In December 1993, an Interim Constitution saw the light of day and in April 1994, the first multiracial elections were organised. The ANC (African National Congress), Nelson Mandela's party, obtained 60% of the votes and the National Party of Frederick De Klerk 20%. Following the general elections organised in 1999, the ANC obtained more than 66% of the votes, that is, 266 of the 400 seats in the National Assembly.

ACTION OF FIOST AND SALSTAFF

In Africa, the AIDS virus is incontestably an obstacle to economic and social progress. It is not only a health problem, but also constitutes a barrier to development with dramatic consequences. In fact, two-thirds (22.5 million) of the world population infected by AIDS live in this region. According to the ILO's multidisciplinary consultative team for Eastern Africa, AIDS could replace malaria as the main cause of mortality in Africa.

This is the reason why the International Federation of Trade Unions of Transport Workers, FIOST, supported among others by its South African organisation, SALSTAFF (South African Logistics, Services, Transport and Allied Workers' Union) is ready to do everything to slow down the spread of AIDS through a series of actions. For example, sensitising social partners and governments, encouraging them to make the fight against AIDS a priority, strengthening the sense of collective responsibility among workers, particularly with a specific educational programme. Michel Boy, president of FIOST and vice-president of the WCL moreover stated in November 2001 during the SALSTAFF Congress in South Africa, that "AIDS is currently a very widespread and negative development in South Africa and in the Third World [...]. We are concerned about the terrible effects of this disease on humanity as a whole and on the transport sector in particular". One of the first actions of FIOST and SALSTAFF would be to collaborate with the ILO in order to produce a "social vaccine" based on the values, advocated by the international organisation, namely tripartism, equality and social justice.

AN ACTIVE TRADE UNION

Although Apartheid has disappeared in South Africa, certain inequalities persist. This is one of the reasons that one must emphasise the work of a trade union like NAP-TOSA (National Professional Teacher's Organisation), member of the WCT (World Confederation of Teachers), which defends principles such as: the inalienable rights of each child to quality education within the framework of an equitable and non-discriminatory system of education; the improvement of all aspects of the working life of teachers; the conviction that these principles can only be adopted by a committed, non-racial, independent, autonomous and politically non-aligned organisation. NAP-TOSA has more than 92,000 members, 70% of whom come from the former deprived communities. Present in all the provinces of the country, it is a true sample of the whole South African population.



THE COUNTRY

- Capital:** Pretoria
- Population:** 42.6 million inhabitants
- Population density:** 34.51 inhabitants/km²
- Life expectancy:** 56 years
- Mortality rate:** 12%
- Rate of urbanisation:** 60.1 %



JTUC-RENGO on visit at the WCL



Inauguration of the new WCL building



Basile Mahan Gahé in the offices of the CAT-Brazil

● JAPAN Violation of Conventions no. 87 and no. 98

Within the framework of its public sector reform, the Japanese government has adopted a legislation which violates ILO conventions 87 and 98 on the freedom of association and the effective recognition of the right of

collective bargaining. The JTUC-Rengo has lodged an official complaint with the ILO about Japan's failure to respect these two conventions despite the fact that it has ratified them.

● World Will the Johannesburg summit fill the gaps of the Monterrey Conference?

The first large Summit of Monterrey was to bring the IMF, the World Bank and the OMC for the first time together around the same table to discuss development funding under the auspices of the United Nations. This first timid step can be the beginning of a new form of world governance in which the United Nations system will play a predominant role to achieve a balance between international trade and financial institutions on the one hand and social issues and equity concerns on the other.

However, the content of the Monterrey Consensus is relatively disappointing. It does not contain any firm pledge to materialise the commitment made long ago by the rich nations to allocate 0.7% of their GNP to public development assistance (PDA).

The Consensus does not really commit itself to designing a new international financial structure: for example, it fails to mention the regulation and taxation of the speculative short-term capital flows.

The Monterrey Consensus urges particularly the private sector and foreign investors to inject more capital and funds into infrastructure and other priority areas of developing countries. This could justify a new wave of privatisation, which is already known to be prejudicial to the very poor.

Such gaps should be bridged.

The next Johannesburg Summit will be an opportunity for the WCL to defend strategies so that the "development funding" approach actually leads to a reduction in poverty and not just an increase in profits of large private enterprises.

The main measures recommended by the WCL are:

- Fundamental ILO Conventions must be based on the cornerstone of international social legislation.
- The ILO must be recognised as the social pillar of the new architecture of the world governance system.
- Multilateral institutions must become more democratic, more transparent and more responsible, by organising real consultative meetings to allow trade union organisations to be taken into account in the formulation of world economic policies.
- Essential social services must be and remain accessible to all, even if these services are provided by private operators. As a guarantee, mechanisms for consultation must be established, including all concerned parties and especially the trade unions.
- The Monterrey Consensus covering foreign debt through the revision of the HIPC (heavily indebted poor countries) initiative, must be implemented: debt reduction is thus linked to the achievement of the Millennium goals, and not to debt-export technical coefficients.

● 2002 Annual report on Workers' Rights

As in every year on the occasion of the International Labour Conference at Geneva, the WCL publishes its "Annual Report on Workers' Rights".

The angle chosen for this year's edition is the "informal sector". The report proposes a review of the issue:

- The first part defines the "informal sector".
- The second part explains why such an economy exists.

- The third part analyses the working conditions of the sector and its peculiarities.
- The fourth part proposes possible actions for trade unions and the ILO
- The fifth part presents the action of the WCL and its member organisations in this area

The report is available in French, English and Spanish.

INFORMAL SECTOR: AN OPPORTUNITY, A RISK, A CHALLENGE



In certain countries it is impossible not to notice the innumerable petty traders: street vendors, porters with no licences, shoeshine boys... In June, the ILO will examine this sector classified as the informal sector. This type of activity, which is mainly very widespread in countries in the South goes well beyond their more visible aspects. In spite of its name, it is at times well structured and encompasses productive activities. It also raises enormous questions

about the conditions of work going on there, characterised by precariousness. One of the reasons for the existence of this sector is the willingness of capitalism to reduce the labour cost by limiting protection acquired by law or through workers' struggles within businesses. But, if making the observation is simple, the search for solutions is much more complex. It is one of the topics to be discussed at the next International Labour Conference

in Geneva. Indeed, it is a question of "a better understanding of the new forms of labour that are appearing in the informal sector and to know how to act on the mechanisms...", observes the ILO. The WCL considers the informal sector a risk, an opportunity and a challenge, one of the stakes of which consists in finding forms of organising workers adapted to the informal economy. A great challenge indeed!

SUMMARY

The informal sector does not drop from the sky

ANSWERS
A lot to do, but it is possible

Dossier written for the WCL by the InfoSud-Belgique agency



The informal sector does not drop from the sky

BETTER UNDERSTANDING FOR BETTER ACTION: A VERY NECESSARY STEP WITH REGARD TO THE SO-CALLED INFORMAL ECONOMY. NOT OUT OF THEORETIC CONCERN, BUT BECAUSE IT IS A COMBINATION OF SEVERAL EXPLANATIONS.

The existence of a so-called informal sector in the economy is known by all, as well as its importance with regard to the number of workers and families who live in it worldwide. It is not the prerogative of developing countries: in Bulgaria, “according to official figures, the informal sector contributed 18% of GNP in 1997 and 21% in 1998”¹. However, though making the observation is easy, the explanation is not as easy, and even more difficult is the definition of solutions to the crucial question of how to improve the living conditions of the millions of people active in this sector, the majority of whom are women. (See box)

It is thirty years now since a report on Kenya by an ILO mission observed “the existence of a large number of poor workers, several of whom were really into the production of goods and services without these activities being recognised, registered, protected or regulated by the authorities”². The term *informal sector* was used to qualify this type of work.

In thirty years, many are those who have attempted to define the informal sector by the conditions of work, absence of legal or fiscal registration, and the size of the enterprise... Many also have been the expressions used to qualify this sector: traditional, underground, parallel, alternative, marginal, etc.

The ILO, for example, had the habit of using the expression *non-structured sector*. This responds to an aspect of the reality, but not to everything.

Thus, in Mexico, the distribution channel of newspapers from the editor to the small street vendor stems from the informal sector through the conditions of work, but is very well structured, with heads of areas and intermediaries...

According to the Indian professor Venkata Ratnam, *non-structured* and *informal* are not synonymous³. In his country, all enterprises with more than ten people are officially called *structured*, the rest are *non-structured*. They thus avoid the issue of conditions of employment and the notion of registration of the activity by the law, the ministry concerned, national statistics, etc.

But, he affirms, “the fact that some enterprises employ a higher number of people than a certain minimum does not automatically guarantee protection or better working standards”.

In spite of all the efforts at analysis, the informal economy does not lend itself to a strict definition encompassing all the specific cases. The International Conference of Labour Statisticians tried it in 1993, without being able to avoid mapping out the criteria. The in-

formal constitutes all heterogeneous activities, which generally share three characteristics.

First, to avoid –not necessarily voluntarily– a good number of laws, particularly those relating to labour. Then, provide employment to people without *formal* contracts and under in many cases precarious conditions of work and salaries. Finally, to be divided into (very) small units in which the organisation is weak, where the employer-worker relations are often personalised, and which often confuse personal possession with that of the enterprise.

MAKING CAPITAL PROFITABLE

In the end, as Benedict Fonteneau⁴ demonstrates, the words *sector*, *economy* and *informal*, although frequently used, are unable to depict the exact nature of the phenomenon.

For a long time also, those who try to understand why people argue among themselves each person offers a kind of explanation, depending on his approach. So, those who draw inspiration from respect for cultural values emphasise that the informal economy is a binding economy, resulting from community based traditions, which embody a form of resistance to the uniformity of labour relations according to the Western industrial model. They particularly base the argument on the fact that the aim is



to create employment, not to accumulate, and that the latter are often attributed to close relatives... And they now positively value this type of activity, which should be safeguarded.

On the contrary, analysts inspired by the theories of modernisation see in the informal sector a survival activity for those who are not (yet) registered in the formal sector, also known as modern channels of the economy. In fact, for this school of thought, developing countries must take inspiration from the Western model, the only way of survival for all. Even if these analysts wonder at the capacity for invention of populations which must struggle to survive, they think that the ideal is to be able to formalise the whole economy: contract, observance of laws, presence in statistics, even classic trade union organisation...

Finally, the third reading has as its central explanation the relation between the formal and the informal sector. Curiously, this school of thought is divided into two opposing camps. On one side, the liberals, like the Peruvian Hernando de Soto, believe that there is an informal economy by reason of an excess of laws and administrative demands. Since the latter discourages the spirit of initiative and mortgages profitability, entrepreneurs decide not to respect them by remaining on the fringes of lega-

lity. On the other side, the analysts critical of capitalism reason differently: to guarantee profitability of capital, entrepreneurs opt to divide large units (and reduce trade union power), resort to sub-contracting, located in areas where laws are less strict, pick on conditions of work, etc. In this hypothesis, there exists an informal sector because the formal economy has need of it.

DISGUISED MANPOWER

As is often the case, the different explanations combine: none of them on their own constitute sufficient explanation.

But, the trade union world is readily interested in the last, which directly affects conditions of work and incomes of workers. In fact, the nature of these conditions is one of the key elements allowing one to understand the existence of a really large informal sector. *"The informal production units are the providers of disguised salaried manpower for the big modern businesses,* writes Isabel Yepez del Castillo. [...] *It is a type of production duly institutionalised right from the time that sub-contracting was largely*

WOMEN, ESPECIALLY

The informal sector is above all a women's affair; they are more numerous in the less protected and therefore the most precarious jobs.

In Guatemala, women account for 35% of the economically active population, while this notion does not include women working at home. But, they occupy 55% of employment in the informal sector and 100% of domestic jobs, which are one of the most widespread aspects of informal work. According to a Human Rights Watch report (*Sex discrimination in the Guatemalan Labor Force, 2002*), women homeworkers are not protected by the labour code. They are not subject to weekly hours of work (48 hours/week) and work up to 14 hours a day, generally without days off. They rarely benefit from access to health or maternity allowance.

Sellers, domestic workers...: this type of productive employment for women constitutes a sort of extension of their traditional reproductive role within the family.



Informal sector, strategy of companies?

practised, which goes against labour compared to the historic achievement it has recorded”⁵. And to cite the example of a modern paper factory which called for waste collectors –informal workers– to supply itself with raw material: it is a disguised form of salaried work, in which “the employer” avoids the responsibilities usually borne by the one who employs salaried staff.

Since 1995, the ILO has also observed, in its report *Labour in the world*, that there exists a direct relation between the quantitative and qualitative degradation of employment in the formal channel of the economy and the growth of

the informal one, by bringing out three trends: “Workers with low remuneration in the formal sector fall below the poverty line, which obliges them and their families to seek supplementary incomes in the informal sectors. The workers lose their jobs in the modern sector, due to reductions in public expenditure by government and stagnation in the private sector. The growing number of job applications and keener competition have pushed workers in the non-structured sectors from a higher to a much lower level, well below the poverty line”. Structural Adjustment Programmes, which advocate price liberalisation except the price of labour (salary) and the reduction in the number of civil servants, have contributed to this impoverishment.

FOR THE WCL, AN OPPORTUNITY, A RISK, A CHALLENGE

The so-called informal sector offers employment, resources and means of existence to millions of workers –and therefore families– who, without it, would be deprived of them. It is undeniably **an opportunity**.

In the view of the WCL, it is a fact to respect and to enhance, even if these jobs do not respond to the usual rules of the employer-salaried worker relation. But this sector of the economy also constitutes **a risk**. In fact, one of its important characteristics is the fact that it functions outside the law. The informal sector is not illegal, as would be fraudulent activities or dealing with prohibited products (trafficking, ...); it is a-legal. Laws on the minimum wage, social security, conditions of work... are only rarely applied and controls are lacking. This kind of activity now risks being the place for fierce exploitation, possibly restrained somehow by personal family or non-family relations, which can exist in these mini enterprises.

Finally, the informal economy represents **a challenge** for trade union organisations. By virtue of the above-mentioned personal relations, because of the precariousness of these jobs (which grow so as not to risk losing them) and because the sector is also composed of self-employed workers, unionisation is not encouraged there. On the contrary, there are other forms of co-operation or solidarity.

The WCL and its member organisations are committed to the aim of strengthening the organisation of these workers by taking into account their own characteristics, and not according to the model adapted to classic salaried jobs (see pages 14-16).

“The trade union movement should develop in relation to its traditional identity and become a social movement defending all workers, and not only those of the structured sector”, affirmed Claude Akpokavie (WCL) during a seminar on the subject at the ILO (1999). This, according to him, involves discovering and developing already existing associations of the informal sector.

SOME HAVE INTEREST IN IT

To a large extent, the dismissal or maintenance of workers in the informal sector respond to a strategy designed by enterprises, seeking competitiveness and profitability of capital.

In Chile, for example, salaried agricultural female workers have greatly contributed to the growth in the export of fruits since the 1980s, without however benefiting from social security, health insurance, protective clothing against pesticides and other chemical products. The growth of these exports was made possible to a large extent by low salaries and conditions of work of unprotected manpower because of the informal sector (*IPS*, 18 January 2002). When in January 2002, the Chilean Minister of Labour, Ricardo Solari, established a register of agricultural employers, where labour contracts must be recorded, a section of the employers’ association opposed it. Whereas, according to the minister, this system will put to an end the

“informal” engagement of about 400,000 seasonal rural workers, the large majority of whom are women.

It is obvious that some sectors have interest in the existence of the informal economy. Unregistered and undeclared, this kind of labour “contract” escapes the application of the law and surveillance by labour inspections. Meanwhile, the regulation of labour, which the liberal idea assimilates with difficulty, serves to protect the weakest and workers, much in the same way as environmental law serves to protect the whole of society and the financial law serves to ensure a redistribution of income. “*Between the weak and the strong, between the poor and the rich, it is liberty that oppresses and the law that liberates*”, affirmed Lacordaire two centuries ago.

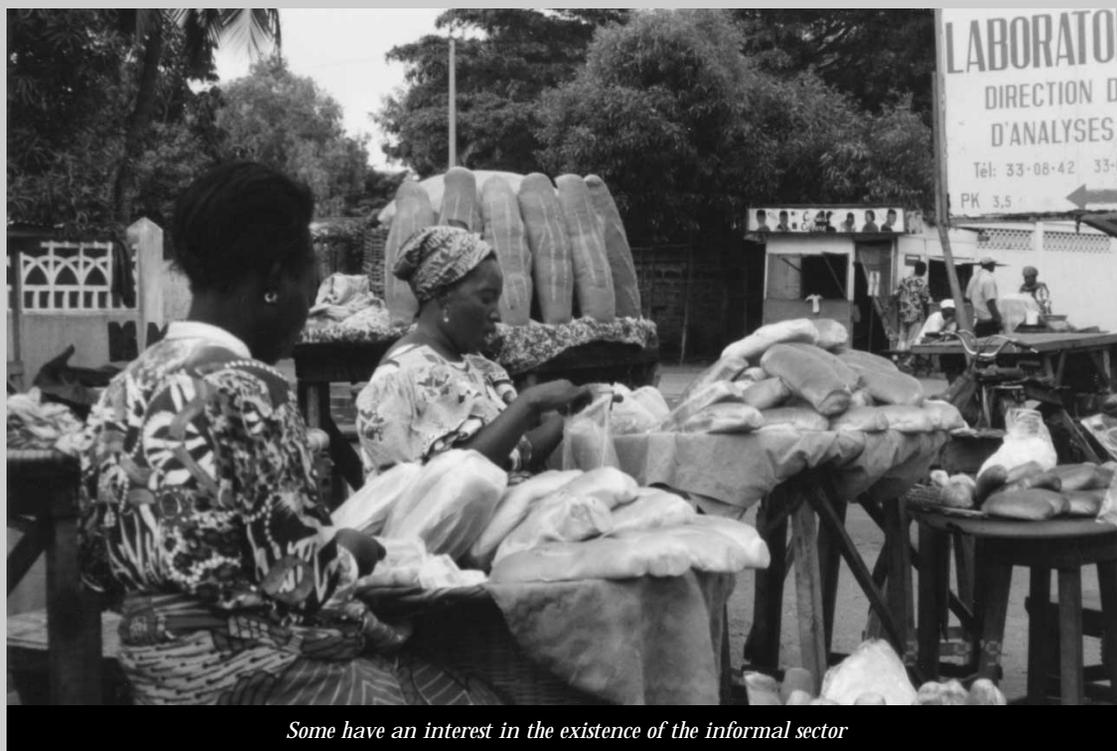
It is true that at times, workers themselves wish to work on the fringes of the law.

Either because for them, it is the only means to have a job, or because they find in it a short-term advantage (higher salary because there are no deductions for social contributions). But, as soon as there is an accident at work, or when they are prevented from

working or even during maternity leave, they are deprived of all substitute income, even of any right.

For the trade union organisations, the debate on the exact theoretic definition of the informal sector is secondary. On the contrary, knowing how to promote social protection and better conditions of work, and therefore how to organise these workers, is the fundamental issue.

- 1 Grigor Gradev, “Bulgaria”, *Éducation ouvrière*, No. 106-107, 1999, page 82.
- 2 Michel Hansenne, *Report of the Director General*, ILO, 1991.
- 3 C. S. Venkata Ratnam, in “Trade Unions in the non-structured sector: some identification marks”, *Éducation ouvrière*, No.106-107, 1999, page 29.
- 4 In *The Trade Union and the informal sector*, WCL, 1998, pages 10-12.
- 5 Isabel Yépez del Castillo, *Trade Unions in the hour of the precariousness of employment*, page 138.



Some have an interest in the existence of the informal sector

ANSWERS

A lot to do, but it is possible

THE INTERNATIONAL LABOUR CONFERENCE IN JUNE 2002 WILL DEDICATE A GENERAL DISCUSSION TO THE INFORMAL SECTOR. THE AIM IS NOT TO IMMEDIATELY LEAD TO OPERATIONAL CONCLUSIONS, BUT TO POINTS OF REFERENCE.

In a number of aspects, the conditions of work in the informal sector are unsatisfactory compared to the minimum that workers must be able to claim, be it in terms of salary, job security, hours of work, protection and rights to unionise.

"The majority of workers in the urban informal sector live in poor areas, with no access to even basic health and welfare services, without social protection, and they work in

unhealthy and harmful environments", explains the ILO in the document justifying a debate on this subject (document GB. 279-partiel annexe-2000-09-027-01, page 15).

Several questions will be tackled during the discussion at the ILO, addressing three types of targets: the national states, the ILO and other international bodies, and the workers' and employers' organisations. They will be on three impor-

tant themes, namely how to optimise the level of social protection of workers in the informal sector and to enable them to benefit from the core labour standards; how trade unions and employers' associations can help to organise these workers; what type of international co-operation to establish to progress in this direction?

On several occasions, the WCL has reflected on these questions.



Labour standards are there for all the workers

EXTEND THE STANDARDS

The core labour standards, in particular those mentioned in the ILO Declaration of June 1998, is for all categories of workers, including those in the informal sector. The first stage, which consists purposely in getting this extension accepted, should therefore not pose too many problems.

But, these standards remain “negative”: they are on prohibitions (on discrimination, child labour, forced labour, ...), as well as trade union freedom, since it forbids States (and other socio-economic actors) from hindering free trade union action. However, the ILO mechanisms bring out a “positive” responsibility of the authorities. Member states of the Organisation must not only abstain from practising, for example, forced labour, but they must also take measures to stop this practice in their countries.

It is again clearer in child labour. This type of activity will persist as long as families need such incomes to survive. To fight it requires implementing adequate development plans and programmes, in other words, an active attitude.

The WCL has for a long time lobbied for the application of legal minimum rules in the informal sector, meant to correct the nature of the *law of the jungle* of an eco-

nomy which would remain without laws, and to protect workers (salary, hours of work, security, forced adult or child labour, trade union freedom, social security, ...). This law could go hand in hand with positive incentives, for example, in the form of loans, technical training or management support.

AN INVISIBLE SECTOR

Social protection of workers will however go beyond the mere respect of fundamental standards. It also includes the implementation of health protection and safety at work, and a form of social security. And here, one comes against on the difficulty in knowing the workers concerned. In so long as one defines the informal sector on the basis of technical criteria such as the size of the enterprise or by a notion of precariousness of the work, it is not too complicated to envisage social protection and safety laws, and to monitor compliance to these obligations. In these cases, employers and workers are known.

But, it has been said that one important segment of the informal sector comprises mini or micro enterprises existing on the fringes of the law. These are not registered anywhere and are not always visible. *“A lot, if not most of these workers, have neither a well-defined*

labour relation nor an employment contract in due form”.

(Document GB.279-partiel annexe-2000-09-0276-01, page 17).

How then can one envisage social security contributions? One would have to count on the goodwill of the employer, but the latter will be particularly tempted to reduce his costs, therefore make it as little as possible, since he is not obliged to it. Or on a voluntary gesture by the worker, who would have to economise on his income to contribute to a pension or health insurance; is it possible with an already low salary, when short term survival takes precedence over long term prevention? At the risk of adverse effect: by imposing standards, increasing clandestine activities and creating an “informal out of a formal”.

Imposing legal solutions in this area is therefore necessary, but insufficient. For lack of response “from the top”, the result could also come “from the bottom”. Here, the trade union organisations play an important role.

Most of those who participated in the ILO seminar in 1999 on the organisation of workers in the unstructured sector are already implementing policies adapted to workers in the informal sector, even if some still find it difficult at



times to get out of the idea of a salary-based relationship prevailing in the industrialised countries.

“SHORT” SOLIDARITY

These trade union policies are generally of two types: to find suitable forms of unionism, and modalities of solidarity called “short”.

According to the WCL, “workers of the informal sector should freely choose their organisation modalities and the trade unions must have a flexible attitude in this regard” (C. Akpokavie, ILO seminar, 1999). This would be the only way to overcome the mistrust of trade unions, which exists at times in this sector. This opinion is certainly not unanimous in the trade union environment. But several examples show the success of perhaps less classic, but more suitable formulae. One of the challenges consists in effect in convincing employers and workers in the informal sector that it is in their interest to jointly

organise a form of protection. For the former, the argument can be that of productivity. Dangerous work, accidents at work and illness due to lack of hygiene is detrimental not only to the health of workers, but also to productivity. For the latter, it is probably the support of co-operative bodies, which must be sought. In fact, participating in a national social security system can be discouraging, because one does not see the direct link between the contribution and the benefit that one draws, not to talk about management capacity. On the contrary, co-operative bodies managed by workers’ associations where each one knows he will receive his money when needed will no doubt be better accepted. With or without trade unions however, they already exist in a number of places despite the difficulties.

“Although modest in their coverage and scale, the group-based solidarity systems present several advantages for workers in the informal sector”, writes the ILO (Document GB.

279-partiel annexe-2000-09-0276-01, page 19). The issue here is group solidarity, which is different from mere individual coverage of risks by those who can pay for it (private insurance) and social security (institutional solidarity). “However, adds the ILO, there can only be a self-financing system in the informal sector if there is an association based on confidence and an administration capable of collecting contributions and paying allowances”. It is also these organisations which enable workers in the informal sector to establish a favourable relationship with their employers.

Strengthening the labour world in the informal sector is a long and exacting matter, which has several aspects (organisational, educational, legal...). But, it is no longer virgin land: initiatives exist. The discussion at the ILO, in June, should be able to strengthen the initiatives, and perhaps prepare the ground for an explicit international normative action in this area.

- ACTRAV - ILO, “Sub-contract labour: an overview”, *Éducation ouvrière*, No. 106-107, 1997 (in English, Spanish and French).
- ACTRAV - ILO, “Trade Unions in the unstructured sector: some references”, *Éducation ouvrière*, No. 106-107, 1999 (in English, Spanish and French).
- ACTRAV - ILO, *Trade Unions and the informal sector: for a global strategy*, preparatory information document for the international seminar on the organisation of workers in the unstructured sector, October 1999.
- Michel Hansenne, “The dilemma of the non-structured sector” Director General’s Report, International Labour Conference, ILO, 1991.
- WCL, *The Trade Union and the informal sector*, January 1998, 104 pages, (in English, Spanish, and French).
- Isabel Yépez de Castillo, *Trade Unions at the time of precariousness of labour*, Academia-L’Harmattan, 1993, 327 pages.
- Pedro Márquez, *Informal work and informal trade in Venezuela*, Instituto de Altos Estudios Sindicales INAESIN, Caracas, undated, 133 pages. (Chapter 1: concepts).
- Human Rights Watch, *Sex discrimination in the Guatemalan Labor Force*, 2002 (in English and Spanish).



NEW PROGRAMME OF TRADE ACTION

Accent on the Informal Sector and on Multinational and Transnational Companies

The decisions of the WCL Congress resulted in Trade Action, which consists of eight independent international trade federations, being represented in the political secretariat by a Deputy Secretary General in charge of Trade Action.

Thus, Trade Action will develop and implement a programme that improves the co-ordination between these international trade federations and initiate joint activities to achieve an adequate development of Trade Action in the continents. At the same time the services WCL departments render to the trade federations will be improved and given a more concrete shape.

An important fact is that WCL Trade Action will concentrate its efforts on two specific fields affecting the workers worldwide. Indeed, it will focus its action on the relations with multinational and transnational companies, but also on the informal sector, which must be given a more prominent place in the WCL's activities.

NETWORKING

The first aim of Trade Action is to create networks to face up to multinationals, accentuating the exchange of information between these companies and the workers' representatives.

It seems to be important, further, to define a policy per international trade federation or per multinational.

Lastly, the introduction of codes of conduct and the correction of imperfections seem to be sensitive topics which Trade Action will tackle in co-ordination with the World Confederation of Labour (with support from and in co-operation with the international trade federations).

So as to optimise the work –the exchange of information and the creation of networks to begin with– representatives of Trade Action have entered upon con-

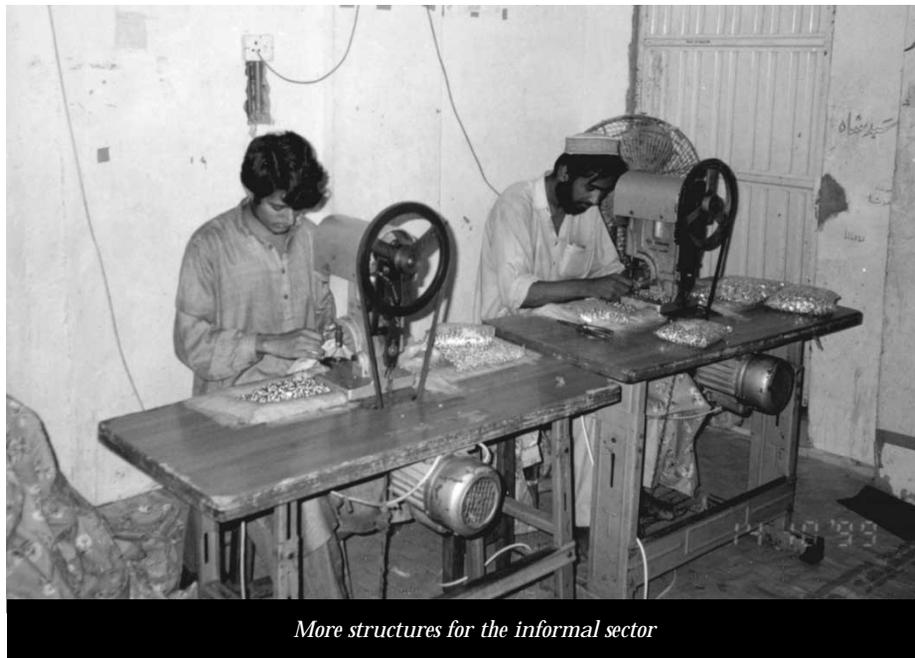
sultations in the regions and with the international trade federations.

A SPACE FOR THE INFORMAL SECTOR

In view of the aforementioned aims with regard to the informal sector, it seems essential for Trade Action to reserve the growing number of informal sector workers a space in the structures, policies and activities of the WCL.

To do so, one of the first actions would be to strengthen the administrative skills in this sector. Prior to this, however, it would be necessary to find out what services the trade union movement in general and Trade Action in particular can render all the informal sector workers.

THE 25th WCL CONGRESS, WHICH ASSEMBLED IN BUCHAREST ON 20-26 OCTOBER 2001, DECIDED TO DEVELOP AND IMPLEMENT IN THE YEARS 2002-2005 AN ACTION PROGRAMME AIMED TO STRENGTHEN THE WCL TRADE ACTION AND, IN THE PROCESS, THE WCL AS A WHOLE.



More structures for the informal sector



That is why some fundamental work must be accomplished (in close co-operation with the international trade federations having already integrated the informal sector in their structures, as is the case with the World Federation of Clerical Workers –WFCW– and the World Federation of Agriculture, Food, Hotel and Allied Workers –WFAFW), to take stock of the present situation and the anticipated developments in the informal sector and to discuss relevant ideas and proposals with the trade union representatives.

So, WCL Trade Action has developed a real strategy, and that is why it will also strengthen its structural functioning, preparing a series of activities with support from the WCL information and training depart-

ments and from its representation structures. Indeed, the successful implementation of this programme is entirely conditional upon efficient representation in the international institutions.

In the coming months, the Trade Action of the World Confederation of Labour will concentrate its efforts on the implementation of this important programme, which fits in with the challenges launched during the WCL Congress.

It is self-evident, further, that the implementation will be effected by common consent with the three great structures:

- the international trade federations;
- the regional trade federations;
- the regional WCL organisations (DOAWTU, BATU, CLAT).

Thus, the important items on the Congress agenda that have been developed here, are the strengthening of action, structure and participation, particularly in the subregions of the continents.

It goes without saying that the secretariat of WCL Trade Action will support the international and regional trade federations in strengthening their structures and action and in building the capacities of the regional and national trade union leaders in the continents.

M. D.



The realisation of codes of conducts: an imperative for Trade Action

The World Confederation of Labour as a whole joins Trade Action in the dealing with the quality of work issue (see Labor 2002-01). Indeed, in its policy resolution the WCL declares itself in favour of “*building a regional and international countervailing trade union power to face up to the globalisation*”. We see that WCL Trade Action is fully engaged in the implementation of the Congress resolutions and that the trade union movement can only gain strength from this.



Kazakhstan and the trade union freedom

A POLITICAL VIEW

Politically speaking Kazakhstan is a presidential government and it is divided into legislative, executive and judicial powers. The Constitution of the Republic of Kazakhstan was adopted at the Republican Referendum on 30 August 1995.

From the point of view of the executive power the head of the State is the President, the Head of the Government is the Prime-Minister and the Government comprised three Deputy Prime-Ministers and 17 Ministers. The Parliament of the Republic of Kazakhstan consists of two Houses: Mazhilis and Senate. The 47 senators are elected for a period of six years, the 77 members of the Mazhilis for a five-year term of office.

The judicial power, lastly, is held by the Supreme Court of the Republic of Kazakhstan, the Chairman of the Supreme Court, the chairmen of panel of judges and judges of the Supreme Court are elected according to the presentation of the President of the Republic of Kazakhstan on the basis of the recommendation of the Supreme Court Council.

THE TRADE UNIONS

Concerning the trade union scene, Kazakhstan in comparison with other CIS republics has a number of trade unions, which appeared after the proclamation of its independence and are considered as independent trade unions having an important role in representing the interests of the workers and leaving the possibility of choice for their members: the Federation of Trade Unions of Kazakhstan – an association of sector trade-unions uniting 30 organizations which numbers 7,330,000 members (1995) and which is led by Siyazbek Mukashev is the former structure inherited from the past times. Together with this old times structure a number of independent trade unions are active as the Independent Trade-Union Centre of Kazakhstan, the WCL affiliate, which was set up in August 1991 and which has representations in 9 regions and led by President –Leonid Solomin– the Confederation of Free Trade-Unions of Coal

and Mining Industries; the Independent Trade-Union of Karagandy Miners and the Independent Trade Union of Procurator's Office Employees.

Although as you can see the number of different independent trade unions in Kazakhstan is rather high as of the year 2002 the strongest trade unions can be considered: the Confederation of Free Trade Unions of Kazakhstan and the Federation of Trade Unions of Kazakhstan. Those two confederations are both representative on a national level and participate actively on the social dialogue.

The FTU in Kazakhstan was established on 1 November 1989 as a first independent Body of Unions of the employees working in the non-governmental sector of economy within the territory of the former USSR. Next, this process caused the establishment of the new Unions actively. These unions were brought together on the confederate base and then an United Centre (today is the Confederation of Free Trade Unions) was established in August 1991 which includes 95 subjects like the unions that had been established at the enterprises, as well as the separate departmental and region-





Independent trade unions

al FTU which were presented by the self-dependent companies (juridical persons), guided by the leaders elected on the democratic base. All organisations are integrated with the CFTUK on the base of confederation and should be considered as the companies (juridical persons), which are registered in accordance with the Law. In March 1998, the CFTUK's main office moved to the new capital –Astana.

Today the Confederation of Free Trade Unions of Kazakhstan implements training and educational programs oriented to a market economy and succeeds in solving the problems of the complicated situations. Almost 60% of trade union budget is spent on training and educational programs. In all regions of Kazakhstan there are 11 CFTUK centres for trade union training.

CFTUK maintains relations with the Unions from Russia, Japan, UK, Holland, Hungary, Poland, Denmark, etc. It had implemented a number of the joint workshops, training seminars and therefore has got the experiences which are extremely useful. As a result of co-operation with ILO CFTUK tries to implement international labour standards.

CFTUK AND THE WCL

CFTUK joined the World Confederation of Labour in the year 2000. CFTUK proposed to conduct debates: "Trade Unions of post-soviet countries" ta-

king into consideration the appearance of a lot of new independent structures within the CIS space which are competing with the old structures by providing in many cases better services to their members and better fighting for the rights of the workers. At present efforts are made to establish an international organisation within the CIS space, which could gather all the independent structures which were lately developed in the framework of a Confederation of Free Trade Unions of CIS Countries.

THE OTHER STRONG STRUCTURE IN KAZAKHSTAN, THE FEDERATION OF TRADE UNIONS OF KAZAKHSTAN

It was formed on October 10, 1990 on voluntary base from the republican, regional trade unions branches and counties organisations being the successor of the Kazakh Council of Trade Unions, created in May 1925. On January 1st 1999 number of members of FTUK was 2917431. At 1999 elections from the side of trade unions were elected 9 trade unions candidates. In the Parliament there is a deputy group named "Enbek" (Labour), in which are 16 deputies representing the confederation which shows us that there are certain political links between this structure and the Kazakh political parties.

FTUK is a member organisation of General Confederation of Trade Unions which is the regional structure of the CIS space having in an international character and it has also contacts with ICFTU, WFTU. On bilateral base FTUK collaborates with national trade unions from China, Turkey, Denmark, Mongolia and trade unions from other countries.

Concerning the social dialogue in Kazakhstan, which is considered to be rather advanced as compared with other countries of the CIS space, the most active partners of the social dialogue from workers' side are FTUK and CFTUK. CFTUK is invited every year to sign the General Agreement, to work on law drafts. Constructive co-operation with the authorities and the Parliament allows to exert influence on the contents of the drafts introduced by the Government, as well as Governments' decrees, resolutions, drafts adopted by the Parliament.

SOCIAL PARTNERSHIP

The Law on social partnership adopted in 2001 establishes legal basis, objectives and method of functioning of the system of social partnership (tripartite) in the Republic of Kazakhstan, changing and cancelling of General, branch and regional agreement for the achievement of common socially important goals



on bases of the principles of equality and reciprocal responsibility of the parties.

Partners of tripartite dialogue recognise that as a result of 11 years of social partnership finally they managed to hear each other, they are convinced that the best alternative to strikes are, for sure, “round tables” where all important problems are settled. There was little time for partners of the social dialogue to get used to negotiations, to the fact that negotiation is a very important key for solving major tasks.

In an interview on February 14th 2002 the new ministry of labour and social protection of Kazakhstan mentioned that: *“The state is using such a mechanism like the institute of social partnership. In Kazakhstan is working a republican trilateral commission on social partnership and on rules of social and labour relations. At the end of February –beginning of March will be signed the 7th General Agreement between members of Republican Tripartite Commission– government, employers organisations and Trade Unions. I have to mention that trade unions showed themselves as a well organised party and are actively using the advantages of tripartite dialogue. On the other side republican employers unions are still in the stage of association. But I think, that after a while they will become also a strong organisation...”*

On February 28th 2002 there was a meeting of the Republican Trilateral Commission and it was signed the General Agreement for 2002. At the republican level every year social partners participate to consultations and negotiations for the conclusion of the gener-

al Agreement. This document establishes and co-ordinates positions and responsibilities on major principles of the rules of social and labour relations at the level of the Republic between the three participants of the Republican Trilateral Commission –the Government, trade unions and employers. The General Agreement for 2002 states establishes the main principles of social, labour and economic rules relations in the field of labour market and labour relations, of social policy, employment, providing social guarantees, labour protection, health and ecological security.

Also in this agreement are introduced the most actual questions concerning creation of new working places, reduction of unemployment, improvement of the system of payment for work, protection and security of work, reduction of the level of poverty, protection of the internal market. Beside this, the document provides also the obligation for the parties to provide the constitutional rights of workers and the realisation of the workers social protection. Provisions and recommendations with a socio-economic character included in this agreement will be taken into consideration for the conclusion of regional and branch agreements.

There is a juridical base for trade unions in Kazakhstan and they have to be strong and active and this way to achieve the goal they were created for –to fight for workers rights and to act as a link between workers, Government bodies and employers organisations.

WCL Office (Eastern Europe)



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PRESS REVIEW



DIFFICULT TIMES IN THE GERMAN ELECTRICAL SECTOR

"Germany has proved rather progressive in the liberalisation of large network industries, but is currently going through a difficult adjustment period in the electricity sector. During the past ten years, its companies have cut not less than 60,000 jobs. According to VDEW, the professional federation of electricity providers, 70,000 further jobs would become redundant in future years. This restructuring move took place in the aftermath of the reunification. At that time, European policies that should have opened European gas and electricity markets to competition were still in draft. But the federal government, pushed by the big industries, which found their energy bills too high, wanted to speed up attempts to make the German energy markets a huge regional monopoly network, without waiting for Brussels. Aware also of the scope of influence of these big industries forming a Lobby, the big producers in turn also anticipated the move. Between 1991 and 2001, the number of big electricity operators had taken a 7 to 3 vote on the law on liberalisation of the energy markets in April 1998, thus speeding up the move. On the social front, this concentration led to a sharp fall in employment: 30% between 1991 and 2001. [...]"

Extracts from an article by Florence Autret, *L'emploi sous tension*, Le Monde Initiatives, April 2002.

• WORK AND ITS SOCIAL SIGNIFICANCE

"It is important that when one speaks about work, its meaning should be based on its humanist anthropological dimension, namely the human person's central position, both as a subject and as an end. This is the reason why I have defined work as any type of action performed by the human person, through which men and women must earn their daily bread, contribute to science and technology advancement, and particularly to the incessant cultural and moral growth of their own self, their family and the society in which they live in community. Consequently, the concept of work intrinsically involves two dimensions, one objective, the other subjective: the former ensures the necessary support and contribution to science and technology for the protection of humanity; the latter guides the personal and social achievement of men and women".

Carlos E. Molina, *Perspectiva Centroamericana y del Caribe*, No. 39, January-February 2002.

• NO CHILD LABOUR IN SURGICAL INDUSTRY

Sialkot: "The chairman of 'Surgical Instrument Manufacturers Association of Pakistan' (SIMAP), Nadeem Iqbal Sheikh, has said that the International Labour Organisation (ILO) had identified as many as 500 working children, not in the surgical industry of Sialkot but with the vendors [...] he said that in an agreement with ILO, a two-year project has been initiated in Sialkot under which ILO-IPEC would extend its technical schools in villages where working children could get formal education. In addition to training and rehabilitating child workers, the ILO is committed to capacity building of partner organisations. It will develop a monitoring system in consultation with the SIMAP to assess the impact of the project activities. The SIMAP chief said that ILO-IPEC was in process of preparing profiles of the enrolled children. The pre-vocational training of the first batch will be completed during the current month, while 43 children out of the 500 identified have joined these schools [...]"

The Philippines Star, 20 March 2002.

BOOKS AND DISCUSSIONS



ISRAEL, PALESTINE: TRUTHS ABOUT THE CONFLICT

Since the beginning of the second Intifada, tension is once again at its peak in the Middle East. All hopes for peace raised by a shake of hands between Yasser Arafat and Itzhak Rabin have evaporated.

It is important to understand the origins of this conflict, to understand the terrible events which have marked not only this region but a large majority of the world. This is what Alain Gresh, editor-in-chief of "Le Monde Diplomatique", tries to do. This book is important. It analyses the conflict and makes us think.

Israël, Palestine, Vérités sur un conflit, Alain Gresh, 198 pages, ed. Fayard.

PORTRAIT



Necie Lucero: *'Trade unions want to get involved in the social dialogue'.*

Of course. It is always interesting to have this sort of conference, even if the time is limited. It is a real opportunity to have women from all over the world around a table, to freely express themselves on their status, activities or yet still future challenges. I think that one of the important decisions of the WCL Congress was the modification to the statutes on the participation of at least one woman per regional delegation. Today, six women sit on the Confederal Board of the WCL. These women are active in decision-making. It is the most significant development that the WCL has gained to date with regard to women.

Do you think this development will continue in this direction?

I hope so, I am convinced of it. This decision is a real encouragement to women because in most cases, women must work twice as much to prove that they deserve as much consideration as men.

You have returned to the Philippines after a six years' stay in Brussels. Do you see any change?

First of all, I am happy to return home. You know, even after six years of living the European way, I am still very attached to Asia. With regard to work, it is true that one has to readjust to the work style in the Philippines. I think that as long as dialogue exists nothing is impossible. To increase the influ-

ence of BATU not only in the region but also elsewhere, will not be easy but I think that we have the necessary skills and strengths to make it.

We are in 2002. What do you think today, of the influence and place of trade unions in Asia?

If we compare the situation with Europe, which remains the model to follow as far as trade unions are concerned, we do not have such a long way to go. In spite of everything, I am filled with hope when I see the strength and the willingness with which the trade union members work. The trade unions are increasingly taking initiatives and it is obvious that they want to be involved especially in social dialogue. They want to gain an important place in the dialogue and join their strengths with those of other social actors. All this is very positive for the future.

Is solidarity not a vain word in Asia?

At the level of the BATU, solidarity among workers and members is very present. This is so with other trade unions as well.

In Asia, there is an impressive number of trade unions. I do not think that will constitute a problem as long as they will be open to collaboration and dialogue in view of the decision taken in favour of workers.

During the World Social Forum, Asia was under-represented, undoubtedly because of financial difficulties in travelling to Brazil. Can the idea of regional forums be a solution to this rate of absenteeism?

First of all, the trade union presence at the World Social Forum was proof to me. The position of the WCL on this issue is very clear and besides it was part of the organising committee of WSF. With regards to the Asian presence, even if it is obvious that the financial aspect is a problem, we were present especially through the presence of Muchtar Pakpahan, vice-president of the World Confederation of Labour and member of Serikat Buruh Sejahtera Indonesia, SBSI. Having said that, organising regional forums seems to me to be a good solution to strengthen the Asian and African presence.

trade union activities

HONDURAS

Monterrey, Words, Action

During the Monterrey Conference, the United States President, George W. Bush, confirmed the progressive growth of US development assistance, which will reach 15 billion dollars a year as from the 2007 fiscal year, instead of the current 10 billion, by placing this assistance within the framework of a “new pact” between rich and poor countries based on responsibility (latin-reporters.com, 09-04-2002). While the Conference was going on, President Bush, passing through San Salvador, defended free trade as a fundamental vector for development. One wonders about the fairness of this affirmation in view of the reality in the field. According to Willy Thys, secretary-general of the WCL, during his stay in Honduras, “*the key to development remains rather in adding value to primary products (agricultural, mineral production, ...), the fight against corruption of ruling classes and the sharing of wealth produced through the right collection of taxes*”.

The “El Mochito” Mine, produces silver, zinc, lead and manganese and is the only one in Honduras which has a trade union organisation. It witnessed a number of social disputes (at times very violent) until 1991. Since then, a consensus has been established: the fixed salary of workers is supplemented by an amount linked to productivity. This amount, managed collectively, is used mainly as a supplement to salary and also for collective services such as schools, farming, housing and also health care. At the proposal of a management committee comprising representatives of the workers and the enterprise, discussions are organised at a general assembly. Furthermore, a lot of emphasis is placed on the prevention of accidents at work. The example of the “El Mochito” Mine proves to us that other social relations are possible in the third world. This must not make us forget, of course, that Honduras is a very poor country, particularly in the rural areas. This situation brings about a drift to the towns and increases the size of the informal sector.

Meanwhile, the issue of the “maquilas” or free zones is still current. “*Within the Southern Textile Knitters of Honduras ‘maquiladora’ enterprise, trade union workers are the target of bosses*”, Evangelina Argueta of the *Central General de Trabajadores* (CGT) made this known to us. “*Following the submission of a list of demands, the management decided to move the machines to another location, which left the workers without working tools. The management is convinced that the company is right in doing so and that if they separate themselves from the workers and pay them their money, there is no violation of trade union freedom*”. The CGT did a lot of negotiation but the situation remains tense.



In Honduras, the maquilas account for more than 125,000 direct jobs and 250,000 indirect ones. Of course, the issue of the maquilas must be tackled at the level of Central America in its entirety since the enterprises jump from one country to another according to their interests. In the opinion of the World Confederation of Labour, one of the responses would be to organise social dialogue within these enterprises at the Central American level with the support of the ILO (International Labour Organisation) based on a structuring by trade sectors.

Free trade, basic vector of development?