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# **Invisible, Scattered, Difficult to Contact: Union Challenges and Strategies to Engage Contract Workers in Developing Countries**

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## **Invisible, Scattered, Difficult to Contact: Union Challenges and Strategies to Engage Contract Workers in Developing Countries**

### **Summary**

This report is the result of a study of how trade unions can respond to the challenges of dealing with an increasingly flexible and fragmented labour force. A literature study, a survey and open interviews in four countries were carried out to identify how CNV partner unions can support workers who fall outside of their traditional scope. The number of contract workers in many partner countries has increased rapidly over the past five years and is expected to continue growing in the coming years. This report argues that contract workers are the prime group of informal workers who need to be targeted by trade unions. A widespread use of contract labour affects union strength and undermines the ability of (regular) workers to negotiate with their employer. New strategies should be developed to incorporate contract workers within existing union structures and cater to their specific needs. The most immediate problems facing contract workers are related to income and benefits. These issues can be addressed by enhancing the workers' level of organisation. Established trade unions can provide guidance, training and other forms of support to enhance their capacity to develop organizational structures, management and leadership. Cooperation and partnerships with other civil society organizations are necessary in order to cater for their multiple needs.

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Amsterdam, November 2013

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## Introduction

Simultaneous, and mutual strengthening processes in the past few years such as deepening globalization, increasing flexibilisation of production and the on-going financial crisis have resulted in workers in various parts of the globe being exposed to increased job insecurity. Flexibility is passed on to workers who then find it increasingly hard to obtain permanent employment and a basic level of security. New, flexible, work arrangements involve piece-rate payment, on-call work and contracts with a duration of only one week or (a maximum of) a few months. In many countries, including industrialized countries, the increase in informality has been high in the formal sector due to, among other things, a weakening of the employment relationship and difficulties in monitoring and enforcing labour legislation (ILO, 2012). The formal sector is, as Bennel (1999) calls it, 'disorganising' itself precisely in order to exploit cheap labour to the greatest possible extent. A key aspect of the disorganisation is the increasing use of contract labour. Labour contracting involves a separation between the productive activity of labour and the formal 'employer', often through a network of intermediaries (Barrientos, 2011). Such labour contracting practices are generally regarded as the increasing informalisation of the formal sector as workers lack access to a basic form of security. A related strategy is to outsource an increasing number of activities to small subcontractors and home-based workers in order to benefit from lower costs and increased flexibility in production. In both cases, a parallel workforce of temporary workers emerges who have no opportunity to join trade unions.

As far as trade unions are concerned it is becoming increasingly hard to reach such workers and cater for their multiple needs. Trade unions are having huge difficulties reaching such workers, who are generally "invisible" – scattered, difficult to contact and often have low levels of education (Kuiper and van der Ree, 2005). Even when they identify and contact them, trade unions face the challenge of making workers aware of their rights and of the benefits of unionization (*ibid.*). Trade union movements face the harsh reality that informality is not some backward model of industrial production, but rather cutting-edge twenty-first-century capitalism used by the most advanced multinational companies to maximise their profits

(Ntshalintshali, 2012). These combined challenges of increasing flexibilisation of labour and the necessity of trade unions to develop new strategies to reach these workers form the starting point for this paper. Organising the so-called 'precariat', from the unemployed to casual workers, domestic workers, migrant workers and informal workers, is one of the most serious challenges for labour movements around the world (see ILO, 2013).

This report deals with the issue of how trade unions in the global South can respond to the increasing contractualisation of labour. The first part of this report provides an overview of the current literature on labour contracting and identifies how, under such circumstances, trade unions can continue to serve the demands and needs of an increasingly fragmented labour force. A survey was held among representatives of partner unions of CNV Internationaal. This survey was conducted during the CNV Internationaal partnership meeting in November 2012 and focused on the exposure of the partner unions to the phenomenon of contract labour and their responses and strategies. The findings from the literature study and the survey are presented in the first part of this report. Section 1.1 concentrates on the changing context for labour in order to understand the motivations and processes that drive the increasing use of contract labour. Section 1.2 takes a closer look at the various forms of contract labour. Section 1.3 concentrates on examples of union responses to labour contractualisation. Section 1.4 provides the results from the survey that was conducted at the CNV partnership meeting. Section 1.5 provides recommendations for intervention by labour unions.

The second part of the report provides the results of the empirical study that was conducted in April 2013. Four countries (Indonesia, Cambodia, Senegal and Togo) in which partner unions of CNV Internationaal are active were visited in order to acquire a locally embedded understanding of contract labour. Interviews were conducted with various local stakeholders (contract workers, trade unions, government, employers organisations, international agencies) to identify the scale and significance of the phenomenon and possible strategies that trade unions can take to reach and serve the needs of an increasingly fragmented labour force. The third part of the report provides the concluding remarks and recommendations for intervention.

## Part One

### 1.1 Changing context for labour

The increasing use of contract labour has various motivations and causes and it would be going beyond the scope of this paper to provide a full overview or understanding of them. In many recent reports (see e.g. ILO, 2012; Council of Global Union, 2010) the current financial crisis is considered to be contributing to increasing flexibilisation of labour as companies seek to reduce cost in various ways. In the run-up to the global crisis, labour relations were already under strain. However, the process of decentralization and deregulation has been hastened by the crisis (ILO, 2012). The increased necessity to cut cost in order to cope with the adverse effects of the current financial crisis is being passed on to workers for whom permanent employment and a basic level of security are becoming increasingly hard to obtain.

The more structural underlying causes of current flexibilisation of labour are the greater global competition in many sectors, as well as the technological developments that have enabled production to be undertaken in a wider variety of locations around the globe. Global outsourcing of goods and services from developed to developing countries has expanded over the past few decades, in the context of economic liberalization and the rapid advance of information technology and transport (Barrientos, 2011). Globalisation, accelerated technological advancements, and the entrance of new international players from emerging markets have increased competition and created a more turbulent environment where businesses compete (Kedia and Mukherjee, 2008). The consequence is that in many countries an increasing informalisation of work is taking place with flexibility in production, as a requirement to stay competitive, being passed on to workers. As observed by Ntshalintshali (2012):

*It is increasingly evident in the developing and industrialising countries that informality is not merely a transitional phenomenon. A relatively small formal sector is linked through outsourcing and sophisticated supply chains with large numbers of workers in different forms of precarious and informal employment.*



International shifts in production have led to job losses in countries where formal safety nets or separation pay are absent and insecure work under informal conditions turns out to be the only alternative for them. It also puts additional pressure on the family networks that are often used as a safety net in the event of job displacement. Over the past few decades, the formal sector has proven to be unable to generate enough job opportunities to meet the growth in urban jobseekers, and both the qualified unemployed and people with low employability have been obliged to turn to informal self- or wage-employment (Kuiper and van Ree, 2005).

Freeman (2008) emphasises the effect of greater global competition that forces countries that are in a process of economic and technological catch-up with the developed world to lower their standards when confronted with new entrants on the global market. He stated:

*Employment in Latin America, South Africa, and parts of Asia shifted from the formal sectors associated with economic advancement to informal sectors, where work is precarious, wages and productivity low, and occupational risks and hazards great. The entry of China and India into the world economy turned many developing countries from the low-wage competitors of advanced countries to the high-wage competitors of China and India. Countries such as Peru, El Salvador, Mexico, and South Africa can no longer develop by producing generic low-wage goods and services for the global marketplace.*

Similar processes were observed in the Philippines' furniture and garments sectors (see Beerepoot, 2005, 2008; Beerepoot and Hernandez-Agramonte, 2009) when competition of lower-wage China led to massive closures of companies. The displaced workers were often forced to undertake similar work in much worse (informal) conditions such as a lowering of labour standards under global competition. Evidence has also been found in Mexico and South Africa (see e.g. van Dooren, 2003; Bezuidenhout et al., 2007) of how a race to the bottom as regards labour standards was the natural response to greater global competition. This is often regarded as the greater informalisation of work (or the formal sector) whereby employers opt to retain a small core of regular workers and hire other workers on an informal basis in order to avoid payroll taxes, employer contributions to social security or pensions, or other employer

obligations (Chen, 2012). The latter group of workers (contract workers) is of most interest for this paper as will be explained in the next section.

## **1.2 Defining various forms of flexible labour**

The greater informalisation of production is enabled by various forms of irregular labour organisation. In the past, irregular labour was synonymous with informal labour. Currently a much wider variety of forms of labour organisation exists under which workers lack a basic level of security. Today, irregular (or informal) employment is widely recognised as including a range of *self-employed persons*, who mainly work in unincorporated small or unregistered enterprises, as well as a range of *wage workers* who are employed without employer contributions to social protection (Chen, 2012). Chen (2012) distinguishes the following groups of workers who are subject to informal labour practices:

- Employees of informal enterprises
- Casual or day labourers
- Temporary or part-time workers
- Paid domestic workers
- Contract workers
- Unregistered or undeclared workers
- Industrial outworkers (also called home workers)

The variety of irregular workers makes it hard for trade unions to reach them, while no reliable data exists on the number of workers who (at national or global level) are employed under such arrangements. Informal workers usually fail to show up in national labour market statistics, factories and farms rarely keep records of their use and they are often 'absent' when labour inspectors or social auditors visit a site (Barrientos, 2011). The casualization and informalisation of employment relations mean it has become increasingly difficult to enforce labour rights for contingent workers as the related employment conditions fall outside the purview of legislation that was designed in an era when employment practices corresponded to the Fordist production system (Novelli, 2009). The best approaches to address informality and its adverse consequences are still being debated, and it is understandable that some may regard the progress made as unimpressive when compared to the scale of the problem (ILO, 2012).

The group of informal workers that is of most interest to this study are contract workers. Contract workers mean those who are employed by formal enterprises but under informal arrangements. These include a combination of piece-rate workers and workers with only a short-term contract. A key practice here is the increasing prominence of private labour contractors. Under these arrangements, the labour contractor often employs workers, not the firm for which they work, which relieves the firm of responsibility for compliance with codes of conduct or labour laws (Philips, 2011). These workers often conduct similar work as regular workers but for much less financial compensation and without fringe benefits. Such workers are not entitled to the same levels of social protection, such as retirement provision, the right to unemployment compensation, sickness benefits or maternity leave (Global Unions, 2010). Employers commonly do not invest sufficiently in the education or training of agency-supplied workers (ibid.). In addition, these workers are often pitted against regular workers or used to undermine the bargaining position of permanent, formal, workers. As observed by Sen and Dasgupta (2009), labour contractors not only operate in traditional industries like construction, where the practice had sometimes existed for a long time, but also in more 'sophisticated' sectors such as engineering, finance and IT where the so-called placement and 'head-hunting' agencies are often found to be participating in the process of contracting casual/contractual labour.

Among the different groups of informal workers the argument can be made that contract workers should be among the first to be targeted by union interventions. While workers in the 'unorganised' sector per se possess different kinds of rights and securities which are guaranteed as part of social norms and customs (e.g. self-organisation at neighbourhood level, see section six), the labour pool of contract labourers in the organised sector are left with little rights and securities (Sen and Dasgupta, 2009). Contract workers operate in an organisational vacuum in between community-level organisation that exists in various informal activities (e.g. self-organisation of waste pickers or craft-workers) and the firm-level organisation (via trade unions) of formal workers.

### **1.3 Union responses to contractualisation**

Based on a recognition of the variety of forms of informal labour, the challenge for trade unions is how they can integrate these groups of workers into their union structure or how new alliances can be formed with other types of representative organisations. The changing nature of contemporary work is undermining old union structures and practices and is generating a need for new forms of unionism (Schiavone, 2007). The traditional model of labour organising has generally assumed that workers are full-time employees, who work for a specific employer, often in a long-term relationship (Herod, 2007). Since the traditional trade union movement achieved a protected and secured standard form of capitalist labour in industrialised countries, the labour movement has concentrated mainly, if not exclusively, on securing 'industrial' workers' interests by taking only 'factory labour' as 'normal' capitalist labour. The labour movement often turned its back on non-core members of capitalist economy, and left them in the realm of the informal area (Chang, 2009). Unionization rates of informal workers are extremely low in the majority of countries, and this is usually compounded by the absence of any effective possibility to bargain collectively (ILO, 2012).

The increasing flexibility of labour, which has brought about changing socio-economic conditions, has to be confronted by unions to safeguard their survival (Meyer and Fuchs, 2010). One of the biggest challenges for unions today is how to attract contract, temporary, irregular, piece-rate or part-time workers to become more relevant in the future. The lack of a voice and representation in the informal economy could affect their own future in terms of membership, representativeness and social and political influence (Kuiper and van der Ree, 2005). While the data is scarce with regard to the unionization rates and collective bargaining coverage of non-standard workers, there are country-specific cases that illustrate the challenges faced by workers in non-standard forms of employment that the ILO has documented (see ILO Report on *Fundamental Principles and Rights at Work*, 2012). As observed by the ILO (ibid.), *'Non-standard forms of employment can pose complex challenges to the collective organization of workers and that, when not adequately regulated and monitored, they may be used to circumvent or undermine the right to freedom of association and collective bargaining'*. There are concerns regarding the difficulties faced by self-employed workers in creating or joining unions, and related attempts to disguise the existence of an employment relationship. Anti-union discrimination can also manifest itself in a less visible, but more prejudicial manner if there is no permanent or direct relationship between the company and the worker.

One success story that has been documented relates to when the *Global Union Principles on Temporary Work Agencies* was adopted by the Council of Global Unions in 2010. *The Principles* outlines that ‘workers supplied by temporary work agencies must be granted equal treatment and opportunities, including equal pay for equal work, compared to regular and permanent employees’. Governments are also encouraged ‘to take genuine and concrete measures to ensure that workers dispatched by temporary work agencies are able to exercise effectively their right to join or form trade unions, including the right to be part of a bargaining unit comprising direct employees of the user enterprise, and to be covered by all collective bargaining agreements applying to the user enterprise’ (ibid.). Council members disagree on whether they should strive for a total ban, a partial ban or strict regulation of temporary work agencies or labour contractors.

At the grassroots and national levels, trade unions still face the daunting tasks of approaching the increasing number of contract workers. Interviewed union leaders at the CNV meeting lamented the fact that contract workers lack an interest in joining unions and are often unreachable because they are not regularly employed and have the tendency to move constantly between jobs, sectors and employers. In short, flexible workers are moving targets as far as the unions are concerned. On the other hand, the lack of interest of contract workers in joining a union does not necessarily mean they are not interested in becoming regular employees and in receiving a fair and decent salary and benefits. However, this attitude is more the result of fear of dismissal from their current jobs were they to join an organised group.

CNV partners can take a cue from the experience of some countries where similar problems were tackled. After studying the challenges of the German Trade Federation Union (DGB) in attracting temporary workers, Meyer and Fuchs (2010) concluded that the loss of union members and the increasing number of temporary workers (due partly to legal restructuring) brought the inevitable questions of how to organise contract workers or how to become part of the unions in order to reverse the trend of declining union membership. They found out that a dual approach—person-oriented and organisational—is most effective. As for the organisational approach, the DGB’s executive board diffused the strategy to different locations and branches of the organisation. In turn, agents—union officials and secretaries who are responsible for the

political and operational business of the union—would be tasked with approaching temporary workers as part of the person-oriented approach. These agents would be supposed to recruit temporary workers through personal interaction with temporary agencies and with firms employing temporary workers. Respective local union councils would be ready to address and not ignore the concerns of contract workers and they would be willing to engage their issues actively and present solutions to their problems (Meyer and Fuchs, 2010). ‘No temporary employee will attempt to join a union unless those who are tasked to encourage and recruit them are genuinely aggressive’ and concerned about addressing the problems of temporary employees. How trade unions can form alliances with wider networks of labour support organisation will be elaborated in section six.

#### **1.4 Survey results CNV partnership meeting**

As part of this project a survey was conducted at the CNV partnership meeting on November 21-23 (2012) to identify the scope and significance of contract labour in the various partner countries of CNV Internationaal. In total, 31 representatives from partner unions participated in the survey. The survey contained questions on the services provided to members, the various forms of labour contracting, labour legislation and union interventions and strategies for reaching contract workers. The survey provided an initial overview of the issues and struggles that partners unions are confronted with when they try to reach contract workers. Most respondents had already been involved in union work for more than ten years (with a maximum of 34 years of union involvement) and were knowledgeable on the issues and difficulties associated with dealing with contract work.

The participants in the survey unanimously agreed that the increasing contractualization and flexibilisation of labour is a serious concern. The respondent from Senegal emphasized how some workers have already had day labourer contracts for 20 years and how contract labour is a phenomenon that is present both in nationally-oriented (e.g. transport) and export-oriented sectors (e.g. fish canning, garments). More than 70 per cent of the respondents agreed that the number of contract workers has increased in the past five years and that the trend will continue in the coming years. According to the respondents, the main motivations for an increasing use of contract labour are reduction in labour cost, increase in flexibility and increased profitability. To a much lesser extent contract labour was used as a strategy to reduce the power of trade

unions. The key difficulties that contract labourers face are lower income, a lack of job security and limited access to fringe benefits. The lack of opportunity for contract workers to join a trade union was mentioned much less as a key difficulty for them. The most immediate problems of contract workers are income and benefits-related. In Senegal, for example, a pressing issue for contract workers is the delay between the moment that the company pays the contractor and the moment the workers finally receive their financial compensation from the contractor.

Among the various forms of contract labour present in the unions' sectors, fixed-term contract, part-time work, seasonal work and piece-rate contracts are the most significant forms (see Table One). They also cited short-term contract, disguised employment relations and indeterminate-term contracts as among the most prevalent. It should be noted that, in practice, an overlap exists between these different types of employment and respondents may have used different definitions for the same type of employment.

*Table 1. Forms of contract labour*

<b>Forms of contract labour</b>	<b>Response (%)</b>	<b>Forms of contract labour becoming more significant</b>	<b>Response (%)</b>
Fixed-term contract	96.7	Fixed-term contract	90.3
Part-time contract	70.0	Part-time contract	48.4
Seasonal work	70.0	Seasonal work	41.9
Piece-rate contract	53.3	Outsourcing to third party providers	25.8
Outsourcing to third party providers	50.0	Others (e.g. indeterminate-term contract, self-employed, provision of service orders)	25.8
Subcontracting to third party contractors	43.3	Subcontracting to third party contractors	22.6
Workers with zero-hours contract/on-call workers	36.6	Piece-rate contract	16.1
Others (e.g. indeterminate-term contract, self-employed, provision of service orders)	30.0	Workers with zero-hours contract/on-call workers	6.5

Source: Survey Partnership Meeting 2012

In Cambodia, for example, contract labour is becoming increasingly apparent in the garment sector. The most common contracts are short-term contract, by which workers are paid on a daily basis and fixed-term contracts by which employees are only given contracts for three months, six months or one-year. As one interviewed union leader emphasised:

*“No matter how long they work for the company, they don’t have permanent status and they are always part of the informal force...They work for one week then stop for one day. They come back and continue to work.”* (Interview, 22-11-2012).

Because of this set-up, workers are also under pressure not to join a union for fear of losing their job. Labour contracting limits the ability of workers to enjoy their basic rights and, because of the increased worker insecurity, the potential for collective bargaining is decreasing significantly. While contract workers are not barred by law or practice from joining any union, the majority of CNV partner unions said they are constrained because of the perceived threat of dismissal. *“If you join the union, they will terminate the contract; they will dismiss you,”* a union leader said.

In Indonesia, there is a government regulation that is supposed to limit outsourcing only to complementary work and not within the core activities. In reality even the core activities are mostly outsourced. Labour federation officers from Indonesia said this practice has been ongoing because the definition of core activities is subject to different interpretations and companies usually get away with it. *“Even nurses in the hospitals are outsourced,”* they said. For the interviewed union leaders, outsourcing of work is not much of a problem if one company delivers work to another company because the labour relationship between the employee and employer is then clear. The problem lies in labour contracting where agencies recruit people and supply them to the company. The labour relationship in the second instance is murky. *“Who are more responsible to the workers when the companies dismiss the workers? They are not directly employed by the companies where they work,”* one federation officer said.

Fixed-term contracts also come in the form of hiring new or laid-off employees for a fixed period of three months, six months or one year. There have been instances of permanent workers who



were about to be laid off being given the option that, if they wanted to continue to work for the company, they had to change their status from permanent to contract workers or opt to work for an outsourcing company. In this case they earn around 50 per cent less than regular workers and they receive no benefits. If they are outsourced, outsourcing companies also get a commission by deducting a certain percentage from their salaries.

Moreover, the survey of CNV partners revealed that contract workers face difficulties in the following order: lower income, lack of job security, lack of opportunity to join trade unions, lack of benefits and lack of health and safety protection (see Table Two). These difficulties should be seen by CNV partner unions as an opportunity to engage contract workers. As mentioned in a study by Meyer and Fuchs (2010), unions should offer tangible solutions to the day-to-day problems faced by contract workers or they will not see the relevance of joining a union. As CNV partner unions realise the need to address this concern, this also means changing union strategies to tailor-fit the needs of contract workers. While membership is generally still increasing among CNV union partners, there are signs that the increase in the number of contract workers would have an effect on the membership and would contribute to a decline in the future. The need to reach contract workers is intended to avert this situation.

*Table 2. Difficulties and areas of support for contract workers*

<b>Key difficulties contract workers face</b>	<b>Rank in Response</b>	<b>Key areas where contract workers need support</b>	<b>Response Percentage</b>
Lower income	1	Training on labour rights	67.7
Lack of job security	2	Job security	64.5
Lack of opportunity to join trade unions	3	Formal employment opportunities	54.8
Lack of benefits	4	Health and safety standards	32.3
Lack of health and safety protection	5	Skills training	29.0
Vulnerability to harassment or abuse	6	Others	3.2

Source: Survey Partnership Meeting 2012

One example of the adverse effect of contract labour on union membership is the case of Dignity Knitting factory in Cambodia. There were 2,500 workers in the factory and 30 per cent were made contract workers. The union membership of 800 dropped because around 400 members became non-permanent workers. *'They left the union because of the contract status. That's the perfect example that when they become temporary workers, they will out themselves as non-Union members because they are afraid they will lose their jobs,'* a union officer explained. The union had to adopt a new strategy to address this particular issue and within a few months the union officer claimed that they had managed to bring former members back to the union.

The majority of the CNV partner unions have tried both organisational and personal approaches when addressing the issues of contract workers. The Indonesian union, for example, lobbied for the manpower agency (under the labour department) to look into violations of labour regulations on outsourcing. Recently, the Indonesian labour ministry endorsed a Labour Code provision against contract labour in core businesses but the implementation has yet to be seen. *'We still lack the quantity and quality of labour inspections and also for law enforcement (interview, 22-11-2012)',* the interviewed Indonesian union federation officers said. They also tried to negotiate with employers of contract workers to give them the same benefit and wages as permanent and regular workers. There have been some successful negotiations (as in the case of a French company that changed the status of around 180 workers from subcontractors to permanent workers) but they failed in a number of instances. Many companies argue that they cannot do much about contract workers because they are hired by outsourcing agencies and not by the companies they work for.

Meanwhile, the Cambodian Labour Confederation (CLC) successfully argued that the government should set up a committee to monitor illegal subcontracting. However, as in Indonesia, the impact of this lobbying is not yet being felt due to problems in implementation, lack of quality labour inspections and lack of resources. Labour federations admitted that they have very limited capacity as regards addressing the concerns of contract workers. If, for example, contract workers are dismissed (illegally or even if the charges are trumped up), they have limited opportunities to defend them legally in court or through labour arbitration. As one federation officer emphasised,

*'Normally if we represent a dismissal case, it is easier to win from a permanent worker in court than from a worker who works under a short-term contract or subcontract workers. They don't have documents sometimes, ID cards, contracts, those challenges.'* (Interview, 22-11-2012)

Compared to the institutional approach, the personal approach strategy towards contract workers is easier to undertake. Part of the union members' campaigns is to include contract workers in their training programs to raise awareness among irregular and regular workers. "We unite them through their common interests," said the interviewed federation officer. Before orienting contract workers with their basic rights, they have to make sure that both the permanent workers and the contract workers share the same ideas and do not harbour ill-feelings towards each other.

*'The permanent workers and contract workers call each other different names and in negative ways. The union has to solve this problem first. We try to educate the people not to make this gap becoming bigger and bigger.'* (Interview, 22-11-2012).

Most CNV partner union representatives said that the main difficulty is tracking contract workers. Keeping them in a union poses a challenge since they move from one job to another job, company to company or from one sector to another sector. One union official emphasised that:

*'In other companies, the employees are the same but the contractors change every year. If we have to deal with labour contractors, every year we have to deal with different people. We have to target the main company otherwise we are wasting energy dealing with different companies and managers every year.'* (Interview, 22-11-2012)

Tables Three and Four provide overviews of the supply side (trade unions) and demand side (contract workers) difficulties when it comes to organizing contract labourers and integrating them into a union structure.

*Table 3. Difficulties faced by unions*

<b>Main difficulties for unions in engaging contract workers</b>	<b>Response Percentage</b>
Lack of interest among contract workers to join unions	71.0
Contract workers move too often between sectors and employers	48.4
Lack of organizational capacity to reach contract workers	41.9
Contract workers have different demands and needs	19.4
Contract workers are too diverse a group	9.7
Others (e.g. contract workers do not pay membership dues because of low income)	9.7

Source: Survey Partnership meeting 2012

*Table 4. Difficulties faced by contract workers*

<b>Difficulties faced by contract workers in joining unions</b>	<b>Response Percentage</b>
Lack of information among contract workers	53.3
Lack of union strategies aimed at contract workers	53.3
Legal obstacles	30.0
Organizational obstacles	26.7
Others (e.g. fear of losing job)	26.7
Financial obstacles	23.3

Source: Survey Partnership Meeting 2012

Besides the challenge of tracking down contract workers, CNV partner unions said that there is a lack of information among contract workers and they themselves lack strategies aimed at contract workers. There are also some legal and organisational obstacles present. They believed that contract workers need support in the form of training in relation to their labour rights, job security and formal employment opportunities. The majority of the surveyed CNV partners have already started to reach out to contract workers by way of organising, lobbying and campaigning

for their rights and by using personal approaches. However, they also emphasised that the program set up to reach contract workers has not been properly integrated into their plans of action because they need more information and resources to strategise.

### **1.5 Strategies for supporting contract workers**

After providing this overview of the challenges faced by contract workers and the difficulties by trade unions on reaching them, this section provides an overview of possible strategies for reaching contract workers and catering to their needs. Only by organising contract workers can the trade union movement maintain the critical mass in terms of the membership and representativity it needs to be a credible social and political force (Gallin, 2001). Key difficulties in organising these workers are locating and contacting them while the sector consists of a variety of activities, and types of labour relations, that require different organisational strategies (Beerepoot and Hernandez Agramonte, 2009). Making these workers aware of the necessity to join a trade union is the additional challenge that trade unions face. Irregular workers are so absorbed in the daily battle for survival that they do not feel like taking part in collective action, particularly when they do not see how such action or joining a trade union can help them solve their practical problems and meet their immediate basic needs (Tchami, 2007).

Within the wider support networks for irregular workers, established unions can provide guidance, training and other support to enhance the capacity of irregular workers' cooperatives to develop organisational structures, management and leadership that would help them to become more effective institutions. Based on the survey results from the CNV Partnership meeting, the majority of CNV partner unions still do not have properly integrated interventions and strategies to support contract workers. Although many unions recognise the existence of various forms of contract labour and have tried to approach contract workers and include them in training programs on labour rights, targeted strategies have, so far, been limited (Survey CNV partnership meeting, 2012). This demonstrates the ambivalence of trade unions towards contract labour. Despite it being very much an issue they are confronted with in their everyday work, they often lack the means to reach and effectively support the contract workers in question. Strategies or interventions to approach contract workers can vary, depending on the needs of each sector. Contract workers (generally) face the following difficulties (based on importance): lower income, a lack of job security, a lack of opportunity to join unions, a lack of

benefits, a lack of health and safety protection and vulnerability to harassment or abuse (Survey CNV partners, 2012). Such contract worker needs are often beyond the capacity (and expertise) of trade unions and therefore require collaboration in wider support networks.

The emergence of a wider variety of civil society organisations in support of workers has broadened public debate about labour rights to issues of justice, equality and ethical development (Ferus-Comelo, 2009). The possibilities for workers’ action through their representative institutions includes increased activism at the grass roots level based on the mobilization of more workers, the building of alliances and coalitions to legitimise actions for social and economic change, cooperation between unions and other movements, at both national and international levels, and partnerships with employers and governments to protect and improve workers’ interests (Kumar and Schenk 2006). A WIEGO paper by Bonner and Spooner (2012) on organising informal workers provides an overview of the wider network of organisations that can address the multiple issues of informal workers (see Table Five). For the purpose of this paper we adjusted this table to give it a specific focus on contract workers’ needs.

*Table 5. Organizational networks for supporting contract workers*

<b>Forms of organizing</b>	<b>Advantages of this form</b>	<b>Organizing issues</b>
<b><i>Base/Local organizations</i></b>		
Cooperatives	<ul style="list-style-type: none"> <li>- Stable membership</li> <li>- Job opportunities</li> <li>- Ownership by workers</li> <li>- Can attract small government/private funding</li> </ul>	<ul style="list-style-type: none"> <li>- Improved income</li> <li>- Job opportunities</li> <li>- Enhance employability</li> </ul>
Associations of workers along various lines (e.g. neighbourhood level organizations)	<ul style="list-style-type: none"> <li>- Can be formed when contract workers are unable to form unions</li> <li>- Bring awareness of rights</li> <li>- Promote empowerment</li> <li>- Enable collective problem solving</li> </ul>	<ul style="list-style-type: none"> <li>- Negotiations with employers/ labour contractors</li> <li>- Legal protection</li> <li>- Social security</li> <li>- Wage increases and working conditions</li> <li>- Recognition of contract workers</li> <li>- Human rights abuses, violence &amp; harassment</li> </ul>
City-based networks	<ul style="list-style-type: none"> <li>- Able to share problems and experiences</li> <li>- Allow for work with civil society</li> </ul>	<ul style="list-style-type: none"> <li>- Mobilizing contract workers</li> <li>- Creation of alliances</li> <li>- City-wide campaigns</li> </ul>

	and NGOs to strengthen campaigns	
Union branch of a National Union or a mixed sector union	<ul style="list-style-type: none"> <li>- Able to share problems and experiences</li> <li>- Allow for work with civil society and NGOs and to strengthen campaigns, including lobby on local wage boards</li> <li>- Build strength and unity</li> <li>- Share services with other sectors</li> <li>- Facilitate organizing of contract workers</li> </ul>	<ul style="list-style-type: none"> <li>- Negotiations with employers</li> <li>- Legal protection</li> <li>- Social security</li> <li>- Wage increases and working conditions</li> <li>- Recognition of contract workers</li> <li>- Human rights abuses, violence &amp; harassment</li> <li>- City level campaigns</li> </ul>
City-based chapter of national union	<ul style="list-style-type: none"> <li>- Foster solidarity and one voice</li> <li>- Can deal with policy issues</li> <li>Sharing of common concerns</li> </ul>	<ul style="list-style-type: none"> <li>- Negotiations with employers</li> <li>- Wage increases and working conditions</li> <li>- Recognition of contract workers</li> <li>- City-level campaigns</li> </ul>
Religious organisations and supported groups	<ul style="list-style-type: none"> <li>- Provide job matching employment opportunities, services and advice</li> <li>- Offer emergency service</li> <li>- Provide meeting space</li> <li>- Educate employers</li> </ul>	<ul style="list-style-type: none"> <li>- Social security</li> <li>- Minimum wage</li> <li>- Skills training</li> <li>- Employability</li> </ul>
<b>National organisations</b>		
Trade Union – mixed Sector	<ul style="list-style-type: none"> <li>- Build strength and unity</li> <li>- Share services with other sectors</li> <li>- Facilitate organising of contract workers</li> <li>- Can effectively lobby with government for policy changes</li> <li>- Build collective bargaining strength</li> <li>- Gain trade union rights</li> </ul>	<ul style="list-style-type: none"> <li>- Legal protection</li> <li>- Working conditions</li> <li>- Minimum wages</li> <li>- Dignity</li> <li>- Social protection</li> <li>- Occupational health and safety</li> <li>- Recognition of contract workers as regular workers</li> </ul>
Federations of workers cooperatives	<ul style="list-style-type: none"> <li>- Foster solidarity and one voice</li> <li>- Can deal with policy issues</li> <li>- Sharing of common concerns</li> <li>- Can effectively lobby with government for policy changes</li> </ul>	<ul style="list-style-type: none"> <li>- Policy issues</li> <li>- ILO Conventions</li> </ul>
Federations of unions, associations, groups	<ul style="list-style-type: none"> <li>- Promote unionization</li> <li>- Facilitate sharing of information and of legal practices</li> <li>- Foster solidarity and one voice among various groups of workers</li> <li>- Can deal with policy issues</li> </ul>	<ul style="list-style-type: none"> <li>- ILO Conventions</li> <li>- Law and policy issues</li> <li>- Solidarity</li> <li>- Building organization</li> <li>- ILO conventions</li> </ul>

<b>International organisations</b>		
Regional networks, International networks of contract workers	<ul style="list-style-type: none"> <li>- Build global strength</li> <li>- Create visibility</li> <li>- Facilitate networking with many organizations: creation of solidarity networks</li> <li>- Offer expert help</li> <li>- Provide validity as workers</li> </ul>	<ul style="list-style-type: none"> <li>- ILO Conventions</li> <li>- ILO Convention ratification</li> <li>- Fundraising</li> <li>- Solidarity</li> </ul>

Adapted from *Learning from Organizing Experiences* (Bonner and Spooner, 2012)

The table shows an overlap between different types of organisations and alliances that can be formed. CNV partner unions can adapt strategies based on their needs in order to reach out optimally to contract workers. The advantages of each form of organising and the thematic specialisation of the different organisations should be taken into consideration. The table also shows the interplay between action at local, national and (global) level. The highlighted specific issues are where unions can provide most support. This also shows how trade unions are positioned within these networks. Confronting the issue of labour contracting should make trade unions more aware of the community beyond the workplace, and issues beyond wages and conditions (Munck, 2003). Informal workers’ organisations are often neighbourhood based, thus breaking the essential characteristic of trade unions. Their strength comes from informal relationships between people, based on kinship, and friendship. There are also large numbers of voluntary associations and self-help groups that operate as membership-based organizations (MBOs) of informal workers – community-based organisations, women’s groups, and NGOs, where they are structured in such a way that they are democratically accountable to workers. Sometimes it can be more appropriate for workers to form voluntary associations, rather than more formally structured unions or cooperatives (Bonner and Spooner, 2012).

The International Trade Union Confederation (ITUC) is increasingly supportive of informal worker organising initiatives among its affiliates (Bonner and Spooner, 2012). The most well-known, and most often cited, example of an organization that has been able to break the formal/informal sector dichotomy is SEWA (Self Employed Workers Association) in India. SEWA combines aggressive trade union demands with ‘softer’ action in health and childcare cooperatives for workers (Munck, 2003). SEWA is not a traditional trade union that aims,



through collective bargaining with an employer, to improve the wages and working conditions of its members as sellers of their labour power. Instead it adopts an integrated approach to its members. By stressing the importance of creating employment opportunities through entrepreneurial activities, SEWA transcends the notion of these workers as simply victims (Webster, 2011). Without reducing the success of SEWA to Indian exceptionalism, it should be noted that much depends on the local context for what works as best strategy. The organisational networks available (and their capacities) differ per country.

### **1.6 Concluding remarks**

The literature review demonstrates that reaching workers who fall outside the traditional scope of trade unions is currently one of the key challenges for the labour movement worldwide. Trade unions need to reach out to these workers for their own survival, as they can no longer simply rely on their traditional base of support (i.e. regular workers). Experimentation and trial and error are required to ascertain how these workers can be integrated into traditional union structures, or how their level of self-organisation can be enhanced, and to see what works best under certain circumstances. In this process, collaboration and alliances with other labour support organisations are needed in order to cater for the multifarious needs of contract workers. The survey data demonstrated the ambivalence of the respondents towards the subject of contract labour. They all acknowledge the widespread existence of the phenomenon in their country but have not developed strategies to reach these workers.

In the process of forming alliances to support contract workers, trade unions can benefit from an international exchange of ideas and sharing of experiences. All the survey respondents expressed their interest in participating in an online information system to exchange information on the issues discussed in this section. The issues that they suggested should be discussed via such a system include information on strategies and activities undertaken to reach contract workers. Such a system should also include sharing information on social dialogue, social protection and exchanges on successful campaigning. The role that the respondents see for CNV in this process includes providing technical (and financial) support to kick-start a comprehensive plan to include contract workers in their agenda. This would also include assistance with capacity building and developing awareness campaigns.

## Part Two

### 2.1 Empirical study of labour contracting in four countries

The second phase of the project involved an empirical study to identify labour union responses as well as the typical bottlenecks that labour unions face when trying to reach (and cater for the demands of) non-core workers. The field research provided a deeper insight into the realities of local unions and their members in the face of the growing contractualisation of labour. A more locally embedded understanding of issues and struggles can be provided via interviews with key informants and contract workers in a selective number of locations. For this reason, empirical research was conducted in Cambodia, Indonesia, Senegal and Togo. In each of these four countries interviews were conducted with representatives from the CNV partner union, factory level union organisers, labour-related NGOs, government officials, international agencies, representatives from employers' organisations and business associations, academia and (of course) contract workers. In some cases these interviews were conducted with the help of interpreters, which affected the possibility of engaging in a direct exchange with the respondents. Depending on the expertise of the interviewee, the interviews focused on the following themes:

- The business and political environment that enables labour contracting to take place in these countries. The regulatory framework governing different forms of labour contracting in these countries.
- The variation in the use of contract labour across different sectors and the economic drivers behind it.
  - The main issues and struggles of contract workers and the type of support that they would need.
- The strategies that trade unions can pursue to reach contract workers, their efforts so far in reaching them, the effectiveness of these efforts.
- Forms of self-organisation among contract workers and the networks of local partner organisations when supporting them.
- The opportunity for trade unions to enhance employability of its members.

The choice for these four countries was partly based on preferences of CNV Internationaal and partly motivated by practical (logistical) reasons of being able to visit two countries during one trip. To the best of our knowledge, almost no comparative studies of labour issues in the African and Asian context have been carried out. Furthermore, the case studies represent countries in different phases of economic development and different levels of industrialisation. In both contexts it involves, by regional standards, more advanced and industrialised countries (Indonesia and Senegal) and less developed ones (Cambodia and Togo). Despite these differences, labour contracting is a common phenomenon in all four countries. The four country cases are presented in sequence. Rather than presenting them in a similar format our aim was to present them as local stories of labour contracting whereby, in each case, study emphasis is given to the local issues that are most important to the interviewees. Afterwards we detail the commonalities between the four countries and the recommendations on how to deal with the issue of labour contracting.

## **2.2 Senegal**

In Senegal, L'Union Démocratique des Travailleurs du Sénégal (UDTS) is one of the five biggest, and most representative, trade unions. In its efforts to do so the UDTS is supported by CNV Internationaal. UDTS has been committed to cooperating in this study and interviews with a variety of stakeholders were arranged via them. The list of interviewees can be found in the appendix.

During one of the first interviews with representatives of UDTS, it already became clear that labour contracting is not a recent phenomenon. Instead, life and labour have always been uncertain for most people in Senegal. Contract labour has been widely used since the introduction of the Structural Adjustment Policies (SAP) in 1979. As a result of the SAP, public expenses needed to be reduced. Employment in the public sector was brought back and permanent workers were replaced by lower cost contract labourers. What is more, promoting Senegal as a destination for foreign investments and its integration into the global economy in general meant that labour regulations had to be relaxed and this resulted in the growth of non-standard employment forms (Interview with the BIT, 12-04-2013). According to Le Bureau International du Travail (BIT) (the International Labour Organisation) many countries, including

Senegal, have found themselves in ‘a war of labour’, where labour processes have become more flexible and labour is becoming more and more precarious. The explanation is that regular or long-term contracts are disappearing and are commonly being replaced by temporary labour contracts, by which employees are often recruited and placed in enterprises by interim agencies. Initially, contract labourers were only employed in ports and in other firms with fluctuating production processes. However, nowadays they have become prevalent in subsectors where work has never been flexible or seasonal, such as administrative functions in the service sector.

Various interviewees confirmed that contract labourers are increasingly being recruited for positions that were once filled by regular employees. The underlying reason for this increase in labour contracting is that companies claim that this is the only way they can stay competitive. An increasing number of enterprises are no longer hiring employees directly but merely on a temporary basis through intermediary agencies. Contract labourers are more attractive to firms because they are generally cheaper, easier to dismiss and are not given access to additional benefits such as social security. The increased flexibility in the labour market has spurred the growth of triangular labour relations between labour intermediaries, enterprises and the employees. It is these flexible labour relations that pose a major challenge to the daily practices of UDTS.

### *2.2.1 Contract labourers plagued with poor working conditions*

It should be noted that labour conditions at many of the companies visited could be improved and that employees with long-term contracts are also facing struggles in terms of income and working conditions. Nevertheless, there is a clear difference between regular employees and temporary or contract labourers. Interviews with union leaders and contract labourers revealed that contract labourers are faced with insecurity and uncertainty when it comes to the duration of their employment. They are often engaged with multiple employers and that makes their labour relationship unclear. Contract labourers generally lack security and have limited or no access to social protection or common employment benefits (such as retirement arrangements, healthcare, insurances, financial assistance, etc.). They also face juridical and practical obstacles to joining a union and collective bargaining. The biggest struggle that contract labourers mentioned is their salary, which generally does not exceed the minimum wage of 35,000 CFA

(€53,-). Temporary staff is paid the minimum wage to make sure that firms do not get sued. However, in reality the contract labourers are not always paid according to their qualifications and not paid the same amount as a regular employee would receive for the same function. This is not to say that regular employees never encounter problems concerning their salary or working conditions. However, according to the union representatives, contract labourers are generally worse off. During an interview with a large enterprise in the maritime industry it was explained that contract workers generally receive the minimum wage for a temporary job in the docks, while regular employees earn a bit more. The director of the company explained that the wage of a regular employee may not always be much higher, but that contract workers, unlike regular workers, have some chance of being promoted (Interview with Sdv Sénégal, 16-04-2013).

Another problem is the way contract labourers receive their salary. Contract labourers are not paid directly by the company, but receive their salary from the placement agency. The firm pays the agency, which is then supposed to give the contract labourer his or her salary. This has created problems, as the workers are not always paid on time or are not paid the agreed amount of money that the company has given the agency. The firms in this study all argued that the salary of temporary labourers is not their responsibility, but that they do try to pressure the agencies to look after the employees. However, UDTs leaders point out that those agencies do not always take responsibility and neither do firms. The 'invisibility' of agencies makes it difficult for UDTs to identify whether contract workers are properly rewarded. Although some companies and agencies tend to highlight the advantage of being a contract labourer, such as the opportunity to gain experience in different fields and flexible hours, the employees all argued that they prefer to have fixed contracts.

The Senegalese labour code states that, after two years of employment, a contract labourer has the right to receive a permanent contract. Initially the government wanted to allow companies to renew contracts of temporary labourers as often as they want. However, unions have fought against this for years. As a result of these efforts the labour law does not allow on-going renewal of non-fixed labour contracts or the contracting of permanent posts in core activities of a firm (especially not in certain sub-sectors such as in transport, security and textile industry). However, the labour code is rarely respected. Companies find various ways to bypass labour

regulation and employ contract labourers for permanent posts or for a period longer than two years. During this research, cases were documented in which contract workers had been working on a temporary contract for more than ten years or, in some cases, have never even signed a contract. Indeed, some contract labourers are fired after two years of employment to prevent them from getting rights and their entitlement to a long-term contract (see box one).

**Box 1 Bypassing labour regulations**

*During an interview the director of an intermediary agency explained that some companies fire workers or they stop giving them work for a few months to disorient them and to keep them from acquiring rights and to ensure that they do not start feeling they are part of the company or permanent workers. As a result these workers automatically do not make many demands, or are reluctant to join a union. Other consequences are that firms change contract workers often so they will not start claiming rights and also change contract agencies. This means that the same person continues to work at the company but for a different agency. Firms and agencies collaborate to make sure firms can work with contract workers and agencies as much as they want, without technically doing anything wrong. Because of a lack of jobs and the increased flexibility in the labour market, contract workers often have no other choice than to conform (SATS, 19-04-2013).*

All the unions included in this research, and even government officials and business representatives, confirmed that labour regulation is not respected and that little effort is made to control the contracting of labour. UDTs claims that they (rather than the ministry) are the ones sending representatives to enterprises to check whether employee rights are being protected and to pressurise companies to comply with the labour code. If they suspect that some firms do not respect the law, or if they receive complaints, they inform the Labour Minister. The ministry is then expected to send inspectors. This process has proven to be time consuming and ineffective. A former labour inspector, who is now working for the business association CNES, explained that the government does not have the means and capacity to monitor all firms, especially not those in remote areas. He admitted that, even when he detected a problem or reported that enterprises were not complying with the labour regulation, not much was done with the information. What is more, a lot of inspectors employed by government have difficulty finding a balance between the interests of unions and protection of

labourers while also feeling pressured to support and protect businesses. Firms confirmed this and admitted that they rarely get inspected while not all inspections are objective. All the firms in this study argued not to feel any pressure from the government.

A principal dispute between unions and business associations over contracting of labour continues to exist. The private sector is pressurising the government to relax labour regulations to allow for increasing labour contracting in all sectors. Business associations, such as CNP/CNES believe that labour flexibilisation and unlimited contracting of labour can exist while ensuring the protection of labourers. UDTS representatives admit that they cannot fight against the existence of contract labour as intermediaries are fully integrated in the labour market and the share of work provided via them is expanding all the time. Therefore, the union has accepted the presence of the agencies and instead is seeking new strategies to make sure labour rights are respected. UDTS's main strategy is to make employees aware of their rights and inform them about the type of contracts they have (for instance that after two years they can claim a permanent contract). They provide training and organise meetings on employee rights and help them claim these rights by creating a dialogue with the employer.

During this research it became clear that contract workers are not represented much by unions. Contract labourers are generally not affiliated to UDTS (or other unions) for a number of reasons. First, the contract workers interviewed for this study stated that not all employees are aware of the possibility they have of joining a union or that they are afraid of losing their job if they engage in union activities. All respondents confirmed this and added that especially in the export processing zone workers are ignorant and afraid as labour regulations have always been weakly enforced there. Secondly, while employees are entitled to join a union, in reality, companies, and especially interim agencies and companies active in the export processing zone, deny access to unions or prevent their employees from joining a union by threatening them with dismissal. Thirdly, contract labourers tend to move frequently between jobs and within sub-sectors. UDTS and other unions said they were not very well prepared to face this problem. They do not know how to find contract labourers and help them. Clearly, they do not have all the necessary information on contract workers, or the system of organisation. UDTS only represents regular workers and does not integrate contract labourers into their strategies. This illustrates the difficulty with regard to reaching out towards reaching contract labourers. Even when

information is available on the presence of contract workers in certain sectors, the abiding belief is that it is nearly impossible for contract workers to affiliate to the union (see box two).

The reluctant attitude of UDTs was in evidence during other interviews as well. Directors of firms admitted, during the course of two interviews, to bypassing labour law. The union leaders did not challenge UDTs on this, nor did they undertake any action to make sure that these firms should comply with the labour code. This reflects a limited power to directly have an influence on labour practices at firm level.

**Box 2 Contract labourers barely affiliated with UDTs**

*During an interview with the manager of a large enterprise in the shipping industry, I came into contact with an employee who had been placed in the company by an intermediary. In the presence of UDTs staff, the employee expressed a desire to join the union, but did not know what options were available for doing so. At the end of the conversation neither the employee nor the union undertook any action and no information was exchanged to make sure that the employee would become affiliated to UDTs. After the interview I asked UDTs why they did not reach out to this contract labourer, especially now that they are aware of his situation. They simply replied by saying, "because he is hired through the agency and is thus not a regular employee of the company." Yet, the employee had already been working at the company for more than three years and was therefore not that different from a regular employee. The fact that no action was taken to approach the employee and to offer him membership to the union, not even when union leaders were sitting right across from him, shows that there is a passive approach towards affiliating contract labourers to the union. Even in the next two weeks after the interview took place no further action was taken to contact the employee (Interview with Grimaldi, contract labourer and UDTs 12-04-2013).*

*2.2.2 Recommendations relating to the inclusion of contract labourers in union structures*

This study shows that UDTs has not been successful in including contract labourers in their structure and in helping them to improve their working conditions, even though these workers face more struggles than regular employees. According to the BIT, UDTs, and all unions for that matter, need changes in the way they have been tackling problems in the labour market. UDTs representatives also expressed their interest in finding new strategies for coping with the



increase in triangular labour relations (e.g. the increase in contracting agencies) and the struggles that contract labourers face.

UDTS has strong and well-established relations with a number of large firms in Dakar where all regular employees appear to be affiliated to the union. UDTS sends representatives to companies to check with the representative of the employees, and set up a dialogue between the unions, the representative of the employees and the company. By contrast, relations with interim agencies are non-existent. UDTS does have a partnership with a placement agency (SATS) active in the ports, which was also visited for the purpose of this research. However, the director of the agency argued that they are not a good representation of other agencies in Senegal, because the agency has been active in the ports for decades now and is one of the only agencies allowing the presence of UDTS in the ports. A challenge for UDTS is to establish contact with other agencies as well. A programme should be incorporated to actively approach contract workers and visit their agencies to establish partnerships.

In addition, the programme director of the BIT argues that UDTS and other unions need to understand how contract workers are organised and how their organisations function. Unions should gain an insight into the structures of intermediaries and start communicating with them. This should make it easier to approach contract workers and integrate them into their union structure.

A social dialogue already exists between unions, employers and the government at national level, which could be used as a channel for UDTS and other unions to advance social justice in the labour market. However, unions in Senegal are generally too divided and miss a common platform from which they could effectively influence the government and labour legislation. The disunity among the confederations and even within unions was noticeable during the fieldwork. During this study, interviews were held with CNTS and CNTS-FC, which used to be one trade union/confederation. Because of differences in opinion among their staff, they are now functioning as separate unions/confederations. In a coalition they can more effectively work together with international partners, and exert a greater influence on policymaking and the private sector to comply with the labour law. This will put UDTS and other unions in a better position to represent contract labourers.

### 2.3 Togo

Fieldwork in Lome took place with the cooperation of the Confederation Syndicale des Travailleurs du Togo (CSTT), which is one of the two biggest Trade Unions in Togo. The CSTT is an independent union that was founded in 1991. Currently it has 61 trade unions under its umbrella covering nearly all subsectors in the public, private and the informal sphere, such as the education, transportation, agriculture, construction and textile industry. Most members of the CSTT are employed in the formal sector. However, representatives of the CSTT have recently become more active in mobilising labourers in the informal economy, such as street vendors and hairdressers.

Employing contract workers in some sectors is a standard procedure because of the flexibility required in production processes. In the maritime industry, for instance, for the packing, loading and offloading of products in the ports, the number of employees and type of contracts are determined by the amount of work available. Even in the education sector, or in large firms (such as Ecobank), where work is not seasonal, workers are still only given short-term contracts. Firms prefer to employ contract labourers rather than permanent workers to avoid payment for their employees' social security, benefits and other entitlements. Various interviewees emphasised that globalisation pressures and the financial crisis have made labour practices even more flexible. In order to keep costs low and remain competitive in the international market, firms tend to reduce their labour costs by replacing regular employees with contract labourers. Hiring a contract worker is much cheaper than a regular employee, because they are given lower salaries and extra costs can be avoided by not registering them for social security. The engagement of casual labour is a pervasive practice not only in the auxiliary departments of firms, but also in the main production line of enterprises (e.g. core activities). Thus, while contract labour is not considered to be a recent phenomenon, there is definitely a trend towards the use of contract labourers increasing and labour relations becoming increasingly flexible as well.

At first, representatives of the CSTT did not express much concern about reaching and affiliating contract workers. As a trade union leader of FYNASET put it, *"Employees in the port do not move around that much between subsectors as you would expected. Employees, even if they*

*have a temporary status, tend to stay in the maritime industry and sometimes even in the same firm".* He continued to explain that once the union has ties with a firm or is already engaged, it is not difficult to affiliate the employees or approach new members. However, during this study it appeared that the image trade unions were presenting is a bit overoptimistic. It soon became clear that not all contract labourers are that easily located or affiliated. The CSTT is challenged when it comes to approaching contract labourers, especially those who are placed by intermediary agencies who tend to move between companies and even between sectors. It has also been difficult for the CSTT to target contract labourers employed by companies which the CSTT does not have ties with, such as enterprises in the export processing zone. As a result, the union tends to target more regular employees rather than the more 'invisible labourers' that are hired through intermediaries. This does not automatically mean that regular employees are all affiliated. As emphasised in an interview with representatives of the CSTT, not all employees are easy to mobilise. For instance, the education sector is well-organised and employees are aware of their union rights. However, they expressed concerns about mobilising employees in rural areas and in the export processing zone, because they are more difficult to contact and are not all aware of the possibility of joining a union. During several interviews, CSTT representatives expressed a desire for an increase in the number of employees affiliated to their union. However, they argued that it is difficult since most companies have stopped hiring workers directly.

### *2.3.1 The main struggles that contract labourers face in the labour market*

An export processing zone (EPZ) was set up in Togo in 1989 to develop export-oriented industries, enhance foreign exchange earnings and generate employment. The EPZ, also called La Zone Franche, contains approximately 60 (mostly foreign) enterprises that are active in the range of activities such as pharmaceuticals, cosmetics, plastics, wood and metal construction, leather and clothing, manufacturing, agri-food, maintenance services, software services and development (Interview with SAZOF, 05-04-2013).

The labour conditions in the free zone, which employs over 9,000 people, are extremely poor as countless labour right violations have been reported. There is an absence of fundamental rights of employees, such as safety and health measures, employment security, their entitlement to the minimum wage, as well as their basic trade union rights. Most employees in the EPZ have

only a short-term contract or even no contract at all. They get paid at the end of the week or month and are not issued with any payment slips. No administrative records are kept for these contract labourers. What is more, no date of recruitment is registered and that makes it difficult for inspectors to check whether an employee has worked with the company as a contract labour for longer than is allowed by labour law.

Most employees in these zones lack knowledge of their labour rights or the options open to them with regard to joining a trade union. In addition they fear dismissal due to becoming involved in union activities. They maintained that, *“Workers often don’t get to see their contracts. They need the job so they just start working. They are afraid of getting fired if they join a union or if they start claiming a higher salary. If unions cannot convince them to join, we as unions cannot fight for their rights.”* (Interview with FENASYET, 05-04-2013).

As a result, employees in the export processing zone are generally not affiliated to unions. The CSTT does not have adequate information on these employees as to who they are and what their conditions are. They have not been able to reach these employees and offer them assistance. It is only since 2011 that labour rights have been extended to the EPZs, which means that union activities are now allowed in the free zone. While the new labour code stipulates that the right to decent work is recognised and anti-union discrimination is prohibited, companies in the free zone continue to dismiss the presence of unions and obstruct trade union activities (see box three). The CSTT and other unions would like to enter the zone to inform employees about the labour code and lobby for their rights. However, only three unions (of which one is part of the CSTT) have so far established relations with a few firms in the zone.

While unions are now allowed inside the Zone, this does not automatically result in employees being affiliated to unions. The CSTT and other unions continue to struggle to reach employees inside the zone. Some respondents from the unions gave a more optimistic picture of the current conditions in the EPZ. They claim that although, these days, more information is available on the conditions of the workers, unions still have limited insight into what goes on in most companies and have difficulties reaching employees. This impression was confirmed during an interview with the director of SAZOF (a representative body of the Export Processing Zone), who stated that it is still uncommon to see unions engaged in companies inside the zone.

### **Box 3 Obstacles to union activities in the Free Zone**

*Federation des Industries du Togo (FIT), a union part of CSTT, lobbies for contract workers in the Free Zone to have the same rights as the permanently employed people. The representative of FIT gave an example of a cement producing company in the Zone Franche, which employs over 800 people of which the vast majority has no contract. He explained that there is no union to protect them, so he is trying to find a spokesman within the company that can defend the rights of the contract workers. In doing so, FIT is trying to convince the firm of the benefits of its employees being affiliated. However, after a lot of lobbying the firm is continuing to block FIT's actions and deny its employees their right to affiliate to FIT. The representative stated, "Employers don't have anything to do with the employees, they don't care about them, and they just exploit them. They are only interested in their labour and pay them the minimum wage. If employees demand more (e.g. a higher salary or benefits) they are fired. So what can we do?" (FIT, 03-04-3013).*

During the interview the representative of SAZOF explained that unions are allowed to enter the zone, and he gave a rather optimistic image that labour conditions have already improved during the past years. However, it transpired that the companies are not the only ones blocking the activities of unions inside the zone. In addition, SAZOF, which is supposed to manage the EPZ by assisting firms and inspecting labour conditions, has also shown resistance to the attempts by the CSTT to set up a union. When a conflict arises between employers and employees, SAZOF sends an inspector to check the situation. However, in the end the dispute has to be settled between the employer and the employee. The secretary general of the CSTT expressed his concern that, during such a dispute, SAZOF tends to look at the interest of the firms rather than the rights of the employees. He continued to explain that despite the massive resistance to unionism in the free zone, the CSTT has succeeded in forming two unions in the export-processing zone.

Even though the EPZ forms a big challenge to unions, labour rights are also violated outside the Zone. Employers can fire contract labourers easily, without giving them any notice, because no contract has been signed or no other form of employment security has been given to them. Non-compliance with statutory leave and social security obligations is another problem that was

mentioned in every interview. Employers and employees need to be registered with social security, but this does not always happen, especially not in informal settings, or when intermediaries are involved. As a result, contract labourers often do not receive any form of social protection or benefits, such as retirement arrangements, health insurance, maternity leave, vacation days, etc. In addition, their salary is low and does not always exceed the minimum wage and the number of hours they work often exceeds the legal limit. If a contract is signed, or if employees are registered with social security, they are generally fired after a year of employment to prevent them from becoming entitled to a long-term contract. Temporary contracts are also renewed over and over again, despite the law stipulating that the employee becomes entitled to a permanent contract after three renewals of his temporary contract.

During the interviews various cases were mentioned of employees who had never signed a contract despite having already worked in a certain company for several years (see box four). As explained by a representative of CSTT, most people are not very well informed about their contract. The CSTT teaches their members about the type of contract they have and what this entails in terms of duties as well as rights. When the juridical officer of CSTT notices that employees have been working as if they are regular employees, while being paid and treated as contract labourers, action is taken by the CSTT to ensure that the employees are given a fixed contract or a better salary. The Juridical officer argued that they are successful in doing so and have never lost a case, but unfortunately it is time consuming and there are still a lot of employees that need similar assistance.

Although labour regulation exists to prevent on-going renewal of temporary contracts, many employers do not respect these. All respondents from trade unions and even from companies emphasised the lack of labour inspection. There are not enough labour inspectors to visit firms. They are commonly employed by the government and do not have enough means to monitor labour conditions in firms properly, especially not in the more rural areas. Even when labour inspections take place, cases are known of inspectors who accepted bribes from firms. The secretary of the CSTT emphasised how the union is trying to pressurise employers to comply with the labour code and inspectors to perform better, but they admit that their efforts are not always effective. Unions do not have the authority and are often not powerful enough to force companies to comply with the labour code. *“As a union in Togo you don’t always have enough*

power, especially not compared to companies who will do anything to evade labour law” (union representative FENYSET, 05-04-2013).

#### **Box 4 Discussion with two contract workers**

*35-year old Kofi has been working at the supermarket Champion for 10 years already but he has still not been given a permanent contract. He explains that most of the employees are not permanent workers but, like him, have worked at the company for several years now, doing the same work as regular employees. According to Kofi, the company does not recognise him and the other ‘contract workers’. There are no files on most of the employees and no documentation on who works as a contract labour.*

*He claims to work harder than the formal workers, but receives a lower salary (minimum wage of 30,000 CFA) and he does not receive any benefits. He does not have a fixed time schedule. He can be summoned, without notice, to work a night shift at the warehouse, for which he only gets 1000 CFA per night (while he spends a quarter or more on transportation). Kofi explains that he and his colleagues feel like they are being taken advantage of because they cannot refuse extra nightshifts or overtime. He feels insecure because he does not know when his job will end.*

*A colleague of Kofi, who also works as a contract labourer at the Supermarket stated, “The company does not take care of us at all. They just give us the minimum wage but do not take responsibility for anything else.” He explains that their colleague (who has been working for the company for nearly ten years) was sick for a few weeks and the company refused to give him an advanced payment or help him with health insurance. During the interview Kofi produced an envelope with some money which he and his colleagues had collected for his sick colleague so he could take care of his family until he resumes work. Kofi added that he is not sure though whether his colleague can continue working in the company. He explained that, even in the event of a work-related health problem the company does not really do anything about it.*

*Kofi approached CSTT because he had only received 20,000 CFA at the end of the month instead of 35,000 CFA. His main issue is his low salary and lack of transportation contribution. He wanted to see whether CSTT could help him with some basic facilities, such as sanitary facilities. “There is no place to wash your hands and no place to sit and have our lunch. We have to sit somewhere outside on the streets, because we are not allowed to have lunch in the building.” Kofi said he was very happy with the help of CSTT, because now he is less scared and has found the boldness to speak up (Discussion group, 04-04-2013).*

### *2.3.2 Strategies of the CSTT so far and recommendations for addressing labour market challenges*

Collective bargaining continues to be an important mechanism through which to address labour market issues. To facilitate negotiation processes, a tripartite institution of social dialogue between the government, employers and unions was officially created in 2006, called the *Conseil National du Dialogue Social* (CNDS). In an interview, the president of the CNDS emphasised that the dialogue plays a key role in improving labour relations. While communication between the three parties has improved, it does not necessarily mean that the union's demands are heard. In 2012 the CSTT stopped negotiations with the government because it had not honoured its commitments made in the Social Dialogue in 2006. According to the general secretary of the CSTT, in 2012, five years after the introduction of the NCDS, only 40% of the commitments to improve workers' living conditions had been achieved. The secretary general pointed out that the CSTT still needs to protest in order to push the government to make sure labour policies are executed (see box five).

#### **Box 5 CSTT protests to pressure the government**

*In January 2013 a three-day strike took place in which the CSTT and other unions were part. Even though (in 2011) the government adopted a new Labour Code to improve the working conditions of labourers, the CSTT and other unions had to go on a strike, because, two years later they still had not seen the actual content of the labour regulation and thus claimed more transparency. The unions were not satisfied with all elements of the labour code, especially not with regard to salaries in the public sector for which they then continued their protest (Interview with the CSTT, 28-03-2013).*

While the CNDS marks a positive change in the political landscape of Togo, the position of unions in this framework at national level remains weak and other strategies need to be looked at. The BIT argues that unions' position in the dialogue is weak because of disputes among unions, which prevent them from effectively influencing the government and the employers' associations. In addition, the dialogue needs to be decentralised to better represent and help the employees and to make it more inclusive. The CSTT does not talk to many employees directly but always via a representative, suggesting that there is too much of a distance between union and employees. Besides that, contract labourers are not included as much in the union



structures as regular employees are, and are therefore not properly represented in the National Dialogue.

According to the BIT, the CSTT and other unions should not only pursue collective bargaining at national level, but also at sectorial level and especially within firms, negotiating directly to employers. In the latter case the CSTT has some success stories, such as their engagement with labour practices in a Lebanese manufacturing company and a Chinese cosmetic company. The CSTT managed to convince both firms that it would be more beneficial to provide permanent contracts. While their negotiating with the employers had indeed led to permanent contracts for all employees and improved salaries and labour conditions, the CSTT has not been able to reach other firms inside the zone. Challenges remain in targeting contract labourers, especially those that are placed by intermediaries. The CSTT has not incorporated a strategy to target this group of contract workers, partly because of a lack of information on them. CSTT also claims that a lack of means, notably a lack of funds from the government, holds them back in extending their practices.

Labour organisations like the BIT and L'Agence Nationale Pour l'Emploi au Togo (L'ANPE) have designed programmes to teach employees about entrepreneurial skills, help them to write a business plan, draw up a CV, improve other work-related capacities, and also to make their behaviour more professional. The CSTT has also made several attempts to enhance their capacities, and develop their skills to eventually increase the chances of these employees stay employable. Besides its traditional activities, the CSTT has provided training and workshops to their members on how they can perform their job more efficiently and on how to improve their working attitude as an employee. According to L'ANPE, such non-standard activities are in the interest of both employees and firms. Such activities could not only raise awareness of the possibilities and benefits for contract labourers to join a union, but may also change the perception of firms towards the practices of unions. Unions may no longer simply, be seen as being responsible for making employees more demanding, but also as bodies that stimulate an increase in employee productivity. Hereby they help to enhance their employability, prevent conflicts within firms and make the atmosphere at work more professional. The CSTT claims that such workshops and efforts are beneficial and should be undertaken more often. At the same time they argued that it is not their responsibility, but that of the employers. Besides, they

realise that there are still a high number of contract workers not affiliated to the CSTT. Consequently, their main focus continues to be on traditional union activities of unions such as defending rights and lobbying for better working conditions. This view is also shared by interviewed representatives of the other unions (FENYSET, FENET, FIT, SYNTRAPAL and SYNATITO). In addition, the directorate of CSTT claimed not to have enough funds to extend their activities to stimulation of employability or other non-traditional activities.

## **2.4 Indonesia**

The Confederation of Indonesia Prosperity Trade Union (KSBSI) is the CNV partner union in Indonesia. Founded in 1992, it is active in various sectors through its federations (metal and electronic; mining; banking; food, drinks and hotel; garment and textile; wood and forestry; chemical). The sources for this country case study were mainly the contract workers, union leaders, federation members, partners and contacts from the government (Manpower Ministry, University of Indonesia), private sector (PT Outsourcing Indonesia, APINDO), NGOs (Labour Institute Indonesia, Institute for National Democracy Studies) and international agencies (ACILS, ILO). A focus group meeting and discussion with union representatives from different sectors was also conducted.

While labour contracting and outsourcing have existed for years, the sectors it has been prominent in during the last five years are the chemical and health, telecommunications, hotel and restaurant and banking sectors. Contract labour is used most widely in the textile and garment sector and even within state enterprises (see box six). No official figures are available on how many people are employed as contract workers since every sector reports a different estimate. According to KSBSI labour leaders it is estimated that 75% of the workers in the garment and textile sector are contract workers but the percentage also varies from one firm to another. For example, in one manufacturing firm, 60% of the 1,500 workers are contract workers (Interview, 11/04/2013).

### **Box 6 Outsourcing in state-owned agencies**

*Kantor Pusat, a state-owned transport company, was established by the Dutch, then taken over briefly by Japan in 1942 and then by Indonesia in 1945. From then up until 2000 the company was occasionally managed by the national government in Jakarta. In 2000, it was governed by the Ministry of State-owned Companies, and then became independent but without any subsidy being provided by the government. The fact that the company is a public service company means any ticket price increase (which is vital for salaries, repair and upkeep of the fleet) is still subject to government rules.*

*After re-structuralisation in 2010, 2,014 employees were dismissed, leaving a workforce of only 320. Many were re-hired but on a contractual basis, without benefits and security of tenure. Their salaries are based on the daily 6% commission they are eligible for if they earn 500,000 rupiah (37 euros). 1,400 employees are now subject to this system. On most days, more than 300 drivers would show up every morning without there being enough buses for them to drive. Half of them would go home empty-handed. Because the company is not earning enough and getting no subsidy from government, it has not been able to acquire new buses or repair the existing ones. Most of the buses are over 30 years old. According to the manager and union leader of the depot, the company is going downhill because there is no subsidy from the government and because it is not allowed to increase rates because the law prohibits it, in contrast to private bus companies. Worst still, the contractual employees do not even have any guarantee of driving work due to the limited number of vehicles in the fleet.*

#### *2.4.1 Laws allowing labour flexibility*

According to union leaders interviewed, the increasing number of contract workers in Indonesia is a result of the greater flexibility of employers as regards keeping costs low, maximising profit and competing. Labour outsourcing was legalised in 2003 through Labour Law No. 13. Meanwhile, the Manpower Ministry Decree of 2003 also stipulated that only non-core production functions can be outsourced (Tjandraningsih, 2013). While Indonesia's Labour Code is explicit in that an employee has to be given a permanent position after his/her contract has been renewed twice, most of the time this rule is simply ignored. There have always been ways of circumventing the law that keep workers under contract even after having worked for the same company for ten years. In the middle of all this is the labour agency, a new actor in

industrial relations, which is seen as the cohort of companies and one that causes detrimental effects for workers and unions (Tjandraningsih, 2013).

As Southeast Asia's most populous country, Indonesia has 117.4 million workers, of whom 70% work in the informal sector (BPS, 2011 in Tjandraningsih, 2013). Indonesia became part of the world production chains in the labour-intensive manufacturing industry which services international brands (White, 1993 in Tjandraningsih, 2013). Despite that, there are still insufficient job opportunities for the competing labour force. Union leaders argued that, as a result, workers take on jobs regardless of employment status. The employers association APINDO believed that, in order for employers to provide jobs, some form of flexibility should be created, such as contract work and outsourcing. *"For employers, outsourcing is a necessity. Outsourcing cannot be abolished,"* said Ibu Ifrida Yasar, vice-secretary general of the association (Interview, 12/04/2013). She added that, if labour unions are too vociferous about their demands to make the majority of employees permanent workers, enterprises will be forced to relocate to other provinces or countries. This could worsen the labour situation. *"We cannot afford to provide decent work"* she said, adding that jobs should be provided first.

#### *2.4.2 Opposition from private sector*

Led by APINDO, employers and outsourcing associations in Indonesia are challenging landmark legislation that limits the types of work which may be outsourced to five. These are the following:

- \*catering
- \*cleaning service
- \*security
- \*support in mining (auxiliary and support to mining labour)
- \*transport for workers

Some other supporting jobs can also be outsourced but these have to be approved by the sector association. According to manpower officials (Interview, 12/04/2013) the Ministry of Manpower Act No. 20 (2012) on contract labour was a response to the protests of employees and unions against the growing contractualisation of labour in Indonesia. Another law was enacted prior to this, namely the Ministry of Manpower Act No. 19 (2012), which stipulates that contract

workers should be paid a minimum wage and a holiday allowance, provided with social security and given one day off a week. The law also states that their working hours should be limited and that they should be paid compensation if a contract is terminated. Under this law, piece-rate workers should also get a minimum wage.

The association of outsourcing companies in Indonesia is also heavily opposed to the decrees issued by the Ministry of Manpower. Greg Chen, who is in charge of the association's international relations and manager of PT Outsourcing Indonesia, said that the law should not restrict the kind of jobs to be outsourced because the decision on identifying core business and non-core business is best left to the firms and industry associations. His outsourcing company, which provides back-office operations (administrative jobs, clerical jobs, phone operators, receptionists, secretaries, collectors, debt-collectors) to mostly banks and other firms, is set to be affected if the decree is fully enforced. *"It has affected our business and also our members. Some are on the verge of shutting down because some are pure-labour supply companies. Some are mixed labour supply and business process outsourcing"* (Interview, 16/04/2013). Chen said his outsourcing company "strictly adheres to the law" by giving their outsourced workers minimum wages, insurance, pension, paid vacation leaves, maternity leaves, bonuses and emergency loans. The illegal outsourcing firms are the ones to be blamed for the malpractices, he said. There are at least 6,300 outsourcing agencies registered with Manpower Agency but only around 50 are active in their organisation. *"We do not agree with incorrect outsourcing practices. We do not like illegal outsourcing practices. It ruins the industry"* (Interview, 16/04/2013). There are also many fly-by-night agencies run by scrupulous individuals or middlemen who recruit workers. Labour recruitment is no longer concentrated on outsourcing agencies but also on individual middlemen, according to a sociology professor at the University of Indonesia. *"One government officer sometimes doubles as a labour supply middleman. It is a mix of cultural value of helping each other and flexibilisation"* (Interview, 16/04/2013).

#### *2.4.3 Ideal laws but low level of enforcement and multiple interpretations*

While the Manpower Ministry decrees provide the legal framework to protect workers, these are seen as ineffective and difficult to implement. *"The main problem is law enforcement and labour inspectors. Labourers are not given an option. They sign two contracts and the third one they are offered, which should be a permanent contract, is still a contract labourer agreement."*

*This practice is allowed to continue because there is no labour inspection,*” a union federation leader explained (Interview, 11/04/2013).

The Ministry of Manpower has promised to increase the quantity and quality of labour inspection but it has no authority to punish violators (Interview, 12/04/2013). Manpower officials said a committee on labour inspection has been set up to address the problem. The 15-21 member committee will coordinate with labour inspectors. It will have the capacity to assess violations and impose penalties. On paper, it seems that Indonesia has various mechanisms and right laws that address issues of contract labour and labour outsourcing. However, on the ground, unions and contract workers are constantly struggling to find ways to address the problems of workers.

The issues faced by contract and outsourced workers include discrimination in wages and benefits and prohibition from joining unions for fear of losing their jobs. A classic example is the case of Friesian Flag Indonesia (a subsidiary of the Dutch company) whose 292 union leaders and members were dismissed because of union activities. The majority of them were contract workers even after many years of working and having multiple contracts within the same company. The labour law is explicit that, after two contracts, an employee should be offered a regular contract. However, according to Slamet, the union president, *“the company just signed us with different outsourcing companies”* to break the two-contract rule. Before the 292 union members were dismissed, they refused to sign a contract that required them to undergo a psychological test. They suspected that if they underwent the test, they would fail and that would be a good reason for the company to dismiss them legally. Nevertheless, on the morning of 17 Sept 2012, the company’s security guard informed mostly union members that they were no longer allowed onto the company’s premises. They filed labour lawsuits against the company and these are now being considered by the labour court’s arbitration council. However, nothing substantial has happened so far.

Union leaders lamented the fact that some companies are very creative in using contract and outsourced workers. *“When labour inspectors or brand representatives come, they just give the outsourced and contract workers different uniforms to wear and hide them in the toilet”* (Interview, 11/04/2013). (In other cases, according to Tjandraningsih (2013), permanent,

contract and outsourced workers can be identified by their uniforms. Outsourced workers from different recruiting agencies also wear different coloured uniforms.) The incidents of union members losing their jobs, as in the Friesland case, have reinforced the fear among contract workers. *“It happens in practice as they see their colleagues getting fired”*, said a union leader with a textile company (Interview, 13/04/2013).

The use of contract workers is also widespread in the telecommunications sector. Union leaders in a Chinese brand telecommunications company said *‘90% of the workers in their company are outsourced’*, including engineers who are supposedly performing core business functions. They said the company’s motivation for outsourcing is to free it from obligations of having permanent workers. Like Friesland, many of the employees have been working in the company for years and, to break the two-contract rule, they have signed successive contracts with different outsourcing companies, which contracts could vary from 3 months or 6 months to 1 year. *“Personnel are recruited by the company and the outsourcing company only does the payroll,”* the Telco union leader said (Interview, 13/04/2013). The union organised a strike to demand that the company change the workers’ status to permanent. However, the company’s response was to dismiss 70 employees, all of whom were union members, including the union chairperson who is a permanent worker. The latter refused to leave the company. The company did not give any specific reasons for their dismissal. The case is also currently subject to labour arbitration.

#### *2.4.4 Abuse of labour flexibility*

The cases above show the core issues of labour contracting and outsourcing that have become widespread in Indonesia. Formal sector companies, from manufacturing to services, have begun reducing their permanent workforces and replacing them with outsourced workers who are hired on short-term contracts from labour agencies (Tjandraningsih, 2012). With the help of labour agencies (and individual middlemen), labour flexibility has become easier to implement despite safety net laws. *“The practice of outsourcing made employment far more precarious; jobs were less secure, working conditions declined, welfare benefits were reduced, and trade unions were weakened”* (ibid.).

As the number of contract and outsourced workers has increased, the number of permanent workers has decreased. This has a relative correlation to union membership because unions' membership base was traditional made up of permanent workers. Most of the union leaders we spoke to during the fieldwork said the majority of the workers in their sectors are contract and outsourced. While they are not prohibited from joining a union, the implied threat of losing their job is like a Damocles' sword hanging above their heads. Many of the contract and outsourced workers also move between companies and sectors and "that reduces their capacity for any form of collective action" (Tjandraningsih, 2012). *"For example in Batam, out of 6,000 workers only 1,200 are permanent. When their contracts finished, they (the workers) also lost their union membership because the membership dues were not paid. If the company rehires them, they again become members of the union. However, this is of no benefit to the federation"* (Interview, 11/04/2013).

Workers in Indonesia are torn between keeping their jobs and having permanent, decent and secure terms of employment. Yet, many of them are cautious about joining a labour union. Labour union leaders admitted that it is not easy to approach contract and outsourced workers because they are expected to provide them with something concrete, such as assistance with becoming permanent workers. Approaching new entrants in the labour market is another challenge since many of them are desperate to get any job that is going. Union actions that prevent employees from getting outsourced employees make unions an enemy of workers and parents of workers and, therefore, less appealing. Unions also have to deal with various parties such as the community, local leaders (or thugs) that have taken the role of pseudo labour agencies (Tjandraningsih, 2013).

Another challenge is the unions themselves. Many new company level unions are inexperienced, so they are vulnerable to harassment. *"If the factory level union is new and they don't have much experience and are not afraid of anything, this is generally because they haven't had a long relationship with management and so they keep on fighting even if it leads to the breakup of the union."* (Interview, 14/04/2013). The strategy is to keep silent when membership is still too small (between 10%-50%). However, once membership crosses the 50% threshold, it is safe to start making your voice heard because it would then be difficult for the company to break up the union. Meanwhile, *"On top of this, some union leaders with 10-15 years' experience do not*



want the hassle” of initiating creative approaches to dealing with new union issues (Interview, 14/04/2013).

#### *2.4.5 Success stories for unions to emulate*

Nevertheless, there are a few success stories. The American Centre for International Labour Solidarity (ACILS)-Indonesia found out, in their 2010 study, that unions can also focus on regional governments. *“We try to encourage unions that cannot demand changes in national laws to demand changes in regulations in the provinces or regions. Under the autonomy law we can endorse laws and these can then become regional regulations. We try to make an alliance with other unions for manpower regional regulations,”* said Agung Hermawan of ACILS (Interview, 15/04/2013). He cited the example of Kerawang and Bekasi where the coalition of unions was able to put forward some regional regulations.

*‘In Kerawang, most of them form a coalition in the metal sector. In 2011, they started demanding regional regulations. Of about 50 or 60 articles, they succeeded in implementing 75%... In both Kerawang and Pasurwan they already passed many regulations on agencies. In Kerawang, every agency is required to have a training centre and every agency has to be registered locally and coordinate with the unions associated with each company that distributes workers. This makes companies more selective in their cooperation with sub-contractors’* (Interview, 15/04/2013).

ACILS often advises unions to come up with new approaches as regards demanding better regulations in the local area instead of using conventional approaches which are focused on organising and CBA. However, this is also dependent on the strength and embeddedness of the local union involved. Union density and unions’ reputations are important. *“The way they fight is based on a better concept. They did their own research before proposing regulations. They have better relations with other civil society organisations. They have two different organisations which are not rooted in the unions but in academia and NGOs. The momentum also plays a role. In Pasurwan, the momentum was good. They used a personal approach to local leaders who were running for positions”* (Interview, 15/04/2013).

Other unions believed that including contract and outsourced workers in the CBA negotiations is also effective as long as the union has enough bargaining power. For example, the metal and electronic union in Selagon is trying to achieve permanent employment of almost 250 contract workers (out of 500 workers) through CBA negotiations. They also require officers in the enterprise level unions to recruit all workers, regardless of their employment status. Personal approaches are encouraged, including talking to community leaders and family members who are acting as pseudo recruitment agents. *“The community organisers sometimes approach community leaders because a lot of them become the agency without any formal office. They organise, approach them, and establish relationships. Sometimes approaching formal workers is more difficult”* (Interview, 15/04/2013). Meanwhile, a sociology professor at the University of Indonesia said unions should also organise outside the factory premises. *“Right now, the aim should not only be to organise from within...The resignation or non-membership in a union is also influenced by families”* (Interview, 16/04/2013). He cited two successful cases in Semarang and Terawang in 2005 where unions tried to organise at community level:

*“In some areas, unions are encouraged to manage their daily needs. One of the micro-strategies is how to buy food collectively rather than individually. They also do car-pooling and ride-sharing”* (Interview, 16/04/2013).

Many unions are open to creating partnerships and coalitions with the civil society that is in line with their advocacy. In the case of Pasurwan, unions were better positioned to demand regional regulations to protect workers through partnership with NGOs and the academia.

## **2.5 Cambodia**

The CNV partner union in Cambodia is the Cambodian Labour Confederation (CLC). One of the main unions that falls under the CLC is the CCAWDU (Coalition of Cambodian Apparel Workers Democratic Union), which has around 50,000 members. The garments sector is one of the main generators of export revenues for Cambodia, which is a good illustration of the current phase of development of the Cambodian economy. The garments industry has been subject to extensive investigation in the past few decades as it has been at the forefront of globalization processes (see Beerepoot and Hernandez-Agramonte, 2009). Garments are the most prominent labour-intensive and globalised manufacturing sector in many developing countries. Due to its low-

skilled labour requirements, the apparel industry is often seen as a 'gateway' to manufacturing for workers whose alternative is agriculture or the informal labour market (Savchenko and Lopez Acevedo, 2012).

The Cambodian garments sector has grown rapidly in recent years as many investors diversified away from Bangladesh and China. In the latter country wages have increased rapidly in recent years and this had resulted in Cambodia being regarded a new production location. The sector now provides employment to around 400,000 workers and is estimated to account for around 80% of Cambodia's export revenues. Workers' rights are discursively prominent in Cambodia and international buyers use this issue as a showcase for their ethical commitments. In addition, the USA, International Labour Organisation and the World Bank promote it as a new model of export-led development (Arnold and Shih, 2010). The unique situation in Cambodia is the current labour shortage that affects the garments sector. This means that agents/recruiters undertake an active search for young female workers in the Cambodian countryside and encourage them to become employed in the garments sector. Over 80 per cent of textile and garment workers are rural-urban migrant women who contribute a significant proportion of their earnings to their families in rural areas (Arnold and Shih, 2010). In the past few years the workers have benefitted from an increase in salary, but not necessarily an improvement in their labour situation as illustrated in this case study. By contrast, and uniquely, an increase in wages has been combined with increasing flexibilisation of labour and this illustrates how these can go together.

A total of 25 interviews were conducted in Cambodia (see appendix for details). The first issue that became apparent when conducting research in Cambodia is the variety of (international) organisations involved in decent work and labour rights programmes. As a 'late globalising country', Cambodia has, from the moment that it opened up for foreign investments (in the late 1990s), been under international monitoring with regard to labour practices in its export sector. A good example of this is the Better Factories programme of the International Labour Organisation. This programme aims to conduct independent monitoring on a number of labour issues and promote decent work in the garments sector. The main weakness of this programme is its limited ability to influence policy decision-making and to penalise violations of labour rights. Another international organisation involved in labour rights is the American Center for

International Labour Solidarity (ACILS) of the American Federation of Labor-Congress of Industrial Organizations (AFL-CIO).

The unique situation in Cambodia is the many trade unions that exist and the intensive competition that takes place among them. In some companies the trade unions fight among each other to get new members. Despite a high level of unionization, trade unions largely struggle to maintain representation at factory level (Arnold and Shih, 2010). The criticism is that various unions exist that either have close ties with employers or are not working for the right purpose of supporting workers' rights. The CLC is the largest independent trade union in Cambodia. Aside from support from CNV it is also involved in a number of other international trade union collaborations. The CLC is credited for being the only confederation *“that is aggressive and serious enough to have representation in all sectors* (Interview, David Welsh, 05/04/2013)“.

#### *2.5.1 Forms of contract labour and significance*

The principal differentiation in labour contracts that all the respondents used in the interviews was between undetermined duration contracts (UDC) and fixed duration contracts (FDCs). As their names suggest, UDCs are valid for an unlimited time, while FDCs are valid for a specific period, usually 3-6 months, which can legally be extended indefinitely if workers and employers 'agree' on the terms (Arnold and Shih, 2010). The increasing prevalence of FDC workers signifies a break from the 'decent work' principles of the Better Factories Program, such as job security, benefits and rights to freedom of association (ibid.). During the interviews a number of workers emphasised that they were working as FDC for a period of ten years already. As one union leader emphasised: *'We now have 60 per cent FDC in our company. Last time it was 50 per cent but since 2002 they have tried to create FDCs. Their reason for this is when workers went on strike. They don't want workers to strike or join a union'* (Interview, 06/04/2013).

Many factories will not allow male workers to become regular out of fear that they will become union leaders, as men are perceived to be more likely to be union activists (Arnold and Shih, 2010). The use of FDCs expanded rapidly since the mid-2000s. At that time many strikes affected the newly emerging industrial sector. Better Factories Cambodia (2013) emphasizes that 90% of newly registered factories classify all workers as FDC workers. This report further finds that 37%

of factories use rotating fixed-term contracts or otherwise do not include the entire period of continuous employment when determining a worker's entitlements to maternity leave, seniority bonus and/or annual leave (Better Factories, 2013). In discussions with international buyers on decent work, the status of employment is not one of the principal issues to be discussed. As was emphasised in one interview: *"The most reputation-sensitive brands don't take a stand on it. It doesn't impact on their reputation."*(Interview, 04/04/2013).

The surprising finding that we came across when conducting the interviews is that many workers prefer to have FDCs rather than UDCs. Even workers who had a status as UDC for a number of years, surprisingly, opted to switch to a FDC status. This was emphasised by interviewed workers themselves and by the various other stakeholders in the sector. Companies also actively stimulate workers to become FDC. The main reason for workers to change their status is the cash in hand that workers receive at the end of their FDC. Upon completion of the contract workers are entitled to five per cent severance pay. This direct cash bonus is perceived as more attractive for many workers than the longer term benefits that they will receive as UDCs. The seniority bonus as FDC worker is not enough money to make them prefer this status. Take the case of Ms Sothy, a union leader at garment factory. She has been working for the factory for 14 years as a UDC employee. In 2011, she shifted to become an FDC worker. *"I wanted to get the 5% bonus,"* she said (Interview, 04/04/2013). Her contracts last for 6 months or 1 year. *"Even if I am FDC, seniority is counted in the bonus"*. She said she did not lose anything by converting to FDC because the salary in her company depends on skills and not on the length of time.

The basic salary of FDC and UDC workers is the same and in some cases FDC workers receive an even higher payment (because of the 5% bonus). The main reason for using a maximum of FDCs is the flexibility in production that companies want to maintain. Production in garments has seasonal peaks, although not as much that it would justify having 90% contract workers as happens in some companies.

*"The purpose of FDC is to allow employers flexibility. Actually it's too much flexibility...If employees don't have the prospect of security, they're easily discouraged and productivity is affected. If they're on FDC, they cannot plan*

*when and how to invest in land... Fixed duration employment contracts should not be used in more than 10% of the total workforce but in practice it is often much more" (Interview, Mr. Wattana, ILO, 04/04/2013).*

Given that compensation is similar for both types of workers it is very difficult to raise awareness among workers of the issue. As one respondent said, *"Workers never strike on this issue, they have higher priorities, money being the most important one."* An explanation for the limited importance attributed to it by workers is because careers in garments are generally short, with an average duration in the sector of maximum seven to eight years. Few respondents had an idea as to the where workers who left the garments sector end up. Some thought workers would go to Thailand to work in export manufacturing there or they would just go back to the countryside. The reason why the status of their contract is not always the priority for workers also has to do with their background. Aside from limited knowledge on labour issues, many workers are internal migrants who, every now and then, need to go back to the countryside for shorter periods to do farming activities. In such a situation a cash bonus easily prevails for them compared to benefits that can only be accessed in the long run.

While labour scarcity in Cambodia has led to an increase in salaries in recent years, it has not led to an improvement in the position of workers. One respondent emphasised how any increase in salary automatically leads to an equal increase in prices of accommodation and food and thereby minimising the net effect of the salary increase. Much more effort could (and should) be put into improving the secondary benefits of workers, such as the provision of meals at work or simply improving the working conditions.

When asked about a difference in productivity between regular workers and contract workers none of the respondents had any clear ideas on whether regular workers are more productive. On average it only takes one week to train new workers. Most workers in the industry receive piece-rate payment and regular incorporation of new workers is not regarded as a major effort for companies. Our (viable) assumption that regular workers, through a certain level of security, are more productive and more conscious on issues such as efficiency (e.g. less waste of materials) and safety standards turns out problematic in practice.

The widespread use of FDC as a main form of flexibility in Cambodia, according to a study done by Yale Law School (2011), results in increased worker insecurity, threatens the enforcement of workers' rights under domestic and international law, presents obstacles to increased labour productivity, jeopardises Cambodia's reputation as a country committed to improving conditions for workers, and increases the threat of a major breakdown of industrial relations and creates a potential provocation for massive strikes. However, it also diminishes union strength and membership. While there seem to be few differences in wages between UDCs and FDCs, the latter can easily be terminated. *'The reasons to terminate a UDC without privileges are due to lingering sickness, bad behaviour or serious mistake. But for FDCs, anything can be a cause,'* said Ek Sopheakdey, CLC Vice-President (Interview, 05/04/2013). The majority of the interviewed workers said FDCs who are active in unions can easily be targeted.

The basis for the UDC and FDC are found in Articles 66 and 67 of the Labour Code. According to Article 66, all labour contracts are made "either for a fixed duration or for an undetermined duration" while Article 67 states that: "The labour contract signed with consent for a specific duration cannot be for a period longer than two years. It can be renewed one or more times, as long as the renewal does not surpass the maximum duration of two years." The purpose of Article 67 is to put a cumulative cap of two years and after which, the employee should be made permanent (Yale Law School, 2011). However, the application and interpretation of the law seem varied. Labour and manpower officials interviewed said after two years of contract, the employee should become permanent but it also depends on the agreement of the employee and employer. *"The word contract means agreement between two persons. If the employer violates the contract the employee can complain,"* a labour official said (Interview, 02/04/2013).

#### *2.5.2 Union responses to reach contract workers*

Many of the problems related to organising contract workers that were mentioned during the partnership meeting were confirmed during the interviews. Contract workers often have limited knowledge of what a union can do for them. The self-organisation of contract workers (e.g. via credit groups) is limited. One of the main difficulties is that you need at least a one year contract in order to become a union leader. The continuous UDC status of most workers meant it became hard to recruit union leaders. Unions provide information on benefits that workers lose once they accept FDC, but many still prefer to change because of short-term cash needs.

During the interviews it became clear that the strategy most frequently used by unions is to organise a strike to demand an increase in salary and other benefits. *“There will be no increase in the salary if we don’t strike”*, said a union leader (Interview, 04/04/2013). However, strikes are not in the interest of workers who are subject to FDCs and piece-rate contracts because their livelihood is immediately affected. While demands can be met through a strike, it may also have a negative effect on potential union membership by FDCs.

The CLC can also work with various NGOs and other groups in their quest to achieve a fair minimum wage that is commensurate with the inflation rate of the country. Actions can be performed via the tripartite committee and position papers backed by solid data and research that show that the current minimum wage is no longer sufficient to survive on, or feed a whole family. The CLC can also ask the Supreme Court to interpret Article 67 of the Labour Law that stipulates that, ‘The labour contract signed with consent for a specific duration cannot be for a period longer than two years. It can be renewed one or more times, as long as the renewal does not surpass the maximum duration of two years.’ The CLC should demand a clear interpretation to the effect that the maximum renewal should be just accumulated two years, regardless of gaps between the contracts as long as the employee works for the same company during the contracts, or regardless of whether the employee was directly hired by the company or by manpower agencies. CLC should also continue to campaign for wider coverage of benefits for workers such as separation pay, paid leaves, pension, insurance and others under ILO Conventions. It should strive to ensure decent work and emphasise that the country’s leverage over other countries that offer cheap labour is that it is well-known for its decent work. Giving workers their dues under international conventions would make the government aware of the country’s attractiveness to investors.

As far as factory level unions are concerned it is important to reach FDC workers and encourage them to take part in union activities. Reaching FDC workers should extend beyond the factory premises and include their homes as well. Topics of engagement should not be limited to workers’ rights but also cover other issues such as other income-generating projects, housing, transport, health, family welfare and rural conditions of families back home.



## 2.6. Comparing the four cases

There were mixed views among the respondents from trade unions on whether priority should be given to equal compensation for contract workers (as is already the case in Cambodia) or to efforts to ensure that contract workers are given the same status as (regular) workers. The four cases illustrate how contract work is often organised along similar lines. It always includes middlemen who few people seem to know and who are surrounded by an aura of mystery. In all four countries the representatives from trade unions could hardly provide information on who these middlemen were and what their relationship with companies' management is. A great challenge for trade unions is how they can have a direct communication with the middlemen as this group can't be ignored any longer. In the most ideal situation the use of middlemen should be organised along similar lines as temporary staffing agencies in the Western world. In practice, with one exception in Indonesia, there are few indications that this level of professionalization exists. Contract labour represents both an informal labour practice, as it has existed for a long time, and a recent phenomenon enhanced through globalisation and pressures on increasing flexibilisation. In all cases, contract labour adds to the blurring of boundaries between formal and informal employment.

While all respondents acknowledge the existence of contract labour, few efforts have been made to reach them and integrate them into their union structure. Labour contracting is not the main issue over which unions contest with employers. Preservation of the status of permanent workers is considered more important. The organisation of workers at firm level results in workers fall under the radar of trade unions once they change employer (which is common among contract workers). This would suggest that new models should be explored in which the organisation of labour no longer just takes place vertically (via firm-level organisation) but also horizontally (among workers with similar professions). This requires collaboration with other labour support organisations, and especially with grassroots organisations, although these connections have scarcely been developed in any of the four countries. In case connections exist with other civil society organisations involved in labour rights (such as in Cambodia or Indonesia) then it is usually based on personal ties between representatives from both organisations instead of seeking how the different types of organisations (and approaches) can complement each other. The unions interviewed prefer to try and acquire political influence and connections with national institutions. Although there have been some successes in their protest against

labour contracting (such as in Indonesia), it would be misguided to expect major changes at national level in favour of enhancing employment security, which again confirms the necessity of alliance building as is discussed in more detail in the third part of this report.

## Part Three

### 3.1 Summarising the findings

This report has provided an overview of the main drivers for an increasing use of contract labour and possible strategies that trade unions can adopt in response. This report has also provided an insight into the everyday practices of labour contracting in selected countries. In all four of the reviewed countries, labour contracting is a widespread phenomenon that is part of the everyday concerns of trade unions. The research confirmed that organising unorganised and self-employed workers is the greatest challenge that the trade unions face today (cf. Sen and Dasgupta, 2009). In addition, trade unions need to adopt an innovative approach and appropriate strategies to ensure proper the representation of these fragmented voices (*ibid.*). Of the different groups of informal workers, this report argues that contract workers are the prime group that needs to be targeted by trade unions. This group of workers usually lacks the level of (self) organisation that other groups of informal workers have. This group of informal workers is also the most difficult to organise because of their constant movement between employers and between sectors and the inherent threat of losing their jobs once they organise themselves, or join a union. In none of the four case studies were the respondents familiar with initiatives for self-organisation among contract workers (e.g. through savings groups) while these could be the basis for collaboration with a trade union.

Few union respondents had an idea of how employability concerns (to strengthen the labour market position of workers) can be included in their on-going union work. The idea of taking up the additional role of strengthening the labour market position of (contract) workers via a combination of generic skills enhancement and providing labour market information is still beyond these unions' capacity. There are some promising initiatives in Togo and the monitoring of the effectiveness of these could be continued. With regard to enhancing labour market information, the case of Cambodia illustrates how, despite attempts to stimulate workers to opt for permanent employment, a small cash bonus is enough for them choose the contract worker status. This also reflects the discrepancy between common union perceptions of labour quality

and the everyday struggles that workers are confronted with. A better provision of labour market information and labour rights is a necessity in this case. Unfortunately, in many cases, workers simply do not have this choice and need to accept a status as contract worker. It was emphasised how workers sometimes even have to pay middlemen in order get access to employment. The four cases illustrate that contract labour will continue to be a pervasive phenomenon in the years to come. The tripartite consultations are based on a different level of organisation in the four countries, from hardly established (as in Cambodia) to functioning quite well (as in Indonesia and Senegal). The dialogue that exists via these consultations could be used to emphasise the benefits of increasing the use of regular labour. So far, the benefits from greater use of regular employment (e.g. a more productive and motivated labour force) have hardly been explored.

### **3.2 Recommendations**

All four case studies demonstrated that the trade unions involved in this research have not been very successful so far in integrating contract workers into their union structure. While contract workers often have the chance to join a union, they are faced by various practical hindrances. The most immediate problems facing contract workers are related to income and benefits. The CNV partner unions could make an effort to negotiate the same compensation (and fringe benefits) for them as for regular workers. Success in this area would help gain support among contract workers. Furthermore, contract workers could be encouraged to organise themselves if it is made clear that they can reap benefits of being organised such as to lobby for higher wages, benefits or access to pension and healthcare. Unions have to show a genuine interest in their concerns and, at the same time, aggressively and consistently reach out to this group of workers. Established unions can provide guidance, training and other support to enhance the capacity of contract workers cooperatives or other forms of collective grouping to develop organisational structures, management and leadership that would help them to become more effective institutions. Cooperation and partnerships with other civil society organisations (NGOs) are necessary as the unions generally lack expertise on these issues. This would give a new stimulus to social movement unionism as a strategy to reach the largest number of workers by organising workers beyond the workplace alone. However, the unions interviewed only had limited knowledge of whether other organisations have made an effort to try to organise workers along horizontal lines. For the unions it is worth investigating who the middlemen are,

given that, although everyone currently acknowledges their presence, few union respondents have ever communicated with them or actually met them. A dialogue with middlemen or contracting agencies could be established at least in order to find out more about their practices as well as to identify whether they are entirely union unfriendly as is now the common perception.

Unions at the factory level can strengthen their presence and attractiveness by making themselves available to every worker regardless of status and not just in relation to the issue of industrial relations. Factory level union leaders can reach out to communities where workers live by visiting them at weekends. They can start with casual conversations on their living conditions and about their families in the provinces. Once contract workers are already at ease with the union's presence, they can be stimulated into either forming a loose community organisation or be part of the union. Organisers and leaders have to provide guidance to make sure they do not lose interest. What is more, factory level unions should grab the opportunity to engage the management by showing them that they could help solve employee grievances. If the union could show the management that it can help solve grievances easily, it will have more leverage when negotiating higher wages and better working conditions. In addition, the communication between permanent workers and contract workers should be enhanced to overcome the current distrust between both groups of workers.

In order to reach contract workers, an investigation should be carried out to determine how networks of support can be established with other labour support organisations. Organising in the informal sector takes place where the traditional labour movement intersects with the broader civil society (Gallin 2001). Federations can establish relationships among non-union organisations such as NGOs and civil society that have common advocacy, for example with regard to decent work. As a start they can organise joint seminars on various issues, such as workers' rights or entrepreneurship for families of workers. The traditional boundaries that have existed so far between these organisations can then be overcome. A more activist approach that is common among NGOs can then be combined with the tripartite expertise of trade unions.

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## Appendix: List of Respondents

### CAMBODIA

NAME	ORGANISATION
Kong Athit	General Secretary, CLC
Ean Kinhun	Trade Union Organiser
Ny Bunthoen	Trade Union Organiser
Ook Chanthon	Deputy Director, Dept. of Labour Inspection (MoLVT)
2 MoLvt Officials	Dept. of Labour Inspection (MoLVT)
Yon Sokhann	Senior Program Officer, Community Legal Education Center (CLEC)
Veasna Nuon	Researcher on Cambodian Labour
An Nan	Consultant, Workers Rights Consortium
Dae-Oup Chang	SOAS, School of Oriental and African Studies, London
Wattana	ILO-Cambodia
Jill Tucker	Program Manager, Better Factories
Jason Judd	Technical Specialist, Better Factories
Doeur Daro	Vice-President, CTSWF
Sothy	Union Leader, Chusing Factory (Garment)
David Welsh	Country Director, ACILS (Solidarity Center)
Ek Sopheakdey	Vice-President, CLC
Sak Sophal	Secretary-General, C-CAWDU
4 Union Leaders	C-CAWDU
4 Contract Workers	New Orient Garment-Cambodia
Tang Sun Heng	Human Resource Mgr., Dignity Knitter Limited

**Total: 27**

### INDONESIA

NAME	ORGANISATION
Sulistri	Deputy President, KSBSI
Eduard P. Marpaung	General Secretary, KSBSI
Riswan	Representative, Mining Federation
Rasmina	Chairperson, Informal Sector
Program Officer	Federation of Metal and Electronics
Chairperson	Banking Federation
Chairperson	Food, Drinks, Tourism, Hotel Federation
Secretary-General	Garment Textile Federation
Representative	Wood and Forestry Federation
Representative	Port Workers Federation
Representative	Chemical Federation
Pah Suging	Manager, State-Owned Depo (Kantor Pusat)
Pah Juhhny	Union Leader, State-Owned Depo (Kantor Pusat)
Pah Jona	Pres./Regional Coordinator, Nicoba (Financial, Public Sector)



Pah Dyowi	Secretary General, Nicoba (Financial, Public Sector)
Lukman Hakim	Training Coordinator, Labour Institute Indonesia
Professor	Sociology Dept., University of Indonesia
Hirodyanto	Deputy Director of Labour Unions, Manpower Ministry
Ibu Sri Nurhaningsih	Director, Labour Regulations, Welfare and Discrimination Analysis, Manpower Ministry
Ifrida Yasar	Vice-Secretary General, APINDO
Lusiana	Program Officer, Gender Focal Point, ILO
Sati	Union Leader, Huawei Telco
3 Contract Workers	Huawei Telco
4 Contract Workers	Telkomsel Company
Organiser	Textile Unions, Jakarta
Representative	Textile Union, Megasari Company
Slamat	Chairperson, Company Union, Friesland
3 Officers/Contract Workers	Company Union, Friesland
Ario Adityo	Managing Director, Institute for National Democracy Studies
Agung Hermawan	Program Officer, ACILS
Fadjar Dwi W.	Program Officer, ACILS
Izza H.T. Inzamliah	Program Officer, ACILS
Greg Chen	President/Director, PT Outsourcing Indonesia
Prastowo Suprihanto	Client Services, PT Outsourcing Indonesia

**Total: 41**

## TOGO

NAME	ORGANISATION
Francois Komlavi Gbim-Gjo Agbo	General Secretary of CSTT- Confederation Syndicale des Travailleurs du Togo (Independent trade union) and coordinator of L'USYNCTAT
7 representatives	Group discussion with the board of CSTT
Tchata.Bassowa	Secretary General of Ministry of Labour
5 representatives	SYNTRAPAL- Syndicat des Travailleurs du Port Autonome de Lomé (trade union representing employees working in the harbour)
Achille Nyanutse	Manager of FANMILK (manufacturer and retailer of dairy products)
Representative of human resources and General Director	Sototoles (Lebanese factory in metals) & Le Syndicat National des Travailleurs de l'Industrie du Togo (trade union)
Bamana Baroma M. Timothee	General Secretary of Ministry of Commerce
Konde Sangbana	President of CNDS- Conseil National Dialogue Social (a council to support dialogue between Government, employers and unions)
Gaston K. A. Batchey (Director) & Kossi Tsiglo	Director and a representative of L'ANPE- L'Agence Nationale Pour l'Emploi au Togo (National labour organization)
Representative	FIT- Federation des Industries du Togo (trade union representing

	industrial sectors)
3 board members	CNP- le Conseil National du Patronat du Togo (Employers association)
Koffi Chrysanthe Zounnadjala Agbogbe	General Secretary of FENET- Federation Nationale des Employés et Techniciens (trade union representing craftsman)
2 contract labourers	Discussion group with contract labourers working at a Lebanese supermarket chain
Abire F. Mapeke	In charge of communications and international relations at L'ANPE- L'Agence Nationale Pour l'Emploi au Togo (National labour organization)
2 representative	Programme director and Secretary at BIT- le Bureau International du Travail (International labour organization)
3 representatives	FENASYET- Fédération Nationale des Syndicats de l'Education du Togo (trade union in the education sector)
Didier M. Bassoma	Administrative worker and Labour inspector at SAZOF- la Société d'Administration de la Zone Franche (a semi-public representative body of the Export Processing Zone)

## SENEGAL

NAME	ORGANISATION
Malamine Ndiaye, Barra Ndour and M. Abdou Aziz Sy	UDTS- Union Démocratique des Travailleurs du Sénégal
Secretary General and a representative of the Security union	CSA- La Confédération des syndicats autonomes du Sénégal
Representative & Mamadou Diallo (Regional Officer-Africa ITUC)	CNTS- la Confédération Nationale des Travailleurs du Sénégal (National trade union centre) & ITUC- International Trade Union Confederation
Professor	Professor specialized in dynamics of labour market at the University of Dakar
Cheikh Diop	Director at CNTS-FC- Confédération Nationale des Travailleurs du Sénégal - Forces du changement (National Trade Union)
Manager	SPS sécurité (Company working in Security services, Travel agents business activities)
2 representatives	BIT- Le Bureau International du Travail International labour organisation
Boubacar Sankhare	Representative from Human Resources at Grimaldi Group- Multinational in logistics and services based on maritime transport
2 contract workers	Group discussion with one contract worker and two permanent employees of Grimaldi
Representative Human Resources	DP World- Enterprise in international marine terminal operations and development, logistics and related services
Programme director	L'UNSA- Les leaders de l'Union nationale des syndicats autonomes du Sénégal (trade union representing all sectors)
5 representatives (board members)	Sdv Sénégal - Service Logistique (Company working in Logistics, Transport business activities)
Gora Thiao	Consultant human resources and labour law at CNES- Confédération Nationale des Employeurs du Sénégal (Business association/employers association)

Barra Ndour and M. Abdou Aziz SY	Union Démocratique des Travailleurs du Sénégal (trade union)
8 contract labourers	Group discussion with 8 contract labourers from different sectors (the transport, education, construction and maritime and banking industry)
Mody Guiro	President of administrative council at IPres (Institution that provides social security (retirement arrangements) for labourers)
Amadou Massar SARR	General Secretary and Vice President at SATS- Syndicat Des Auxiliaires De Transport Du Senegal (Trade union representing temporary employees in the transport business activities and the intermediary placing these labourers)

**Total: 34**