ORGANIZING INFORMAL ECONOMY



Definition

Informal Economy

Refer to all economic activities by workers and economic units that are in law or in practice not covered or insufficiently covered by formal arrangements, and does not cover illicit activities (ILO 2015)



Organizing

Building powers of workers by: -

- Organizing workers into trade unions
- Building and maintaining democratic trade unions
- Building accountable workers and women leaders

ILO Recommendation No. 204

At the International Labour Conference of 2002, delegates adopted a Resolution and set of Conclusions that highlighted the decent work deficit suffered by workers in the informal economy and stressed the need for transition to the formal economy. Further discussions in 2014 and 2015 resulted in the adoption of Recommendation No. 204 by ILC in June 2015, the first international instrument dealing specifically with the informal economy.

Opportunities Provided by the ILO Recommendation No.204

- Recommendation 204 is unique instrument developed by ILO to provide guidance to countries on ways of understanding and delivering a transition from the informal to the formal economy.
- Promote the creation, preservation and sustainability of enterprises and decent jobs in the formal economy
- Facilitate the transition of workers and economic units from the informal to the formal economy, while respecting workers' fundamental rights

Why Organize Informal Workers to Trade Unions?

Workers in the informal economy are vulnerable to acute decent work deficits and empirical research has shown that they are at higher risk of experiencing poverty than workers in the formal economy. While some activities do offer reasonable livelihoods and incomes, most people engaged in the informal economy. The reasons for trade unions to organize informal economy workers are as follows:



Builds collective power, protects labour rights and secures social safety nets for millions of vulnerable workers



Informal economy workers need to organize to build their confidence and power to collective action, to gain recognition and for effective voice and representation



Organizing into trade unions provides access to representation by already recognized voice of labour at all level



Organizing informal economy workers into trade unions allow for building a strong and united voice of labour.

Who to Organize?

Workers in the informal economy differ widely in terms of income, employment status, sectoral, type and size of enterprise, location, social protection and employment protection.

They can be found in both private and public spaces and in all sectors of economy. Certain groups are particularly vulnerable to the most serious decent work deficits in the informal economy. These include but not limited to women, youth, migrants, older people, people with disabilities, domestic workers and subsistence farmers.



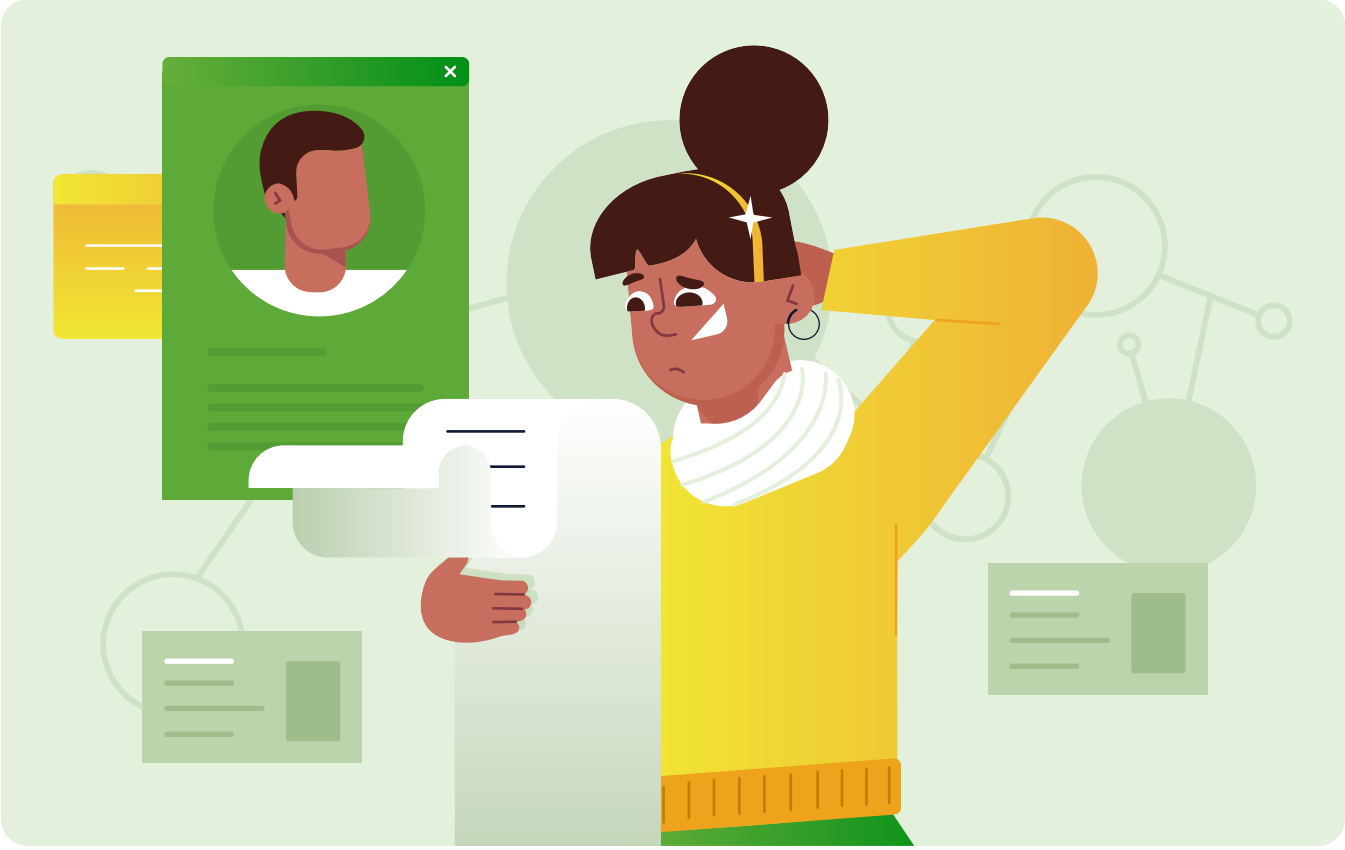
The ILO Recommendation No. 204 covers both workers and economic unit to be organized

- Workers in unrecognized or unregulated employment relationships
- Employees holding informal jobs or for formal enterprises or in or for economic units in the informal economy, including but not limited to those in subcontracting and in supply chains or as paid domestic workers employed by household.
- Those in the informal economy who own and operate economic units including own account-workers, employers and members of cooperatives and of social and solidarity economy units.

Trade unions are encouraged to discuss the question of who to organize. It is important to define precisely the most relevant target groups (Including gender and sectoral approaches). Moreover, trade union leadership should discuss how to prevent and contain the potential internal conflicts brought about by bringing into the trade union organizations a diverse group of informal economy operation with their wide ranging expectations and entre perineurial needs.

It is also emerging that some individual entrepreneurs and groups of small-scale employers may find their interests better accommodated by employers 'associations.

How to Organize?



Organizing individual informal economy workers into sector trade unions is an audacious task and can be time consuming. It also requires members from the formal economy to accept the fact that they may be required to pay higher level of dues than their counterparts in informal employment do.

The most commonly method uses involves associating of affiliating existing informal economy association into trade unions

Trade unions need to be careful in setting up the right expectations in relation to the different groups within the informal economy. They need to be aware of the different trade-offs and balances between the capacity to represent and provide services and benefits and members' active participation in activities and payment of dues. The ability to meet high expectations from newly organized members is pivotal in training members.

Effective organizing depends on the trade unions' ability to highlight the benefits for informal economy.

Organizing Models for EATUC Affiliates

Model	How it works	Recommended for	Risks to mana
Direct Union Membership	Informal workers join a sector union or national centre structure directly with adapted dues.	Domestic workers, street vendors, waste pickers, platform workers where no strong association exists.	Organizing, services and representation challenges.
Association-to-Union Pathway	Existing associations sign cooperation agreements (MoU) or affiliate to union structures with clear rights and duties.	Market associations, transport associations (boda boda, matatu, taxi, daladala), Cooperatives, cross-border trader groups and artisan associations.	Association leaders may resist democratic accountability; need transparent membership rules.
Sector Federation Approach	Unions organize informal workers linked to their sector and value chain.	Transport, agriculture, construction, hospitality, retail, fisheries, waste and domestic work.	Formal unions may treat informal workers as secondary members; governance must be inclusive.
Community-based Organizing	Organizers build structures around workplaces and communities where workers live and operate.	Home-based work, domestic work, unpaid care-linked livelihoods and peri-urban informal work.	Requires patient organizing and strong women/youth leadership.
Digital-first Organizing	Workers register, pay dues, receive information and report violations through mobile tools.	Dispersed workers, platform workers, youth, migrants and rapid-response campaigns.	Digital exclusion and data privacy risks must be addressed.
Cross-border Organizing	Affiliates cooperate at border points and migration corridors to support mobile informal workers.	Small-scale cross-border traders, transport workers, migrant domestic workers and seasonal workers.	Needs coordination protocols and contact points in each country.

Practical Organizing Cycle



Identify the organizing target

Select a sector, location or value chain with clear worker concentration, leadership potential and strategic importance.



Map workers and power relations

Document who the workers are, where they work, income patterns, hazards, authorities, employers, platform companies, market leaders and existing associations.



Build trust

Hold listening sessions, community dialogues, workplace visits and small group meetings before asking for membership.



Develop a worker agenda

Agree the top three to five issues workers want solved: permits, harassment, health insurance, police/municipal enforcement, OSH, market space, income insecurity, childcare or access to finance.



Recruit and register

Use simple membership forms, digital tools, affordable dues and clear membership benefits.



Train worker leaders

Build capacity on rights, negotiation, union governance, gender inclusion, OSH, R204 and conflict resolution.



Negotiate and campaign

Engage local authorities, employers, boards, platform companies and social protection agencies; combine dialogue with public campaigns where needed.



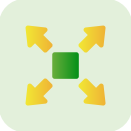
Deliver services

Provide legal advice, OSH information, health insurance linkages, financial literacy, welfare services and access to skills certification.



Institutionalize

Create sector committees, delegate structures, affiliate representation and routine reporting.



Review and scale

Measure membership growth, dues, victories, leadership development and lessons for expansion.

Priority Sectors and Value Chains

EATUC affiliates should priorities sectors based on membership potential, level of vulnerability, existing worker associations, strategic economic importance, gender/youth concentration and prospects for negotiation. The table below offers a regional menu; each affiliate should adapt it to country realities.

Sector/value Chain	Typical Workers	Entry Points For Unions	Priority Demands
Urban Transport	Boda boda riders, taxi/matatu/daladala operators, loaders, mechanics, platform drivers	Stages, associations, SACCOs, municipal transport offices, road safety bodies	Permits, safety, social protection, fair platform terms, harassment protection, accident cover,
Markets and Street Vending	Market traders, hawkers, food vendors, porters, kiosk owners	Market committees, trader groups, local authorities	Secure vending spaces, fair fees, sanitation, childcare, OSH, protection from confiscation, social protection
Agriculture and Fisheries	Smallholder producers, seasonal workers, fishers, fish processors, loaders, agri-value chain workers	Cooperatives, landing sites, plantations, value-chain buyers	OSH, fair prices, insurance, climate adaptation, recognition of seasonal work,
Domestic and Care Work	Domestic workers, carers, cleaners, nannies, home-based care workers	Community networks, placement agencies, faith/community groups	Contracts, minimum wages, social protection, maternity protection, protection from violence and harassment
Waste and Circular Economy	Waste pickers, recyclers, sorters, scrap collectors	Dump sites, recycling groups, municipal waste departments	Recognition, PPE, contracts, inclusion in circular economy, OSH and health cover
Construction and Artisans	Casual labourers, masons, painters, carpenters, welders, apprentices	Sites, artisan clusters, technical training centres	Safety, skills certification/RPL, fair wages, apprenticeships, accident protection
Cross-border Trade	Small-scale traders, transporters, loaders, women traders	Border markets, customs posts, trader associations	Simplified trade regime, anti-harassment mechanisms, portability, information desks
Platform and Digital Work	Delivery riders, drivers, online freelancers	Digital communities, platform associations, worker WhatsApp groups	Fair algorithms, transparent pay, safety, data rights, collective voice

Policy, Legal and Social Dialogue Agenda

The policy agenda should be anchored in ILO Recommendation No. 204 on the transition from the informal to the formal economy. Recommendation No.204 calls for formalization that preserves livelihoods, respects fundamental principles and rights at work, extends social protection and supports inclusive development. EATUC affiliates should use Recommendation No. 204 to connect organizing with national reform and regional advocacy.

Advocacy Area	EATUC Affiliate Action	Target Institution
Ratification and Application of Labour Standards	Advocate implementation of R204 and ratification/application of relevant standards such as Convention No. 154 on collective bargaining, Convention No. 182 on worst forms of child labour, Convention No. 183 on maternity protection, Convention No. 190 on violence and harassment, Convention No. 155/187 on OSH and Convention No. 189 on domestic workers where relevant.	Ministries of Labour, parliaments, tripartite bodies, EAC mechanisms
National Formalization Policies	Demand national strategies that include worker organizations, simplified registration, incentives, protection from punitive enforcement and social protection	National governments, local authorities, employers' organizations
Local Government by-laws	Review by-laws affecting street vendors, transport workers, markets and waste pickers; negotiate fair permits, spaces and dispute mechanisms.	Municipalities, counties, city councils, market boards
Social Protection Policies	Advocate for the extension of social protection coverage, universal health coverage, pension inclusion, maternity benefits and flexible contribution models.	Social security funds, health insurance agencies, Ministries of Finance and Labour
Tax and Business Registration	Negotiate tax incentives, grace periods and simple business registration that benefits workers rather than punishes them.	Revenue authorities, business registration agencies, local governments
Skills and Recognition of Prior Learning	Push for recognition of prior learning and certification of informal skills through vocational training systems.	TVET agencies, skills authorities, employers and ministries
Labour Market Information Systems	Ensure informal workers are counted in labour market data and policy planning.	National statistics offices, labour ministries, EAC Secretariat

Gender and Youth in the Informal Economy

Gender and youth must be integrated into every pillar of the framework, not treated as separate add-ons. Many women informal workers combine paid work with unpaid care responsibilities, operate in insecure public spaces and face harassment. Young workers often enter informal work through apprenticeships, casual jobs and platform work without adequate protection or training.

Priority	Action for EATUC and its Affiliates
Map Unpaid Care Work	Document how unpaid care affects women informal workers income, time, organising participation and access to training.
Maternity Protection	Advocate maternity protection for informal workers through social insurance, public financing and community-based schemes; use ILO maternity standards as advocacy references.
Gender-inclusive Policy	Develop or revise affiliate informal economy policies to include gender, Gender Based Violence and Harassment (GBVH), care economy, childcare, sanitation, safety and leadership quotas.
Youth Organizing	Create youth-friendly recruitment campaigns, digital engagement, mentorship, apprenticeships and skills hubs.
Women and Youth Leadership	Reserve seats in informal economy committees and organizing teams for women and young workers.
Research and Publications	Produce evidence on youth unemployment, underemployment, vulnerability, care work and sector-specific barriers.

Practical Organizing Cycle



Identify the organizing target. Select a sector, location or value chain with clear worker concentration, leadership potential and strategic importance.



Use mobile registration and digital receipts to reduce leakage and improve trust in dues collection.



Use WhatsApp, SMS, USSD and community radio for communication, considering digital divides.



Create sector-specific WhatsApp or Telegram groups moderated by trained worker leaders.



Use short digital surveys to collect evidence on income, OSH risks, harassment, climate impacts and social protection needs.



Protect members personal data and avoid sharing worker lists with authorities or private actors without consent.

Cross-Border and Migrant Informal Workers

Regional integration creates opportunities for work and trade, but many informal workers face harassment, lack of information, insecurity, double taxation, language barriers and weak social protection coverage. EATUC can add value by linking affiliates across borders and developing common regional positions.

Regional Issue	EATUC Role	Affiliate Role
Cross-Border Trade	Develop a regional cross-border worker protection framework and negotiate with EAC institutions.	Create help desks at key border points and link trader associations to unions.
Social Protection	Continue advocacy for portability of social security and extension of social protection coverage across EAC Partner States.	Continue advocacy at national level, collect cases of workers losing benefits and engage national social security agencies.
Migrant Informal Workers	Promote fair labour migration governance and access to justice for migrants.	Provide referral contacts, rights information and representation support.
Tripartite Simplified Trade Regime	Advocate simplified, worker-friendly trade procedures for small-scale traders.	Train workers on procedures and report abuses.
Cross-Border Trade Union Assistance	Create an EATUC affiliate focal point directory and rapid referral protocol.	Designate focal persons and share monthly cases with EATUC.
Recognition of Prior Learning	Help workers access certification for skills gained outside formal schools.	Certification improves bargaining power and transition pathways.

Partnerships and Stakeholder Engagement

Partner	Why it matters	Engagement strategy
Local Authorities	They regulate markets, vending spaces, transport stages, waste areas and permits.	Negotiate MOUs, joint committees, dispute systems and non-punitive by-laws.
Government Ministries	They lead labour, trade, social protection, gender, youth, environment and finance policies.	Use social dialogue, policy briefs and tripartite structures.
Employers and Value-chain Actors	They influence prices, contracts, outsourcing and working conditions.	Negotiate sector agreements and responsible business commitments.

Partner	Why it matters	Engagement stra
Informal Worker Associations	They have trust and access to members.	Develop affiliation pathways, joint campaigns and leadership training.
Civil Society and Legal Actors	They support legal aid, research, rights monitoring and public accountability.	Build referral networks and joint advocacy.
Media	They shape public perceptions of informal workers.	Promote worker stories and challenge criminalization.
Faith Actors and Community Leaders	They hold community trust and can support conflict resolution and welfare initiatives.	Include in community dialogue where appropriate.
Cooperating Partners	They can support technical assistance, training and resources.	Align support with EATUC priorities and avoid fragmented projects.

Case Studies

In Uganda, the Amalgamated Transport and General Workers' Union (ATGWU) has developed series of memoranda of understanding with informal economy associations within the transport sector in the informal economy. Hence, they organize workers through sector unions.

In Tanzania, TUICO organizes individual workers from the informal economy into the union, and provides equal rights for all dues-paying members.

