

# ZIMBABWE CHAMBER OF INFORMAL ECONOMY ASSOCIATIONS



***"THE CHAMBER THAT DELIVERS"***

## STUDY CIRCLE BASIC EDUCATION MANUAL FOR INFORMAL ECONOMY WORKERS

# BOOK 6

# INFORMAL ECONOMY LAWS

Supported by FES

October 2017

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## Foreword

ZCIEA is an umbrella organisation for informal workers and their associations that formed fifteen years ago through the Zimbabwe Congress of Trade Unions' initiative. Its goal is to protect the rights and advance the interests of all small and unregulated businesses and workers in Zimbabwe as these are not covered under the existing labour laws. One of its key functions in advancing the interests of the members is developing capacity through education and training.

A research by Labour and Economic Development Research Institute of Zimbabwe on Decent Work in the Informal Economy confirmed the following.

1. It is now widely accepted that the informal economy involves income generating activities that fall outside the purview of state regulation. The International Labour Organisation defines the informal economy as "... all economic activities by workers and economic units that are – in law or in practice – not covered or insufficiently covered by formal arrangements" (ILO 2002). Most workers enter into this economy not by free choice but out of frustration of lack of job opportunities after being retrenched or graduating from high school or college.
2. Informal economy thrives in the context of high unemployment, underemployment, poverty, gender inequality and precarious work. In such circumstances, the informal economy also plays a significant role in income-generation due to the relative ease of entry and low requirements of education, skills, technology and capital. Most people enter the informal economy by necessity rather than by choice, as a means of survival.
3. This sector is characterised by:
  - ✓ easy entry, meaning anyone who wishes to join the sector can find some sort of work which will result in cash earnings;
  - ✓ lack of stable employer-employee relationships;
  - ✓ small scale of operations, and
  - ✓ Minimum skills gained outside of a formal education.

ZCIEA has therefore planned education for all its members in the informal economy to empower them with knowledge and skills that assist them to effectively address the challenges and gaps in this sector.

This basic informal economy workers education manual is designed in a simple manner for convenient learning. The method is in a study circle group which means members need to organise themselves into small groups of between 5 and 10 people. Each group should have a leader who will lead the discussion and this can be done in rotation where one can lead discussion of a topic. This is a popular approach just like in the shona tradition of "padare" where specific issue is discussed to find solution or way forward.

The organisation has trained Study Circle Leaders from the territories who will assist in coordination and organising of groups in Chapters and Zones. It is expected that this low cost and membership centred approach will open opportunities to all members of ZCIEA to acquire basic knowledge of their sector and be able to contribute to the improvement of the labour standards and conditions of work.

The manual is in eight chapters which cover information necessary for elementary knowledge that will enable participants to appreciate their important role in building the organisation, resources and contributing to national development.

These chapters include:

1. Informal Economy Organisation;
2. Occupational Health, Safety and HIV & AIDS;
3. Mobilising and building Capital Resource;
4. Good Leadership qualities and skills;
5. Economic Literacy and Decent Work Agenda;
6. Laws Affecting Informal Economy;
7. Gender Issues in the Informal Economy;
8. Climate Change and the Informal Economy Climate Change and the Informal Economy.

Participants who complete all the eight chapters will be awarded a certificate of completion and thus qualifies to be enrolled in further education and training courses such as Negotiators, Organisers, Educators, Researchers, etc.

Through this effort, our objective is to build a formidable and strong membership organisation that champions the workers agenda from grassroots to national level.

Wisborn Malaya

**SECRETARY GENERAL**

## Acknowledgments

The ZCIEA Informal Economy Study Circle Education is a programme that was designed after consultation with the members on their needs in their organisation. Consultations done with membership indicated a number of needs and among these was the need for knowledge of the organisation, rights, work skills, legislation, policies and other information that assist the informal workers to efficiently operate.

In respect of its membership rights and to address the identified needs, the organisation established the education and training programme that targets the rank and file membership. As the ZCIEA slogans outline “the Chamber that Delivers – Nothing for Us without Us”, the chamber has the responsibility of empowering the membership with knowledge and skills to be able to actively participate in and contribute towards recognition and respect of the informal economy and the workers’ rights.

In the process of developing this basic education material whose objective is to enlighten all members of ZCIEA and workers at large, the organisation and programme received support in various ways. Therefore acknowledgement is attributed to the members who participated in the consultation activities that were done in the territories, those who participated in the research by LEDRIZ, participants to the collective negotiations workshops. All the information provided from these activities assisted ZCIEA in identifying the education and awareness needs as well as the specific areas that shaped focus of this material.

We also acknowledge the research done by LEDRIZ on Informal Economy whose report informed the writers on the status of the informal economy, working conditions and the decent work standards.

Special gratitude is given to the writers of the Study Circle Manual Lucia Chinyamakobvu – ZCIEA Harare Territory Secretary, Ropa Chikoore - Midlands State University Student Intern, Dyke Munetsi – Chitungwiza Territory Youth Forum Chairperson, Agatha Chabwinja – ZCIEA Administration Secretary and Wisborn Malaya – ZCIEA Secretary General who were skilfully guided by Miriam Assumpta Chikamba – Trade Union and Community Organisation Development Mentor to put together all the information required and produced this manual.

Our most sincere gratitude is extended to the Fredrich Ebert Stiftung (FES Zimbabwe Country Office) for their unwavering support and faith in ZCIEA’s capability by technically and financially supporting the production of this education manual that will go a long way in empowering and liberating the informal economy workers in Zimbabwe.

We also thank the ZCIEA National Assembly, all structures and other supporters whose encouragement, motivation and initiatives contributed to the success of this informal economy workers basic education programme and material.

We wish all the informal workers and those who encounter with this material the best in transitioning the informal economy towards formalisation, respect of workers' rights and implementation of better labour standards.

**ZCIEA – THE CHAMBER THAT DELIVERS**

Lorraine Sibanda

**PRESIDENT**

## **ABBREVIATIONS**

CBA	Collective Bargaining Agreement
ILO	International Labour Organisation
NSSA	National Social Security Authority
UN	United Nations
ZCTU	Zimbabwe Congress of Trade Unions
ZCIEA	Zimbabwe Chamber of Informal Economy Association
ZRP	Zimbabwe Republic Police

# Chapter 6: Informal Economy Laws

## 1. Objectives of the Chapter

- Members will know the laws that affect informal economy businesses and workers;
- Join campaign for favourable informal economy legislation.

## 2. Introduction

The importance of informal business activities in the economic development of poor countries has been recognised in nearly all countries of the world. The informal economy in Zimbabwe is unregulated and unrecognised legally and the by-laws formulated by local authorities do not promote growth of informal economy enterprises. Rights of informal economy workers are violated everyday by local authorities and ZRP through harassments in the form of physical abuse, extortion and bribes.

## 3. Definition of Terms

**International Instrument** is a legal term of art that is used for any formally executed written document that can be formally attributed to its author, records and formally expresses a legally enforceable act, process, or contractual duty, obligation, or right, and therefore evidences that act, process, or agreement

## 4. International Legislation

### 4.1. ILO Recommendation 204:

The Recommendation outlines the process and strategies for transition from informal to formal economy The International Labour Organisation (ILO) Recommendation 204 of 2015 recognizes that the high incidence of the informal economy in all its aspects is a major challenge for the rights of workers, including the fundamental principles and rights at work, and for social protection, decent working conditions, inclusive development and the rule of law, and has a negative impact on the development of sustainable enterprises, public revenues and governments' scope of action, particularly with regard to economic, social and environmental policies. Most people enter the informal economy not by choice but as a consequence of lack of employment opportunities in the formal economy and absence of other means of livelihood. It also recalls that decent work deficits, the denial of rights at work, the absence of sufficient opportunities for quality employment, inadequate social protection and absence of social dialogue are most pronounced in the informal economy.

### 4.2. Transitioning the Informal Economy

- Inclusion of the informal economy in Legal and policy framework
- Inclusion and participation in Employment policies
- Provision of the Rights and social protection



Therefore, ILO Recommendation 204 provides rights and social protection that is absent in the informal economy such as maternity benefits and pension schemes which are only provided in formal economy while excluded in the informal economy. It also recommends

- provision of incentives, compliance and enforcement of regulations.
- Respect of Freedom of association, social dialogue and the role of employers' organisation and workers' organisation ; and
- Data collection

Other international instruments that provide the rights of the informal economy workers are:

- UN International Covenant on Economic, Social and Cultural rights
- Universal Declaration of Human Rights
- **The eight ILO Core Conventions that provide basic freedoms and rights**
  - ❖ Convention No. 87 Freedom of association
  - ❖ Convention .No. 98 Right to organise and collective bargaining
  - ❖ Convention .No. 100 Right to Equal remuneration
  - ❖ Convention No. 111 Right not to be discriminated in employment and occupation
  - ❖ Convention No. 29 Right not to be engaged in forced labour
  - ❖ Convention No. 105 Abolition of forced labour
  - ❖ Convention No. 138 Minimum age of employment
  - ❖ Convention No. 182 Elimination of worst forms of child labour

The Government of Zimbabwe ratified all these conventions but they are not domesticated.

## **5. REGIONAL LEGISLATION**

1. *SADC Protocol on Employment and Labour (2014)* Article 4: parts (b) and (f) (b) providing a framework for harmonisation of policies and legislation on employment, labour and social security, safety and Health standards at the workplace and enhancing cohesion and common approaches to labour market challenges

(f) promoting employment and income generating opportunities for all, and in particular for vulnerable groups as a basis for achieving full, freely chosen, productive and decent employment within the region

2. *Charter of Fundamental social rights in SADC*: Article 14: Employment and remuneration

Article 10: social protection

Article 12: protection of health, safety and environment

Article 15: education and training

Article 11: improvement of working and living conditions

## **6. National Legislation**

### **6.1. The Constitution of Zimbabwe**

#### **64 Freedom of profession, trade or occupation**

Every person has the right to choose and carry on any profession, trade or occupation, but the practice of a profession, trade or occupation may be regulated by law.

#### **65 Labour rights**

(1) Every person has the right to fair and safe labour practices and standards and to be paid a fair reasonable wage.

(4) Every employee is entitled to just, equitable and satisfactory conditions of work.

(5) Except for members of security services, every employee, employer, trade union, and employee or employer's organisation has the right to-

(a) engage in collective bargaining;

(b) organise and;

(c) form and join federations such unions and organisations

(6) women and men have a right to equal remuneration for similar work

#### **67 Political rights**

(1) Every Zimbabwean citizen has the right –

(a) To free, fair and regular elections for any elective public office established in terms of this Constitution or any other law; and

(b) To make political choices freely

(2) Subject to this Constitution, every Zimbabwean citizen has the right to-

(a) To form, to join and to participate in the activities of a political party or organisation of their choice.

(b) To campaign freely and peacefully for a political party or cause;

(c) To participate in peaceful political activity; and

(d) To participate, individually or collectively, in gatherings or groups or in any other manner, in peaceful activities to influence, challenge or support the policies of the Government or any political or whatever cause.

(3) Subject to this Constitution, every Zimbabwean citizen who is of or over eighteen years of age has the right-

(a) To vote in all elections and referendums to which this Constitution or any other law applies, and to do so in secret; and

(b) To stand for elections for public office and, if elected, to hold such office

Section 64 of the Constitution speaks on the right to choose and carry on any professional or trade. Therefore informal traders should be treated with respect and avoid violating their constitutional rights.

Section 65 of the Constitution speaks on Labour rights, however in the informal economy there is lack of representation and weak voice especially among women and young workers. The labour act chap 28:01 regulates only those in the formal economy and excludes the informal economy

Section 67 of the Constitution gives political rights to all citizens of the country. However there is politicisation of working space and facilities in the informal economy. Informal economy workers are always caught in the crossfire of the hostilities between the ruling and the opposition parties since they operate on the ground and are part of electorate. Therefore, political identity or affiliation of the informal economy workers has in some cases become an issue for survival and caused perpetual threat, intimidation and suppression.

The harassment of informal traders by law enforcement agents and municipal police has spread and in other forms confiscation and destruction of goods, arrests, violent treatment, sexual harassment, illegal fines, bribes, and extortion has become the mode of living for the economy.

This is in violation of section 57c of the constitution of Zimbabwe which safeguards against arbitrary seizures of individuals' possession

## **6.2. Acts of Parliament**

There is no Act of Parliament which directly regulates informal economy production conditions of employment while the formal economy is regulated by The Labour Act Chapter 28.01. On the same, there is no definition of informal economy in Zimbabwe. The ILO definition provides informal economy to be as defined below :

**INFORMAL ECONONMY:** refers to all economic activities by workers and economic units that are not regulated or covered or insufficiently covered by formal arrangements and are not criminal or illicit activities.

## **6.3. Other Regulations**

There are too many fragmented by-laws and are not readily or easily accessible to the public e.g.

- Urban Councils Act
- Rural District Councils Act
- Indigenisation and Economic Empowerment Act
  
- Environmental and Management Act
- Statutory Instrument 159 of 2014, Statutory Instrument 36 of 2017 Harare (Licensed Premises) (Amendment) By-laws

## **7. CONCLUSION**

Informal economy workers do have rights which need to be respected and valued. There is more that need to be done as far as legislation in the informal economy is concerned. There is need for the formulation of informal economy legislation with the consultation and involvement of informal economy as a stakeholder. Education

and inclusion is needed so that informal economy workers are well-informed and able to participate in the formulation process of the law which govern them.

## 8. Exercise

1. Which law regulates your operation?
2. List problems that you have with this law and identify who is involved.
3. Suggest actions that you can take to address the problems

### References

Constitution of Zimbabwe Amendment No. (20) Act 2013

ANSA Economic Justice Education and Training Manual 2016