

ZIMBABWE NATIONAL FORMALISATION STRATEGY

ORGANISED LABOUR PERSPECTIVE



ILO Recommendation 204

ILO Decent Work Country Program in Zimbabwe –2009

- *Forced Labour Convention, 1930 (No. 29), and Protocol of 2014 to the Forced Labour Convention, 1930*
- *Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87)*
- *Right to Organise and Collective Bargaining Convention, 1949 (No. 98)*
- *Equal Remuneration Convention, 1951 (No. 100)*
- *Abolition of Forced Labour Convention, 1957 (No. 105)*
- *Discrimination (Employment and Occupation) Convention, 1958 (No. 111)*
- *Minimum Age Convention, 1973 (No. 138)*
- *Worst Forms of Child Labour Convention, 1999 (No. 182)*

Governance Conventions

Other instruments



V. Zinyama & J. Mateko

ZCTU

ZFTU

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1. Acronyms

1.	CBA	Collective Bargaining Agreements
2.	CWLGF	Commonwealth Local Governance Foundation
3.	EMCOZ	Employers Confederation of Zimbabwe
4.	HRT	Harare Residence Trust
5.	IEE	Informal Economy Employers
6.	IEW	Informal Economy Workers
7.	ILO	International Labour Organisation
8.	LMIS	Labour Market Information System
9.	MPSLSW	Ministry of Public Service Labour & Social Welfare
10.	MIC	Ministry of Industry & Commerce
11.	MSME	Micro Small & Medium Scale Enterprises
12.	NAC	National Aids Council
13.	NFS	National Formalisation Strategy
14.	NSSA	National Social Security Authority
15.	NUIEZ	National Union of Informal Economy Workers in Zimbabwe
16.	OL	Organised Labour
17.	RBZ	Reserve Bank of Zimbabwe
18.	SAZ	Standards Association of Zimbabwe
19.	SOIET	Specialist on Informal Economy Transformation
20.	SLC	Sector Labour Commission
21.	TOC	Theory of Change
22.	TMI	Two Margins of Informality
23.	TNF	Tripartite Negotiating Forum
24.	TU	Trade Unions
25.	VISET	Vendors
26.	ZCC	Zimbabwe Council of Churches
27.	ZCTU	Zimbabwe Congress of Trade Unions
28.	ZLLC	Zimbabwe Local Labour Council
29.	ZI	Zimbabwe Institute
30.	ZFTU	Zimbabwe Federation of Trade Unions
31.	ZCIEA	Zimbabwe Chamber of Informal Economy Association
32.	ZIDA	Zimbabwe Investment and Development Agency
33.	ZILGA	Zimbabwe Institute of Local Government Authorities
34.	ZWETC	Zimbabwe Worker Education & Transformation Centre

2. Introduction

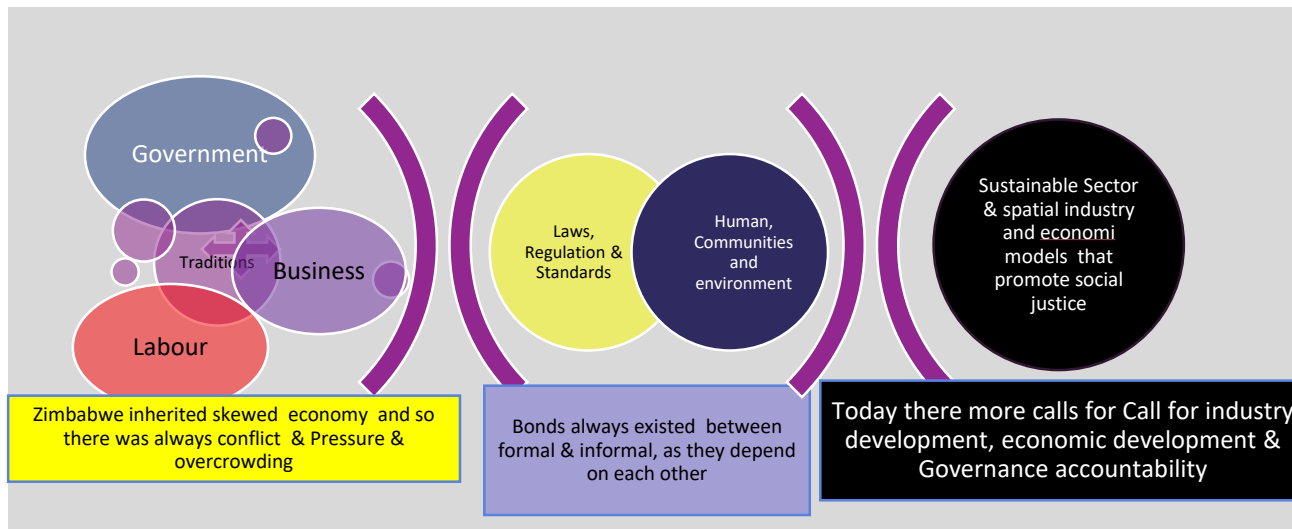
The ZCTU started organising the informal economy in 2001 wherefore it managed to establish an apex body and worked with it to strength the voice of the vulnerable workers. While progress was made in attaining visibility the informal economy organisations the state of informality has continued to grow. This is visible in the uneven urban growth and the cities growing out of control. More sectors continued to exhibit parallel markets. While bonds between formal and informal continued to tighten, industrialisation weakened and has been gradually eroding the resilience of the communities. In 2020 the ZCTU Employment creation committee and 20 other informal economy associations from the length and breadth of the country met to interrogate participated in an ILO workshop which focused on

”Incorporating digitalization and COVID-19 requirements as a response to the call for a National Formalisation Strategy and Trade Union strategy of transforming the Informal Economy in Zimbabwe.”

The key urgent recommendations from the workshop included the following amongst other things

- i. Establishing the connections between the informal economy and the formal sector and working to strengthen the vulnerable and marginalised workers
- ii. Promulgation of Acts of parliament that assist transformation of informal economy which are pro poor and gender sensitive and incorporates the stakeholders
- iii. Embarking on a strategic approach which is ground on a toc which is projected and tactfully planned for graduating into a fully-fledged locally managed economy.
- iv. Identified stakeholders awakened to the need for a responsibility towards transformation of the informal economy
- v. Incorporation of the value chain approach in the development policies and process targeting the informal economy.
- vi. Policy motivation for incorporation by Unions on organising IEWs and other marginalised workers & intensify efforts at local and sector levels with a focus on social, economic, political and environmental issues.

vii. The workshop also acknowledged the following realities as indicated by the diagram below which also recognised the demographic changes, social and economic shifts and technical transformations plus increased mobility. The NFS will therefore be expected to motivate adaptiveness to new developments and realities whiles at the same time inculcating resilience so as to remain functional and

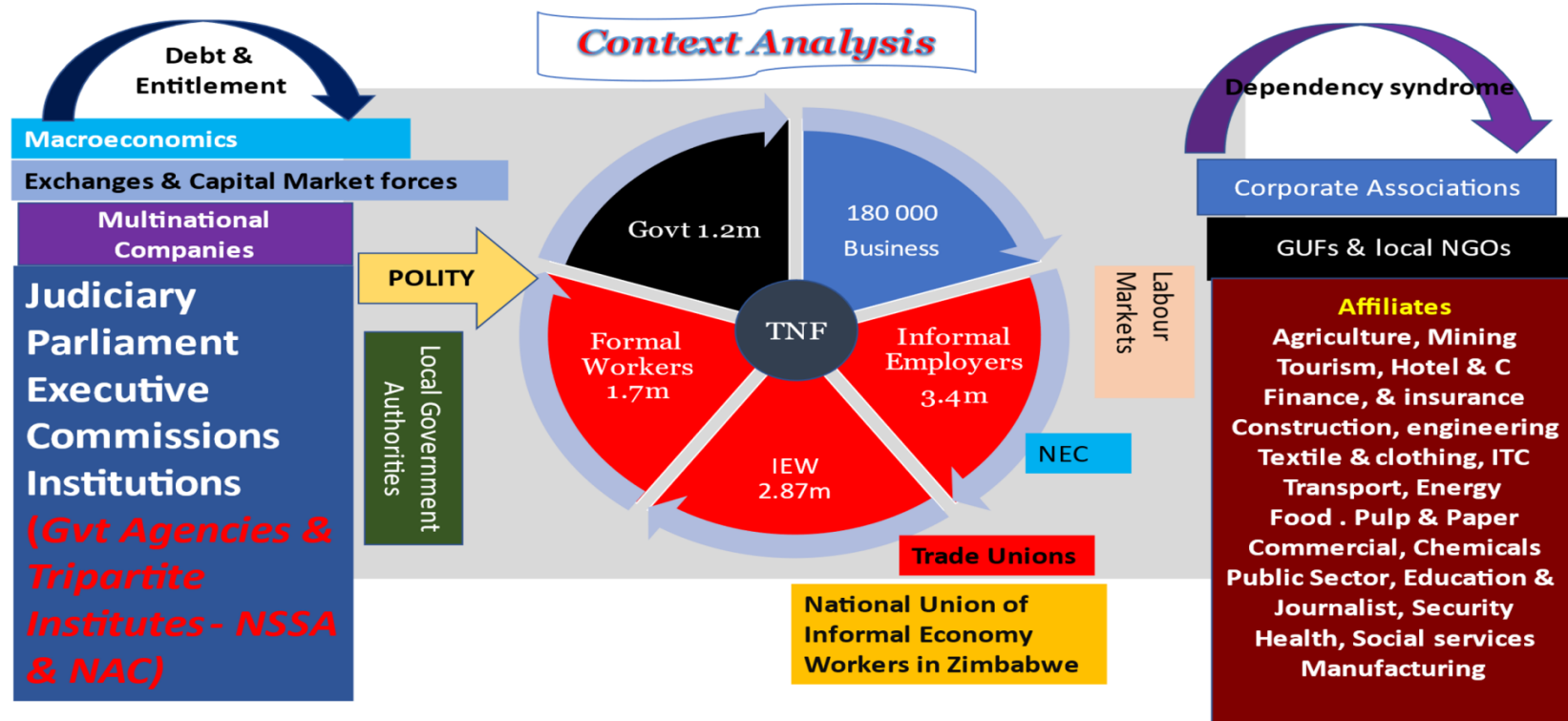


relevant in a turbulent environment

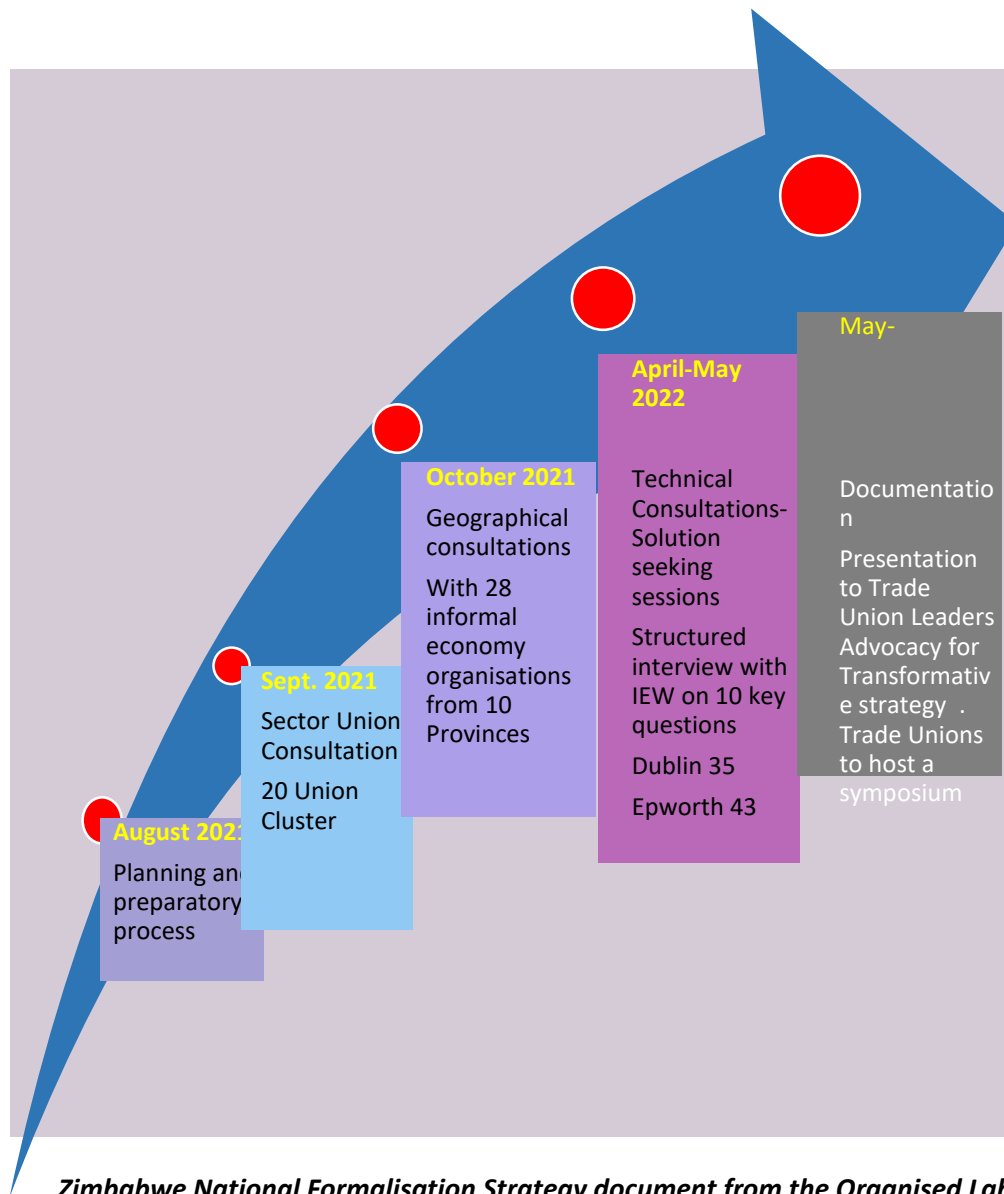
3. Zimbabwe Country Context

The Zimbabwe economy is a mixed bag of highly formalized and sophisticated economy and the huge informal economy. It is also a debt-ridden economy with weak macro- economic policies that are skewed in favour of a few elites. The exchanges and capital markets have continued to tinker without intervention to enable investments and growth for listed companies. There are at least 64 listed companies and several professional bodies some with regional and international links. We also have functional judicial services and an active parliament. Of note for the workers are the five

+independent commissions which are for strengthening our democracy as well as the promulgation of the TNF Act. There are also functional tripartite agencies NSSA and NAC which can be facilitative in the transformation of the IE in Zimbabwe. Informal economy figures as captured by the 2020 Child and Labour Force Survey are indicated below. This survey is now being done quarterly by the Zimstats as a way of strengthening our LMIS. The numbers as indicated clearly show that labour and other social partners have a mammoth task to mainstream the DWA as well as improving the standard of living in Zimbabwe.



4. Support Sought from ILO



Convening worker's structures to articulate priorities in the proposed Zimbabwe National Formalisation Strategy

Strategic Planning on participation in dialogue sessions during formulation of the National Strategy

Attaching the National Development Expectations with the articulation of the workers' interest spatially & sectorially

Workers structures identification of key actors and facilitators in the transformation process as well as capacity needs for Trade Unions

Workers structure mooting appropriate interventions to derive elements for the TOC and planning on implementation of the National Formalisation Strategy

Workers structures anticipated view of end product, participation in the formalisation, Trade Unions beyond formalisation perception and implementation.

5. Executive Summary

The OL planning and preparatory process was a brain storming session on the clarity of definitions, the core values, guiding principles, the scope, the strategic goals for OL, priorities, the pillars, as well as strategy mapping and sustainability of the effort to come up with a Zimbabwe National Formalisation strategy from labour perspective.

This was followed by two focused group discussions held through webinars to identify forms and strategies to strengthen the labour movements and identifying how labour can leverage on this process while contributing to stabilization of the country. It came out that OL in Zimbabwe perceives that formal and informal work is inextricably intertwined and agree unanimously that almost every sector has a parallel economy or links with the informal economy workers as part of the supply chain or as value chain service providers or as contract workers

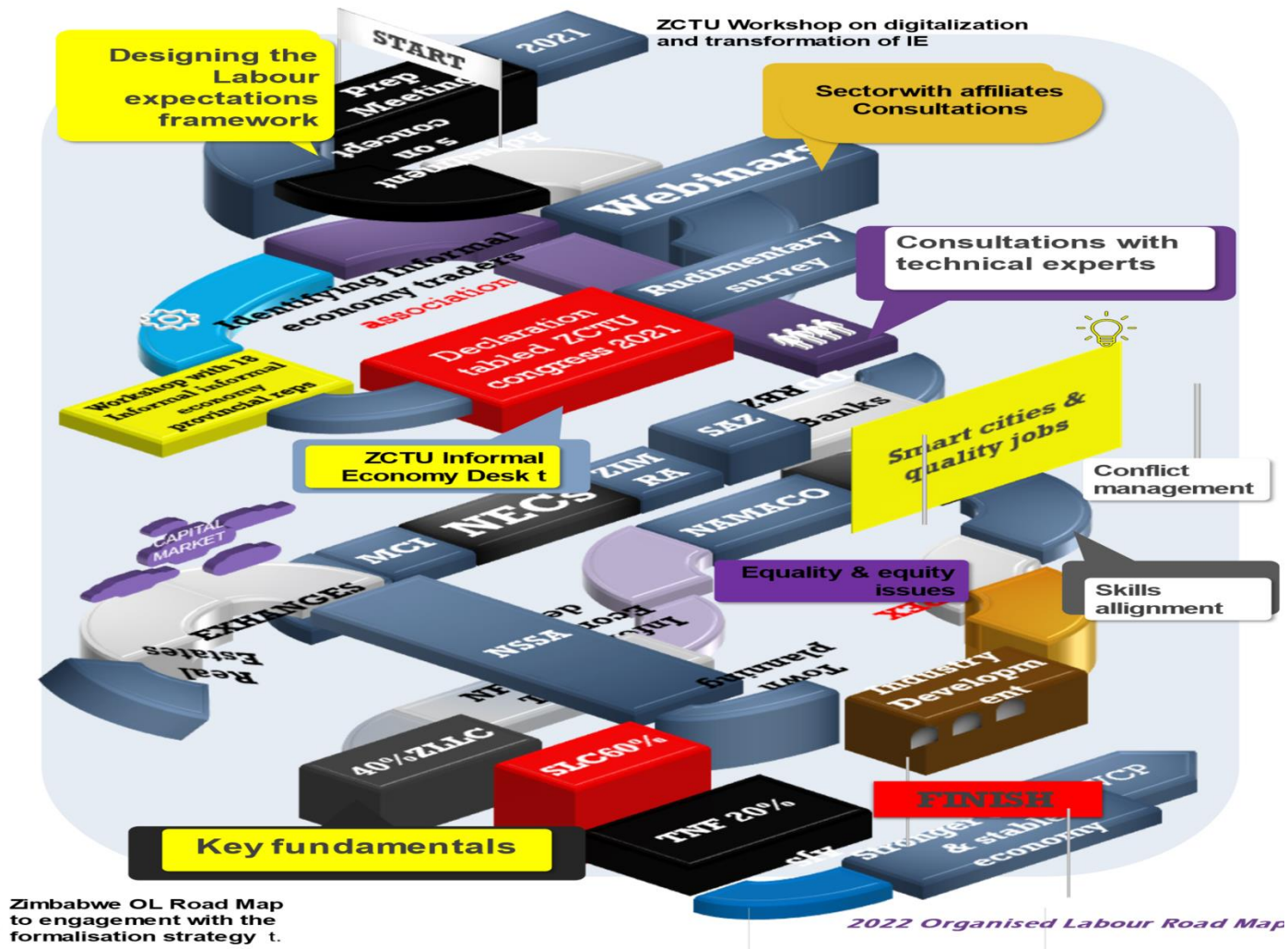
The Trade Unionist 43 ZCTU affiliates and 27 from ZFTU noted that IEW create legal goods and services some of which fall within the International standard Industrial Classification (ISIC) but lack benefits of a formal contractor legal protection. It was agreed that the labour interest were improved working conditions through getting rid of 8 insecurities namely, education, social protection, public health, safety and health, income, job, employment and shelter The webinars also concluded with 10 principles for the NFS which when shared with the IEW were adopted as part of the declaration.

The Zimbabwe Labour Force survey of 2019 gave the estimates of 5.7million of which 2.3million are at the tail end undertaking the dangerous and degrading and dehumanizing jobs. 3.4Million are mixed bag 60% of which are semi informal with outputs within the economic structures (CLGF& UNCDF Feasibility study of 2021 estimated that the IE contributes 61% of the Zimbabwe GDP

The process hosted a workshop with 28 Informal economy organisations from the 10 provinces of the country which unpacked the whole process and informed by various practitioners working with IEW and MSMEs. The workshop came up with a declaration which was adopted at the ZCTU 2021 Congress. The IEW and MSMEs pointed out 15 objectives which should guide NFS: 1) Improved wellbeing and work environment of the working people in the 92 districts of Zimbabwe and incorporate habitual behaviours, 2) Capacity building for the Trade Union and Informal Economy Structures through reflecting on historical sediments and confronting contextual issues with creativity, 3) Improved local governance planning and inclusive national development with a view to ensuring that Zimbabweans are prioritised for commercial and other business with ease entry, 4. Conducive environment for industrialisation and industry development where value chain services prioritise Zimbabwean and trade and development agreements should incorporate value addition and beneficiation, 5. Financial inclusion strategies should address the gaps in the financial and capital markets identifying FinTech with products targeting workers and retrenched, MSMEs and job seekers so as to curtail disenfranchisement, 6. Improved government revenue by widening the tax bases and achieving inclusive growth which must ride on a national development agenda which is adopted by all stakeholders, 7. Reduction/elimination of Country risk factors as agreed in the Kadoma declaration, 8. Incorporating verifiable processes towards eradication of & corruption and illicit financial flows, 9. Conclusive display of political will, better coordination and means of accountability to stakeholders which respects the social and development partners, 10.) Leveraging on digitalisation to enable workers retrenched and informal economy workers to access long term finance for investments and development as well as ensure protection of Data, 11) Monitoring of trade agreements, debt, local and national & global development policies particular on how they impact on the lives social welfare of Zimbabweans and so far, as they hamper or assist development. 12) The creating of an environment youth development and skills alignment which enables Zimbabwean youth to have the choice to work or develop individual who can master skills, develop relationships, grow in independence, and move to new levels of thinking and understanding about themselves and the world, 13) The process must inculcate social dialogue and respects all its tenets as a means of achieving sustainable development incorporating conflict management, dispute settlement and conflict resolution, 14) Contribute to national pride and identity through respect of constitutional and fundamental human rights, 15.) Agreement on tangibles and intangibles as well as sensitivities (See Annex 1)

From the Congress there was a recommendation to address 10 key questions to inform trade union bodies on the relationship with IEW organisations. The team held 2 rudimentary studies with two groups of IEW 1) Dublin House (CBD) & Epworth (satellite settlement) which had 78 participants in total from the informal economy and MSMEs structures. This led to Solutions seeking sessions held with technical/ Specialist (SOIET) which informed the proposed theory of change and transformational strategies The key thing to note is that there was agreement that all this fragmentation has continued to weaken the labour market Collective bargaining platforms as it could not adjust quick enough to provide for the disenfranchisement, emerging sectors and new areas for unionisation. So the findings recommended a heuristic solution which is a point in pathway of the 3 problems which are 1)Catalyse access to the diverse needs and requirements for the achievement of the formalisation process, 2) Facilitate social, economic and multisector integration which is simultaneously geared for distribution & growth with more emphasis on the fight against poverty 3) enabling the institutional integration between the formal and IEW through establishment means & ends analysis for the integration of the Trade Union institutes with the IEW associations as well as other marginalised workers through diagnosis of the social, economic, political & environmental aspects and solutions thereto.

6. OL ACTUAL ROAD MAP 2021-2022



7. Definitions

National Formalisation Strategy

This is an on going long term process in Zimbabwe which may take time to accomplish. Labour believes in designing a comprehensive, transformative and pragmatic approach that is informed by local realities and addresses the interests of various stakeholders and in particular the workers. It must therefore take into account the historical context and focus on poverty reduction, social and economic inequality, growth planning which makes decent work the hallmark of development, inclusion and participation in a way which links the poor and the working poor to capital formation and enablement for growth, savings and access to social protection. The process must also trigger investments both by government and social partners in programmes and projects that establish social and economic developmental networks leading to accelerated and articulated transformation. This must be attained in a manner which does not treat people like they are fugitives of the law, being sensitive to their vulnerability and the conflicts beneath each tentacle and chords and above all respecting the objectives and provisions within the constitution of Zimbabwe. Another aspect to note is the link between informality, politics and poverty where labour feels that polarization and still birth policies have been deliberate

Informal Economy

Most definitions of this terminology have tended to outline its characteristics which is important for highlighting the issues and the affected people to focus on. **Work in the informal economy is often characterized by small or undefined work places, unsafe and unhealthy working conditions, low levels of skills and productivity, low or irregular incomes, long working hours and lack of access to information, markets, finance, training and technology. Workers in the informal economy are not recognized, registered, regulated or protected under labour legislation and social protection. A rudimental analysis of the patterns of the Zimbabwe labour market reveal that what is informal is the labour that goes into production of goods and services.** The output is acceptable products that find their way into households, micro and small firms as well as big firms. Tracking the supply chain of the same reveals that there is an inextricable link between the informal and formal setups and the vertical and horizontal connections expose the vulnerability of labour in between. In Zimbabwe agriculture we have the subsistence farmers supplying the manufacturing sectors and the government grainery, the artisanal miner's gold ends up at the Reserve Bank or factory of jewel maker, there are more others like furniture manufacturing, car dealers, tuck shop owners of distributors of finished products etc., all of which have direct links with formal set ups.

Informality

This is a rational response by people to excessive discriminatory regulations or environment and for some its an escape from extortion and or efforts to survive the volatile environment. It is also a result of bad policies, disruptions or distortion which take place in the economy without regard for people who are generally workers. The people having been spat by the formal system end up being self-employed or they initiate micro and small enterprises so as to survive. It is therefore apparent that it is involuntary as it is basically a survivalist means of living. The vulnerability of the nature of this work is seen in the precariousness where the workers operating informally become victims of the market skewedness and lack power to make claims on it.

The observation by labour over 20 years of organising and working with IEWs in Zimbabwe confirmed by the existence of TMI which has created an informal Labour Market. The two margins are 1.) **The extensive margin** where workers are hired by unregistered employers. This happens when business introduces labour market flexibility or outsources certain portions of the business. In Zimbabwe the examples of extensive labour

¹ILO-DWA 4 SD 2021

are seen in distributors of branded goods like cosmetics, herbal treatment, kitchenware, car dealers, clothes etc Their country of origin the supplier has cut costs of labour and the worker in Zimbabwe performing sales has no negotiating platform. Majority of them are in the streets or having to incur distribution expenses on their own and its known as hidden labour locally and exported labour from where it originates from. 2.) **The intensive margin** were workers even though jobs are carried out in registered firms, the workers who did the jobs are off the books. This phenomenon is fundamentally a micro and small businesses though registered undertake a cost benefit analysis for them and the social contract deal suffers. The Intensive seen in the furniture manufacturing, mining or agriculture. That way the employers avoid not only operational cost but paying proper taxes as well as other costs for formality albeit that it blocks them from growth. The Zimbabwe Child and Labour force survey of 2020 put these struggling enterprises at above 3million and the Confederation of Zimbabwe Industries in its 2021 annual report stated that more than 80% of business are operating in the SME categories. OL's view is that business equivocations are misleading in terms of the returns but it certainly paints the picture of the quality of jobs. The paradox as pointed out by Piza (2018) many formally registered firms evade taxes by under reporting and for majority of MSMEs their turnover is below taxable threshold suffice it to say that in Zimbabwe VAT and the 2% on MM transfers is unavoidable.

Formalism

The vagueness of this term leads anyone to imagine the forms and structures of development which have led us to where we are as country. OL accepted the term in so far as it indicates the government's recognition of the quality and quantity of work, state of workers welfare and the working class and acknowledges the need to act on that. OL perceptions are that we are where we are due to inherited discriminatory systems, skewed policies, polarization and deliberate "*informalization*" through bad politics which reduced workers to social welfare cases while capital recorded profits. It should also recognize workers as creators of wealth since the founding of the stock exchange in Bulawayo in 1946 and that 70% of activity is due to institutional investors wherefore Zimbabwe commanded sufficient power to kickstart dormant markets. That being the case the institutional investors and play an enabler's role in facilitating a financial inclusion ecosystem and strengthen informal economy ISLA.

In summary therefore the theories of development from the past and a government alone process or any identification of the process with a political party will lack trust and therefore full support from all facets of the economy.

Upfront this calls for an approach which seeks to prune all systems, get interparty commitments, and social partners (SP) concertation based on values and principles that are people centred and transformative become the guiding compass for development process.

For workers the formalisation anticipated is that which takes into account the content of social life, social contract, quality of work sectoral and spatially and the conflicts thereof, effects and impact of trade on the collective bargaining platforms, aspects of illicit financial flows, country risk factors, politics and disaster preparedness, disputes settlement, gender and governance, conflicts with the capital markets, resource conflicts. From all these forms have emerged and patterns of development which make the principles and values upon which the strategy is built become imperative.

The process for formalisation must link for both public and private skills development, planning and IEWs alignment as an offshoot of social and economic manpower planning and development process. The objectives must include recognition of prior learning experience, facilitating reskilling and upskilling employable workers likely to fall victim to redundancy as informed by a national skills anticipation strategy and realignment with digitalisation and Industry 4.0 with a view to enable Zimbabwean workers to reach their full potential regardless of location, improving lives and making Zimbabwe a better place to live and work.

Alongside this is the need for a realization that a public infrastructure, an act or a policy is not sufficient. Currently wage negotiations are taking place which are binding and yet what waters them down is companies avoiding paying negotiated wages and preferring the *cheap* labour. Some

avoid the CBA altogether and these are where the ¾ of the workers are found. They become retards in terms of growth and are financially excluded, the industry development strategies or policies miss them as the government tend to listen to the big and organised firms.

Generally, workers have been known to join unions which are organised under common industrialisation and thus establishes pathways for collective bargaining. That fixation does not apply now as the old order of industrial relations has been disintegrated. Instead, workers are thrust in a community that is disenfranchised and creating various private or individualistic operations. Formalism is therefore the recognition of the absence of mitigatory strategies for underlying precariousness which can lead to a half-baked solution. Formalism thus needs to emerge from a rational choice conception of action that is purposive and hold highly consequences of action.

8. The Results of the Rudimentary Survey

To Confirm the Sublevel understanding of the Declaration, the state of IE in Zimbabwe, and to investigate the Effect of Lack of Formalisation Strategy, its Likely Impact from IEW & MSMEs Perspective

1. The purpose was to investigate the lack of formalisation as articulated by the declaration and the likely impact as a case of a representative sample of 78 IEWs & and MSMEs representing Informal Employers and 12 key informants from across the country
2. All of the participants were in agreement with the contents of the declaration and underlined the inherent power imbalance they face and them having to deal with the ambivalent state and its selective application of the law. Thus, they all concurred that the formalisation strategy should focus on relational issues and that conditions as set in the declaration should relate to the process as well as the benefits
3. The findings established that IEWs and the vulnerable feared that the process would be *hijacked* by the politicians. Consequently, should not be viewed merely as a technical upgrading or organising for efficient revenue collection and tax avoidance but that it is active sites for negotiations during the transformation and media needs to assisted in its accurate reporting
4. The results showed that formalisation does not define a distinct phenomenon but a set of diverse processes relating to a creation of new linkages between the state and economic structures and the individuals who are self-employed, or employed under informal arrangements which are at different stages of development within their categories.
5. The results showed that in most cases families trapped in the informal in Zimbabwe and in that state, there is a mix of all levels of education up to Masters level. They all interact with the formal system interms of supply chain. Anyone in the street is possibly directly connected to 6-10 others around him/her so as raise enough income for sustenance. (*Ngwavying*)
6. The results revealed the prevalence of the two informality margins, intensive and extensive, the intensive being locally owned companies or local operators small and big who have workers producing legally goods and services and are not formally contracted as workers. within the sample this was evident in the furniture manufacturing, servicing of office equipment, outsourced sales to certain staff members. The extensive marginal is the workers who are an extension of MNCs distributing health products, skin care. clothes, and wide range of soft and heavy industry inputs. Etc.
7. The results also showed that while technocratic conceptualization of IE is important it fails to appreciate the complex realities of informality and policy implementation like the inherent conflicts, the political, social economic and environmental dynamics. The incomplete land reform agenda
8. The results also showed that there are general policy assumptions as to why people are within the informal economy that limits them and keeps them poor and thus prescribe solutions which then fail to deliver on the benefits of formalisation.

9. On lack of sufficient digitalisation and access to professional services including access to long term finance and markets the informal economy operators feel that the government should address the trade and investment barriers, the poor physical and ICT infrastructures which prevent competitiveness, creating a business environment which is integrative and public sector integrity and reliability
10. On representation or links with the trade unions
 - a. The TU need to be visible within their locations particularly places of work where they are harassed and should link the IEW and IEE to skills and knowledge networks, facilitate establishment of sublevel structures for monitoring and representation of the vulnerable, provide education which enables participation in community and townplanning.
 - b. Trade Unions in Zimbabwe can influence patterns of production and consumption and working with local authorities can check on environmental compliance and advocacy for review of all laws and introduction of new ones informed by context realities
 - c. Trade Unions to work on mechanisms to address the societal needs and promote social enterprises and they are also a channel for mainstreaming standards and so sublevel structures like ZLLCs and SLCs become necessary to monitor progress in the formalisation process and any other development programs.

9. OL Strategy Context Analysis

With the assistance of extrapolations by the Zimbabwe Child Labour & Labour Force Survey 2019& Multiple Indicator Cluster Survey ², Commonwealth Local Governance programme, the Association of Rural District Councils in Zimbabwe and the Urban Councils Association of Zimbabwe the following estimates of the spatial distribution of informal economy workers in Zimbabwe was established. While the organisations gave the details of their membership and distribution the local authorities assisted in validation because they provide the space upon which the sector under review operates.³

Distribution of Informal Economy Workers by Province 2020	
Province	Estimated Numbers of IEW & SEMI IEW
Harare / Chitungwiza	1 409 072
Manicaland	520 114
Mashonaland Central	564 823
Mashonaland East	455 627
Mashonaland West	685 114
Midlands	572 331
Masvingo	390 845
Bulawayo	421 448
Mat South	320 140
Mat North	361 900
Total	5 701 414

It is noted that with the recent censuses the figures may actually be reviewed. The context analysis is also about understanding the TU environment. Below is the Trade Union heat map highlighting the risks and threats as well as the opportunities for the OL within the process of coming up with the NFS.

²2020 Multiple Indicator Cluster Survey Findings Report

³2018 Commonwealth Local Governance Foundation 2018- Smart cities context analysis for Zimbabwe

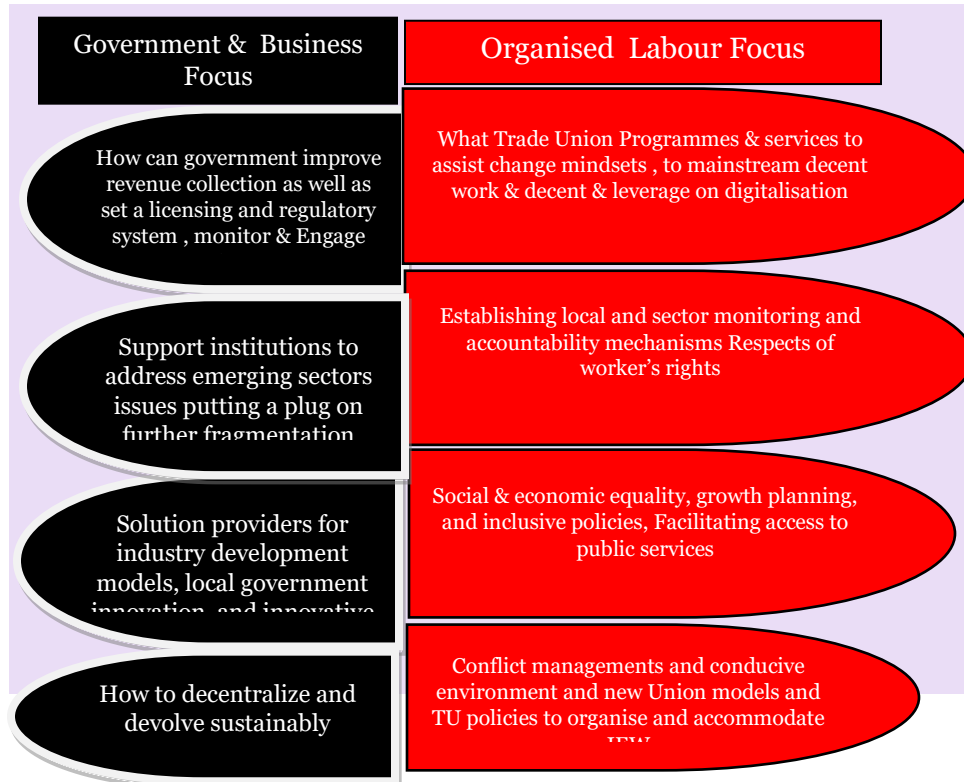
TRADE UNION ENVIRONMENTAL FACTORS- ZIMBABWE HEAT MAP

In assessing our political, social and economic environment, our options as OL were narrowed to a malleable strategy that is adaptive to be implemented by technically sound and grounded visionary team. Zimbabwe environment is volatile and unpredictable and the labour market and Trade Union body in particular have been stretched and weakened as a result of the disenfranchisement. The hostility between political camps in Zimbabwe has also shaped the economic expectations. On one side there is the GoZ which is perceived to be conflated with the ruling party ZANU PF and one SP, ZCTU which is perceived to be aligned to an opposition party which caused the UNCDF MSMEs (2021) project to come up with the following heat map for Zimbabwe

OPPORTUNITIES			RISK		Threats
High	Medium	Low	Low	Medium	High
Dealing with threats to TU	Policy Social dialogue engagements	Sustainability of TU	Resilience within TU bodies	Strengthening TU organisation	Relevance for the TU and Visibility
Social & Econ	DEVELOPMENTAL	SOCIAL	SOCIAL	ECONOMIC	Political
For social justice and peace building	Strengthening the social contract and improved social dialogue Understanding and appreciation of TNF	Labour bodies connecting with IEW to form strong labour movement	Resilience building Disaster risk solutions Risk informed solutions by unions & Workers structures	Achieving on issues affecting workers Exchanges rates & unstable currency Impact of unorganised labour	TU membership satisfaction Wages & salaries erosion Political infighting & economic pressures
Strengthen the labour movement through uniting Trade Union bodies	Settling conflicts social & economic by getting rid of toxicity and conflating development issues with political party issues	Achieving equality and equity Trade Union Investment Policy guidelines and investment models	Financial instability & Reducing vulnerability	Classification and exposure of TU vulnerabilities Professional bodies Labour market actors Improving on efficiency & effectiveness	Trade Policies and appreciation of IEW Weak Institutions TU institutes assisted to push down political objectives in order to curate its strength
Riding on the the NFS , LMIS and SIFA projects , to strengthen the Trade Union bodies	Digitalisation of Trade Union services through automation linking internal and external sources expanding depth and breadth of information	Achieving social & economic coercion	Produce union risk assessment framework regularly Visualise risk data Catalyse new knowledge Provide tools	Improve the TU support services to members and enable better and faster decision making	TU Operating environment Persistent CRFs, threats of mass strikes

The strife reflected by the “Heat Map” above is an indication of low levels of trust which is fueled by high income inequality, high prevalence of corruption and country risk factors. So essentially from OL first recommendation is that alongside getting a commitment to depolarize the process the SOIET appointed to work on the strategy to spend time developing a detailed perspective of political, social & economic factors relating to formalisation. This analysis would allow the SP to devise upstream formalisation strategies which stretch into the future and downstream capacity strategies for SPs particularly in their engagements at the TNF on the matter. This would assist incorporation of conflict resolution and conflict management mechanisms for the national and sublevels to deal with the toxic, discrimination and derogatory language as well as institute dispute settlement mechanism. The two federation ZCTU & ZFTU have organised various associations urban and rural based. Presently they cover 52 of the 92 districts in Zimbabwe which all have informal activities. So, it is ideal for this process to ensure that this process leaves no one behind. OL recommends that the NFS to be tightly linked or be embedded in operations within the TNF within one of its clusters. This so as to best capture change, signals and minimize polarization, information loss or time lag. It is anticipated that the strategy must enable the country’s policies to focus beyond the current boundaries.

NFS Strategy Focus for TUs



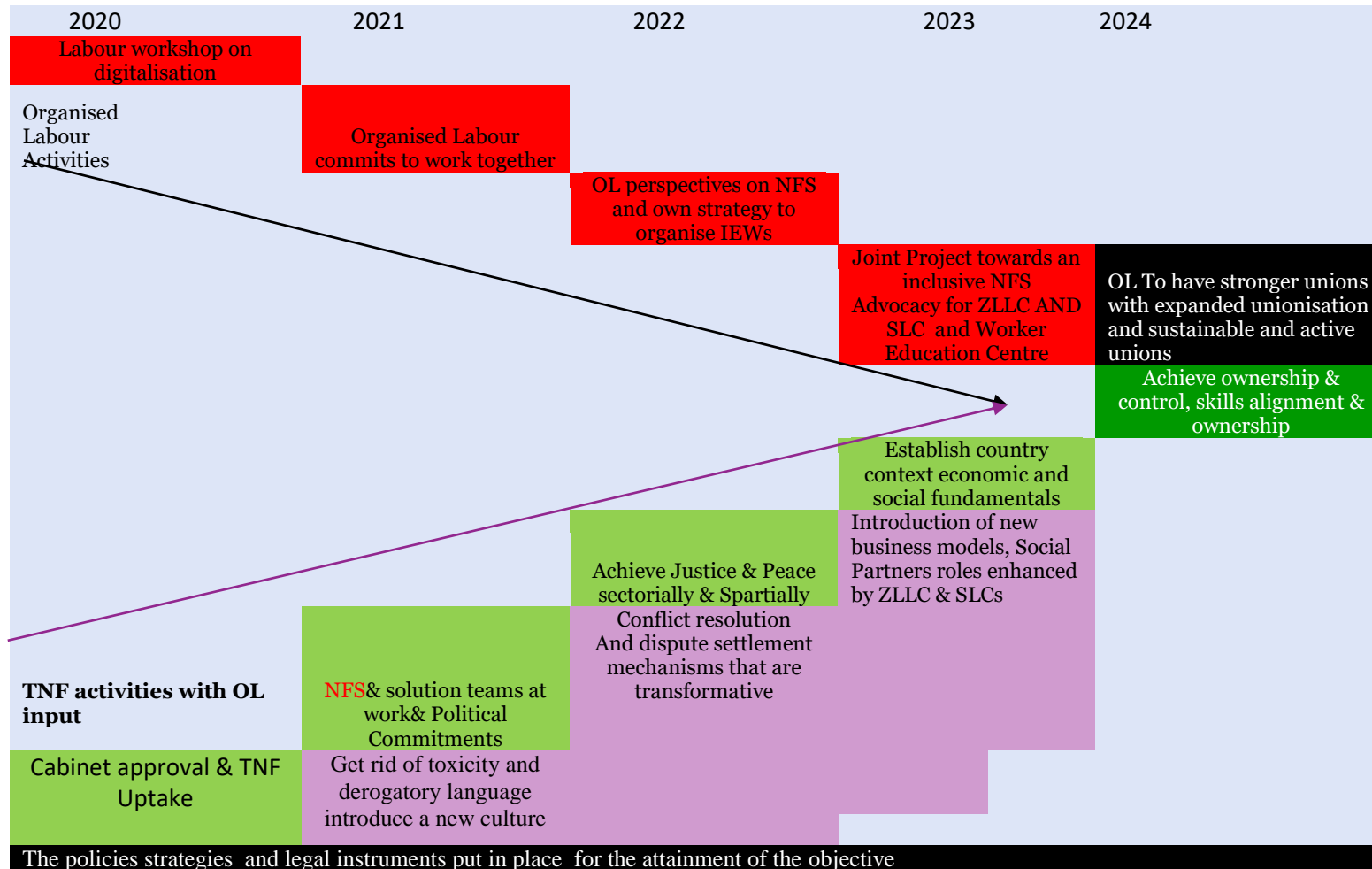
OL submissions are that formalisation should not only focus on novel revenues to the government, profits to capital and development benefits to individuals, firms and households. For Labour one of the challenges of coming up with a strategy is to uniformly identify building blocks techniques with a process which characterizes formalisation in a way that links to results focused and people centred and bringing transformation. Essentially the strategy must demonstrate integrability with the big picture for stable and inclusive economy. Silorised models have not bridged and so perplexed enclave economies. It is therefore imperative to identify mutual connection points for integration. The contents of Declaration which was output of consultation with 28 groups of IEWs inform that the formalisation process must be for systemic and deliberate positioning and specific purpose of achieving inclusive and stable development. It needs to be a well projectized and through a ubiquitous concept of a model that is tripartite. It must contain a continuous improvement mechanism with constant monitoring and evaluations

10. The Provisions within the Constitution of Zimbabwe

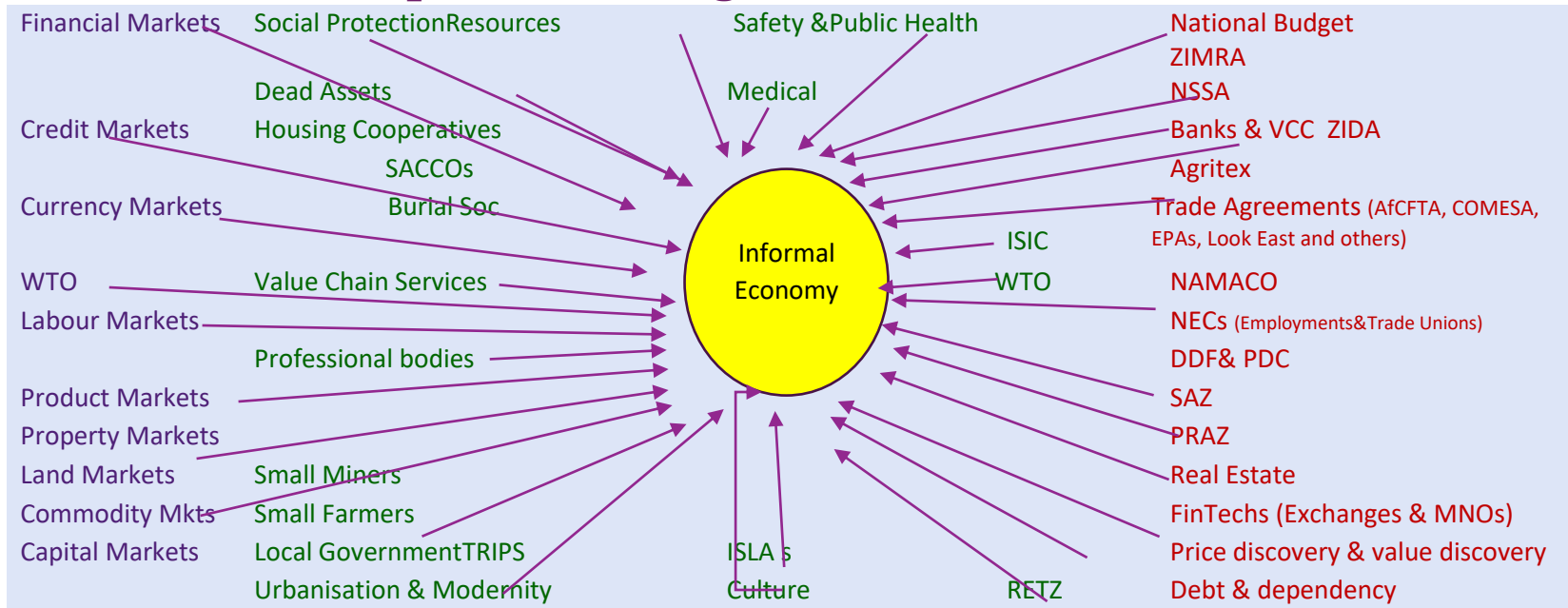
Constitution Preamble Fundamental Law of our beloved country Parliament court of Arms	Common desire for freedom, justice, equality, resistance to colonialism, racism and all forms of domination Recognising the need to entrench democracy, good transparent & accountability Commitment to upholding and defending fundamental human rights and freedoms Cherishing equality, peace, justice & tolerance & prosperity Commitment to build a united, just, prosperous nation founded - Transparency, equality, freedom, fairness, honesty & the Dignity of work, responsiveness, gender equality Parliament Court of Arms - FREEDOM WORK & UNITY
Zimbabwe Constitution Chapter 2	(24) Work & Labour Relations – Implores on adoption of reasonable policies and measures to enable opportunities to work and e to secure decent living- so achieve full employment, removal of restrictions that unnecessarily inhibit or prevent people from engaging in gainful economic activities, vocational guidance and development of VCT including those for PWDs and measures such as family care with enablers for women
Zimbabwe Constitution Chapter 4 section 51	Every person has an inherent right to dignity in their private and public life and the right to have that dignity respected and protected
Zimbabwe Constitution Chapter 4 Section 64	Every person has the right to choose Freedom of profession, trade or occupation- may be regulated by law
Chapter 4 Section 65	Every person has a right to fair and safe labour practices and standard and to be paid a reasonable wage Every person has a right to form and join a trade union of choice, employer/ employee organisation of choice and participate in lawful activities of those unions Every person is entitled to just, equitable and decent conditions of work Every person has a right to organise, engage in collective bargaining, to form and join federations Women have right to equal remuneration and right to paid maternity leave for a period of at least Three months
Chapter 4 Section 71	Where a person has a vested or contingent right to the payment of a pension benefit
Chapter 4 Section 72 (7)©	Compulsory acquisition of land The people of Zimbabwe must be enabled to re-assert their rights and regain ownership of their land
Chapter 4 Section 73 (b) iii	Every person has the right to a secure ecologically sustainable development and use of natural resources while promoting social and economic development
	International agreements must be approved by parliament
Section 264	Devolution of governmental powers and responsibilities
Chapter 16 Section 289 Read together with chapter 72	(a&b) Land is Zimbabwe's common heritage, Every Zimbabwean citizen has a right to acquire, hold, occupy, use transfer, hypothecate, lease or dispose of agriculture land (d) The land tenure system must promote increased productivity and investment by Zimbabweans (e) The use of land must promote food security, good health and generate employment sustainably

11. OL NFS Proposed RoadMap

This diagram maps out a process recommended as informed by the presentations and consultations with the labour constituent.



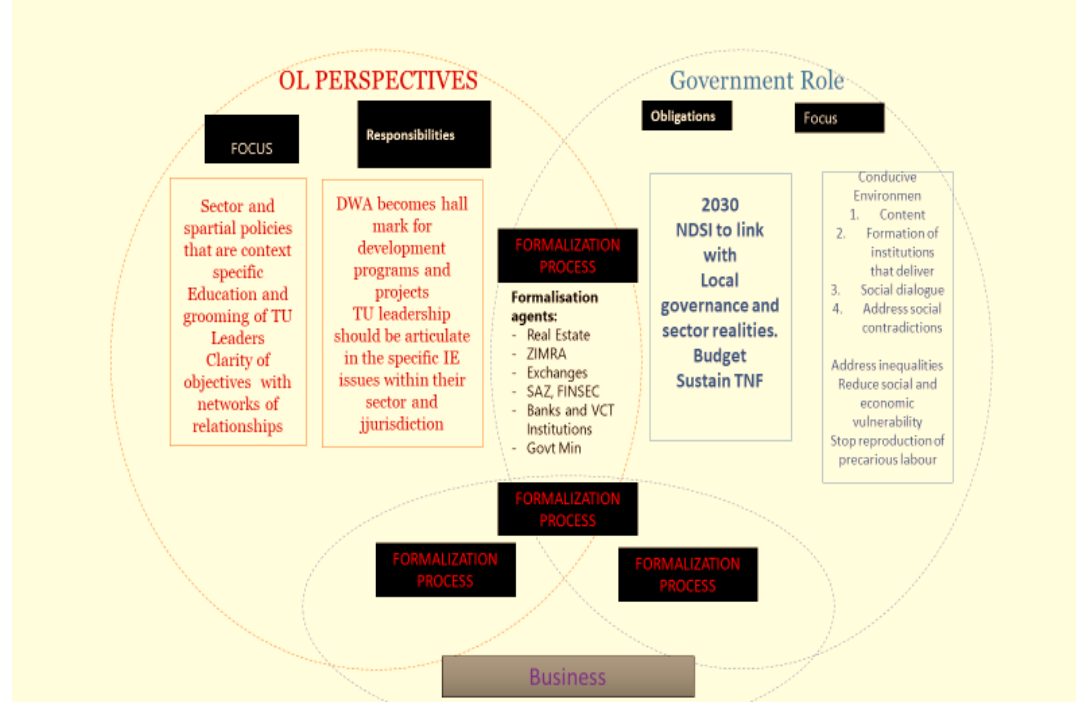
12. Conflict anticipation & Management thereof



OL team picked that the IE in Zimbabwe's profile shows a dual structure where one part is competitive to the formal economy and the other being a result of market segmentation. This also confirms a paper done for FES (2017) Nyasha Mchichwa. The diagram above is an attempt to visualize the various areas of conflict. The purple indicates the economic actors whose rules and values are distorted by the growth of IE activities within their purview. For example, the financial markets is affected when there are reduced revenue inflows to the government on the assumption that the IE operators are tax evaders. Likewise the credit markets have been affected by the 'chimbado' and the currency market by the 'change money fellows'. The labour markets have been affected when there are skills not recognized under ISIC, no CBA platform for negotiation of better wages and working conditions, Indirectly TU have then been affected by the fragmentation of workers, the products markets has been affected by non-application of standards by the emerging suppliers yet they access the same market. The unconcluded land reform has impacted negatively on the land and property markets which also has ripple effects on other markets. The capital markets have remained distanced as they try to keep above the polarity and risky environment as well as the volatile environment. Hence they remain the compass which can be facilitative in reigning in sanity and stability.

Those in the green are a reflection of the IE activities by the survivalist which are in direct conflict with the formal markets. The OL team also recognized some of the IEW who happen not to be in direct conflict have emerged as a distribution channel for the formal sector. These will form part of the intensive and extensive margin which may even recruit the undocumented workers which then form the lower tier of the IE in Zimbabwe. Between the government's ambivalent attitude, and the disdain of industry and effects of the exogenous shocks and country risk factors which poses the vulnerability of the lower tier as victims of the distortions and disruptions caused by the uncontrolled ballooning of the IE activities.

The constitutional provisions as indicated in Section 70 under devolution encourage formation of local enterprises partnerships. The institutions indicated in red are some of the organisations which can be worked with to create complex evolving networks of governance spaces and conflict resolution mechanisms which will be anchored on the pillars of the DWA. They can establish platforms through which plurality of inevitable strategic planning practice will emerge at sector and spatial levels. Through envisionary, anticipating and designing and managing the future in the sense that involves the identification of long term or overall aims of achieving the strategy objectives. As indicated the diagram this encompasses a complex dynamic, often contested series of interactions and outputs that encompass multiple of actors



OL envisages that a range of people in diverse institutional relations and positions come together to design plan making processes and develop contents and program for formalization that is inclusive and gender sensitive. The process requires strategists, technical analysts, project engineers, policy and political advisers and legal experts representing interested parties.

OL team sees this process in 5 dimensional critical features as derived from the declaration and the issues which need to be addressed above board. Through a sectorial and spatial plan For OL The NFS needs to give guidelines for state responsive mechanisms and the social partners particularly on 1.) Capacity to adapt to new development models as well as business and union models 2.) Inclusive openness to innovation and trade agreements 3.)

Preparedness for disaster management, establishing a data taxonomy and detail for LMIS, isomorphism, it must also offer resistance to any unprogressive elements through the insistence of the rule of law, respect for trade union and human rights and commitment to eradicate corruptions and achieving cohesion Within the Labour Markets TU leaders need to be capacitated to assess investors and ensure that investment arrangements and management do expose off jobs or the quality and quantity of work created. So TU negotiators need to appreciate the investment stage, ensure local ownership and control of processes , financial inclusions, assess gender embodiments as well as catering for the PWDs Besides monitoring of observance of ILs the TU body must monitor the skills alignment and skills anticipation , as well as social skills sets to analyse concepts and align investments with the local markets and needs There must also be community defined beneficiation as well as community needs

13. Ensuring Trade Unions Emerge Stronger & Relevant

This diagram as proposed entails that the OL in Zimbabwe enters into a bipartite relationship in which they must emerge with no dispersed interests as they work towards ensuring that the government policies are focused on reducing informality in an inclusive, pro-poor and gender sensitive manner. Thus the broad activities and suggested



distinct pillars as picked from the recommendations form participant are meant to shed light on the what and how the OL can use to initiate their process, incorporate in the policies and also use for resources mobilisation.

In implementation there must be staff from the two institutions who will collaborate and coordinate the activities guided by a policy structure derived from the ZCTU and ZFTU within an organ which the two organisations condon. Examples of such will be the ZCTU Employment creation committee and the the ZFTU Policy and Economic Development. The respective technical team will form an organ/unit within the labour movement which will focus on enabling TU bodies to understand systematic contexts in policy decisions which impact on IEWs. It will also capacitate TU to translate findings of fundamental research into policy options for inclusive and transformational development with a specific bias on mainstreaming DW, gender sensitivity and pro poor. Thus it will play a mediating function between between affiliates and IEWs and other stake holders and enable identification, articulation and evaluation of policies and legal instruments pertaining to the formalisation

14. Beyond Formalisation Strategy Trade Union Outlook

OL teampicked the institutional sensitivity of social and economic proposition and respecting multiple forms of evidence drawn from the rudimentary survey which showed that just economics analysis had lost track of the problem and had forgotten questions that have to be resurrected if transformation is to be achieved. Besides being a process that bridges formal and informal vertically and horizontally it is anticipated to foster equity and equality even within the TU movement so as to assist programming for sustainable and inclusive unions. Generally, workers have been known to be joined by common industrialism as defined under ISIC. That fixation does not apply as of now with more than 75% of the labourforce engaged in fragmented precarious work. The old order of industry relations has been weakened and the workforce has been thrust into communities created by various private operations. Industry 4.0 has further presented another challenge with other jobs being made redundant and new ones and more sophisticated emerging. Currently there are 119 Unions registered under the Ministry of Labour and ZCTU has 43 affiliates and ZFTU has 27. The rest are clustered in their own forms or they are operating in isolation

The OL team also picked that Registration alone is not formalisation and there more of the fear of the cost of formalisation than fear of being a formal entity. This is evident through those who have arranged to acquire residential stands through cooperatives are prioritizing getting title deed. To them formalisation will be a more welcome phenomenon if it enables IEW and MSMEs to access investment finance, cheaper credit and savings. The discussion on DWA they stated will be easier to carry forth certain basics are met which obliges all accountable facets of the economy to deliver.

37% of the IEW interviewed saw being informal as way to avoid fines, and taxes although they were content with rates paid to the Local Authorities and payments for utilities like electricity.

Distribution of the Informal Economy Business operations 4

Survivalist	Thriving	Strong willed and can be nurtured
F34.5%	48.7%	21.8%
Too fluid and productivity very low. Will perform just any job Highest level of education O'level	Productive but heavily undermined by the policies Multi skilled and dependent on the government links can easily formalise if assured of solidityand can can corelate with capital experiences	There is high productivity and solid operations. Level of education is above O' Level, most of them skilled in the line of business and with children who are university graduates
37% University graduates with Bsc Honors or Masters		
87% fall in the age group between 25-40 years		

commensurate with their needs

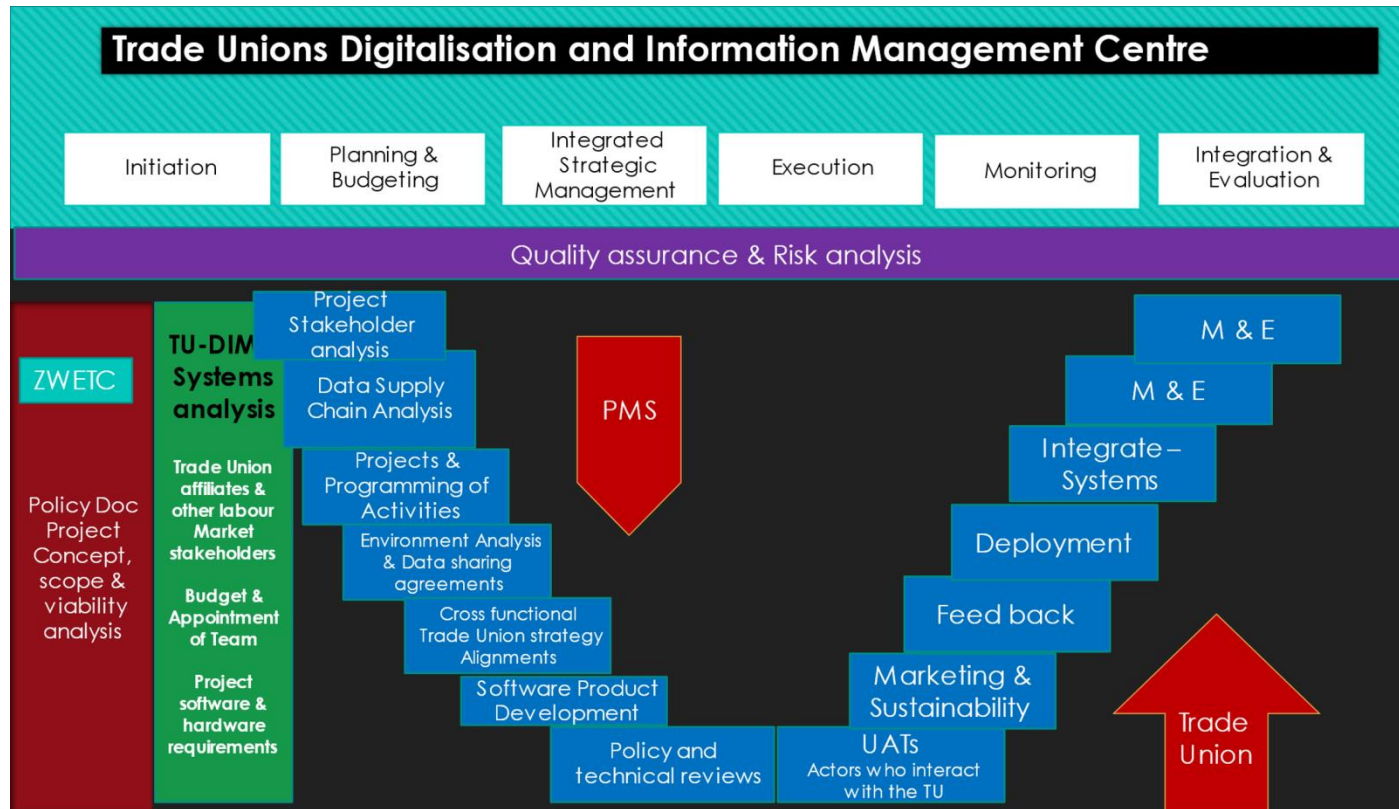
- How can the TUs be enabled to leverage on technology so that they can take advantage of the benefits of technology and be put on the path to total empowerment.
- The working poor due to their lack of familiarity with the products, services, and providers and their resulting vulnerability to exploitation and abuse.
- There also agent-related risks due to the new providers offering services are not subject to the consumer protection provisions that apply to banks and other traditional financial institutions

While we acknowledge that further study is required to take a matching technique and strategies for mainstreaming the working poor. The sample of Professor Gupta's study was drawn from Hairdressers, flea Market vendors, light industry services, transport, and small shop owners. or other. 97% had either been formally employed and are hoping to get back to employment or straight from college had never been employed 73% like the union and can identify with ZCTU in so far as it represents their interest. IEW they will only strongly align with the union if there is a potential for strengthening their business operations. Own account workers have lower propensity to exit to salaried work. The lack of LMIS limits on capacity to bring into line business benefiting from the two informality margins. So this will require joint effort with the government to invest in an LMIS system that ensure that links public and private sectors, rural and urban in a manner which makes formalisation an offshoot of economic planning and development processes and ensures that all Zimbabweans can reach full potential

Professor Rajeeve Kumar Gupta 2020

⁴UNCDF Leveraging on Mobile Money and digitalisation to enable the Mainstreaming of Informal Economy activities as well as MSME through the GEM-Portal The profile of Informal Economy in Zimbabwe 2020 Professor Rajeeve Kumar Gupta

- The vulnerable are sometimes left flat footed when technology cause disrupted service and loss of data, including payment instructions (for example, due to dropped messages), as well as the risk of a privacy or security breach resulting from digital transmittal and storage of data
- The Trade Unions in entirety need to be assisted with a forum for digital financial actors incorporation with friendlier actors who can share insights and experiences in promoting financial inclusion and work with them to come up with a potential program targeting marginalized groups.
- The TUs need to identify existing capacities of affiliates and come up a clear intent strategy to empower the unions and the informal economy structures which targets negative spinoffs of automation as well as assist the informal economy workers and MSMEs to expand and improve their businesses sustainably.
- The Trade Unions recommend an information system which enables more diverse and complex workers activities which when established will enable maintenance and development of new and rewarding relationships while at the same time strengthening the union
- Within the proposed ZWETC will be a Digitalisation and Information Management System which will link the TU supply chain with the professional and collaboration support structures and enable better decision and reporting



This is proposed as informed by the ILO 2020 presentation which highlighted the four digital skills everyone will need for the future of work, of which the trade unions are no exception. 1.) is digital literacy – using digital devices, software and applications as well as communicating and collaborating with other users, 2.) Data literacy – all of the new technology is underpinned by data so this calls for a basic ability to understand the importance of data and how to turn into insights and value, 3.) Technical skills – practical skills which goes beyond coding, AI, data science &IT, 4.) Digital threat awareness- cybercrimes, dangers of being on line and how to keep organisations safe from abuse and manipulation of data.

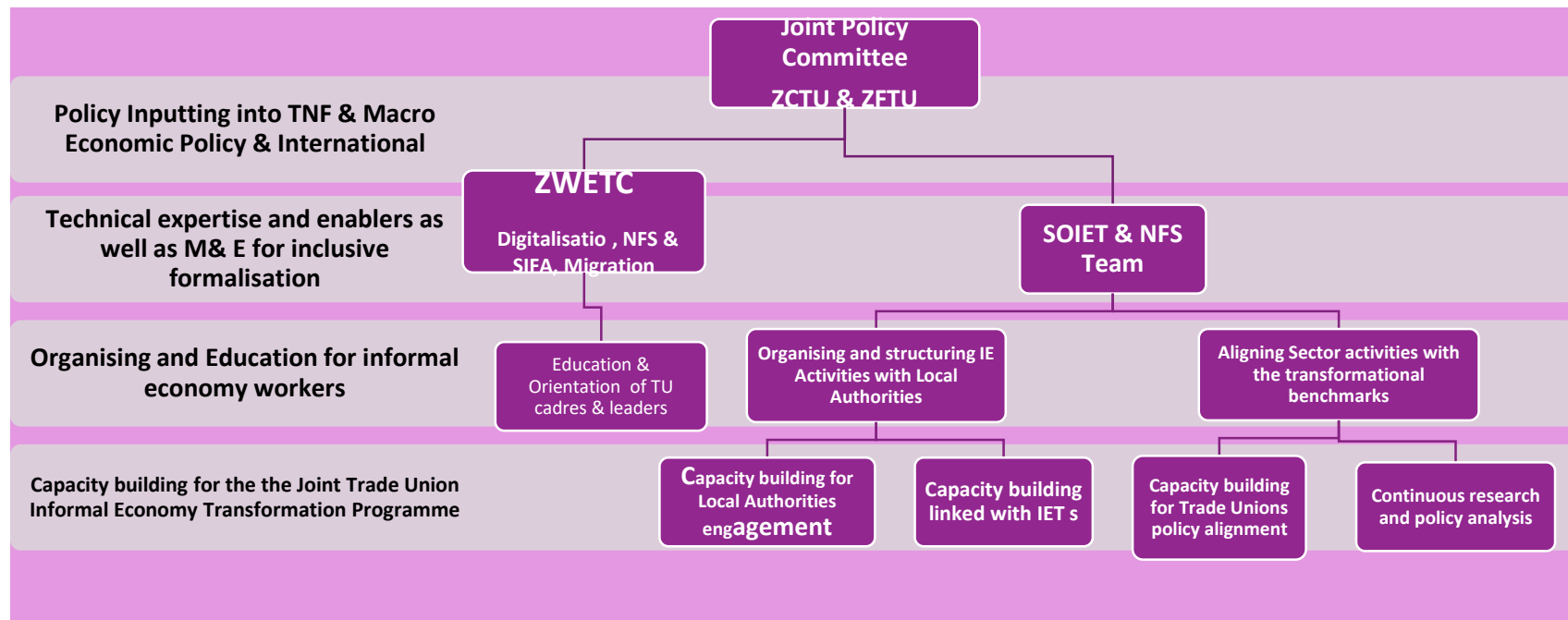
The digitalisation project is anticipated to facilitate establishment of a platform or portal which is a single point of access for information which will be sector specific or geographic as well as categorized. This will help in search, navigation, notification, information, integration. The portal can be that which holds structured and unstructured information and stimulus packages for lasting relationships.

The platform can have notification and multichannel consistency and enable universal log in – Which will mean improved efficiency, reduction in costs, improvement in TU support services, payments functionalities, access to capital and other opportunities for TUs, traceability and tracking of decent work indicators by sector Through gathering data to do with work, quality of work, conditions of service and worker’s welfare

This should enable provision of tasks like upgrading of TU services, TU models and management, TU collaboration, Labour market intelligence, application and integration with other apps and systems which can assist job seekers and victims of retrenchments , access to cheaper finance and other services for investment and growth and control procedures.

The portal which may have an independent name can have prominent features including other stakeholders like

Proposed Collaboration Framework and Coordinating Structure



The above is a proposal of a structure which can ensure that the NFS objectives are steered off the politics with selection, prioritization, leadership and responsibility being institutionalized, skills alignment and skills anticipation as well as governance and social accountability

The Pillars of DWA to be used for internal cohesion as informed by realities. This proposed structure is an attempt to ensure that NFS is going to rest on shoulders of articulate and committed leadership for effective implementation The critical factors which are likely to impact on the strategy which will need further synchronization are conflict management and social development, policy analysis, advocacy skills and motivation for other

soft skills, data gathering and documentation, Report writing and record keeping, A good understanding of handling impactful actions, Results oriented and rights based approaches, trade agreements analysis. Monitoring corporate governance, Local Authorities budgets and National Budgets, Media and publicity issues, and the significance of each issues in relation to the objectives

Sustainability of such a process should be anchored on demonstrative political will, policies and structures at both national and sublevels to establish a pipeline for the transformation delivery and define its boundaries and financing of the process.

15. Sustainability of the National Formalisation Strategy & Trade Unions Role

The TU believe that the process requires a kickstart which will be through an investment by the government which should be enabled to operate as guided by the TNF and will eventually create its own resources as the

The stock exchange has been robust in Zimbabwe in spite of the volatile environment because it does not rely on international investments. It is an open market to everyone and the majority of the investors are locals. Most of the value of stocks as at 2019 were held by retail investors and generally there is a hunger for investment. The capital markets have been strong and investors have been waiting in the wings. The formalization objective which incorporates quality management, robust professionalism, accountability and business mode, growth prospects, market access, industry outlook and priorities contractual agreements will create fertile ground for sustainability of this process as well as unlock developmental process

Trade Unions have trustees who sit on the boards most of whom are not familiar with the stock exchange yet more workers wee being off loaded into the economy which had no capacity to absorb them. There is there need to establish linking mechanisms and institutions which give confidence to domestic investors so that they make available risk capital such as equity, venture debt, unsecured debt and long-term cheaper finance. The TU can facilitate establishment of or bolster incubators as well as advocacy for an investor friendly environment.

The Job for ZWETC (Trade Union Technical Unit)

ZWETC is a proposed institute for union development, support services and education for organized labour to be established by the main federations to help build strong trade union movement in Zimbabwe as a response to the call for a NFS. The institute will thrive to provide high quality and relevant trade union services and support to unions for organisational development in the light of digitalization and industry 4.0. It is proposed that ZWETC will be financially facilitated by the tripartite entities like the TNF, NSSA, NAC and bi-partite relationships like NECs for sector specific services other international trade union solidarity programmes. ZWETC approach will be based on recognition of the primary role of trade union movement and the working class in transforming the Zimbabwe economy and as enablers of the National formalisation strategy by;

- ✓ Establishing a worker education centre which offers dynamic and vibrant, critical and inspiring programmes which engages the evolving challenges facing the TUs and the broader working class nationally, provincially and sectorial
- ✓ Delivering programs and support for trade unions focusing on NFS elements which impact on the human and social capital development which unpack interaction mechanisms of social and economic agents and their relations

- ✓ Supporting development of organizational capacity of trade unions and their federations towards delivering on requirements for NFS which are investments towards human and social capital development which will build up the human and social fabric leading to growth of the economy
- ✓ Facilitating establishments of multiple levels of social partners networks and multidimensional social capital conceptualisation which provides explanatory value with emphasis on bonding and bridging of diverse activities and reciprocity unionization as an underpinning element.
- ✓ Proving dynamic models as a responsive learning organisation.

	Establish a worker-education centre which engages challenges faced by TUs in their role as enablers for a NFS	Deliver programmes and support for the TUs which are geared to impact on Human and Social capital development which are underpinned by the DWA	Capacity building for TUs and their federations towards delivering on requirements for NFS and advocacy work around it	Establishment of multilevel and multidimensional social capital concepts which provide explanatory value	Providing dynamic models as responsive learning organisation
	Scrutinise and analyse policies and regulatory instrument and their impact on trade union work	Establishment of accessible incubation facilities and link with SOIET	Take the initiative to ensure that trade unions active in the labour market are informed of any innovations and models	TU Intermediary services to protect employment as well as skills alignment & skills anticipation	Identify seasonal and long term outcomes
	Clean out anti TU sentiments within government and other developmental programs	Bridge information asymmetry between TNF& other national organisations and SOIET and National development policies.	Promote innovative funding model that provides for or includes DWA requirements	Trade Union support services for union leaders to feed into the LMIS	Design compelling interests and fostering commitments at both policy and technical levels
	Upgrade or undertake material development for education, training and advocacy tools for trade unions to do with issues affecting workers	Increase financial awareness through economic and financial literacy and organizing campaigns which make decent work the hall mark for national development programs and strategies	Encourage investments into areas that facilitate transformation of the informal economy activities in an inclusive and sustainable way, which includes digital platforms, investments arrangements	TU training on aligning corporate governance with Labour perspectives and also on data collection and synchronizing it with trade union work and objectives	Undertake stakeholder engagements on the proposed models
	Ensuring that every sector and district has union representation that is empowered to attend to worker's needs and look out for worker's interests	Establish a data informed and real time LMIS system through keeping a hawk's eye on trade agreements, tracking investments	Promote access to markets and linking with friendly exchanges with facilitative arrangements for savings and growth	Framing Union learning through incorporation and critical engagement assisting unions to shift towards integrative policies and strategies including CBAs	Have a strategy to address cultural, physical and behaviour
	Formalisation process should not be intimidating – Media campaign for awareness	Maintain a barometer for DWA which is to reviewed annual and prepare DWA minimums for each sector and location.	Informing the public about trends and developments in the Zimbabwe job market through a regular publications and conferences	Affiliates should enable to influence state policy seen as an opportunity to restructure so as to remain relevant	In all activities identify value creation and value proposition
	Undertake constant job quality surveys, Trade Union and job out looks commensurate with DWA and smart cities	Advocate for establishment of cross functional teams to strength the VCS and monitor the SCM through innovative, integrative, adaptive and resilient mechanisms and monitoring the job quality within those	Designing of specific education programs for workers on social and economic accountability and as retail investors, wealth creators	Establish union learning, partnerships and alliances as well as sublevel Tripartite structures and building alliances representing Demand and supply side of formalisation	Strategic imperatives of digital transformation organisational and environmental determinants
	Come up with a Union guide to inclusive urbanisation and industry development	Maintain a Zimbabwe Development and Governance watch	Inputting into economic and labour market policies	Undertake case study analysis	Future operating models for unions

16. Trade Union Recommendations to Government

Labour notes that the IE is a feature of pre-capitalist societies and exists side by side with the capitalist production system for extended period of time with an assumption that it will fade away. Labour believes that IE is outcome of capital process that conspires to keep labour costs low consequently it is key for TU to work on improving on the bargaining power of IEW, enforcement of constitutional provisions, ILS and labour market regulations which calls for expansionary macro-economic policies.

Labour implores the government to be visionary and innovative in implementing the strategies which will inform the multi-layer sub strategies, sector focused and stakeholder focused. Adaptive measures are recommended so as to engineer flexibility. Basically, the NFS needs to be tightly linked or to be embedded in operations within the TNF and well projectized to best capture change signals and minimize polarization, information loss and time lag. The strategy must enable our policies within and beyond boundaries particularly on fundamentals and standards. Therefore, the NFS should not focus on revenue and developmental needs disregarding human and social capital development. There must be indicators for these including investment targeting revival of dead capital as well as enabling entrepreneurship potential.

Labour and TU encourages the government to focus on the premise of work and ensuring that the broad and crosscutting issues of work place and workers social welfare are well provided for. Creation of new institutions and necessary linkages between the state/formal structures and the disenfranchised workers and sector and local social and economic entities needs to happen in a way which does away with the binary fallacy which emanates from a wrong assumption of formal and informal duality and what it means to formalize. The NDS1 for example should have as one of its pillars and key objectives; to achieve industrial peace through improving conditions and social welfare of workers as well as ensuring all Zimbabweans reach their full potential

Labour believes that guided by empirical studies, besides the possibility of categorizing the IE activities according to stages of development or by capacity to access finance, it also picked that IEW and IEB/firms may have formal relations with one state actor and informal links with the rest.⁵ It is therefore also possible to divide four categories of industrial organisation according to 1) Firms which undertake all the stages of production and so only depend on outside labour to a small degree, 2) Subcontracting firms which undertake single or immediate stage of manufacture 3) Firms which have access to the consumer market and control quality of the finished product within the plant and then commission outside labour for the larger proportion of the production and 4) Firms that outsource specific units, mostly marketing or distribution

Labour herewith states that this categorization will help reveal that globalisation is influential in its processes and systems which affect economic and social lives. Thus its intended and unintended impacts on labour markets and quality of jobs means that the government should work on reinforcing roles of the regulatory authorities targeting the broader forces that prompt a shift in terms of conditions of employment

⁶Economic actors may obscure the myriad activities through which IEW contribute to the economy. Globally it is agreed that the IE contributes plus or minus 61% towards the GDP⁷ whether we use multiple indicator approach, or service providers like electricity supplies, water rates. The important information for the government is that businesses go informal as informed by the cost benefit analysis and sometimes just plain

⁵Fergus Murray & Buchanan - Decline of the Mass - Collective Worker Buchana

⁶Global Policy Network 2002 (USA)

⁷I Chen, M..., R..., Jhabvala & F Lund ILO Geneva Working Paper on informal economy 2003

greed. So just one link for informal with a formal entity like ZIMRA or a bank is not sufficient and may not cause the switch where all other services and needs will follow suit. Hence the evolutionary fallacy that has misled efforts to curb economic disenfranchisement. The absence of the union and the lack representation of these workers in the periphery is what has caused the application of ILS or the provisions within the constitution to be difficult. An

The government must note the homogeneity fallacy whereby IE include large operators and corporate conglomerates who are themselves suppliers of inputs or providers of services utilized by IEW/IEB including utilities like transport, electricity bills, local authority rates, wholesalers and big retail outlets or chain stores, Holiday companies. The point here is that IE is heterogenous and the informal economy business link with various entities at different levels and in different formats which accentuates the need to formalize.

Property titling as promotion of pro-poor is one gap that we should try to close under the land reform exercise and smart cities approach. The land reform has left out swathes of dead capital which need to be activated. It is recommended to prune this process of any politics and institute urbanisation and industry development under a land administration that will yield desirable inclusive results. The process must answer to what delivers secure tenure for the workers and working poor and the architecture must seek to maintain the delicate balance between achieving equality, development and meeting social and environmental needs.

Regarding the urbanization, modernization and upscaling the image of the country is apparent to all that the Zimbabweans are not in control of the current urban centres. It has been stated that most of the building in towns and in commercialized sports are owned and controlled by foreigners. This makes it difficult for ordinary persons to anticipate a stable environment as these are mostly speculators the biggest being Indians, followed by Chinese and Mutual houses like Old mutual, the only reasonable spaces are those owned by pension houses and city council.

OL notes that Zimbabwe is not an overcrowded space neither can it be termed poor by show of reforms taking place within the financial and currency markets thus our urbanisation should;

- Be informed sustainability drivers and societal targets
- Seek to promote equality and fair integrated urban planning
- Ensure adequate funding and financing of projects as well as that for transformation processes
- Work to generate trust through establishing PPPs through community or sector driven efforts
- Establish community-based colleges for grassroots persons to acquire basic tradesmen and entrepreneurial skills
- Community based colleges to also assist in ideological grounding and change of mindset appreciative of our background, social and cultural environment
- Correlate NDS1 and urban planning
- Decentralisation and devolution to happen with deploticisation of systems
- Ensure that regulation in all areas adapts to the new context and circumstances
- Align all regulation to the constitution
- Implement proactive, multisector solutions which both preventive and curative
- Create capacities to breed talent and attract investments
- Follow an equity centered by design approach and do away with dual systems
- Promote use of agile methods to respond rapidly and anticipate citizens needs
- Promote better use of resources through procurement and use those as means of empowering MSMEs but adhering to SAZ & PRAZ systems

- Ensure data standards that inter-operability

When we have clarity on our shared vision of achieving inclusive formalisation, when have provided for institutions that are fit for the purpose then the people process must be engaged for acceleration. This includes investment motivation and capacity building for the direct implementers, providing feedback in real time and professional development. The process needs to provide space for mentoring and coaching, soft skills and negotiation capacities as well as cross cultural training. Social Partners and other stake holders must enjoy the interrogate the complex process and the public should be engaged and involved. It is often ignored that both cultural and economic factors jointly shape national character. A regression analysis based on economic and cultural indexes indicates that national level of work motivation is strongly correlated with aspects of people and their culture

There are multiple points of connection for specific measure within particular subsets which is not just tax paying or title deeds. There are issues to do with benefits and access. If spill overs are expected they must be explicitly and contextually linked to the specific responsible institutes which will be accountable to the TNF structures at the relevant levels. Different actors and stakeholders' interests makes it more than a mere technical upgrading or organising of the IEW. The active need for negotiations and conflict management as solutions cover the profit maximization and tax avoidance but there is the requirement for genuine bottom-up approach which leaves no one behind. Data informed social and economic cluster and so we propose the following formular which if applied in a dynamic manner, capturing multiple relations and applied with rigour and facilitate the necessarily pivoting of the economy.

It is clear that the economy is seized with the need to raise national income and lower unemployment simultaneously. It is apparent that the benefits of trade liberalization by passed the workers and the working poor as important no linearities were kept hidden hence policies targeting inclusion financially, economically, socially and technically were never implemented. ⁸The ZCTU paper of 1996 long informed of the effects and impact of the ESAP. ⁹As more workers were offloaded into the informal economy those still able-bodied go engaged in undocumented the economic activities albeit that the products are recognized and contributing to the GDP. Essentially there are workers employed in a formal set up whose data to do with PAYE, NSSA, NAC, ZIMDEF, Health, Education and training, financial activities, etc is not accounted for.

We therefore propose articulating the **extensive margin** (*Where firms do not register their business but use local labour*) and the **intensive margin** (*Where registered firms do not declare their workers contributing to the production and distribution of goods and services*) of informality and relating it to the effects of trade liberalization policy under ESAP and using a two step empirical methodology as enunciated by Golberg & Palviv 2003¹⁰. Another analysis was also dan by Raju Jan Sing (World Bank)& ML Goff (CPII) Jel Classification#F012, F15, 011,015 in a paper which examined the effect of trade openness and its impact on the lives of the poor which resonates with our situation in Zimbabwe. Traditional trade theory predicts welfare gains from openness of the country through specialization, investment in innovation, productivity improvement and better resource allocation. The paper provides cross-country empirical evidence of how trade openness depends on a variety of structural characteristics including some that are subject to reform. Labour therefore proposes classification of categories according to margins of informality wherefore

Process of calculation

1. Identify economically and occupied active population (EOAP)

⁸1996 ZCTU Beyond the ESAP

⁹2009 LEDRIZ Beyond the enclave

¹⁰ 2016 Cammila Cisnero-Asvedo "Trade Liberalisation effect on two margins of Informality"

- a. Identify all individuals say 16/18 years and above who are employed in legal entities such as firms, established institutions, small scale operators and self employed
 - b. These determine the universe of analysis
 - c. All unemployed are disregarded from the sample
 2. Classify their employer as formal or informal establishments
 - a. The question for workers is whether their employer is legally registered or not?
 - b. Here formal is not defined by merits but as compliment of informal
 - c. The categories by services or operations of the firm as suggested above
 3. Identify if workers employed in a formal firm engage in an employment relationship which complies with the labour legislation
 - a. Intensive margin of informality is those workers in a formal set up but declare that their income is not deducted in any way contrary to what the Zimbabwe Law dictates. ie PAYE, NSSA, ZIMDEF, NAC,
- i. Informal workers in unregistered firms = Inf_e ii. Informal Workers in registered firms = Inf_i

Workers (in) Formality	Firms (in) Formality	
	Unregistered	Registered
Informal Worker	Inf_e	Inf_i
Formal Worker		Formal

Once classified the individuals can be linked to trade data through their industry affiliation. These can be Average MFN tariffs from WTO, This can be unified with data from the RBZ and ZIMRA. We can also unify this data with other data sources eg. Several UN agencies and Labourforce surveys and compare the information in tariffs and trade flows to the data base with individual characteristics informality status and industry association which is published by ISIC

Extensive Margin Rate (EMR)

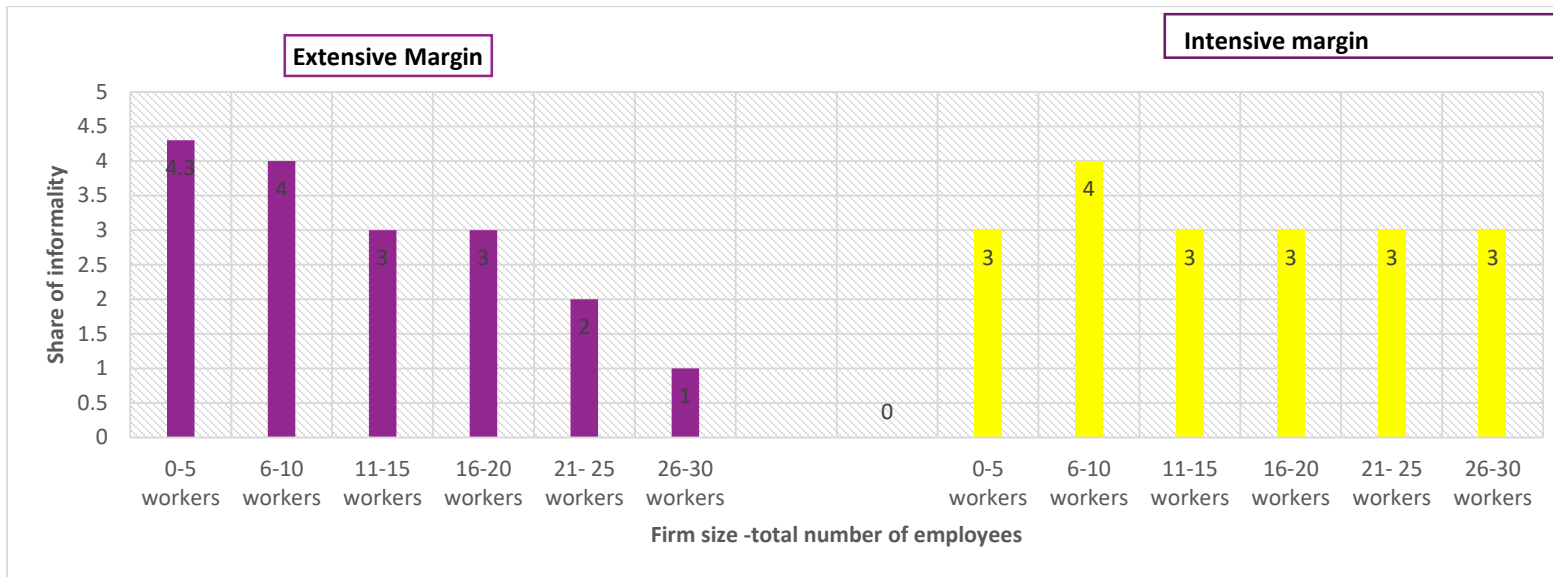
$$\frac{Inf_e}{Inf_i + Inf_e + \text{Formal}}$$

and

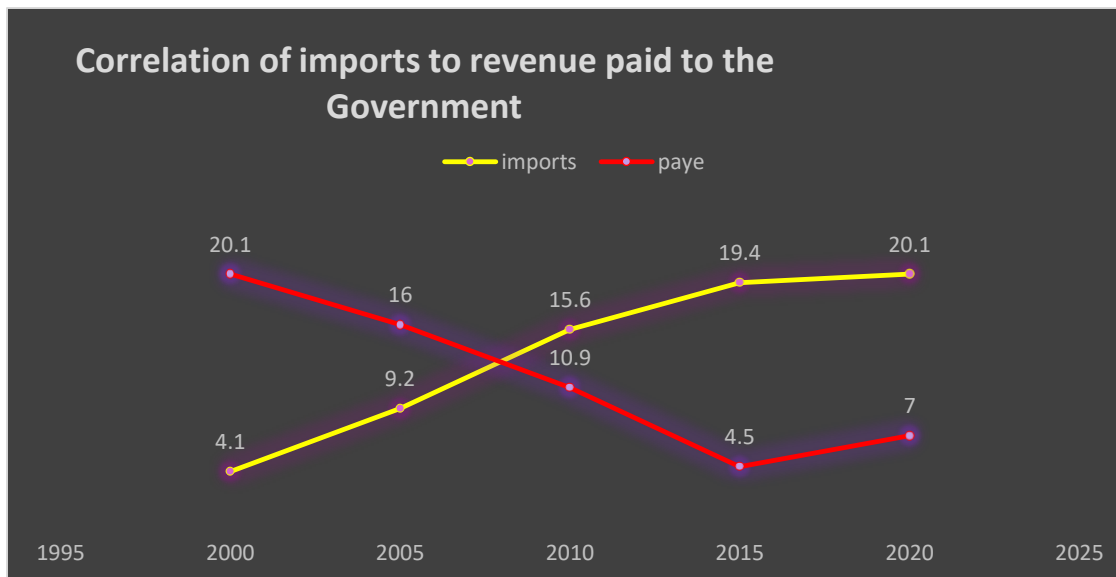
Intensive Margin Rate (IMR)

$$\frac{Inf_i}{Inf_i + Inf_e + \text{Formal}}$$

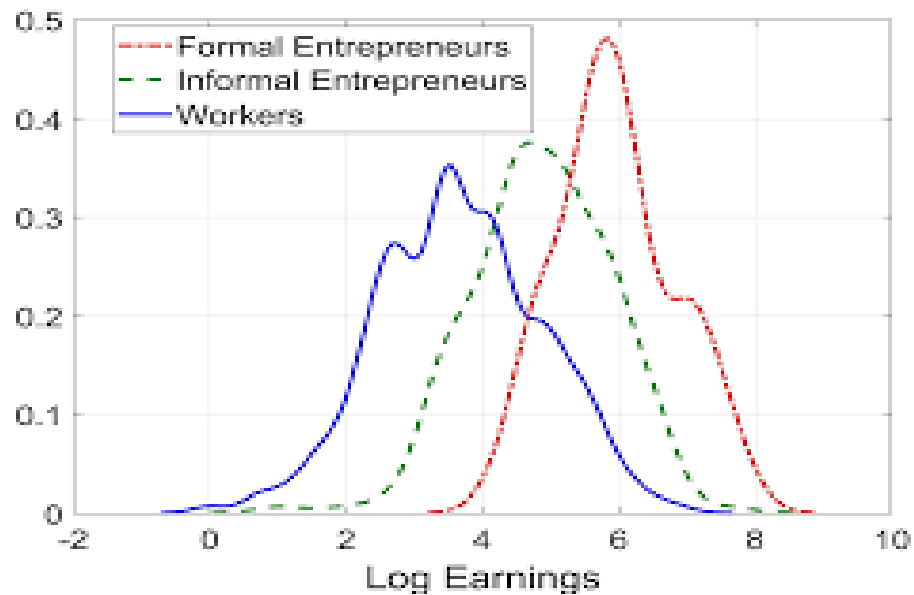
The justification for this is that according to labour, firms choose to be informal or not to be in either margin. They do so taking into account that there is a risk of detection and that they may be penalized by tax collection agencies. The streets find themselves full of vendors who are loaded with popular brands.



IMPACT OF THE CONTINUANCE OF EXTENSIVE MARGINAL RATE OF INFORMALITY



This diagram depicts that the more the imports have increased the less the revenue which the government earned. The workers going by the mantra *Nyika inovakwa ne va shandi vayo* as well as the need to **restore the workers dignity**. OL believes that going by this strategy the government must demonstrate genuiness and commitment by providing the budget for the process and. The process must not be destitute of funding , planning and involve and it must show results on a quarterly basis



Stylised data must be evoked so as to characterize the impact of trade liberalization viz the background structural issues and the objectives for development programs from an epistemological perspective. This will include the input validation and outputs validation with indicators that lean more to the issues which kept the rich getting richer and poor getting poor and workers paying the price

Conclusions

OL believes that there are two margins of informality which are distinct and relevant when seeking to address or reduce the informal economy. These margins are result of a business conscious decision to increase profits in response to the trade policies like ESAP, or those imposed by Bretton wood institute. Using descriptive statistics regarding workers employed in unregistered firms and workers in registered firms where the employment is non-compliant with the labour laws we are able to derive the effects and impact of the growth of these margins. There is therefore need for further empirical analysis so as to show the practicality of controlling and highlighting the co-relation between trade liberalization policies and the growth of the informal economy and linking that to the industrial specific probability. OL believes a strategy earmarked to succeed must be transformative with building blocks for execution, hence the step by step process begin with political commitment, budget commitments, specific tactical work around strengthening the workers' organisations, decision rights engraved, accountability elements, the aggressive strategy to improve state revenue and the BOP and oversight strategy.

It is therefore apparent that coming up with a strategy is not a technocrat job and neither is it a predictable process. Given our context this process requires a whole mixed bag of practitioners, professionals, engineers and specialists and considering that formalisation is relational and conditional and the need to change its features and some structural characteristics. Through the media and advocacy campaign the process must achieve emotional connectivity, through awareness, public education and understanding and motivation for planned effects

17. Acknowledgements

1. CWLGF
2. Development practitioners
3. Financial Analyst
4. FINSEC
5. ILO
6. Industry and development experts
7. Legal Adviser
8. Marketing Expert
9. Ministry of Finance
10. Ministry of Industry
11. Ministry of Labour
12. Ministry of MSMEs
13. NANGO
14. NSSA
15. NUIEZ
16. PRAZ
17. RBZ
18. Standards Association of Zimbabwe
19. UNCDF
20. WCOZ
21. ZCTU Political Committee
22. ZCTU Employment Creation Committee
23. ZFTU
24. ZILGA
25. Zimbabwe Association of Rural Districts Council Workers Union
26. Zimbabwe Council of Churches
27. Zimbabwe Diamond Mining Workers Union
28. Zimbabwe Environment Lawyers Association
29. ZIMRATU
30. ZIMPI SACCOs
31. Zimbabwe Urban Councils Workers Union
32. ZNCC

Examples of effects of trade liberalization

Corporate entity	Sector	IE Problem Areas
Pepsi	Food processing and distribution	No sales department
Delta	Manufacturing and distribution	Labour broking
Mining Syndicates (Chinese & ZMF)	Mining	Environmental degradation, lack of beneficiation and VCS not clear and not linked to local industry development
Indians and Chinese Community	Commercial	Insistence on trade in US , Cost of production is high
Government Policies	Are not targeting to invest in areas which facilitate improvement of livelihoods – eg cotton & china & GMOs	Developmentalist approach is not sufficient for transformation and uplifting the standards of living
NSSA & NAC + other Pension Funds	Heave the thriving informal business entities through enabling them to access cheap finance linked to professional services and oversight	The whole process to incorporate the trade unions and labour market entities so that it inputs into improving the quality of life
Media and Human & social development	While people may have acquired skills to enable their survival the system has taken from us a national pride. Its important to work on trust and confidence issues	Motivational programmes and investment in social development is paramount for creating a grounded, coerced and confident society. Valuing people and the products and services
Flexicurity	Flexicurity is an integrated strategy for enhancing, at the same time, flexibility and security in the labour market. It attempts to reconcile employers' need for a flexible workforce with workers' need for security – confidence that they will not face long periods of unemployment.	The implementation of the strategy if it happens without the strengthening of trade unions on these aspects. The role of NECS and Unions needs to be sharpened
Other Distributing companies	Herbals Cosmetics Clothing Car parts & cars Furniture Food and groceries Household goods	