

BAYREUTH

Georg Heidenreich

Trade Unions and the informal
economy in Zambia:

Building strength or losing ground?

Bayreuth African Studies Working Papers
(August 2007)

No. 5

Bayreuth African Studies Working Papers

Die Bayreuther Arbeitspapiere „Bayreuth African Studies Working Papers“ berichten über laufende Arbeiten, aktuelle Forschungsergebnisse und Materialien des Afrika-Schwerpunkts der Universität Bayreuth. Es gibt keine festen Vorgaben für die Publikationssprache und die Länge der Beiträge.

Beiträge zu dieser Reihe können direkt oder über Hochschullehrer/innen bzw. über das Institut für Afrikastudien eingereicht werden. Die Herausgeber entscheiden über die Aufnahme.

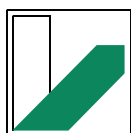
Die Schriftenreihe “Bayreuth African Studies Working Papers” wird über den Opus-Service der Universitätsbibliothek erfasst.

Jeder Band erscheint in elektronischer Version über die Homepage des IAS:
<http://www.uni-bayreuth.de/Afrikanologie/IAS>

Weitere Links befinden sich auf den Homepages einzelner Lehrstühle und Professuren der Universität Bayreuth.

Herausgeber:
Dymitr Ibriszimow
(Geschäftsführender Direktor des Instituts für Afrikastudien)
Dieter Neubert
Christine Scherer

Adresse:
Universität Bayreuth
Institut für Afrikastudien
D-95440 Bayreuth
Telefon: 0921/55-4606
Fax: 0921/55-4607



**UNIVERSITÄT
BAYREUTH**



Abstract

The increasing casualisation of labour forces trade unions globally to deal with a growing number of unprotected and unrepresented workers in what is dubbed by the unions, even if critically, as the informal economy. This paper assesses the impact and further potential of a direct and indirect intervention of the *Zambian labour movement* towards the informal economy, according to basic criteria like skills development, networking, innovation capacity and access to finance for micro-entrepreneurs. Through providing business development services, the unions also encourage informal sector organizations to associate themselves with Zambia Congress of Trade Unions (ZCTU), thereby strengthening the socio-political representation of the informal economy workers and the labour union movement as a whole. It still remains to be seen, however, to which extent NGO-like approaches that seem to be vital when opening towards the informal economy might compromise basic principles of the labour movement like effective, yet democratic and transparent structures based on mass membership.

Bayreuth February 2007,
Georg Heidenreich

Autor

Georg Heidenreich ist Ethnologe und promovierte über "Arbeit und Beruf bei Handwerkern der Bakiga in Uganda" am Graduiertenkolleg "Interkulturelle Beziehungen in Afrika" an der Universität Bayreuth. Er war Entwicklungshelfer des Deutschen Entwicklungsdienstes in Uganda und Sambia, zuletzt als Berater des Berufsbildungszentrums beim sambischen Gewerkschaftsdachverband. Er ist derzeit in der beruflichen Erwachsenenbildung tätig.

Abbreviations and acronyms

ACU	Association of CISEP Users
ALRN	African Labour Researcher's Network
AWFMZ	Association for the Welfare of Former Miners in Zambia
AZIEA	Alliance for Zambian Informal Economy Associations
CISEP	Concept for Informal Sector Employment Promotion
DED	German Development Service
FES	Friedrich-Ebert-Stiftung
GTZ	German Technical Co-operation
ILO	International Labour Organization
IMF	International Monetary Fund
MIBAN	Micro-Business Association Network
MUZ	Mineworkers Union of Zambia
NGO	Non-governmental organization
TEVETA	Technical Education, Vocational and Entrepreneurship Training Authority
WEAZ	Workers Education Association of Zambia
ZCTU	Zambia Congress of Trade Unions
ZCCM	Zambia Consolidated Copper Mines

Table of Contents

Abbreviations and acronyms	IV
Introduction	1
1. Trade unions and the changing economy in Zambia	2
2. Criteria for the support of the informal economy in Zambia	7
3. Entrepreneurship, education and co-operation in the informal economy	8
3.1. Informal economy operators and their challenges as micro-entrepreneurs	8
3.2. Technical and business management skills of micro-entrepreneurs	9
3.3. "Joining hands" and "networking" as business-related forms of co-operation	11
3.3.1. Forms of co-operation between micro-entrepreneurs	12
3.3.2. Levels and factors of entrepreneurial co-operation	13
3.4. Strategies for the promotion of entrepreneurial skills and co-operation	15
4. Trade union interaction with the informal economy	17
4.1. Policies, structures and implementation procedures	17
4.2. Employment promotion activities	18
4.3. Organizing the informal economy	20
4.4. Further development of trade-union specific	

Trade Unions and the informal economy in Zambia	VI
approaches towards the informal economy	21
4.5. Impact of the trade union efforts towards the informal economy	25
5. Trade unions and NGOs: united we stand, divided we fall?	27
6. Conclusion: new roles, old structures	30
Bibliography	32

Trade unions and the informal economy in Zambia: Building strength or losing ground?

Georg Heidenreich

“Numbers count”. Sylvester Tembo, ZCTU Secretary General, 2003 (personal communication).

Introduction

Zambia under her first president Kenneth Kaunda had pursued a policy of state-ownership for most industries, especially in the copper mining industry, which has since independence in 1964 been the most important in terms of export earnings. Due to falling copper prices since the 1970s and mismanagement of the state-owned companies, however, the new government under Frederick Chiluba decided to follow a structural adjustment policy of Worldbank and International Monetary Fund. This programme was geared since 1991 towards the selling of parastatals, including the copper mines. These mines, belonging to the holding "Zambia Consolidated Copper Mines" (ZCCM), and privatized last after long delays amidst corruption charges, were particularly affected by privatisation and accompanying rationalisation. Between 1998 and 2002, 10000 miners lost their jobs, down to 35000 from previously 45000 employees. The closure of the ROAN mine in Luanshya on the Copperbelt in Northern Zambia alone resulted in loss of 4000 jobs, according to an estimate from the Zambian Congress of Trade Unions, the national centre of the Zambian labour union movement (ZCTU 2002, 8 foll.).

With the downsizing of the mining industry, the closure of other parastatals that failed to perform after being sold to private investors and the public sector reform programmes in the 1990s, at least 67000 retrenchees, i.e. redundant workers, and retirees looked for an alternative source of income (ZCTU 2002, 8). The only available way for many was to go back to their forefathers' occupation and engage in subsistence agriculture. Mining had

been done on the Copperbelt in third generation, to go back to the land is not an easy option for a retrenched or retired person, who was used over twenty or thirty years to get a reasonable and regular salary with other benefits such as free housing or medical care. Moreover, most former employees opted not to go to those more fertile areas of their ethnic origin, but to stay on the heavily industrialised Copperbelt, as the housing estates of the mining companies had also been sold off, in this case to the tenants. Northern Zambia since the beginning of the last century. Even if one's own family had not been miners in the second or

Most former miners and other parastatals' employees will therefore try to do some agriculture on fields near to their homes, often illegally on polluted land belonging to the mines. In addition, the affected people and their families might engage in petty trading in the big towns on the Copperbelt, or start a small workshop like carpentry or welding, if skills and funds are available. Therefore, formerly rather privileged workers and their families find themselves joining the vast majority of Zambians working in the informal economy.

This paper examines how the unions in Zambia react to such drastic changes in the country's formal economy by putting a new strategy towards the informal economy workers in place. This implies an assessment of the NGO-like approach that came with the international assistance in order to work out and implement the strategy, both in terms of its effectiveness towards the intended informal economy promotion and with regard to traditional union structures like a centralized organizational model still based on experiences from the former state-owned industries.

1. Trade Unions and the changing economy in Zambia

The informal economy supports nine out of ten working people in Zambia. Only 477000 Zambians out of 4.6 million economically active persons are formally employed, while the total population consists eleven million people, i.e. the vast majority find their living in the largely subsistence-oriented areas of agriculture, small-scale trading, crafts and services (ZCTU 2002, 10).

In Zambia as in other developing countries, the informal economy is characterised by insufficient levels of state recognition, support as well as legal protection and social security. Due to the limited access to Business Development Services (such as professional and entrepreneurship training)

and to Micro-Finance Institutions, productivity and consequently income levels are also generally low. Equally limited is the social representation in informal sector associations, where so far only a fraction of the micro-entrepreneurs and casual workers have organised themselves.

In this paper, the following definition of the International Labour Organization (ILO) applies, which coined in the seventies of the last century the term "informal sector" (now mostly called "informal economy"), i.e. "very small-scale units producing and distributing goods and services, and consisting largely of independent, self-employed producers in urban areas of developing countries, some of whom also employ family labour and/or a few hired workers or apprentices; which operate with very little capital, or none at all; which utilize a low level of technology and skills; which therefore operate at a low level of productivity; and which generally provide very low and irregular incomes and highly unstable employment to those who work in it. They are informal in the sense that they are for the most part unregistered and unrecorded in official statistics; they tend to have little or no access to organized markets, to credit institutions, to formal education and training institutions, or to many public services and amenities; they are not recognized, supported or regulated by the government; they are often compelled by circumstances to operate outside the framework of the law, and even when they are registered and respect certain aspects of the law they are almost invariably beyond the pale of social protection, labour registration and protective measures at the workplace" (ILO 1999, 1).

The interest of the labour movement in this part of the economy is a rather recent development. "In the past the informal economy was regarded as a marginal or temporary phenomenon that was bound to wither away and die with modern industrial growth, as illegal activity with which the labour union movement should have no contact or as a conspiracy of employers to undermine the rights and conditions of organized workers." (Spooner 2005, 15). This has changed after recognizing that in Africa the majority of the labour force works in the informal economy and therefore needs "a combination of protective legislation and unionisation" in order to improve their poor working conditions (ALRN, 24). At the same time, the unions stress job creation as a field of activity in terms of lobbying the state for better framework conditions with regard the the informal economy, but also to get themselves as unions involved into income generation projects as a means to fight poverty (ALRN, 4).

Given the ambiguous viewpoint of the unions towards the informal economy, it is not surprising that the term itself is dealt with some difficulty within the labour movement. Some unionists reject the idea that the complexity of activities that people do for subsistence or survival can be framed within the concept of informality alone; instead the unions' support for all unprotected, excluded, unrecognized or unrepresented workers should be stressed (Justice 2002, 3-5, in: ILO 2002). Others accept it for practical reasons as the term is being used widely since its release by ILO in the 1970s (Castillo Gerardo; Miguel Frohlich; Alvaro Orsatti 2002, 9, in ILO: 2002). Even if the term is being used, although in an uneasy way, doubts remain from the unions' perspective with regard to its development potential (ZCTU, MUZ: 2004, 3). Nevertheless, the labour movement globally gets active for the informal economy as the alternative, ie. the representation of informal workers by national or even international Non-Governmental Organizations "would not just weaken labour union representation but could shift the fundamental historic balance between capital and labour at the ILO. Therefore, any suggestion that NGOs could 'represent' the interests of informal-economy workers is fundamentally opposed by the unions, who sense a potentially dangerous precedent for ILO reorganization." (Spooner 2005, 15). Union efforts within the informal economy therefore ensure that the so-called tripartite structure at the International Labour Office and similar structures on national level like in Zambia comprising of government representatives, employers' federations and labour unions is kept and a quadripartite structure including the NGOs prevented. The unions do encourage cooperation with NGOs, however, as long as their mandate to speak out for all workers is not compromised (Spooner 2005, 15).

Due to its level of industrial development in the mining sector and Kaunda's socialist approach, the Zambian level of trade union organization in the formal economy is quite high. About 212000 workers representing 45% of the 477000 formally employed persons are unionized in one of the 26 member unions affiliated to the Zambia Congress of Trade Unions (ZCTU 2002, 16). In the 1970s the level of organization stood at 80%, however, but fell due to neoliberal labour legislation and structural adjustment programmes in the 1990s as stated by the African Labour Researcher's Network (ALRN 2003, 3). The Mineworkers' Union of Zambia (MUZ) alone lost 13000 out of 38000 members between 1998 and 2002, mostly due to privatisation effects, but also because of upcoming rival unions. Altogether 18000 former trade unionists affiliated to ZCTU have joined the competing Federation of Free Trade Unions of Zambia (FFTUZ) (ZCTU 2002, 12).

By the mid-nineties, ZCTU and MUZ (Mineworkers Union of Zambia) had realized the scale of the problem coming up due to massive membership loss, i.e. both in the economic and political sphere. Consequently they acknowledged for the first time some responsibility for their former members as a way of membership retention. As trade union membership ceases three months after leaving employment, most retrenched and retirees were left on their own to survive and to organise themselves. Now that the door was open towards the informal economy, also other informal economy workers could be seen as potential members (Muneku 2001, 91).

ZCTU and its member unions did not go to the extent, though, of taking on informal sector operators as fully-fledged members in their individual capacity as a means to make up for the current membership loss. An amendment in the unions' national centre's constitution was passed, however, to enable informal economy organizations to be associated to ZCTU, and possibly in future also to its affiliated unions (ZCTU 1997, 14). These informal sector associations are mainly aimed at improving business opportunities for their members by providing skills and information exchange, but also at welfare and lobbying. As part of a membership retention and mobilisation effort, the unions hope to regain organizational and political strength by this opening towards informal economy workers (ZCTU, MUZ 2004, 14). In order to reach out directly to the now informal sector operators and other potential members, the unions opened up two Business Development Service centres in the Copperbelt mining towns of Kitwe and Chingola.

As it is the case with unions in other developing countries, the Zambian trade unions accepted external assistance in their approach to support and organize the informal economy labour force due to their own lack of capacity (Spooner 2005, 28). Therefore funding and consultancy for related programmes was agreed upon with three German organizations, i.e. Friedrich-Ebert-Foundation (FES), German Technical Co-operation (GTZ) and German Development Service (DED), each of which played a specific role within this organizational development process. FES has a long history of co-operation with Zambian unions and therefore acted as a door-opener in this sensitive field, while GTZ and DED since long promote informal economy (or small businesses) activities.

In March 2004, the ZCTU General Council adopted the "Strategy Paper on Employment Promotion by Trade Unions in Zambia", thereby moving a step further towards a clear definition of their role in the informal economy that

was felt lacking before (Muneku 2001, 93). This strategy brings together the different components relevant for the support and organization of the informal economy by the labour movement in Zambia, including demands for the government and the formalised private sector to play a more active role in employment promotion. It also supports a strong move among trade unionists to revive the co-operative movement as an opportunity to promote productivity in the informal economy and to ensure compliance with standards of working conditions and labour relations (ALRN, 5).

Against this background, it can be expected that such a long-term and fundamental process of opening towards the informal economy involves attitude changes and organizational development both at ZCTU and affiliated member unions' level. The following questions are tackled by this paper:

1. What is the impact of the unions' efforts on the informal economy workers, especially retrenched and retirees, in terms of business development and workers' representation?
2. How do trade-union specific factors (goals, structures, traditions) on the one hand and factors typical for the informal economy influence the interaction between unions and informal sector operators?
3. In which way do certain tendencies that are typical for non-governmental organizations (NGOs) rather than for trade unions, e.g. external funding, so called cross-cutting issues and decentralised organizational structures, influence the unions' perception and strategy towards the informal economy?

The next chapter will look at the basic strategies needed to overcome certain deficits of the informal economy. This is followed by issues relevant for micro-entrepreneurial development and how the business support system, including the unions, can contribute to their development on different levels. Close attention will be given especially to efforts of closer collaboration and networking among informal sector operators in order to enable them to raise productivity out of their own initiative.

Informal economy interventions and intended measures by ZCTU and MUZ are then described and analysed in more detail with the objective to work out trade-union specific strengths and weaknesses regarding their contribution to the informal economy support and representation. The union's role in closing the existing gap between the heterogeneous activities of the informal sector operators and the equally complex support system providers will be discussed, before finally the question of the impact from NGO-like structures and tactics for the Zambian labour movement will be dealt with.

2. Criteria for the support of the informal economy in Zambia

The informal economy in Zambia, like in other developing countries, provides the basic needs of the majority of the population. Its human resource potential, however, is under-utilised. Low productivity and consequently low income levels are mainly due to an insufficient access of informal sector operators to support services like basic education, vocational training or business finance. "Qualitative transformation" of the informal economy towards increasing growth, productivity and income levels marks the objective of the support systems (Odera 2004, 5). In order to achieve this goal, certain strategic elements need to be put in place, i.e.:

- Entrepreneurial development (e.g. provision of business and technical skills)
- Networking (to enhance business co-operation and to increase socio-political representation)
- Innovation policies, which should be consumer- and government-driven, i.e. not only by the existing producers
- Access to finance, which has to be made easier for the entrepreneur (Wohlmuth 2004, 231)

The unions in Zambia have proclaimed that it is their intention to organise the informal economy and to support the informal economy operators. In order to achieve this ambitious goal, they put the following measures in place:

- Vocational skills training centres (CISEP), offering short-term courses based on a module system, mainly for retrenchment and retirees (since 1998)
- Organising micro-entrepreneurs and casual workers into informal sector associations (since 2002)
- Policy guidelines on informal economy support and organizations ("Strategy Paper on Employment Promotion by Trade Unions in Zambia) (since March 2004)
- Revival of the co-operative movement in collaboration with the Zambia Co-operative Federation (since October 2004)

The first two of these measures, i.e. CISEP Centres and to some extent the organization of informal sector associations, can already be analysed based on some practical experiences. Both have a rather specific trade union character, meant to address a shortage of skills for retrenched and retirees in order to prepare them for self-employment, and the retention of former employees in the labour movement.

The Employment Promotion Strategy and the proposed revival of the co-operative movement, however, are geared towards a broader vision of a possible alternative to neoliberal economic policies on the one hand, and the stagnant retention of the majority of the population in a basic-needs oriented subsistence economy. Both approaches are in different stages of operationalisation and even planning (so far, the co-operative revival is not much more than a light at the end of a tunnel), and can therefore only be assessed along conceptual lines, not its practical implementation.

3. Entrepreneurship, education and co-operation in the informal economy

3.1. Informal sector operators and their challenges as micro-entrepreneurs

The perception of deficiencies in the informal economy, which need eventually to be addressed by the support system, depends on the position of the different stakeholders.

From the perspective of the informal sector operators, basic problems comprise of:

- ❖ lack of start-up and working capital
- ❖ limited access to support services
- ❖ low customer demand
- ❖ lack of self-confidence to start and run an informal business (especially among retrenched and retirees after the "retrenchment shock")

Business development service providers like CISEP stress in addition the following:

- ❖ insufficient technical and business skills
- ❖ partially lacking basic (primary) education
- ❖ lack of entrepreneurial, market-oriented attitude
- ❖ low innovation capacity
- ❖ low productivity
- ❖ limited self-organization, networking and business-oriented co-operation

From a trade unions' point of view, deficiencies also include:

- ❖ lack of socio-political representation
- ❖ non-existing formal social security
- ❖ insufficient application of existing working condition legislature

In order to address these problems, support providers have to take especially business-related skills and the willingness and capability for co-operation on different levels and in different forms into consideration.

In the following, two aspects of informal sector promotion will be analysed, which are of direct importance for the unions' existing programmes, i.e. skills levels on the one hand and the ability to co-operate and to network on the other. Aspects of finance and innovation capacity are mainly indirect issues for ZCTU's efforts and will be dealt with under the aspect of lobbying and collaboration with other stakeholders (cf. Chapter 4.5.).

3.2. Technical and business management skills of micro-entrepreneurs

A vast majority of informal sector operators in Lusaka stresses their lack of market (61%) and capital (21%) as the most pressing business problems, while insufficient technical or business knowledge is only listed by a minority of 3% (Albrecht et.al. 2000, 23). Studies for the Zambian Copperbelt region come up with similar results, where lack of skills is only seen by 8,3% of the former miners as a major hindrance to the development of the enterprise (Chisompolo et.al. 2003, 58).

From a service provider's point of view, however, there are clear indicators that many micro-entrepreneurs indeed lack basic skills. More than half do not keep any records at all (Guter et.al. 2000, 27), and three quarters do not know how to get a loan (Chisompolo et.al. 2003, 29). Technical skills vary

considerably among producers and service providers in the informal economy, but even artisans striving at higher quality products complain about lack of available designs and techniques in order to improve sales. It is therefore evident that the limited basic vocational levels also negatively affect the producers' innovation capacities, i.e. to react timely to new market and technological demands.

It is also appalling that in Lusaka nearly half of all respondents (46%) were not interested in any form of further training, which coincides with an equally high level of people (55%), who do not attempt to improve on their business situation at all. Again, out of those, who tried to do anything, about a third (29%) were looking for a loan, while a mere 3% mentioned business training and counselling a possible solution (Guter et.al. 2000, 24). Like for lacking basic technological skills, insufficient business management know-how inhibits the development of entrepreneurial planning and management capabilities necessary to succeed in a market economy.

Among ex-miners on the Copperbelt, the willingness to get training was significantly higher (94%), although even these respondents do not see it as a major way of solving the pressing business needs (Chisompolo et.al. 2003, 32). The higher interest on the Copperbelt is probably due to the fact that the ex-miners were exposed to the quality-oriented performance of the formal economy.

The formal educational level of informal sector operators has changed in Zambia. During the times of a state-controlled economy, most micro-entrepreneurs had reached only basic education levels, while today 60% have gone beyond that to secondary or even tertiary levels. This indicates that the informal economy due to the insufficient growth of the liberalised economy has become a regular labour market even for the better qualified workforce (Gruner et.al. 2000, 12). This argument is being supported by the fact that 70% of all trade school leavers fail to get formal employment, at least soon after graduating from the institution-based vocational training (Müller et.al. 2002, 13).

Most informal sector operators go through one of the following skills acquisition systems:

- ❖ traditional apprenticeship with an average length of 6 months and unstandardised contents, no certification

- ❖ institution-based pre-employment vocational training, between six months and three years, standardised curriculum and state-recognised certificate and diploma
- ❖ acquisition of skills during long-time formal employment, common with retrenched and retirees from the former parastatal companies, especially ex-miners.

All these systems have advantages and disadvantages in terms of serving those active in the informal economy. The traditional apprenticeship is affordable, because there are no fees to be paid, and leads to the possibility to get a wage income or start a business after a short time of training. It lacks, however, formal recognition (and therefore the access to the formal economy) and does not provide sufficient theoretical knowledge. Graduates from the trade schools, on the other hand, lack the hands-on experience and attitude of self-employed producers and service providers.

Some trade schools offer the possibility to informal sector operators to attend short-term technical and management courses to self-employed people. The CISEP approach is actually based to a good extent on the collaboration with these existing training institutions. There is also a provision that artisans can pass a recognised trade test at a trade school. This possibility, like the training courses, is however still underutilised due to perceived high costs for the entrepreneurs.

In order to improve the traditional apprenticeship system, it will nevertheless be of great importance to improve the level of knowledge transition from the micro-entrepreneurs as trainer to the apprentices as trainees. It has been proposed to specifically uplift the technical and business management skills of informal economy trainers through trades schools, CISEP centres and other institutions of vocational and entrepreneurial training (Müller et.al. 2002, 13). Such programmes should possibly coincide with efforts by TEVETA and other government organs in Zambia to revive the formal apprenticeship system that was abandoned in 1973 in favour of the institution-based vocational training.

3.3. "Joining hands" and "networking" as business-related forms of co-operation

As external interventions for the informal economy in Zambia tend to be unsystematic and rather scattered in view of the massive scale of the assistance needed, business-oriented co-operation, i.e. networking, self-

organization and entrepreneurial collaboration between micro-entrepreneurs are of crucial importance in order to raise productivity and income levels.

3.3.1. Forms of co-operation between micro-entrepreneurs

For analytical purposes in this text, "entrepreneurial co-operation" is referred to as any form of working together between informal sector operators for purposes related directly or indirectly to the business, both on temporary or permanent basis. Directly business-related activities such as joint supply, production or marketing are referred to as "joining hands", while "networking" aims at indirect improvement of the entrepreneurial performance (lobbying, access to the support system, welfare aspects).

Some typical forms of "joining hands", which are common in different African economies, have been described as follows (van Dijk 2004, 346):

- ❖ collaborating in one activity to reduce costs (renting a room to work as independent traders) or to limit competition (business areas for mobile tailors or beer brewers)
- ❖ working together with regard to different, but complementary activities (car mechanic located near to panel beater or spare part seller) to attract customers
- ❖ making use of other informal sector operators as subcontractors (carpenters) on a mutual basis (wider market, knowledge exchange), occasionally also on joint orders
- ❖ starting a (registered) enterprise together as co-entrepreneurs (partnership)

Micro-entrepreneurs also use their associations on utilisation of business opportunities, although from a legal point of view (registration, association's constitution) their nature as non-profit organizations underlines their functions with regard to lobbying, social support and economic improvement by providing services or access to the support system. As it was pointed by a study on informal sector associations in Zambia (Albrecht et.al. 2001, 18), these types of associations can be distinguished:

- ❖ Trade-based organizations, e.g. carpenters or marketeers in a particular area
- ❖ Locality-based organizations, comprising members from different trades
- ❖ Social-group based organizations, e.g. women's groups
- ❖ Regional or national umbrella organizations

It should be emphasised, however, that membership in an association might not automatically be linked to improved business performance. At least some successful entrepreneurs seem to shun away rather from associations than joining them (Albrecht et.al. 2001, 21). On the other hand, membership in an informal sector association has proven to be a business success factor (Chisompolo et.al. 2003, 48).

3.3.2. Levels and factors of entrepreneurial co-operation

Despite overlapping forms and functions of co-operation in the informal economy, joining hands and networking show some distinguished features according to their level of formalisation, their input level and their output level.

The following classification and analysis is based on these features, while there are some influencing factors, which are similar for all levels, although they appear in different intensity. These factors will therefore be presented after the classification.

Level 0 ("Non co-operation")

About a third of interviews informal sector operators in Zambia reportedly do not co-operate with other micro-entrepreneurs (Chisompolo et.al. 2003, 2). It is very likely, however, that occasional acts of co-operation do occur, even if they are not mentioned by the respondents.

Level 1 ("Spontaneous co-operation")

This is an entirely informal co-operation, where networking and joining hands go closely together, both in normative and practical terms. Most interaction is family-based, other on gender, locality and ethnicity.

The networking concentrates on mutual social support, i.e. sharing of resources in case of personal needs like at funerals; there is little emphasis on economic empowerment, and practically no lobbying activities.

Joining hands on this level focuses on "sharing" of tools and other resources, with little "pooling" (e.g. by joint supply or orders) taking place;

the sharing is done on reciprocal basis with regard to joint orders or sub-contracting.

Level 2 ("Task-oriented co-operation")

Both forms are here theoretically separated, as (registered) informal sector associations by law are non-profit organizations in Zambia. However, many overlaps do occur and the associations are more or less vehicles for joint business ventures, even in the (legally wrong) perceptions by the members.

Registered informal sector associations provide mainly information exchange on business opportunities, enable members better access to support services (like training or loans). They are to some extent welfare-oriented (e.g. by providing funeral assistance) and do some local lobbying with regard to business infrastructure or the collection of local taxes or levies on their products. Outside interventions are mainly seen as a possibility to get access to "free services" (receiving attitude).

Registered micro-enterprises (as sole proprietor with silent partners or regular business co-operations) or unregistered, but regularly co-operating enterprises engage in pooling activities for supply, production and marketing. Sharing of resources, both for business and private reasons, is nevertheless common.

Level 3 (Formalised co-operation)

These are networks with regional or even national functions on the one hand, and registered business entities (partnership company, co-operative) on the other. The potential of the highly organised informal sector associations is due to their capacity in sensitizing micro-entrepreneurs about the economic benefits of joining hands.

While national organizations play an important role for the economic benefit of their member associations, lobbying activities and especially the access to donor funding becomes increasingly crucial on this level. Welfare activities on a mutual level are, however, less prominent.

Joining hands in co-operatives and partnership companies embraces all entrepreneurial functions. Pooling of resources for supply, production, and sales outweighs the sharing aspect in business. Informal sector operators

might be engaged as sub-contractors without major mutual or social responsibilities.

Major influencing factors can be identified for the prevailing lack of co-operation. From the view of many micro-entrepreneurs, these are:

- ❖ Lack of trust, especially to non-family members
- ❖ Negative experiences with co-operation, which includes the mere perception of such "cases"
- ❖ Imbalance of skills between micro-entrepreneurs, mostly perceived as lack of certain technical skills

Shortcomings from the support provider's perspective:

- ❖ insufficient provision of technical and business management skills
- ❖ lack of sensitisation efforts to propagate the advantages of co-operation
- ❖ insufficient practical offers and support, e.g. limited choice of loan varieties
- ❖ complicated and expensive registration procedures

Certain socio-cultural factors also have to be considered:

- ❖ prevailing subsistence-orientation (vs. market-orientation), i.e. economic goals and ambitions are limited
- ❖ gender roles, which confine the sexes (mostly women) to certain trades.

The gender norms clarify, however, that culture can also be interpreted and used in an appropriate and effective way, e.g. by setting up gender-specific businesses by both spouses and other members of the (extended) household. Due to the changing roles of female economic activities, role negotiations and therefore non-traditional business opportunities have also increased, although at the cost of social conflicts in the families (Schultz 2004, 433).

3.4. Strategies for the promotion of entrepreneurial skills and co-operation

Interventions have to take the following basic criteria into consideration:

- ❖ Awareness of socio-cultural attitudes, norms and perceptions related to production and consumption
- ❖ Provision of a wide range of business-related skills by public and private providers, including informal sector associations
- ❖ Enabling legal, political and social environment, e.g. to make access to finance easier for informal sector groups or to provide good market facilities, including workshop areas.

Apart from education and co-operation as core aspects for interventions, there are also other factors. Interventions take place at different levels of economic and social institutions. Unlike in the formal economy, measures geared towards the informal enterprise will directly affect the micro-entrepreneurs social environment, from the (extended) family to his or her role in the local community. Aspects of entrepreneurial support are often connected with other issues relevant to the well-being of an individual, a family or community, e.g. women empowerment or HIV/AIDS programmes. Gender roles and health conditions determine the performance of the micro-enterprises.

There is, however, a yawning gap between the closely-knitted relationships on the grassroot levels, the business support system and the political and legal framework. On a national level, the Zambian government is supposed to provide an enabling environment for employment promotion. Crucial elements are the Labour Market Policy, labour law reforms and a Micro, Small and Medium Enterprises Policy. All these have been discussed, partially also with the unions, but they have not been adopted.

Moreover, Zambia is signatory to a number of ILO (International Labour Organization) conventions, which foresee some protection and support for informal sector operators, but they are not being implemented, e.g. through the mentioned policies. The reason for this lack of commitment might be the urgent need and focus on international investors in order to get big industries like mining, agriculture and tourism going. The problem with the establishment of new formalised industries is their limited effect in terms of job creation and poverty alleviation.

Due to the lack of political guidance and support, the efforts by different local, national and international NGOs working in the field of employment promotion and organising the informal economy cannot unfold their full potential. Private institutions are not in a position to make up for the lack of basic vocational training programmes. Often dysfunctional "District Development Co-operation Committees" impede the co-ordination of NGOs

working for the informal economy. In order to bridge the gap between the informal sector operators, the support system and the government, the unions as an important player in the civil society might take over a moderating role.

4. Trade union interactions with the informal economy

4.1. Policies, structures and implementation procedures

The labour movement in Zambia complies with its efforts to support and organise the informal economy to demands from the workers' representation organs of the International Labour Organization. The ILO stipulated in an international symposium on "Trade Unions and the Informal Sector", that the unions should make efforts to support and organise the informal economy (ILO 1999: 1). By the end of 2002, the ZCTU Quadrennial Congress resolved on its part that the informal economy should be organised and supported by the unions in Zambia.

On an operational level, the ZCTU General Council, i.e. the highest decision-making body between the quadrennial conferences, passed a resolution in March 2004 to adopt a strategy on "Employment Promotion by Trade Unions in Zambia". This strategy paper had been developed by relevant departments from ZCTU and MUZ in collaboration with the DED - Retrenchee Advisor in order to streamline, co-ordinate and develop further existing activities like CISEP or the promotion of informal economy organizations.

The employment promotion strategy focuses on the following areas of intervention:

- ❖ Lobbying government and the private sector for an enabling environment for employment promotion
- ❖ Creating an appropriate institutional set-up within the labour movement and like-minded organizations, including the organization of informal sector operators
- ❖ Developing a comprehensive service-delivery approach, which integrates job promotion centres (CISEP), Credit and Savings Schemes or the strengthening of co-operatives.

All these measures are geared towards an increase in productivity levels of micro-enterprises and towards the eventual formalisation of the informal economy.

Currently, the ZCTU - CISEP Centre is staffed with a Business Counsellor/Extension Worker and a Co-ordinator for the three CISEP centres on the Copperbelt. They report to the Deputy Secretary General of ZCTU, while the Director in charge of Organization/Education represents ZCTU - CISEP on the board of the "Association of CISEP Users" (ACU). This organization comprises the ten so-called "parent organizations" that run CISEP centres in Lusaka and on the Copperbelt. It is intended to strengthen the organizational capacity to co-ordinate and develop CISEP activities by employing a new Deputy Director, who would specifically look after issues related to employment promotion on departmental level.

Since the strategy paper was adopted as a policy guideline, all employment promotion activities both within ZCTU and its more than twenty affiliates should take the paper as the basis for their activities related to the informal economy. The process of operationalisation and implementation has since then started. A committee from ZCTU, member unions and like-minded organizations has been formed to oversee the dissemination of CISEP and other elements of the strategy to the affiliates, while an Action Plan has been drawn in order to enable the relevant heads of departments (e.g. for research, organization, women) to include specific proposed activities into their annual departmental workplans. It is envisaged that these steps will allow for a systematic integration of measures aimed at employment promotion and organization of the informal economy into trade union structures and procedures.

4.2. Employment promotion activities

Since its inception in 1998, the CISEP Centre at ZCTU has developed the following instruments, following the national CISEP approach:

- ❖ Information on business opportunities
- ❖ Training for technical and business management skills
- ❖ Business counselling
- ❖ Promotion of informal sector associations

The core of these activities are the training courses, which are conducted as short-term modules of mostly five days duration. This limited period of training allows informal sector operators to participate without losing a lot of valuable business. All business courses are certified by ILO and are being run in a gradual module system, while the technical courses have been developed by CISEP, using experienced artisans as resource persons.

Training is, however, neither the entry nor the exit point of the CISEP approach. After a detailed needs assessment and the subsequent training, micro-entrepreneurs are being followed-up by the Business Counsellor, in order to sort out management - related problems. The informal sector operators are also encouraged to form associations aimed at improving information exchange and utilisation of business opportunities. A specific training on leadership of associations is also being offered.

As a business development service provider, CISEP Centres do not provide loan facilities. They network, however, with micro-finance institutions like PRIDE Africa or Micro-bankers Trust in order to link up trainees and loan providers. Moreover, the compilation of a business plan as a vital element in the procedure to get financial assistance, is a standard component of the different business management courses.

CISEP activities are based on cost-sharing, i.e. clients pay for training and other services. It is obvious, however, that most micro-entrepreneurs are not in a position to contribute significantly to the total costs involved. Nevertheless, their contribution is an important factor of building ownership in the process of acquiring valuable entrepreneurial knowledge. About 95% of all CISEP costs are born by the different parent organizations, using partially own funds and mainly long-term donor funding, e.g. from GTZ, Friedrich-Ebert-Foundation or the World Bank through the TEVET - fund in the Ministry of Science and Technology. Increasingly, efficacy and cost-efficiency are demanded by the donors and TEVETA, the supervisory vocational training authority. For a CISEP Centre like at ZCTU or MUZ, this means to run the institution as effective and efficiently as possible.

The target group of the ZCTU - CISEP centres were from the beginning retrenched and retirees, especially from the privatised mining companies on the Copperbelt. Today, however, about 80% of the trainees are women, who are normally not linked directly to the recent retrenchments or retirements. There were contacts, but no systematic approach to link up with mining companies, affiliated unions or existing organizations of former mining employees. The strategy on employment promotion intends to correct this

trend, which is not beneficial to the unions or their former members. Nevertheless, efforts have to be made not to alienate the female clientele that has been trained over the last six years. Sensitisation programmes might enable the unions to organise these women, most of whom are marketeers, service providers and artisans, into the labour movement by associating them to ZCTU.

Apart from the issues related to improved access to the target group, the strategy paper also proposes a variety of other activities geared towards improved service delivery by the unions, e.g. by reviving Credit and Savings Unions or Co-operatives. This would ensure a continued economic participation of retrenched and retirees, who often fail to succeed in the unorganised structures of the informal economy. Moreover, the management support to the building-up of such institutions would further strengthen the broader access to finance without getting directly involved into lending activities.

It is also proposed not to burden the unions alone with a pro-active attitude towards job creation. The Copperbelt has been environmentally devastated during the nearly 100 years since copper has been mined in the area. Public works programmes, financed by the government, mining companies and the donor community could be conducted in conjunction with job centres like CISEP to ensure that candidates are qualified in aspects like land-scaping, i.e. experiences from the public programmes could then be used for a future business career by the temporarily employed retrenched and retirees.

4.3. Organising the informal economy

"Organising" means from a trade unions' perspective that all (or at least a majority) of the informal sector organizations should eventually join ZCTU or an "affiliated" union as an "associated" member. In order to maintain great socio-political representation and influence, it is crucial for the unions to organise as many informal sector operators through their associations as possible. With a respectable unionisation level of 45% in the formal economy, ZCTU represents about 212.000 workers (cf. Chapter 1).

Leaving pure subsistence agriculture aside, the informal economy might have a potential of about one million working persons, i.e. those doing trade, services or crafts, often in addition to agriculture or part-time jobs in the formal economy. A unionisation level of only 10% in the informal economy would result in 100.000 new members. As the biggest informal economy

association "Alliance for Zambian Informal Economy Associations" (AZIEA) with more than 40000 members (mainly marketeers) is already about to be associated with ZCTU, the hypothetical goal of 100.000 seems not to be far-fetched. This would make up for the membership losses due to privatisation and rationalisation since the government change in 1991.

While big informal economy organizations like AZIEA are cared for directly by the Department of Organization at ZCTU, the CISEP Centre in Kitwe also tries to promote the formation of associations, in this case among former course participants. About 20 informal sector associations with more than 500 individual members linked to CISEP have formed a network "Micro-Business Association Network" (MIBAN), which in future might also be associated to ZCTU. This would need, however, a stronger integration of CISEP into ZCTU structures. In the meantime, leaders and group members will undergo the CISEP training programme for the management of associations. Another important group with connections to the labour movement is the "Association for the Welfare of Former Miners in Zambia" (AWFMZ) with over 2000 members, which might get associated to MUZ, if that union would open its constitution to informal sector associations as it has been done by ZCTU already in the year 1997.

4.4. Further development of trade union - specific approaches towards the informal economy

The unions in Zambia have taken concrete steps in order to respond to the needs of their former members and to improve generally working and living conditions for informal sector operators. Practical approaches like CISEP or the collaboration with associations like AZIEA, have been embedded into the strategy on employment promotion.

The strategy paper is based on the assumption that specific trade union experiences, traditions and structures have to be considered, if ownership and sustainability are to be achieved with regard to the informal economy, which was either ignored or rather disregarded by the labour movement until recently. Therefore, aspects like "workers education" or "co-operative movement" are important features for possible interactions with the informal sector operators and their organizations. On the other hand, the informal economy also has certain features that the unions have to take into account for a fruitful collaboration. Fundamental factors from both sides are shown in Table 1.

Table 1: Factors relevant for the interaction of the informal economy and the labour movement in Zambia		
	Informal economy	Labour movement
Specific interests with regard to possible interactions	<p>Demand of ex-union members for access to services</p> <p>Plight for improved working and living conditions for informal sector operators</p> <p>Need for improved socio-political representation (partially perceived)</p>	<p>Retention of ex-members by providing employment promotion services</p> <p>Claim to organise and support the informal economy</p>
Economic and political framework	<p>Gap between policies/service delivery by government/private sector institutions and the needs of the informal sector operators and customers</p> <p>Conflicting interests of micro-entrepreneurs and casual workers</p> <p>Limited markets for informal economy products</p>	<p>Willingness and ability to contribute to the closing of the gap in conjunction with other stakeholders; Capacity to lobby government and private sector to deliver their obligatory services</p> <p>Trade unions to mediate and find a balance between interest groups</p> <p>Wider market access for CISEP trainees and promoted associations</p>

Organizational framework	<p>Informal sector operators are the majority of the working population in Zambia</p> <p>ISOs scattered and belong to very different target groups</p> <p>ISOs often not well sensitised or experienced with co-operation/self-organization</p> <p>Lack of a comprehensive, self-initiated approach towards entrepreneurial and socio-political development of the informal economy</p>	<p>Labour movement is experienced in organising large-scale representation; Greater legitimacy and influence for membership-based organizations</p> <p>Unions need to decentralise for a co-ordinated and target-group specific approach</p> <p>Unions to develop gradual approach ranging from loose networking to co-operatives and associated organizations</p> <p>Unions can use traditional concepts like workers education or the link to the co-operatives movement as starting points for a systematic informal economy approach</p>
--------------------------	---	--

The integration of the informal economy approach into the unions' policies and structures as a necessary precondition for its further development will depend on factors like the availability of appropriate structures and the level of ownership, expressed as trade union - specific programmes.

ZCTU regards the support and organization of the informal economy as an important issue, but with a lower priority level than its core task of unionising the formal economy, especially those sectors, which have comparatively low organization levels. Moreover, the informal economy approach "competes" for financial and other commitment with other activities on a similar level, e.g. HIV/AIDS, women empowerment or poverty reduction.

Within this set-up and with regard to the inevitable limitation of available resources, the unions have committed themselves to ensure the sustainability of CISEP by appointing a Deputy Director Co-operatives in charge of employment promotion activities, while for example women's promotion is headed by a fully-fledged Director for Women and Child Affairs. Despite the difference in rank, however, the planned appointment of a specific high-ranking officer in charge of employment promotion is a clear indicator for the union's determination to institutionalise a direct service delivery approach. Compared to the former role of the union as a collective bargaining partner and political force in Zambia, this indicates an attitude change and proves the capability of the unions to react constructively to new challenges.

Nevertheless, certain organizational structures at ZCTU and probably among member unions reflect a centralised system of responsibilities, which was prevailing in a state-controlled economic system. An integrated approach like the strategy for the informal economy, however, needs a lot of co-ordination and interaction both vertically, i.e. between the affected departments and vertically, i.e. between the executive and the implementing departments. There is also need to communicate regularly with stakeholders from outside like like-minded organizations, the private sector and government.

This broad-based and target-oriented communication both internally and externally is not sufficiently evident, and existing structures within the organization, e.g. the Committee on economic and social affairs, are not being utilised for the operationalisation of policies and programmes. Instead, all the responsibility for a particular programme is given to one particular office-bearer or officer, which might lead to duplication of efforts and lack of co-ordinated planning. Only some degree of internal "devolution" combined with target-oriented and co-ordinated planning procedures will allow the unions to react even more effectively and efficiently to a big challenge like the promotion of the informal economy.

Regarding the conceptual integration of the informal economy approach, ownership and subsequently financial and other commitment is only assured, if the unions are able to link up with certain labour movement experiences and traditions, without neglecting the specific factors and needs of the informal sector.

4.5. Impact of the Trade Union efforts towards the informal economy

In terms of matching the complexity of the informal economy, ZCTU and MUZ have embarked on a systematic access approach. Their main target group are ex-members, i.e. retrenched and retirees. In this way, they have at the same time an easier access to a specific bracket of the informal economy, including the family members. Currently, other groups like women, youth or marketers and artisans are equally promoted by CISEP, but this should probably change during the implementation process of the Strategy Paper on Employment Promotion. Nevertheless, the fact that a higher priority will be given to retrenched and retirees does not mean to sever the existing ties with other informal sector operators and their associations.

The vast demand for improving technical and business management skills the micro-entrepreneurs gets a specific answer by the unions in form of an Integrated Workers Education Approach, thereby linking traditional labour movement educational activities (organizational and leadership training) with individual life skills (entrepreneurial, civic and general knowledge). While civic education, e.g. on the electoral system, and general knowledge are vested in the autonomous, but like-minded Workers Education Association of Zambia (WEAZ), the entrepreneurial qualification lies with the CISEP Centres. The ZCTU Department of Education and the relevant departments of affiliated unions meanwhile carry on with organizational programmes, but also aspects of gender and HIV/AIDS. In terms of *entrepreneurial development* as one precondition for informal economy promotion, the CISEP approach is an instrument both for specific target groups like retrenched and retirees as well as other informal sector operators. It can surely not replace government's efforts for basic vocational and entrepreneurial training, but it may supplement it in well defined areas, especially if combined with activities of large- and medium-scale employers, e.g. the mining companies.

In order to fully exploit the human and technical potential of the informal economy, thereby contributing to its eventual mainstreaming into the formal economy, the unions have expressed a strong will to revive the co-operatives movement. While the co-operatives and related institutions like credit unions constitute a valuable goal, the short-term target is to promote entrepreneurial co-operation in their different forms, i.e. ranging from informal temporary forms to permanent formalised ones (cf. Chapter 3.3.1.). The CISEP centres run programmes for the promotion of associations, but they have so far done

little to promote directly business-oriented collaboration between entrepreneurs in a systematic way. There is also need to offer diversified programmes that are either geared towards stronger business links (entrepreneurial co-operation) or towards broader self-organization (networking). CISEP is also making an effort to ease *access to finance*, being another precondition for informal economy development. Micro-entrepreneurs, who were trained in the centre, are thereafter linked to the micro-finance institutions like PRIDE Africa. Nevertheless, it is clearly the mandate of government and the private financial sector to provide the start-up and working capital needed by the informal sector operators. The CISEP centres have deliberately chosen not to offer financial services, but to concentrate on their core tasks as business service providers. There is, however, a provision in the Strategy Paper on Employment Promotion to assist Credit and Savings Unions on a managerial support basis (ZCTU - MUZ 2004, 27)

In their support for the management of informal sector associations, the focus of CISEP was mainly on administrative and organizational aspects, e.g. on how to register an association. Associations have to be made more aware and capable to conduct their tasks in a target-oriented way, e.g. effectively delivering membership services, social welfare activities or lobbying. By introducing courses on the management of associations and by collaborating with organizations from the informal sector (MIBAN, AZIEA, AWFMZ), the unions are recognising through the need for better socio-political representation of the micro-entrepreneurs and the casual workers, both through CISEP and the relevant Department of Organization. *Networking* as an instrument to uplift the informal economy, however, also includes CISEP's efforts to promote the crucial aspect of closer entrepreneurial co-operation in order to achieve economies of scale by way of counselling the informal sector associations in this regard.

The CISEP approach also contributes on its level to improved *innovation policies* as necessary approach for the informal economy. Although the business management courses are standardised by ILO, there is room for adjustment in the technical courses. The technical short course are designed according to the needs expressed by the micro-entrepreneurs, although certain levels of quality control and standardisation are being maintained. Despite this demand-driven approach to improve on the innovation potential in the informal economy, proper and consistent support in terms of innovation for micro-enterprises (like for larger entities) has to come from government, especially the Ministry of Science and Technology, which also supervises the implementing agencies like TEVETA.

The multi-pronged approach of the Zambian unions towards the informal economy therefore handles all the four basic elements as stipulated earlier (cf. Chapter 2; Wohlmuth 2004, 231). Nevertheless, out of practical as well as principal reasons, the unions have to set priorities in terms of achievable goals. Promotion of entrepreneurial development through service-delivery and networking through promotion of associations will enable the unions on the one hand to close the gap that the government leaves in these fields and on the other hand to achieve a direct impact on the economic and social life of the informal economy operators. Better innovation policies and improved access to finance, however, are genuine tasks of the government and the private sector, respectively. Therefore, it will be the unions' role to continue lobbying for better framework conditions in all of these fields, but especially in the latter two.

Due to their long history of organising membership-based organizations, probably few institutions are as capable and legitimised than the unions to support the informal sector operators in organising themselves and to encourage networking on different levels and for different purposes. Yet there are certain limitations to this commitment due to the priority to first increase the unionisation levels in the formal economy before reaching out pro-actively to the informal sector organizations. There is also a certain reluctance by the unions to be seen as one of the many civil society organizations, if they would pursue a more active networking with like-minded institutions outside the labour movement, i.e. the unions in Zambia regard themselves to be a social and political force of its own, apart from government, private sector and civil society. This is highlighted when it comes to practical consequences of the trade union opening towards the informal economy.

5. Trade Unions and NGOs: united we stand, divided we fall?

This old labour movement slogan suits well when it comes to the new challenges facing the unions. It is questionable, however, how the unions intend to "march forward" with partners that are still perceived by many unionists to come from "the other side", i.e. employers or the well-to-do and their interests to deliver charity to the poor instead of removing the social causes of poverty (Spooner 2005, 21).

The informal economy for long was a difficult issue for the unions to deal with, mainly due to its character as a perceived distorted part of the economy, but also due to its complexity which makes any effort rather tedious and unpredictable with regard to its outcome, especially from the viewpoint of a centralised organization. Only recently the Zambian unions therefore adopted a comprehensive approach of supporting and organising the informal economy as part of their general claim to represent all working people, but also due to internal pressure (membership loss) and external incentives (international funding). In the past, the informal economy was seen by trade unions as a phenomenon that would be overcome sooner or later in the wake of the industrial development and that any support to the informal economy would weaken even the achievements with regard to labour standards in the formal economy (Spooner 2005, 27).

Non-governmental organizations, on the other hand, focus traditionally on the promotion of the informal economy in terms of its wide-spread implications for development, environment, gender and human rights. If the unions take it up to tackle the informal economy issue, collaboration with NGOs and the establishment of NGO-like approaches within the labour movement could consequently be a milestone in terms of reaching out to the target group. The question arises, therefore, in which way collaboration of the unions with local and international NGOs and the adoption of NGO-like structures and tactics within the unions themselves can be applied without compromising basic union principles.

The protection of workers in the informal economy is just one area of common concern between trade unions and NGOs. Other possible fields for cooperation include: the organization of workers in sectors with traditional low levels of union organization like garment manufacturing or plantation agriculture; the defense of workers' rights in repressive states; campaigns on Code of Conducts for transnational companies; general issues of democracy and the civil society. (Spooner 2005, 13). In practical terms, the unions are bound to cooperate as they don't have the financial capacity to run the increasing number of programmes on their own, especially in the South. On a political level, unions also depend on NGOs in terms of lobbying governments for labour-related issues like the negotiation process within the World Trade Organization (Spooner 2005, 22).

In Zambia, associations of informal sector workers like FMWAZ (former miners), AZIEA (mainly marketeers) or MIBAN (traders and craftsmen) follow typical NGO-tactics in terms of their approach to cater for the immediate needs of their members, the heavy dependency on external

sponsors and the consequent variety of cross-cutting issues like gender, environment or health programmes that are promoted by different international NGOs.

On the other hand, these organizations are union-like structures as they are based on a broad membership that should enable them to work in a transparent and democratic way like their union counterparts, i.e. contrary to other national or international NGOs that are perceived by the unions as charity institutions headed and run by a few individuals (Spooner 2005, 23). Their union character is highlighted by the unions' offer to these organizations to become part of the unions' claim to organise all workers, including those in the informal economy. Finally, they are meant to become part of the unions' intention to retain former members after they left formal economy employment.

While Zambian unions decided to approach the informal economy through organizations that share characteristics of NGOs as well as those of trade unions, the labour movement in countries like Mozambique or Ghana recruited informal sector operators directly into the respective national unions (Spooner 2005, 30).

The organizational structure that comes closest to an NGO-like approach, however, are the unions' training and business centres. The centres are integrated into the unions' structure by reporting to the respective departments of research and economic development as well as to the unions' executive board. On the other hand, they are registered with outside structures like the national vocational training authority (TEVETA), collaborate closely with international NGOs like OXFAM and TEVETA and are part of ACU, a nationwide network of institutions using the CISEP concept for Business Development Services. The individualized service-orientation as well as the degree of autonomy of these training centres represents a stark contrast in an otherwise strictly centralised organization. There are also conditionalities put on ZCTU and MUZ to accept business promotion as another cross-cutting issue apart from the also rather recent issues of gender mainstreaming and HIV/AIDS awareness. This inevitably lowers the real and felt ownership of trade-unions over their goals and programmes due to increased sponsoring from international NGOs, which are themselves bound to foster particular topics in order to secure funding for their institutions.

In order to mitigate the effects of such a potentially one-sided partnership, the unions globally have an option to collaborate with a like-minded NGO

like Friedrich-Ebert-Foundation that has its roots in the German labour movement or a worker's aid organization like Norwegian People's Aid. In the view of the unions, such "trusted" NGOs could be "subcontracted" to run certain programmes on behalf of the unions lacking the capacity to do it themselves (Spooner 2005: 22). In the case of the Zambian unions, Friedrich-Ebert-Foundation had given support to core programmes like courses on labour legislation since a number of years. It was therefore possible to call in the other German organizations, i.e. GTZ and DED, to assist in the comprehensive informal economy-approach without spending a lot of time and other resources on trust-building.

6. Conclusion: new roles, old structures

The roles and the self-perception of unions and the unions' national centre in Zambia have changed since they came into existence in 1947 (MUZ) and 1967 (ZCTU), respectively. Their political role has been that of a forerunner for human rights of Africans during the colonial era and that of a conscious watchdog over government policies in Kaunda's one-party state (1972 - 1990). This political consciousness prepared it to take a leading part in the peaceful hand-over of power to Frederick Chiluba, a former trade union leader. Today, in an established multi-party system, the unions are one of the most vocal voices in the growing civil society.

There are nevertheless uncertainties and challenges for the unions in terms of their future role in the Zambian society, which originate not least from their opening towards the informal economy. On the one hand, they have to ally with other civil society groups and follow NGO-like tactics in order to have a realistic chance of reaching out to the informal sector operators as a new and crucial target group for the unions. On the other, it is their interest to mitigate the NGO's influence on the informal economy in order to maintain their crucial claim of being solely responsible for the official representation of all working people. They also tend to limit NGO-like approaches, especially semi-autonomous structures within their own organization in order to keep up the centralised, yet democratic and transparent structures that are perceived as being necessary for effective action in political and economic fields.

Moreover, unions in Zambia as a developing country have to strike a balance between the legitimate demands and needs of the informal sector operators to upgrade their living and working conditions, and those of the formally

employed, who fight a rapid degradation of the remarkable social safety and workplace quality that has been achieved since independence in 1964. It remains to be seen, if the labour union movement will successfully manage to live up to its own claims to organize both worlds or if it has to concentrate on its core issues in the formal economy, possibly including the restructuring of more traditional approaches like the envisaged revival of the Co-operatives Movement.

Bibliography

- African Labour Researcher's Network(2003): Trade Unions in Africa. Johannesburg: ALRN.
- Albrecht, Sonja; Pengele, Maurice; Rohardt, Tim; Sikaulu, Priscilla (2001): Associations of informal sector operators. Lusaka: ASA/GTZ.
- Castillo, Gerardo; Miguel Frohlich; Alvaro Orsetti (2002): Union education for informal workers in Latin America. In: ILO: Labour Education Nr. 127, Geneva, p. 6-11.
- Chisompolo, Jessica; Chisulo, Faith; Elfert, Thomas; Gahrman, Christian; Samboko, Peter (2003): Living and working conditions of ex-miners and potential retrenchees in the Copperbelt. Lusaka: ASA/GTZ.
- Guter, Jochen; Kandulla, Maren; Munsaka, Penelope; Pengele, Maurice (2000): Situation analysis of informal sector operators in selected compounds of Lusaka. Lusaka: ASA/GTZ.
- International Labour Organization (1999): International symposium on trade unions and the informal sector: conclusions and recommendations. Geneva: ILO.
- International Labour Organization (2002): Unprotected labour: What role for unions in the informal economy? Labour Education Nr. 127, Geneva: ILO.
- Justice, Dwight (2002): Work, law and the "informality concept". In: ILO: Labour Education Nr. 127, Geneva: p. 1-5.
- Müller, Inge; Pengele, Maurice; Sikaulu, Priscilla (2002): Traditional apprenticeship practiced by informal sector operators in selected markets and compounds in Lusaka. Lusaka: ASA/GTZ.
- Muneku, Austin (2001): The Informal Sector in Zambia: An Exploratory Study. In: Mpuku, Herrick; Austin Muneku (Eds.): Impact of Structural Adjustment Programmes on the Zambian Economy. Kitwe: ZCTU.
- Odera - Oteng, Sam (2004): Employment promotion for the informal economy. Lusaka: ILO Area Office.
- Schultz, Ulrike (2004): Negotiating Gender: Gender Relations and Identities in African Marketplaces. In: Wohlmuth, Karl; Achim Gutowski et al. (eds.): African Entrepreneurship and private sector development. Münster: LIT (African Development Perspectives Yearbook, Vol. IX), p. 413 – 439.
- Spooner, Dave (2005): Labor Unions and NGOs. The need for cooperation. In: Eade, Deborah; Alan Leather (Eds.): Development NGOs and Labor Unions. Terms of Engagement. Bloomfield: Kumarian Press, p. 11 - 31.
- van Dijk, Meine P. (2004): Innovation and Micro and Small Enterprise development in Africa. Examples from Burkina Faso, Ghana and Zimbabwe. In: Wohlmuth, Karl; Achim Gutowski et al. (eds.): African Entrepreneurship and private sector development. Münster: LIT (African Development Perspectives Yearbook, Vol. IX), p. 337 –358.
- Wohlmuth, Karl; Achim Gutowski et al. (eds.) (2004): African Entrepreneurship and private sector development. Münster: LIT (African Development Perspectives Yearbook, Vol. IX).
- Zambia Congress of Trade Unions 1997: Constitution. Kitwe: ZCTU.
- Zambia Congress of Trade Unions 2002: Trade Union Membership and Profile in Zambia. Kitwe: ZCTU.

Zambia Congress of Trade Unions (2004): Mineworkers Union of Zambia: Employment promotion by trade unions in Zambia. Kitwe: ZCTU; MUZ