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CLOSING THE REPRESENTATION GAP IN MICRO AND SMALL ENTERPRISES

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ABSTRACT

The process of increasing informalisation of the labour market is creating a gap between trade unions and a growing number of workers who have no forms of collective representation at their places of work. This has been labelled the Representational Gap. In part this gap is the result of a trend towards the decentralization of production and the accompanying outsourcing of workers to a third party. In other cases it has arisen from the trend towards casualisation, part-time and temporary employment relationships. It is sometimes a result of retrenchment of workers in the face of international competition and the drive to cut labour costs. The result of these processes is a growing number of workers engaging in survival type activities in micro and small enterprises (MSEs). In particular workers in these workplaces have no form of collective representation. This project was initiated by the International Labour Organisation and is designed to identify obstacles and opportunities for closing this representational gap.

The first phase of the study was conducted by Edlira Xhafa and involved an examination of the interdependent relationship in MSEs between labour and social protection legislation and organizational and representational strength (Xhafa, 2007). It did so by analyzing cases where, on the one hand, new legal regulations opened up better possibilities for organizing MSEs and where, on the other hand, organizing activities/strategies led to changes in legislation or law enforcement.

The second phase of the study was conducted by the alumni of the masters programme of the Global Labour University (GLU) in Germany under the direction of Professor Edward Webster from the Society, Work and Development Institute at the University of the Witwatersrand in Johannesburg. It consists of eleven country studies aimed at elaborating the dynamics between labour and social protection, and the ability of unions to organize and represent workers in MSEs. The countries are: Albania, Barbados, Brazil, Colombia, India, Japan, Korea, Nigeria, Philippines, Turkey and the Ukraine.

The report is divided into two parts. The first part covers the major trends in the MSE's in the eleven countries, the regulatory framework identified in these countries and the responses of the state, employers and trade unions to compliance with that regulatory framework. The data for this component of our report was derived from in-depth interviews by the researchers with the key actors in government, employers associations and trade unions in the eleven countries.

The second part of the report is a presentation of the findings of the implementation of a semi-structured questionnaire amongst workers in a purposive sample of MSEs in the eleven countries. Our results reveal that unionization has a direct impact on the level of security in the workplace in the MSE sector with the exception of safety at work. One possible explanation for this is that there are a large number of exemptions given in labour regulations on health and safety issues, regardless of whether there is a trade union present or not. Clearly it is a real dilemma for workers who are willing to take risks in return for danger pay. The study concludes with a number of recommendations on how to overcome the representation gap. This included the use of mapping – both vertical and horizontal - as an organizational tool. This has led to a third phase of the study to begin in October 2008.

We would like to thank the ILO Small Enterprise Development Department (SEED) and the Bureau for Workers' Activities (ACTRAV) for their support.

Closing the Representation Gap in Micro and Small Enterprises

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TABLE OF CONTENTS

INTRODUCTION 1

PART 1 5
1.1 Key Trends in the MSE sector 5
1.2 Regulatory Framework: The scope and coverage of labour laws 20
1.3 Compliance and enforcement. 28

PART 2 45
2.1 Demographic profile of respondents: 45
2.2 Comparison of MSE's – Indicators of the Decent Work Deficit 48

CONCLUSION: CLOSING THE REPRESENTATIONAL GAP 56
A PROPOSAL FOR THE NEXT PHASE OF THE STUDY 60

REFERENCES 62
APPENDIX 63

TABLES

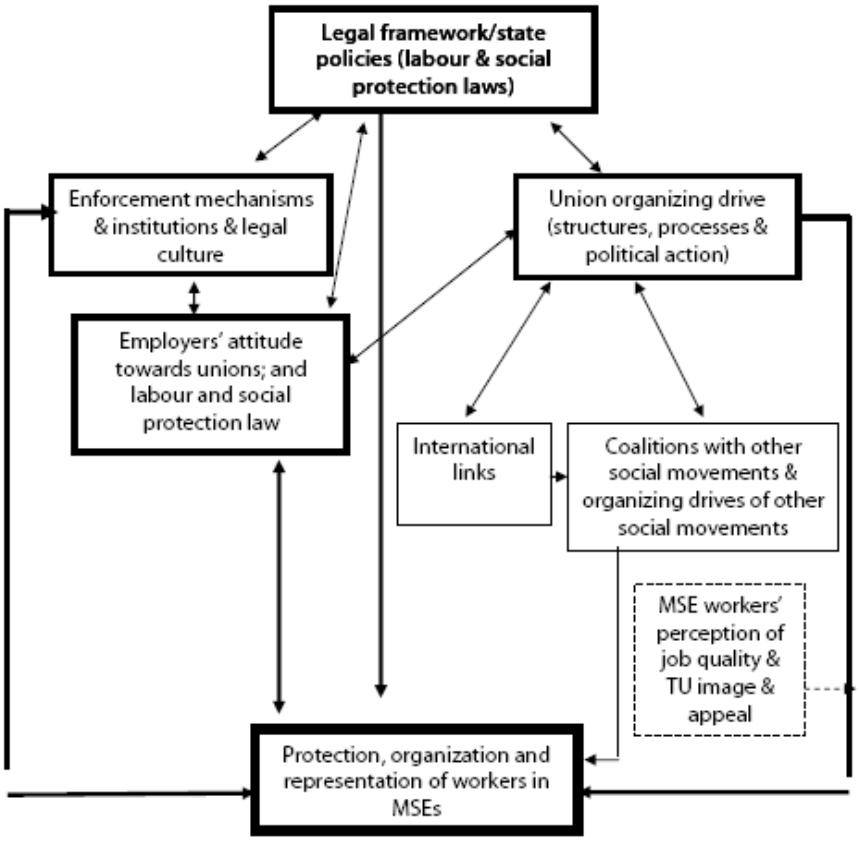
Table 1: Number of MSE workers, Brazil, 1997 7
Table 2: Number of enterprises and workers in formal sectors: 2005, Brazil 8
Table 3: Colombian micro and small enterprises 9
Table 4: Colombian MSE employees 10
Table 5: Performance of MSEs in India 10
Table 6: Employees by size of enterprise 12
Table 7: Change in working population in size of enterprise (1995-2005) 13
Table 8: Conditions of workers, size of enterprises & status of employment (October 2006) 13
Table 9: Monthly wage by the size of business and status of employment 14
Table 10: Each coverage rate of Social Insurance by the size of businesses and status of employment (%) 14
Table 11: Top Five Industries Where Most MSEs Located (2003) 16
Table 12: Employment Record of MSEs (2003) 16
Table 13: Number of Establishments by Size and Workers Employed (2004) 17
Table 14: Size of enterprise, number of enterprises and working population, Turkey (2006) 18
Table 15: Distribution of Employment Status & Enterprise Size (2006) (000s) 19
Table 16: Overall Distribution of Employment According to Sectors defined by TSI 19
Table 17: Labour Law Coverage of MSEs 26
Table 18: Summary of employers' responses to labour legislation 35
Table 19: Are there Programmes to promote compliance with labour laws? 35

Table 20: Do unions see MSEs as a priority? 36
Table 21: Organising rate of trade union by the size of businesses (Korea)..... 37
Table 22: Union density by size of enterprise (Japan)..... 37
Table 23: Are MSEs represented separately in unions? 37
Table 24: Country of respondent 45
Table 25: Gender..... 45
Table 26: Age cohorts 45
Table 27: Educational level 46
Table 28: What is your job?..... 46
Table 29: Categories of job length..... 46
Table 30: How much money do you make a week in this job? 47
Table 31: Types, Sources and Forms of Worker Power 59

INTRODUCTION

The first phase of the study involved an examination of the interdependent relationship in MSEs between labour and social protection legislation and organizational and representational strength (Xhafa, 2007). In this phase of the study, Xhafa looked at the obstacles and positive experiences in achieving better protection and representation for workers in MSEs. It did so by analyzing cases where, on the one hand, new legal regulations opened up better possibilities for organizing MSEs and where, on the other hand, organizing activities/strategies led to changes in legislation or law enforcement. This interdependent relationship is best captured in the following analytical framework:

Figure 1: The analytical framework



This figure vividly illustrates the "elaborate interaction among variables and factors that affect the issues of protection, organization and representation of workers in MSEs" (Xhafa, 2007:21). The most important variables, Xhafa argues, "are the legal framework (particularly labour and social protection laws) and the state of labour law and labour standards enforcement and compliance. Other important variables are the employers' attitude towards unions and other workers' organizations, the unions' organizing drive (which is influenced by their structures, processes and political action), the unions' international links (which

may influence unions' organizing drive), the existence or non-existence of coalitions between unions and other social movements (which may facilitate or hinder union organizing drive), and the organizing drive of other non-union social movements (which may affect union organizing drive)" (Xhafa, 2007:21-22). The web of arrows between variables indicates the dynamics of relationship between and among these variables. The arrows indicate the direction of influence, so that there are variables that influence each other (the double-headed arrows). The factor that is missing from this framework is the attitude of MSE workers to trade unions. As a result we have added in a question – Q9.4 – of whether workers in MSEs would welcome a trade union in their workplace, or not.

Arising out of this framework Xhafa posited the following hypotheses:

1. Gaps in protection, organization and representation to workers in MSEs may be attributed to four core variables, namely: the legal framework, enforcement mechanisms, employers' attitude towards unions and other workers' organizations, and the union's organizing drive as shaped by its structure, processes and political action. Of these four variables however, it is the legal framework that has the strongest impact.

2. Despite the presence of other non-union social movements that are involved in protecting, organizing and representing workers in MSEs and/or the existence of coalitions between unions and other social movements, the union, given its protective, organizational and mobilization power, is the most effective institution in narrowing or closing the organization and representation gap of workers in the MSE sector. Nonetheless, unions' coalitions with other social movements as well as the organizing drives of other social movements in the MSE sector have significant impact on addressing the protection, organization and representation needs of workers in MSEs.

3. Though labour and social protection laws determine the extent of the unions' mantle of protection, organization and representation in the MSE sector, the unions' organizing initiatives in the sector may likewise influence the extension of the protective mantle of labour and social protection legislations to workers in MSEs.

Xhafa's report (2007) is a review and analysis of existing literature inquiring into (1) the most significant variables that constrain the extension of labour law and social protection to workers in micro and small enterprises (MSEs); (2) factors that constrain organizing and representation of MSE workers; and (3) initiatives and positive experiences in extending protection, organization and representation for workers in MSEs. Discussions on the business or entrepreneurial issues as well as the growth (or stagnation) discourses affecting MSEs were beyond the scope of her study.

Research Method

The questionnaire used is in the Appendix. In all the questionnaire was implemented to 191 respondents and their responses were used to construct a common data base of information on the demographic characteristics of those interviewed and indicators of a decent work deficit were constructed to measure the level of workplace security. We identified four indicators of workplace security:

- Employment security
- Skills training
- Income security
- Safety at work

Using the statistical technique of SPSS, we were able to identify the key variables shaping working life in MSEs. Our findings suggest that unionization has a direct impact, with the exception of safety at work, on the level of security in the workplace in MSEs. We conclude the study by proposing ways in which the representational gap can be closed. We suggest that traditional ways of organizing by drawing on workplace bargaining and market-based bargaining are difficult in MSEs because of their size and the low level of skill. We suggest the need to draw on new sources of power that engage at the community and public level. We also propose mapping – both horizontal and vertical – as an organizational tool. This we suggest, could be become a third phase of the project, where the researchers attempt to implement this strategy in their respective countries. An initial trial run at a COSATU winter school workshopped the approach and it looked promising; indeed the delegates were keen to operationalise it in their respective unions.

Two qualifications:

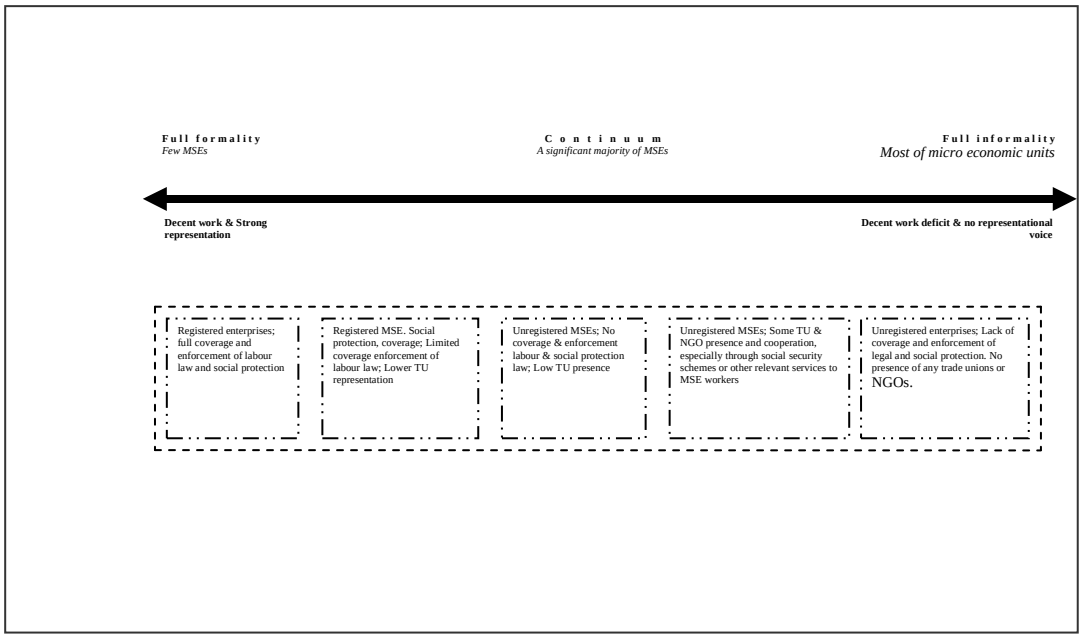
- ***Defining MSEs***. The national definitions of micro and small enterprises (MSEs) differ between the different countries although – with the exception of Nigeria and Brazil- they are all defined by the number of employees. These range from 1- 5 employees (including self-employed) in a micro enterprise and 6-20 for a small enterprise. For purposes of this study we are defining micro enterprises as enterprises with less than 5 employees and small enterprises as enterprises with less then 20 employees.

- ***Informalisation.*** An increasing number of MSEs are unregistered and are located in the informal economy. Our survey revealed that there is no sharp distinction between a formal MSE and an informal one; they are best seen as existing on a continuum with those that at one end, are covered by national labour legislation and social protection and those at the other end of the continuum who are unregistered, and are not covered by the national regulatory framework. Most enterprises can be located around the middle of

this continuum. Indeed the informal economy is often subsumed under discussions on MSEs.

This is captured in the following diagram by Xhafa (2007:14) overleaf:

Figure 2: The formality/ informality continuum



PART 1

1.1 Key Trends in the MSE sector

Four trends were identified in the country case studies:

- ***MSEs are the dominant form of enterprise*** and are growing faster than that of larger enterprises in all the countries surveyed. They range from 99% of the enterprises in Albania (if you include medium sized enterprises) to 70% in the Ukraine. They contribute substantially to the Gross Domestic Product (GDP) of their economies ranging from 20 % to 66%.

- MSEs are an ***important source of employment***. The proportion of workers employed in MSEs ranges from 66% of the total employment in Albania to 80% of the banking sector in Brazil. In the Philippines MSEs accounted for nearly 70% of the total labour force in 2003, overshadowing the large enterprises.

- ***Workplace security index.*** While governments see MSEs as a key potential driver of economic growth and employment creation, the quality of employment in MSEs is generally far worse than in other areas of the economy. The growing informalisation of work has increased job insecurity. Evidence from Korea is especially revealing as it shows how informalisation – what they call irregular work – increases as the size of the enterprise decreases. This in turn creates a significant wage gap between regular and irregular workers, as well as a loss of social insurance (national pensions, health insurance, employment insurance and retirement allowance). A similar hierarchy of disadvantage can be identified in the textile sector in Colombia.

- MSEs are concentrated in the ***service, construction and small scale manufacturing sectors***. The service sector includes wholesale and retail, eating and drinking establishments, hotels, banking services, hairdressing and motor vehicle repair; the construction sector includes the construction of buildings and their alterations; and small scale manufacturing includes the garment, textile and leather industries, fabricated metal products, furniture manufacturing and repairs, and food processing.

These four trends are illustrated in more detail in the specific country case studies below.

Albania

The Albanian economy is dominated by small and medium enterprises (approximately 99% of the total number of active private enterprises) and contributes 64% to the GDP (European Union, 2005, Cited in Xhafa, 2008). The Strategy of Business and Investment Development, 2007-2013 considers MSEs as the generator of sustainable growth, employment and poverty alleviation (Ministry of Economy, Trade and Energy, 2007, cited in Xhafa). The sector represents 66% of total employment (Ministry of Economy, Trade and Energy, 2007, cited in Xhafa). Micro enterprises, which according to Albanian legislation, employ less than five workers make up a considerable 95.8% of MSEs. Small enterprises employ six to twenty employees, have a yearly turnover of 40 million leke and are owned by those who work in them (taken from the Albanian legislation on SMEs, 2002, Article 4, cited in Xhafa, 2008). Only 0.5% of enterprises employ more than eighty employees.

The building and construction sector is amongst the pillars of the Albanian economy, both in terms of its contribution to the GDP and as the fastest growing sector. According to the Institute of Social Statistics, the number of enterprises employing one to nineteen workers comprises 82.5% of all enterprises and of these, 46% employ one to five workers (INSTAT, 2005, cited in Xhafa, 2008). The garment sector is another key sector dominated by micro and small enterprises. About 64% of the enterprises employ one to nineteen employees (European Union and the United Nations Development Programme, 2005, cited in Xhafa, 2008).

Barbados:

In the Barbados economy, MSEs have in the last fifteen years taken on a relatively new significance.

The economic and regulatory infrastructure for MSEs is given specific direction in the Small Business Development Act (1999/2006). The premise of the legislation is that an enabling environment should be provided to small businesses that demonstrate their potential to make a contribution to the social and economic welfare of Barbados. To qualify as a small business three basic criteria must be met:

- The business must be incorporated under the Companies Act;

And then any two of the following conditions must be further satisfied:

- The paid up capital in the business must be less than $1 million
- The business must earn less than $2 million in annual sales
- The business must not have more than 25 employees.

A package of incentives is available to the small business owners. These include exemptions from payment of corporation tax at the rate of 20% on profits of the business, exemption from import duty on raw materials and equipment imported for use in the business and exemption from withholding tax on dividends and interest earned in any investment in an approved small business.

Brazil

In Brazil MSEs are defined by the annual gross revenue. A micro enterprise is defined as having an annual gross revenue of less than US$ 134 078 and a small enterprise less than US$1 340 780. In 2003 the number of informal MSEs amounted to a total of 10 335 962.

The following table provides some detail on the number of workers in MSEs in Brazil and in which sector they are employed as of 1997:

Table 1: Number of MSE workers, Brazil, 1997

Sector	Number of MSE workers
Industry and Building	1 775 837
Commerce of products	3 522 833
Housing and feeding services	1 189 278
Fixing, personal and leisure services	2 318 915
Transport services	729 360

Source: Labour Annual Database of the Micro and Small Enterprises 2007/Brazilian Micro and Small Business Support Service; Inter Trade Union Department of Statistics and Socio-Economic studies

Table 2 illustrates that by 2005, the number of workers in Brazilian micro and small enterprises have almost doubled or increased significantly over the last 8 years, from 1997 to 2005.

Table 2: Number of enterprises and workers in formal sectors: 2005, Brazil

		Number of workers			
Size of enterprises	**Number of Enterprises**	**Commerce of Products**	**Services**	**Building**	**Industry**
Micro	1 799 501	2 446 701	1 969 548	283 972	1 216 148
Small	296 620	2 131 645	2 533 359	375 915	1 658 372
Medium	33 371	554 341	1 024 002	341 463	1 768 599
Big	19 414	872 502	4 983 853	244 045	1 979 893
Total	2 148 906	6 005 189	10 510 762	1 245 395	6 623 012

Source: Labour Annual Database of the Micro and Small Enterprises 2007/Brazilian Micro and Small Business Support Service; Inter Trade Union Department of Statistics and Socio-Economic studies

In Brazil, studies concluded that the micro and small enterprises represented about 98% of the commercial establishments (i.e. shops, legal places for marketing and all enterprises that sell products or services). These companies were responsible for 72% of sales value, employing about 80% of the total labour force in the section (Labour Annual Database of the Micro and Small Enterprises, SEBRAE, 2007). The financial sector has been transformed by the large banks who have outsourced their core banking functions to individual workers who open micro enterprises in drug stores, supermarkets and lottery arcades. These legal entities by-pass labour regulations through entering into a commercial contract with a large bank. The work conditions in these enterprises are extremely precarious, there are no formal contracts and workers have no on-going relationship with the employer often working by the hour (`horistas').

Colombia

The Colombian economy has grown by over 5% per annum over the period 2004 to 2007 but it has not yet led to a comparable increase in formal and contractual employment. Instead there has been an increase in micro and small enterprises, totalling 28 871 nationwide (DANE, 2005) and a growing informalisation of work. Of the total number of MSEs, 41% are unregistered, 42.3% do not perform accounting and 65.4% do not contribute financially to non-wage labour costs (DANE 2005). The Colombian Mipyme Law classifies the size of enterprises as follows:

- a micro enterprise employs up to ten employees
- a small enterprise employs between eleven and fifty
- a medium enterprise employs between fifty-one and one hundred workers
- and large enterprises employ more than 100 workers.

The Colombian case illustrates the impact of international competition; a hierarchical production pyramid has emerged and larger enterprises manage to remain internationally competitive under relatively stable conditions. At the lower end of the pyramid, maquila workers labour in precarious conditions and the employers, far from being entrepreneurs, are more aptly described as subsistence entrepreneurs.

Six structural problems create a cyclical continuation of their position at the bottom of the production pyramid:

- They are labour intensive, engage with obsolete technology and their informal status excludes them from accessing credit
- Absence of employment contracts creates worker insecurity
- General administration is poor and inefficient
- Clients are reluctant to pay
- Competition is cut throat
- They are staffed predominantly by female workers who assume double responsibilities at work and home.

There is no conclusive data available on the number of employees in Colombian MSEs. The Active Economic Population of Colombia is 21 125 000 people out of a population of 46 438 000. The number of micro-enterprises in Colombia has grown steadily over the past 15 years, from 1990 to 2005 as is illustrated in Table 3:

Table 3: Colombian micro and small enterprises

Size	1990	2005
Micro	933 789	1 336 051
Small	32 649	46 200

Source: National Census 2005, Observatorio Colombiano de Microempresas

The Departamento Administrativo Nacional de Estadísticas (DANE) only collects information for MSEs employing 10 or more workers. According to the 2005 Census, in micro-enterprises (companies employing one to ten workers) nationally, the picture of those employed in MSEs is as follows:

Table 4: Colombian MSE employees

Size	2005
Sole worker	49.7%
2 – 5 workers	45.4%
6 – 10 workers	4.9%

Source: National Census 2005

India

Under the Micro, Small and Medium Enterprise Development (MSMED) Act, 2006, the definitions and coverage of the MSE sector have been broadened and recently the government of India has taken steps to revitalize the MSME sector. The measures include implementing the Act as well as a "package for promotion of micro and small enterprises", which includes measures addressing concerns of credit, fiscal support, cluster-based development, infrastructure, technology and marketing, along with capacity building for MSME associations and support for women entrepreneurs.

In the Indian Economic Survey (2007-2008) it is stated that "micro and small enterprises provide employment to an estimated 31.2 million persons in the rural and urban areas of the country" (www.indiabudget.nic.in). Indeed between the years 2003 and 2007 the number of enterprises, production, employment and exports in the MSE sector grew consistently. As of March 2007, it is estimated that there are about 1 284 400 MSEs in India and this accounts for approximately 39% of gross value of output in the manufacturing sector.
Table 5 best captures the trend described above:

Table 5: Performance of MSEs in India

	Number of units (000s)					
Year	Regis-tered	Unregis-tered	Total	Production (Rupees millions)	Employment (000s)	Exports (Rupees millions)
2002-2003	16.03	93.46	109.49	3,06,771 (8.7)	263.68 (4.5)	86,013 (20.7)
2003-2004	17.12	96.83	113.95	3,36344 (9.6)	275.30 (4.4)	97,644 (13.5)
2004-2005	18.24	100.35	118.59	3,72,938 (10.9)	287.55 (4.5)	1,24,417 (27.4)
2005-2006	19.3	104.12	123.42	4,18,884 (12.3)	299.85 (4.3)	1,50,242 (20.8)
2006-2007	20.32	108.12	128.44	4,71,663 (12.6)	312.52 (4.2)	N/A

Source: Office of the Development Commissioner (MSME); figures in brackets indicate percentage growth over previous year

There are about 17 million unorganized manufacturing enterprises employing more than 36.4 million people (NSS data – 61st Round). About half of the employments in the unorganized sector are self-employed persons and those engaged in household industry. A significant number of wage employees are employed as domestic servants and other household services. Also a significant number of wage employees are also employed in very small establishments, employing on average five to eight workers each. Manufacturing units in the unorganized sector employ an average of five to eight employees to one employer. All enterprises which are either registered or come under the purview of any one of the following Acts, namely the Indian Factories Act 1984, the Company Law, the Shops and Establishment Acts of the State governments, or factories employing less than ten workers where power is used in manufacture and less than twenty workers where power is not used in manufacture, are defined as part of the organized or formal sector. Self-employed, unregistered enterprises and household industries which are not regulated by any of the Acts above are classified as unorganized or part of the informal sector. It also includes daily wage workers, domestic workers, street vendors, waste pickers, construction workers, lorry-drivers, cleaners, taxi-drivers, scooter-rickshaw drivers, mathadi workers, coolies, porters, tiffin carriers, those employed or self-employed in very small shops, those providing services and home-based work.

Japan

As of 2004, there are 3,776 863 small enterprises in Japan, which comprises 87.1% of the total number of enterprises (MIC, Establishment and Enterprise Census of Japan, 2005). Small enterprises are defined as less than twenty regular employees and less than four in the wholesale and retail trade as well as in eating and drinking places. MSEs are concentrated in wholesale/retail and eating/drinking sectors. It is important to note that intensified competition is leading to a decline in large and small enterprises. In 1999 there were 4 836 763 small enterprises in total. By 2001 there were 4 102 169 small enterprises and in 2004 there were 3 776 863 small enterprises in total.

By 2007, there are only 1707 000 small enterprises and this is detailed in table 6 below:

Table 6: Employees by size of enterprise

Industry	Total	1-29 persons	30-99 persons	100 -499 persons	500-999 persons	1000 persons or more	Government	Not elsewhere classified
Total	5523	1707	892	1007	338	999	536	44
Agriculture and Forestry	45	34	5	3	1	0	1	0
Non-agricultural industries	5478	1672	887	1004	337	999	534	44

Source: Ministry of Internal Affairs and Communications "Labour Force Survey"

Korea

Since the Korean financial crisis in 1997, the number of jobs in large enterprises has been declining while there is an increase in the number of jobs in the MSEs. The number of micro enterprises (employing less than four workers) increased from 2 377 175 in 1995 to 2 678 656 in 2005, whereas the number of large enterprises (employing more than three hundred employees and less than five hundred employees) decreased from 1 500 to 1 247 during the same period (Korea National Statistical office, 1995-2005). Indeed Table 7 details the growth of MSEs in Korea over the ten years from 1995 to 2005:

Table 7: Change in working population in size of enterprise (1995-2005)

	Total	1-4	5-9	10-19	20-49	50-99	100-299	300-499	500-999	More than 1000
1995	2,771,068	2,377,175	210,512	94,085	59,895	17,375	8,952	1,500	1,015	559
1996	2,807,802	2,400,242	222,765	96,336	59,434	17,091	8,864	1,426	1,026	618
1997	2,853,673	2,461,751	217,736	89,623	56,739	16,367	8,603	1,375	933	546
1998	2,785,659	2,438,466	188,802	82,269	50,766	15,048	7,821	1,181	825	481
1999	2,927,330	2,538,389	217,784	90,692	54,151	16,157	7,767	1,182	808	400
2000	3,013,417	2,570,762	246,124	107,399	60,858	17,935	8,143	1,185	700	311
2001	3,046,554	2,576,681	264,706	112,664	62,668	18,502	8,859	1,324	809	341
2002	3,131,963	2,635,372	281,309	119,272	65,799	18,926	8,811	1,365	739	370
2003	3,187,916	2,680,171	293,350	117,426	66,213	19,378	8,909	1,355	755	359
2004	3,189,890	2,694,469	282,485	115,707	65,115	20,406	9,154	1,339	847	368
2005	3,204,809	2,678,656	299,104	124,705	68,794	21,737	9,441	1,247	775	350

Source: Korea National Statistical Office (www.kosis.kr) / Cited the KCTU, Policy on SMEs and Organizing Plans (2007:132,Table 1)

The growth in the number of MSEs has been accompanied by an increase in the employment of what Koreans call `irregular work'. As Table 8 below indicates, there are now more irregular workers (8 446 000) than there are regular workers (6 907 000) in the country.

Table 8: Conditions of workers, size of enterprises & status of employment (October 2006)

Size of business	Number (thousand)			Ratio (%)		
	Regular worker	Irregular worker	Total	Regular worker	Irregular worker	Total
1 to 4	390	2694	3084	2.5	17.5	20.1
5 to 9	766	1809	2575	5	11.8	16.8
10 to 29	1445	1823	3268	9.4	11.9	21.3
30 to 99	1795	1230	3025	11.7	8	19.7
100 to 299	1045	516	1561	6.8	3.4	10.2
More than 300	1466	374	1840	9.5	2.4	12
Total	**6907**	**8446**	**15353**	**45**	**55**	**100**

Source: Yu sun Kim (2007)/ cited policy discussions on MSEs (KCTU, 2007)

Moreover, comparing the wage of the irregular workers which employ more than 300 employees with irregular workers in enterprises that employ less than four workers, the wage gap increases between regular and irregular workers at the micro enterprise level compared to the large enterprise level, as Table 9 below illustrates.

Table 9: Monthly wage by the size of business and status of employment

Size of business	Monthly income (unit: Million Won)			Wage gap (regular workers wage which more than 300 businesses= 100)		
	Regular	Irregular	Average	Regular	Irregular	Average
1 to 4	165	94	103	59.4	33.6	36.9
5 to 9	186	110	132	66.7	39.5	47.6
10 to 29	208	122	160	74.8	43.8	57.5
30 to 99	227	130	188	81.6	46.9	67.5
100 to 299	229	147	202	82.4	52.9	72.6
More than 300	278	189	260	100	67.9	93.5
Total	**226**	**116**	**166**	**81.3**	**41.7**	**59.5**

Source: Yu sun Kim (2007)/ cited policy discussions on MSEs (KCTU, 2007)

The most striking comparison is the high proportion of workers in MSEs that are excluded from national pensions, health insurance, employment insurance and retirement allowance, as Table 10 below shows.

Table 10: Each coverage rate of Social Insurance by the size of businesses and status of employment (%)

	National Pension			Health Insurance			Employment Insurance			Retirement Allowance		
	Reg.	Irreg.	Avg.	Reg.	Irreg.	Avg.	Reg.	Irreg.	Avg.	Reg.	Irreg.	Avg.
1 to 4	82.6	12.1	21	82.3	12.4	21.2	75.6	10.6	18.8	85.9	4.6	14.9
5 to 9	96.2	26.6	47.3	95.7	27.2	47.6	89.2	24.8	43.9	95.4	10.9	36
10 to 29	98.9	40.1	66.1	99.4	42	67.4	85.9	38	59.2	98.3	22.4	55.9
30 to 99	99.4	54.4	81.1	99.9	55.9	82	77.3	51.4	66.7	99.2	35.3	73.2
100 to 299	99.7	66.5	88.8	99.9	67.2	89.1	85.4	64	78.3	99.6	46.1	81.9
More than 300	99.9	76.2	95.1	100	77	95.4	83.5	71.7	81.1	99.5	56.7	90.8
Total	**98.1**	**33.6**	**62.6**	**98.4**	**34.5**	**63.2**	**82.9**	**31.5**	**54.6**	**98**	**19.1**	**54.6**

Source: Yu sun Kim (2007)/ cited policy discussions on MSEs (KCTU, 2007)

The Korean National Statistical Office reports that the majority of employees in MSEs (1 - 4 employees) in Korea tend to be concentrated in the following five sectors: the wholesale and retail sale sector (781 088 businesses and 1 405 727 employees), the lodging and restaurant sector (560 008 businesses and 1 135 804 employees), the public, repair, personal service sector (331 026 businesses and 498 190 employees), the transportation sector (326 246 businesses and 358 021 employees) and the manufacturing sector (216 161 businesses and 439 790 employees).

Nigeria

In Nigeria MSEs are classified both according to the number of employees and the value of their assets (excluding land and buildings):

- micro enterprises employ less than ten employees and have assets less than N5 million
- small enterprises employ between 10-49 employees and have assets of N50 – N500 million.

However, employment takes precedence over assets when classifying Nigerian MSEs. For instance, if an enterprise has assets worth N7 million but employs seven persons, the enterprise would be regarded as micro.

In 2001 it was estimated that there were 6.49 million non-agricultural micro enterprises employing 8.97 million workers (National Policy on MSMEs 2006:14). The majority of those employed in this sector are either in the wholesale or retail trade (49%) or manufacturing (30%), with significant numbers of workers in vehicle repair (3.2%), transport (2%), hotels and restaurants (2.6%) and building and construction (1.8%). Manufacturing is dominated by food processing (18.7%), textile, clothing and leather goods (3.8%), wood and wood furniture (3.3%) and metal products (1.1%).

In Nigeria the typical micro enterprise is operated by a sole proprietor/manager assisted mainly by unpaid family members and occasional paid employees or `apprentices'. Thus most MSEs are very small scale operations staffed by family members and some staff on an ad hoc basis. These family members are not paid but receive stipends for their up keep.

Output is very low; a recent survey of the informal economy estimated that on average N15 000 per annum. The level of technology and skills is also very low. Funding is mainly from individual resources, with a little help from family and traditional mutual fund societies (esusu). Bank loans are rarely sought and more often, rarely obtained.

Philippines

Micro and small enterprises are omnipresent in the Phillippine economy.[1] Latest data show the sector accounting for 99.2% of all establishments in the country and employing about 62 per cent of all employment generated (NSO, 2004). The MSE sector contributes 32% of the country's GDP. In fact, it accounts for about 30 per cent of the total sales and census value-added in the manufacturing industry. About 25% of the country's exports and revenue come from MSEs.

The top five industries where MSEs were located in 2003 are illustrated in Table 11 below.

Table 11: Top Five Industries Where Most MSEs Located (2003)

Industry	No. of Establishments
Wholesale and retail trade	434,379
Manufacturing	122,083
Hotels and restaurants	88,563
Other community, social and personal services	40,250
Real estate, renting and business activities	38,579

Source: Department of Trade and Industry Bureau of Small and Medium Enterprise Development. 2005/July. Small and Medium Enterprises Statistical Report.

In terms of employment, MSEs' record of job generation overshadows the large enterprises, providing jobs to 3,877,369 people or almost 70 per cent of the total labour force in 2003. Micro enterprises generated almost 38% of the total. Table 12 below provides the employment distribution in the sector.

Table 12: Employment Record of MSEs (2003)

Size	No. of Employed	% to Total Labour Force
Micro	2,152,105	37.7
Small	1,321,436	23.1
Medium	403,828	7.1
Total for MSEs	*3,877,369*	*67.9*
Large	1,832,905	32.1

Source: Department of Trade and Industry Bureau of Small and Medium Enterprise Development. 2005/July. *Small and Medium Enterprises Statistical Report.*

1 Micro enterprises are those business activities or enterprises with total assets, inclusive of those arising from loans but exclusive of the land on which the particular business entity's office, plant and equipment are situated, of not more than Php3 million and employing 1 to 9 workers, while small enterprises have assets of over Php3 million up to Php15 million and employing 10 to 99 workers.

Of the total 783,923 establishments in the country, 713,566 or 91% are micro generating nearly 40% of total employment and 64,501 or 8.2% are small accounting for nearly 26% of total employment. This means that almost all establishments in the country are micro and small generating about 62% of total employment as Table 13 below shows.

Table 13: Number of Establishments by Size and Workers Employed (2004)

Size	No. of Establishments		No. of Workers	
	Number	% to Total	Number	% to Total
Micro	713,566	91.0	2,075,005	36.8
Small	64,501	8.2	1,428,455	25.3
Medium	2,980	0.4	403,069	7.1
Large	2,876	0.4	1,736,658	30.8
Total	**783,923**	**100.0**	**5,643,187**	**100.0**

Source of data: National Statistics Office, Industry & Trade Statistics Department, 2004 List of Establishments.

Turkey

According to Law No: 3624 (Law for Improving and Supporting Small and Middle enterprises), the official definition of small enterprises is an enterprise employing one to fifty employees and a medium enterprise employs fifty-one to one hundred and fifty employees. There is no distinct and defined category for micro-enterprises in the law. According to the Turkish Statistical Institute (TUIK), the total number of micro enterprises across all sectors amounted to 1 633 509 as of 2002, or 89.7% of the total number of enterprises in the country and 53 246 for small enterprises or 8.3% of all enterprises. The total number of employees in enterprises in the manufacturing sector (which includes the metal sector) was 31.4% for micro enterprises and 42.9% for small enterprises. Table 14 illustrates the number of MSEs in Turkey as of 2006:

Table 14: Size of enterprise, number of enterprises and working population, Turkey (2006)

Size of Enterprises	Number of Enterprises	Number of compulsory insured person
1	395,256	395,256
2-3	289,967	682,038
4-9	212,769	1,211,144
10-20	74,853	1,026,036
21-29	21,110	517,460
30-39	13,582	462,398
40-49	9,080	400,493
50-59	3,385	182,830
60-69	2,351	151,009
70-79	1,946	144,521
80-89	1,467	123,772
90-99	1,253	118,115
100-149	3,726	451,662
150-199	1,870	321,463
200-249	1,047	232,247
250-299	700	191,249
300-349	429	137,954
350-399	309	115,088
400-449	235	99,138
450-499	157	74,229
500-549	121	63,411
550-599	125	71,427
600-649	91	56,818
650-699	74	49,980
700-749	53	38,490
750-799	35	27,196
800-849	34	28,101
850-899	36	31,414
900-949	28	25,921
950-1000	32	31,195
1001+	207	356,587
Total	1,036,328	7,818,642

Source of data: Database of Social Security Institution, 2006

In 2006 the total number of micro enterprises has increased over the last four years from 2002 to 2006, as Table 15 shows:

Table 15: Distribution of Employment Status & Enterprise Size (2006) (000s)

Size of Enterprises	Employee-Regular	Employee-Casual	Employer	Self Employed	Unpaid Family Worker	Total
1	176	137	0	2,337	0	2,650
2	731	331	304	1,822	1,282	4,470
3	601	216	257	615	863	2,552
4	492	173	163	279	580	1,687
5-9	1,320	420	270	189	496	2,695
10-24	1,398	175	121	4	39	1,737
25-49	1,927	89	54	0	6	2,077
50+	4,373	58	32	0	1	4,463
Total	11,017	1,600	1,201	5,246	3,266	22,330

Source of data: Turkish State Institute

The next table, Table 16 shows that micro enterprises with 2 workers tend to be concentrated in the agricultural sector (2 300 000 enterprises) followed by the retail, hotel and restaurant sector
(1 078 000 enterprises).

Table 16: Overall Distribution of Employment According to Sectors defined by TSI

	1	2	3	4	5-9	10-24	25-49	50+	Total
Agriculture	775	2,300	1,251	795	750	136	46	35	6,088
Mining	0	1	1	3	9	9	19	86	128
Manufacturing	229	262	227	177	501	474	579	1,737	4,186
Electricity, Gas and Water	0	0	1	1	4	7	15	64	92
Construction	145	166	157	127	312	128	111	120	1,266
Retail, Hotel and Restaurants	805	1,078	639	413	699	390	344	364	4,732
Transportation and Communication	308	239	49	35	84	77	123	247	1,162
Financial Institutions	67	113	93	59	115	111	156	297	1,011
Social Services	320	310	134	78	220	405	684	1,514	3,665
Total	2,649	4,469	2,552	1,688	2,694	1,737	2,077	4,464	22,330

Source of data: Turkish State Institute

Ukraine

Ukraine law does not distinguish between small and micro enterprises. In 2005 there were over 205 300 (69.9% of all enterprises) MSEs (excluding agriculture and banking) employing around 1 834 200 workers. This amounts to 19.6% of total employment. MSEs' share of GNP fell from 8.5% in 2000 to 5.5% in 2005, while the share of GDP reached 11% in 2006. However while the number of MSEs increased in 2007, the rate of employment creation has declined.

1.2 Regulatory Framework: The scope and coverage of labour laws

A key challenge facing governments is developing the appropriate regulatory mix for MSEs. Too much state intervention leads to enterprises evading the law and entering the informal economy; too little intervention allows the `unregulated 'market to regulate the conditions of work. This increases the decent work deficit, creates greater work insecurity and removes social protection from vulnerable employees.

A successful regulatory framework involves reconciling three potentially contradictory goals:

- Fostering enterprise and employment growth,
- Ensuring job quality,
- Encouraging the growth and formalization of MSEs, in particular by taking due account of their ability to sustain regulatory burdens. (Fenwick, et al, 2007:9)

Labour legislation is one of the key instruments for developing a regulatory framework. There are two separate but related aspects of labour law. The first is the scope and coverage of labour laws themselves; the second is the application of labour laws to MSEs in practice (Fenwick et al 2007:9).

As Fenwick et al argue, states generally take one of four different approaches. Some countries, such as China, make no exception in the scope of their labour laws for MSEs. A diametrically opposite approach is to completely exclude all enterprises below a threshold number of employees from the application of labour law, such as Pakistan. A third approach is to develop a `parallel labour law regime'; that is, a labour law specifically designed to apply to MSEs. The most common approach, however, is to exclude MSEs from some particular requirements of the labour law.

Our survey confirmed this except that we found no examples of parallel labour law. However the study also revealed that in some countries, MSEs are not covered by labour law at all. It was possible to classify some of them in either the first or the second categories (full application/complete exemption) and the majority in the fourth (selective application), the two ex –state socialist countries

do not fit into any of them as the law is supposed to cover all enterprises (full application) but in practice they are all exempted (complete exemption). To accommodate this anomaly, we have combined 1 – full application – with 4 – complete exemption.

1. Full application in theory, complete exemption in practice.

This can be applied to the Ukraine and Albania.

Ukraine is a society in transition from state socialism to capitalism and retains, in the Labour Code of Ukraine, much of the protection of workers it inherited from the Soviet Union. Each employer is obliged to pay social insurance dues for each employee with whom they have a contract of employment. Each employer is obliged to provide an office and meeting premises for the trade union, and transfer 0.3% of their wage funds for the cultural, physical and recreational activities of the union. Employers are also obliged to enter collective bargaining agreements with the union and are fined if they do not bargain. The Labour Code of Ukraine also provides broad rights to unions and worker representatives to participate in management decision-making including the appointment and dismissal of directors, the management of social insurance funds and profit sharing. However in practice labour legislation is contradictory. For example, the Law of Wages allows parliament to introduce minimum wages but they are set below subsistence level and can be temporarily withdrawn for up to six months if an enterprise is in financial difficulties. The Law on Work Protection also provides for different forms of enterprise health and safety for enterprises that employ less than 50 employees.

Albania is a society in transition from a state controlled economy where the labour laws are supposed to apply to all enterprises regardless of size. Albanian Labour Law makes no particular reference to MSEs. Indeed this approach of ignoring MSEs was confirmed in an interview with the Director of the Legal Department in the Ministry of Labour, Social Affairs and Equal Opportunities. Similarly, the Social Contributions Regulation stipulates that all persons, whether employed or self-employed, are obliged to contribute to the Social Security System. As our country study of Albania observes: ` The labour law like other laws in Albania appears blind to the reality of the SMEs in Albania. This is more so in the light of the widespread evidence that most SMEs operate either as informal (as in the case of micro enterprises) or in some degree of informality".

2. **Selective application**

Barbados, Brazil, Colombia, India, Nigeria, South Korea, Philippines, Japan and Turkey selectively apply labour laws to MSEs.

In Brazil there is exemption of enterprises below a certain threshold size from the general labour laws, requiring MSEs to comply with a separate or `parallel ' labour law regime. MSEs are exempt from certain obligations in terms of the Regime of Social Security and labour law, but the Laws of Micro Enterprises and Small Companies of 1999, applies a simplified and distinct legal regime to MSEs. This law arises from the constitution that guarantees MSEs `differential legal treatment' and `distinct and favoured judicial treatment' with the purpose of promoting MSEs through the provision of simplified administrative tax, credit and social welfare regimes. The 1999 law provides MSEs with a distinct legal regime in relation to administration, taxation, social security, and credit and business development. However such support for MSEs does not take into account working conditions and social protection thus enabling unscrupulous employers to exploit workers. The Labour Law (called C.L.T.) applies to all workers and guarantees the minimum conditions of work and payment but most MSEs do not follow the law.

In Colombia, there are no general exemptions for MSE compliance with national labour legislation. There is a lack of capacity or political will to ensure that labour legislation is complied with in MSEs. This is due to the nature of attachment of the MSE to local, national or global production chains. That is, they function in a satellite manner (or in a pyramid production hierarchy) which constrains regulation. The fusion of state ministries (the Labour Ministry to the Health Ministry which has resulted in the formation of the Ministry for Social Protection) has led to administrative overload of this branch of the state and thus a reduction on functional capabilities. There is certain legislation that purports to stimulate the creation of micro and small enterprises via offering reductions in the amount of 'extra' employer contributions (parafiscales) assigned to government institutions (Instituto de Bienestar Familiar, SENA – Servicio Nacional de Aprendizaje, and la Caja de Compensación), this only stands for a period of three years, maximum, broken down in the following manner: Law 590 of the year 2000, article 40, states that any micro, small or medium enterprise that begins functioning after this law's ratification, is obliged to, in its first year of operation pay only 25% of the official 'parafiscales' contributions. In the second year of operation, the employer must contribute 50% of the official 'parafiscales', and in the third year of operation, the employer must contribute 75% of the official 'parafiscales'. Nonetheless, this law is not only for MSEs but also for medium enterprises. Furthermore, other national laws such as the Law 789 of 2002 and the Law 905 of 2004 also offer certain reductions in employer tax contributions aimed at stimulating both the 'formalization' of firms, employment and the creation of firms. However, these laws are, overall, not directed principally at MSEs but rather any enterprises, irrespective of their size. Thus there are no explicit exemptions

concerning labour law compliance for MSEs. What does occur, however, is that due to the abundance of MSEs and their linkage to larger firms in a 'satellite' manner (as well as pyramid production), together with the institutional merger of the Ministry for Health and the Ministry for Labour (under the Ministry for Social Protection), is that the ability to ensure compliance with such legislation is minimal.

Barbados has very little formal labour legislation by comparison with its neighbours. However the existing legislation does not take into account the size of the enterprise. Workers' rights in Barbados are universal and cover all employees, whether employed in large businesses or MSEs. Several pieces of legislation combine to form a network of rules and regulations that essentially protect employees in their place of employment. Employers have not had any major complaints about size and existing legislation but there is a preference for the issue of size and administrative capability to be taken into account with the new employment and safety and health legislation. Many MSEs are of the view that the new requirements under this proposed legislation will lead to increased costs. The Labour Department of Barbados is mandated to ensure that the provisions set down in the Labour Legislation of Barbados – Chapters 23-47 and Chapters 160-362 - are complied with. The legislation makes provision for protection of wages, severance pay and trade union protection, safe working conditions, unemployment benefits, social security, safeguards against occupational diseases and the right to holiday with pay. All registered companies must pay national insurance on behalf of their employees. The existing legislation does not take into account the size of the enterprise. Employers have not had any major complaints about the legislation in relation to the size of the enterprise. There is a preference for the issue of size and administrative capability to be taken into account with the new employment and safety and health legislation. Some SMEs have established Human Resources Departments to comply with the employment legislation.

In Nigeria, micro enterprises are not exempted from the labour law but the scope of coverage is for enterprises of 5 employees or more. In Nigeria micro enterprises are exempt from the National Minimum Wage.

MSEs in Japan are regulated by the Small and Medium Enterprise Basic law (known as the SME Basic Law and amended in 1999) and is based on the philosophy that MSEs require special support as they are a `potential driving force for revitalizing the economy'. Article 19 of the SME Basic Law requires the state to `take the necessary measures to help employers further proper labour relations and improve the welfare of employees in MSEs, develop vocational training and employment service programs and take necessary measures to acquire the labour force they require'. Although the SME Basic Law requires the state to provide measures related to labour conditions and training in MSEs, they are provided to employers as a subsidy. The Labour Standards Act (Article 40) permits enterprises

with less than 9 employees to extend working hours beyond the normal limit and Article 89 of this Act exempts these same employers from drawing up and notifying employees of rules of employment. In the case of the Industrial Safety and Health Act, MSEs are exempt from certain provisions of this Act relating to the appointment of health and safety officers. As such, there is no complementary relationship between the labour laws and the SME Basic Law.

In the case of Korea, the Labour Standards Act covers all employees in terms of wages, working hours, health and safety, compensation and rules of employment. In micro enterprises, that is those employing 4 or fewer employees, the following provisions of the Act do not apply to this particular category of employees: the provisions which pertain to the restriction on dismissal, retirement pay, monthly paid leave and annual paid leave, menstruation leave, statutory allowance and the restriction of working hours.

Although Turkish labour legislation does not exclude MSEs from the provisions for collective representation, the sectoral and workplace thresholds in the legislation, as well as the requirements for the Public Notary process, are barriers to Turkish workers organizing trade unions. In addition, enterprises with less than 30 employees are not protected against unfair dismissal and enterprises employing less than 20 employees can collectively dismiss staff without advance notice or consultation. MSEs are also excluded from the statutory requirements for a health and safety committee to be established.

In the Philippines, in principle, the Constitution provides the exercise and enjoyment of the core labour rights to all workers, regardless of size, sector and nature of the enterprise. Except ILO Convention 29, the country has ratified all core conventions. The Labour Code purports universal applicability of its provisions to all employees in all registered establishments, including micro and small enterprises. Whilst it accords the right to self-organization to all workers or employees, and to form, join or assist labour organizations for purposes of collective bargaining (Foz, 1998: 131), the Labour Code limits union organizing in enterprises with at least 10 workers.

The absence of a labour protection dimension is evident in the two major laws that provide the enabling legal environment for the promotion and growth of MSEs in the Philippines – Republic Act (RA) 6977 or the Magna Carta for Small Enterprises and RA 9178 or the Barangay Micro Business Enterprises (BMBE) Act of 2002. In fact, the BMBE Act automatically exempts micro enterprises from minimum wage law after registration. Here is a case where formalization (through registration) is induced or motivated by "cheapening" labour. The 1997 Social Security Law also covers agricultural workers who are not paid any regular daily wage or who do not work for an uninterrupted period of at least six months, household helpers, informal sector workers, parents employed by children, and minor employed by parents. As of June 2006, there were 26.4 million individuals registered with the SSS (SSS website) or 79 percent of the total employed (33.23

million) in July 2006. Because the SSS lumps together the self-employed and voluntary members, it is difficult to ascertain the number of workers from micro and small enterprises that contribute and thus are covered by the SSS. The present contribution rate of SSS is 9.4 percent of pay, 6.07 percent is the employer's counterpart and 3.33 percent the employee's share. This implies that for many workers in the MSE sector who may not be even receiving the minimum wage, the SSS contribution indeed represents a financial burden. This is one of the reasons why SSS coverage in the MSE sector is low.

3. No labour laws

In India, there are laws enacted by the central government and those enacted by the state government. There are state laws for regulating labour and providing labour rights for the employees in the workplace. There are hardly any regulations for MSEs in India. The only regulation prevalent is the Payment of Wages Act and the notification on minimum wages which the state government issues every three years. These are grossly violated by employers in MSEs. Employment in the informal sector as well as in informal jobs continues outside of the informal sector to be significant and is growing and becoming more complex. Regular full-time work is being replaced by non-standard arrangements or informal jobs. Examples of the emerging forms of employment include part-time, part-year, fixed term employment contracts, jobs arranged by temporary help agencies or contract firms, casual employment, contract labour and home based work. In the 'informal sector' there is low income, lack of social security and an absence of legal protection. In most cases the employer-employee relation is absent and if it does exist, it is difficult to prove legally. The workers who work in this sector are called contract workers, temporary workers, casual workers or daily wage workers. In India the identity of the worker depends on the identity of the employer. In the 'informal sector' the factories are small in scale and employ less than 10 workers. Labour relations are based on casual employment and or social relationships. There are no formal contracts and the employer/employee relationship is not formalized. The workers are unaware of their rights and have little negotiating or bargaining power with their employer. Most of the employers break up the manufacturing enterprises into smaller units which are located separately – this is done to escape the ambit of the labour laws. Clearly the workers in the 'informal sector' in India are not protected by the labour law.

The summary of approaches to the labour law coverage in the eleven countries above is captured in Table 17:

Table 17: Labour Law Coverage of MSEs

	Full application/complete exemption	Selective application	No labour laws
Albania	X		
Barbados		X	
Brazil		X	
Colombia		X	
India			X
Japan		X	
South Korea		X	
Philippines		X	
Turkey		X	
Ukraine	X		
Nigeria		X	

What are the implications of our findings on the scope and coverage of labour law for compliance and enforcement?

1. What Fenwick et al identify as two distinct and diametrically opposed approaches – full application and complete exemption - are in fact one single approach. As Fenwick et al argue, the only country where there is full coverage of labour law in all enterprises, regardless of size, is China where `regulations only formally apply' (Fenwick, et al 2007:22). Their lack of implementation by the state is `a recognition that it is unlikely to be possible for the state to ensure the application in practice of all labour laws to MSEs'. This is precisely what we found in the two similar cases of state socialist countries in transition to capitalism, Albania and Ukraine, and in Colombia.

In Albania the head of the Labour Inspectorate admitted that they are only able to inspect an enterprise once in every four years. The main reason, he said, for the low compliance among small enterprises is the tendency to maximise profit, paying scarce attention to the working conditions of the workers and any cost arising from the application of labour legislation. He went on to identify three other factors that impede effective enforcement of labour legislation:

- Manipulation of information coming from the enterprise (declare less workers and less profit);
- The entrepreneurs feel that they will not be checked /penalised on issues regarding labour legislation, therefore they feel no need to respect the labour law;
- Light sanctions or penalties for violation of labour law. (In 2006, new legislation was adopted aiming at increasing the performance of MSEs

but took away the responsibility of the tax authorities of checking the performance of MSEs regarding labour legislation on the records of the Labour Inspectorate).

In Ukraine a similar pattern of non-enforcement emerges where all employees are given rights regardless of the size of the enterprise but the state labour inspectors lack the resources and can only audit a very small proportion of enterprises. Violations are detected in 90% of the enterprises audited.

2. Most of our country case studies explicitly exclude smaller enterprises from the application of specific labour standards through provisions in their general labour laws. These included exclusion from the requirement for advance notice and consultation in the case of collective dismissals, freedom of association and collective bargaining, reporting requirements, social security, employee consultation, minimum wage, and occupational health and safety.

Most countries in this classification had less onerous requirements for employee's inspection and consultation with respect to occupational health and safety. The lack of formal consultative mechanisms on health and safety issues may contribute to continued poor occupational health and safety outcomes, particularly where the possibilities for ongoing and informal communication are not realised.

3. Promulgating a parallel labour law regime for MSEs has the advantage, Fenwick et al argue, of representing a complete settlement of the policy issues to be resolved where the application of labour laws to MSEs are concerned. It might therefore, they argue, be more appropriate and effective than an approach in which MSEs are excluded on a case-by-case basis from particular regulatory requirements (Fenwick, et al 2007:32).

1.3 Compliance and enforcement.

As Xhafa argues (2007:46), the legal framework of labour legislation and social protection is crucial to ensure protection and representation for workers in the MSEs. The limitation of spaces for representation and protection in the legal framework creates a sort of vicious circle, in which the lack of protection and representation and the `limited' exercise of the right to organise build on and reinforce each other resulting to lower job quality and higher precariousness among the MSE workers. Yet, as much as the legal framework is important, it does not explain entirely the vulnerable situation of most MSE workers, particularly those working in the informal economy. This implies that the legal framework per se is not enough when enforcement is minimal. As ILO, 2002 puts it: "in the interest of the global competitiveness, many governments no longer enforce labour legislation or encourage labour organizing". Indeed, a limited legal framework is further crippled by low levels of enforcement.

There are three key actors in the compliance and enforcement of labour laws, government (both local, provincial and national), employers and trade unions.

Role of the state, and labour inspectors in particular, in compliance and enforcement.

Our findings suggest that the lack of professional staff to enforce labour laws is widespread in all our country case studies in spite of the decline of working conditions in MSEs. As Xhafa (2007:47-48) argues, "the shrinking capacity of labour administration to cope with the increasing challenges of MSEs is a crucial factor, pointing once more to the importance of the State. Empirical evidence suggests a strong correlation between MSE compliance with regulations and the number of inspections made by authorities. In Argentina for example, the Ministry inspected 24.5 thousand firms with roughly 84.2 thousand workers between the launching of the National Work Regularisation Plan in September 2003 and July 2004, with the result that nearly 5 thousand workers were regularised through the inspection (24% of those found to be working illegally) (ILO, 2005)."

The limited capacity of labour administrations to inspect enterprises has a negative impact upon job quality in the MSE sector (Chacaltana in Fenwick, 2006). Yet in many developing countries, the labour administration is often understaffed, lacks equipment, skills and training to ensure effective implementation of labour laws and regulations. In Papua New Guinea, for example

> [T]he Office of Workers' Compensation (OWC) is under resourced in terms of both finance and staffing capacity. As a consequence, workers are unable to access the full protection provided by legislation. On average, the OWC receives 1,300 claims each year, of which less than one half are resolved. Of the figures available, in 1995 some 1,370 cases were received and of these only 757 were settled. Even then, more that 5,600 claims were awaiting settlement. (Frost, 2003)

Likewise in Kenya:

> [L]abour inspection and administration are already contending with increasing financial, human and technical constraints – enforcement of labour law in the MSE sector is not their priority. On the other hand, growing unemployment and increasing poverty may explain why labour enforcement authorities are not policing violations of worker's rights in small-scale enterprises. The Directorate of Occupational Health and Safety (located in the Ministry of Labour) is constrained by its lack of resources and staff. Although its mandate is to prevent occupational accidents and diseases by workplace monitoring, inspection and awareness-raising, in practice the Directorate can only afford to visit medium and large plants in the formal sector (Bekko and Muchai, 2002: 33).

The pressure on labour administration is also a challenge in the developed countries. Bar-Cohen and Carillo (2002) report budgetary constraints, low staffing levels and managing new responsibilities as the key factors shaping the poor situation of labour enforcement in California where some two-thirds of garment[2] employers in Los Angeles violated minimum wage or overtime laws, or both in the year 2000.

The importance of a well-trained and appropriately staffed labour administration is essential for the enforcement of labour laws. The simplification of labour laws, which is often perceived as a condition for higher compliance will not do much in the absence of proper levels of labour administration. Far from that, as illustrated by the Peruvian case, the increasing share of the informal employment (without written contracts and without social protection) despite the liberalisation of labour laws during the 1990 (Reinecke and White, 2004: 100) had as its main reason the weakness of the labour market institutions dismantled in parallel with liberalisation efforts.[3]

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[2] Dominated by small economic units

[3] The number of staff members in the Ministry of Labour was cut from around 1,000 in 1990 to 200 in 2001, reducing drastically the Ministry's capacity to monitor the enforcement of labour laws (Reinecke and White, 2004: 100).

Suggestions emerged for a more educative role, rather than a policing role, especially in MSEs. In South Korea the trade unions have proposed to the government the introduction of honorary labour inspectors drawn from the trade union movement.

Albania

The Labour Inspectorate is a Directory in the Ministry of Labour and Social Affairs, which reports directly to the Minister. It employs 165 inspectors, from which only 100 work in the field. Clearly the Labour Inspectorate lacks the capacity to ensure compliance with the Labour Code. It is estimated that only one inspection every four years per enterprise is possible. Only 10-15% of the enterprises have a copy of the Labour Code because of a shortage of funds. There is a need to strengthen the professional staff and provide appropriate infrastructure such as offices, cars and computers.

Barbados

The Labour Department monitors all industries, including MSEs. The Department carries out safety and health inspections and day to day monitoring under the Factory Act. Within the Labour Department there are thirteen labour inspectors, eight of which deal with Safety and Health issues in enterprises (accidents and occupational diseases) and the five remaining deal with industrial relations issues. There is general compliance with regulations but there are pockets of employers who are reluctant to comply as it is costly and they do not have the resources. There is also a lack of knowledge of the labour legislation. The Labour Department offers training programmes and seminars for employers and shares examples of good practice. The Labour Department has also targeted the small business sector for support. The Labour Department has linked up with the Small Business Association of Barbados and they have identified employers in several sectors for educational programmes. Not too many employers have been brought into this initiative and certainly not a large enough body of MSE employers is represented. Where there is compliance this is due in part to the efforts of the Department.

Brazil

There are about 10 400 000 informal sector MSEs in Brazil, so breaking the law in MSEs is most often a common practice. There is a distinct lack of enforcement by the department of Labour. The number of labour inspectors is limited - about 250 - 300 labour inspectors cover the entire state of Rio de Janeiro and they tend to concentrate only on medium and large enterprises. This is because the inspectors are paid a commission proportionate to the number of employees in the enterprise. This incentive encourages the labour inspectors to confine their focus to larger enterprises and ignore the MSEs. This is supported by the governments approach to MSEs, which is more educational then `policing'. Coupled with the

low number of labour inspectors is the fact that only fifty of them are specialized in health and safety issues.

Colombia

Colombia has a ratio of 1.24 inspectors to every 100 000 workers. The Ministry of Social Protection attempts to regulate and monitor compliance of enterprises to the labour legislation by dividing the broad task across three administrative departments:

- The territorial location of work
- Group prevention, inspection, vigilance and control
- Workplace inspectors

India

Each state in India has a Labour department. There is a Labour Commissioner and under him there are Deputy Commissioners, Assistant Labour Commissioners and Labour Officers. These officials are expected to monitor the implementation of the labour law, as it applies to workers in the formal and the informal sector as well as child labour. The exact number of these officials could not be established.

Japan

The importance of the labour standard inspection office in providing support and guidance has increased in recent years because of the large amount of unpaid overtime in Japan. This has led to an increase in Karoushi (suicide) and mental depression caused by long working hours which is having a serious impact on workers' lives. However there is a shortage of inspectors and the national government is trying to reduce the number even further. As of 2007, it is reported that there are 3011 labour inspectors in Japan.

Nigeria

The number of labour inspectors in Nigeria working under the Federal Ministry of Labour is approximately 111. There are thus three inspectors per state and the Federal Capital Territory (Abuja). This is grossly inadequate as there is a population of 65 million working people. It has been noted in the densely industrialized areas of Lagos, Kano and Port Harcourt that there is a desperate shortage of inspectors.

Korea

There is some extension of labour law to workers in enterprises which are protected such as those with less than five employees. Unfair labour practices such as withholding of wages, inability to use leave, unpaid allowances are pervasive in MSEs in Korea. The government says that it would be difficult to regularly inspect implementation of the Code due to the shortage of labour inspectors. Indeed the number of labour inspectors is approximately 650 and the Labour Ministry has 6 regional branches, with the largest branch in Seoul. The labour inspectors do not work on the basis of the size of the enterprise but rather across the regions. The labour inspectors' prime responsibility is that of health and safety inspections followed by the inspection of illegality.

Philippines

The Philippines has a spotty record on labour standards compliance. With only 183 inspectors covering about 815,000 enterprises, the institutional capacity of the inspectorate is rendered weak. Each year nearly half of these enterprises are cited for violations, most often relating to wages. In 2006, the rate of non-compliance was 49.8 per cent (BLES, 2006). The most commonly violated labour standards are: non-compliance to minimum wage, absence of safety committees, and non-registration of establishments, non-submission of accident reports, and non-payment or underpayment of holiday pay.

For many years, micro and many small enterprises remained outside the labour standards inspection of the Department of Labour and Employment (DOLE) – only those enterprises with 20 employees and more were inspected. Whilst the new Labour Standards Enforcement Framework (Department Order No. 57-04) adopted by the DOLE included workplaces employing 10 to 199 workers for inspection beginning 2004, workplaces with less than 10 workers are only provided with advisory service by the Department to assist them to map out productivity improvement programs to facilitate their eventual compliance with labour standards. The Bureau of Working Conditions claims it covers micro and small enterprises in their regular inspection.

According to Ms. Espie Rodriguez of the Bureau of Working Conditions, due to lack of resources, only those who request for inspection are given priority. In an interview, she attributed the problem of the non-inspection of the micro enterprises to the non-registration of the micro enterprises (Rodriguez Interview).

There are, however, some initiatives of BWC that address labour standards in MSEs. One interesting example is its Sagip Batang Manggagawa Program (Save the Child Worker) where BWC is deputized to issue a warrant to inspect outright any establishment and with the coordination of law enforcement agencies and the Department of Social Work and Development (DSWD), they can pull out minor workers from any establishment, including micro enterprises.

Turkey

Although Turkey ratified the ILO convention 81 on labour inspection in 1951 the lack of compliance by the government with the convention has been discussed six times by the Committee of Experts. There are only 570 labour inspectors in the whole of Turkey, according to the Turkish Association of Labour Inspectors. This is an insufficient number of inspectors and there is a lack of collaboration between the labour inspectors, employers and workers.

Ukraine

There is a high rate of non-compliance of labour standards because of the low number of inspectors in the country. In addition, a senior official of the Labour Law Enforcement of the Ministry of Labour and Social Policy in the Ukraine said that employers normally violate the legal provisions of the employment contracts, payment of wages (both delays and wage arrears), working hours, additional holidays for women and children, and social insurance. As the owner of a hairdressing saloon said: "I just try to play in line with standards and laws, but it is impossible in Ukraine because there are no functioning enforcement mechanisms and no implementation of standards locally. I would also like to stress the very weak legal environment, which is also changing quite often".

Role of employers in compliance and enforcement of labour law

There is very little or no compliance in all of the eleven case studies. Four main reasons emerge from our interviews as reasons why there is very little or no compliance by employers:

- In the MSE sector, the level of labour rights and benefits is inversely proportional to the size of the enterprises. The smaller the enterprises become, the higher the violations committed on labour standards and the easier for the employers to escape complaints. In the MSE sector it is very easy for violating employers to avoid prosecution because it is easy to relocate and change the name of the establishment.

- To many employers, the best way to improve compliance is to first improve the competitiveness of enterprises, as they are struggling to survive and labour law adds a further burden, as these quotations illustrate:

> *"I cannot pay the electricity, public insurance, and the rents for my workplace and home. The conditions for getting loans from banks are very difficult to meet. In given circumstances of very high competition, while market prices are falling down every day we have to produce more and more which means violation of existing labour legislation which limits weekly working to 45 hours. We cannot survive if we comply with it"*

- High costs, including, high taxes and insurance, high price of electricity and water, high interest rates and cumbersome structures of the state:

  "We do not comply because we do not have sufficient financial capacity. What does compliance mean; it means higher costs which inevitably leads to losing competitive power" (Turkey) | "Micro enterprises often cannot pay wages or keep to the legal working time and dismissal procedures" (Ukraine).

- An important obstacle to the implementation of labour standards in MSEs is the fact that they are often family run enterprises, owned by individuals or families and are unregistered. This can lead to a feeling of gratitude by the family member towards the employer and reluctance to implement labour standards.

Very few employers' associations effectively represent the MSEs, as the following comments illustrate:

"We are a member of UAKMGCI (an association of all kinds of metallic goods craftsmen of Istanbul). However UAKMGCUI does not represent the interests of all micro metal firms. It only represents the interests of powerful, influential micro firms which have strong relations with political elites"..

However most often employers see trade unions as an obstacle to representation. It is interesting to record how one Ukrainian employer perceives trade unions:

"Employers perceive trade unions as agents which instead of the real protection of workers' interests develop a trade union cult and are still characterized by old style, communist specific behaviour. Unions are seen as weak structures without the active participation of rank-and-file membership, but rather with strong involvement of their union leadership in politics and enterprises affairs beyond their real competence, e.g. managing the enterprise, appointment or dismissal of its directors, profit sharing".

There seems to be limited knowledge of labour legislation as this comment by an employer seems to suggest:

"Its membership, like other employers, is not even aware of all the laws on social protection and workers' rights. This is because the relevant training and seminars take place on the national level and target politicians, top rank officials and big business without being channelled further. This is also the limited perception of the socially responsible business that is restricted to the national level charity and sponsorship".

We asked employers how they perceived the labour legislation. This is how an employer from Turkey answered: "The legislation totally ignores the specific situation and special interests of micro enterprises."

The following table summarizes the employer responses across all eleven countries:

Table 18: Summary of employers' responses to labour legislation

	Positive	Indifferent	Negative
Albania		X	
Barbados	X		
Brazil	X		
Colombia			X
India			X
Japan			X
Korea			X
Nigeria		X	
Philippines			X
Turkey			X
Ukraine			X

The response to the question on whether or not the employer associations have any programmes to promote awareness of labour law is summarized below:

Table 19: Are there Programmes to promote compliance with labour laws?

Country	Yes	No
Albania	X	
Barbados	X	
Brazil		X
Colombia		X
India		X
Japan	X	
Korea	X	
Nigeria		X
Philippines	X	
Turkey		X
Ukraine	X	

The best example of a supportive employer programme in our case studies is drawn from the Philippines. The Employers' Organization of the Philippines (ECOP) SEAL Project aims to promote extensively the awareness and understanding of social standards in the Philippines by endorsing and encouraging the development and implementation of a Social Management System. Under the Project, ECOP is committed to, among others, roll out social management systems to at least six (6) establishments over a two-year period (2007-2008); conduct orientations on Social Management Systems; coordinate with partner labour organizations such as the Federation of Free Workers (FFW), International Textile Leather-goods and Garment Workers Federation (ITGLWF),

Trade Union of the Philippines and Allied Services (TUPAS), and the Trade Union Congress of the Philippines (TUCP), in identifying companies whose unions are affiliated to the above federations and inviting these companies to undergo social compliance assessment and technical assistance under the SEAL program; and create a database of social management systems consultants and auditors.

In Barbados, the Barbados Employers' Confederation works closely with the Small Business Association to cover sections of this sector which might not be members of the Confederation. Generally employers comply with the labour legislation. Barbados has a liberal democratic tradition and the two main political parties have their roots in the labour movement. Barbados also has a strong trade union movement. The Confederation has a training programme that is aimed at making members aware of legislation and encouraging compliance. Every effort is made to ensure that employers are aware of proposed new legislation and their full participation in the process is encouraged. The Confederation produces bulletins and newspapers and conducts regular training with a special emphasis on labour legislation compliance especially for those about to enter supervisory and management ranks.

Trade union responses

The evidence from our country studies suggests that a growing number of trade unions are beginning to see MSEs as a priority although the majority, see Table 20 below, still do not.

Table 20: Do unions see MSEs as a priority?

Country	No	Yes
Albania	X	
Barbados	X	
Brazil		X
Colombia	X	
India	X	
Japan		X
Korea		X
Nigeria		X
Philippines	X	
Turkey	X	
Ukraine	X	

The priority for trade unions remains organizing large enterprises. In the Philippines, for example, in terms of employment size, small enterprises had the lowest unionization rate of 8.1 percent (of total employed in the sector). Medium-sized and large enterprises had a unionization rate of 21.7% and 30.2%, respectively.

Similarly as Table 21 on Korea illustrates, the proportion of workers unionized is directly linked to the size of the enterprise.

Table 21: Organising rate of trade union by the size of businesses (Korea)

Number of Employees	Composition of union members	Organising rate
1-4	1.7	0.9
5-9	3.8	2.6
10-29	13.9	7.4
30-99	23.7	13.6
100-299	19.3	21.4
More than 300	37.7	35.5

Source: Yu sun Kim (2007) cited in Policy Discussions on MSEs in KCTU, 2007

A similar correlation between trade union density and size of enterprise exists in Japan, as Table 22 shows.

Table 22: Union density by size of enterprise (Japan)

	2001	2002	2003	2004	2005	2006
Total	20.5	20.0	19.4	19.0	18.5	18.1
-29 workers	0.3	0.2	0.2	0.2	0.2	0.2
30 -99	3.4	3.3	3.1	3.1	3.0	2.8
100 – 499	14.6	13.8	13.7	12.8	12.3	12.2
500 – 999	26.5	25.8	25.0	24.6	22.6	21.8
1000 workers	53.5	54.7	51.9	50.5	47.7	46.7

Source: MHLW (Japan MSE Report, 2007)

The majority of trade unions do not provide for separate representation for MSEs, as Table 23 below illustrates.

Table 23: Are MSEs represented separately in unions?

Country	No	Yes
Albania	X	
Barbados	X	
Brazil		X
Colombia	X	
India	X	
Japan		X
Korea	X	
Nigeria	X	
Philippines	X	
Turkey	X	
Ukraine		X

In Barbados, the Barbados Workers' Union, which is the only general trade union on the island, has made a commitment to provide representation to all workers wherever they are employed and are mandated to organize workers in all areas of business, regardless of the size of the enterprise. However there are many problems faced by MSEs in Barbados related to unclear or overlapping work related roles, low wages, long hours of work with no overtime pay, the absence of

social protection and the lack of access to benefits such as pension, medical and health insurance. The union has sought to address these problems by having targeted campaigns and there is worker education and joint labour-management training.

In India the only national federation that represents MSEs separately is the Self-Employed Women's Association (SEWA), which serves the interest of women in the informal economy. On the whole unions do not organize workers in MSEs as there are no laws for the protection of these workers. The common argument is that workers will lose their jobs if they are unionized.

Are unions interested in organising MSE workers?

As Xhafa (2007) argues, undoubtedly, the legal framework and poor enforcement, the employer's hostile attitude and the `peculiarity' of employment relationships in MSEs, poses a real challenge to unions. Indeed, as Bennett (2002: 29) puts it:

"The current worldwide mushrooming of MSEs confronts the labour movement with the challenge of reaching out to large numbers of mainly unorganized workers. The geographical dispersion of small-scale enterprises, their relative volatility, and the asymmetrical power relationships between employers and workers make unionization therein a particular hard and costly exercise. It is evident that organizing in MSEs necessitates a proportionally greater amount of financial and human resources than organizing in medium and large businesses. Generally speaking, the smaller the enterprise is, the greater the challenge for unionization" (Bennett, 2002:29).

There are three main obstacles facing trade union organizers in MSEs which were identified in our research:

- ***Trade union reluctance*** because it is ***time consuming with low returns***. In the words of a Filipino organizer:

> *"We already have many experiences in the past organizing establishments under the MSE category. We spent too much time, resources and effort but the chances of survival of the unions formed were not commensurate to the costs that we incurred. Because they are small unions, they are easily crushed. Right now we reserve our energies and funds to the medium and large scale establishments in the hotel and restaurant industry. We have a policy to organize only establishments with 50 or more workers. The chances of survival of unions below this level are slim and not financially viable for our organization. But if they come to us for assistance to form unions, we don't turn them away but as a policy we don't send organizers to establishments within the MSE category. "*

- ***The growing informalisation of work*** has weakened the bargaining power of workers. For example, in the Colombian textile industry, the rapid growth of MSEs is amongst the unregistered maquila workshops which are geographically scattered throughout the city as well as hidden from view, functioning in houses and poor neighbourhoods. The growing informalisation includes ***outsourcing*** and a ***blurring of the distinction between employer and employee***. MSEs are often run by workers who also own the enterprise thus blurring the classic trade union distinction between employer and employee. Workers are dismissed from formal employment and forced to work in MSEs quite often doing the same task as they did before.

As a Brazilian trade unionist remarked, referring to the banking sector:

> *"In this new condition, they do not earn a fixed salary, a bonus, holiday or profit sharing; they lose several rights from this category and their FGTS (Guarantee Fund by Worked Time) and social security is no longer collected".*

Informalisation also leads to workers being exhausted by working long hours on overtime in order to survive. MSEs are in a risky financial situation and there is always the danger of the enterprise closing down soon after it is organized. Another option for employers is to relocate the workplace to another province usually with a different brand name. In Colombia, Colombian law excludes the formation of trade unions which cannot affiliate at least 25 members per firm (except in the industrial sector where there is some ambiguity whereby unions can group together workers from different firms provided they all work in the same sector). Colombian trade unions have traditionally organized themselves sectorally preferring to create sectoral unions rather than specific firm unions. Recently a progressive move was made by Colombia's biggest Central Union (la CUT). They implemented a nation-wide campaign to represent street workers but this remains outside the realm of the MSEs.

- There is ***societal and employer hostility leading to low awareness of rights and reluctance amongst workers to join trade unions in MSEs***. There is also a fear of dismissal amongst workers as they are not protected by the law:

> *"When we place activists into factories to organize the trade union as normal workers, it takes 1-2 years to persuade the workers to understand and recognize the trade union, which means that we need to put more efforts and time" (Korea).*

> *"When they were young and passionate, the wage of activists did not matter so much, but now they are married and have children."*

Success stories of trade unions organizing employees in MSEs

We asked the researchers for examples of where trade unions have experienced some success in organizing workers in MSEs. They had the following to report:

Barbados

In 2005 the Barbados Workers' Union made a strategic decision to sectionalize its organizational drive to recruit taxi drivers into the union movement. The strategy of the BWU has been to impress on taxi drivers that the trade union has expertise in negotiations and thus can provide a valuable service through partnering with the Employer Associations. The BWU focused its drive on the organization of taxi workers at the Airport and the Seaport as opposed to an island-wide operation. This sub-sector comprises three types of employment relationships – persons on contract of service, others on contract for service, and small business operators. Of immediate concern were keeping tariffs at an affordable level and establishing a Code of Practice to regulate relations between the authorities and the relevant institutions. The union maintained that its focus had to be different when dealing with MSEs so that services offered are tailored to the needs of the division.

Small hotels, guest houses, apartment hotels and villas in Barbados are members of organizations called the Intimate Hotels of Barbados. This is a non profit organization formed under the umbrella body of the Barbados Hotel and Tourism Association (BHTA). The purpose of the unit is to ensure that there is sustainable growth in terms of product and service quality. The organization is not industrial but provides marketing alternatives to its members. To qualify for membership the hotel must have a maximum of seventy rooms, the capital cost per room must be less than $200 000 and the establishment must be 75% owned by the citizens of Barbados. Workers in small hotels have benefited from the structure in Barbados – the Barbados Hotel and Tourism Association negotiates with the BWU on behalf of all members establishments. This type of environment made it very easy for the trade union to organize. Within the BWU organizing in hotels is given structure and form through the development of a system that divides the work load geographically. The island is split into two parts and seven industrial relations officers are mandated to routinely organize and service hotels in their areas. There is thus an on-going organizing effort in small enterprises and new enterprises are approached as soon as they open their doors.

Japan

In the Japanese case study, it was reported by two respondents working in the same MSE, that an advertising and design firm had been successfully organized into a trade union by the employees in the MSE. In the one case, the trade union succeeded in helping the employees at an MSE join the employee pension plan and compelled the employer to pay half of the pension payment, which had not been a possibility before the existence of the trade union. In the second case, the

trade union asked the employer to provide proof of how wages were paid to the various employees of the MSE in order to rule out "favouritism".

Nigeria

There is a very successful case of trade unions organizing workers in MSEs in the Petroleum sector in Nigeria. The MSEs in this sector operate in retail forms selling "lubricant oil". Most of them operate on the basis of sole proprietorship and on a very small scale. Nevertheless the workers in the MSEs are organized by the National Union of Petroleum and Natural Gas Workers (NUPENG). The organizing of these MSE workers was made possible by the efforts of the trade union organizers and the co-operation of the filling station owners or major marketers as they provided the space for the organizers to operate. The trade union expanded the opportunity to unionize those operating along the streets and the major roads.

Philippines

The study by Ofreneo et al (2001) reveals some entry points or themes in organizing workers in the MSE sector: (1) the effectiveness of negotiations with employers to improve terms of employment and working conditions; (2) health and safety at work; (3) affordable social security schemes; and (4) the apparent openness of MSE employers to their workers joining other organizations apart from unions. The last theme should not be construed as an impediment to union-initiated organizing in the MSE sector. Instead, it should be seen as a facilitating factor in initial attempts to organize and represent workers in the sector. Moreover, to the extent that the majority of MSEs employ regular workers, as pointed out in the same study, there is all the more reason to provide incentives to union organizing. More importantly, in the wake of continued union decline, organizing in the MSE sector may jump start union revitalization initiatives.

Another example in the Philippines is the union effort in organizing informal transport sector workers, known as the CLASS initiative. One of the mandates of the Confederation of Labour and Allied Social Services (CLASS) is to provide full protection to all workers, whether in formal and informal employment. Amending part of its constitution and by-laws in 2001, CLASS emphasized its priority in organizing informal sector workers.

This led the federation to develop a campaign to organize the small transport workers in the informal economy – the tricycle drivers. "Tricycle" is a three-wheeled motorized public utility vehicle, mostly owned by operators and/or by the tricycle drivers themselves. In most cases, operators owned two or more tricycle units and they hire drivers on a contract basis, or what is locally known as the "boundary" system, an agreement as to how much the drivers have to pay the operator in a day's plying the tricycle.

Local tricycle operators' and drivers' associations (TODAS) have their particular and established route determined by the necessity of commuters who are in need of the transport service within their area, in subdivisions and/or barangay.

The operation of this small transport sector was regulated by the local government which covers the area of operation under the municipal tricycle franchising regulatory unit (TFRU), which, among other functions, issues franchises, regulates the number of units plying the specific terminal, and determines the increase of fares.

CLASS has made a major effort to organize these tricycle drivers into the Federation of Tricycle Operators and Drivers Association in Bacoor (FETODAB), a grouping of local tricycle operators' and drivers' associations operating within the Municipality of Bacoor, a second-class municipality in the Province of Cavite.

In its initial background investigation, CLASS found out that most tricycle drivers were not covered by social protection afforded by the state, like health insurance, social security coverage and the like. Although there is a practice in the local associations of daily collection of dues intended for organizational operations, this has been without much impact on improving the lives of its members. Moreover, even the local government concerned did not provide much support for the needs of tricycle drivers. It focused more on collecting a significant amount in un-necessary payment for their franchise renewal.

Based on these observations, CLASS saw the need to organize this small transport workers in the Municipality of Bacoor to provide them voice and representation. By conducting awareness campaigns and a series of meetings among 20 Local TODA Presidents, the body decided to group themselves and formalize the formation of the FETODAB. As a result of an educational program on cooperatives provided by CLASS to their members, the leadership of the FETODAB agreed to the organization of the Bacoor Tricycle Operators and Drivers Multi-Purpose Cooperative (BTODPMC) as the livelihood arm of the FETODAB.

The twin organizational formation supports the advocacy and livelihood concerns of the tricycle workers in the Municipality of Bacoor.

In 2006, with the established tie-up with the Provincial Government, tricycle workers in the province including the FETODAB, were provided access to PhilHealth, a national medical health insurance program, through the *Dignidad at Kalidad* (dignity and quality) program of the provincial government. Under this program, a member-beneficiary is provided with a 3 months subsidy contribution. Through governmental support the tricycle sector also has a window of opportunity to avail itself of low-cost mass housing through the PAG-IBIG fund, the state's housing program, facilitated by the provincial government unit on mass housing, livelihood support for income-generating projects initiated by

tricycle associations, and establish camaraderie among tricycle drivers through the inter-TODA sports development program.

At present, CLASS still continues implementing developmental programs for the tricycle sector, not only at the municipal level, but expanding onto the provincial level as well.

Korea

In one case, a respondent in electronics MSE reported that the trade union had been successful in organizing the employees in that firm and in fact helped improve the wages and working conditions of the represented workers. The trade union was established by the activists of the "Dongbu Metal Regional Local" of the Korean Metal Worker's Union (KMWU-KCTU). They targeted areas with concentrated clusters of MSEs and chose two to three strategic companies in that area then seeded the strategic target companies with activists for one to two years which set the ground for union formation. That is, some activists entered the MSE companies and worked for 1-2 years with the workers there. They established close relationships with the workers and established a hiking club, earning the same low wages as the workers but eventually established the trade union. A similar strategy was used by students in the 1980s when they entered factories to organize for the trade union.

In another case, in a MSE employing only four workers in the service sector, the employees asked for support from one of the affiliates of the KCTU, namely the KCFLU. The leaders of the Korean Federation of Clerical and Financial Labour Unions (KCFLU) helped the workers in a sit-in strike after work, made pamphlets and helped the employees negotiate with the employer after the president of the company tried to fire the head of department for standing up and speaking out against the non-transparent managerial practices and nepotism. The small number of workers in this company succeeded in setting up a trade union prevents dismissal and was clearly supported by the sector union.

Turkey

Unionists in Turkey do not target MSEs as it carries with it very high costs and low benefits. However what facilitated the trade union organizing in some MSEs was the fact that the employees of the MSEs wanted to be organized and that the trade union had a policy and a strategy to organize these MSE workers and "was around" or accessible. Of those MSE workers organized by trade unions, the trade union fought for the workers to receive bonuses and the employer shouldered his contribution to the public insurance system. This was the case for men employed in MSEs only. A failure currently in trade union strategy of organizing MSE workers in Turkey is organizing the women pieceworkers, as they are to be found only in their homes.

However the researchers were able to identify a positive example of a very recent organising of DISK/Birlesik Metal-Is Union in a small plant of 50 employees named Ankas Engineering in the southern town of Gaziantep. The first collective agreement was signed by the employer and the metal union on 3rd December 2007. In terms of this agreement, workers in Ankas get a 7% wage increase which is 3% higher than the official inflation rate. In addition, to these gains, workers will also be paid a 75YTL bonus for the religious holiday at the end of 2008. In the agreement there are also provisions regarding extra payments for heating, marriage, funerals, lunch, education of children of the worker and the summer holidays. Another important gain provided by the first collective agreement is the right for a social insurance system where the employer agrees to pay for the first day of sickness of the worker which is not paid for by the public system. Since Gaziantep is a town in the southern region where wage levels are lower than the average in Turkey, Birlesik Metal-Ls Union strongly hopes that this collective agreement signed in Ankas will be emulated by workers in MSEs in other regions as an example of why they should be organised into democratic unions".

To summarise, the following represents the success factors for trade unions to take note of and where trade unions have succeeded in organizing MSE workers across the sectors in some of the case studies above:

- Organise MSE workers by sector
- Focus the organizational drive for MSEs and find out where they are located geographically (streets, roads, backrooms, hidden from view)
- Tailor the services offered to MSE workers to suit their needs (for e.g. employee pension plans, service contracts, unfair dismissals)
- Via connections to other kinds of associations (e.g. employer associations) maintain efforts to organize MSEs and approach new MSEs as soon as they are established
- Extend bargaining council agreements to all workers in the sector irrespective of their status of employment (formal/informal)
- Conduct public awareness campaigns (what we call symbolic power) for MSE workers to make them aware of their rights to social security schemes, medical aid schemes, housing subsidies
- Link up with local municipal bodies within which some MSE workers may be associated to
- Re-deploy unionists to work in MSEs and over time organize workers in the enterprises
- Provide assistance to non-organised workers within the sector where applicable – be accessible to MSE workers where they need help
- Bargain for non-wage gains (bonus, funeral assistance, marriage assistance, education of children) of MSE workers in addition to wages
- Publicise the success of the collective agreement so that other MSE workers become aware of how joining a trade union can improve their workplace security

PART 2

2.1 Demographic profile of respondents:

The questionnaires were implemented in eleven countries and we captured data for 191 MSE workers, who are the respondents of the study.

Tables 24 to 29 detail the characteristics of these MSE workers.

Table 24: Country of respondent

Country of respondent	Frequency	Percent
Philippines	11	5.8
South Korea	3	1.6
Brazil	28	14.7
Colombia	15	7.9
Turkey	10	5.2
Japan	19	9.9
Ukraine	5	2.6
Albania	20	10.5
Nigeria	60	31.4
Barbados	5	2.6
India	15	7.9
Total	**191**	**100**

Table 25: Gender

Gender	Frequency	Percent
Female	85	44.5
Male	106	55.5
Total	**191**	**100**

Table 26: Age cohorts

Category	Number	Percent
Younger than 19	4	2.1
19-29	83	43.5
30-39	47	24.6
40-49	35	18.3
50-59	12	6.3
70-79	1	0.5
Total	182	95.3
Not answered	9	4.7
Total	**191**	**100**

Table 27: Educational level

Educational level	Frequency	Percent
Primary	34	17.8
Intermediate	22	11.5
Secondary	71	37.2
Vocational	16	8.4
Tertiary	41	21.5
No education	1	0.5
Not answered	6	3.1
Total	**191**	**100**

Table 28: What is your job?

What is your job?	Frequency	Percent
Machine & mechanical worker	40	20.9
Service & sales & retail workers	89	46.6
Professionals	14	7.3
Steel & foundry & construction workers	19	9.9
Clerks & secretaries	11	5.8
Drivers	9	4.7
Trade unionists	5	2.6
Labourer	3	1.6
Not stated	1	0.5
Total	**191**	**100**

Table 29: Categories of job length

Categories of job length	Frequency	Percent
Less than a year	23	12.0
1 - 5 years	95	49.7
6 - 10 years	38	19.9
11 - 20 years	22	11.5
More than 20 years	9	4.7
Missing	4	2.1
Total	**191**	**100**

Wages earned per week by respondents in the MSEs ranged from US$8 to US$950, which is a great variation.
The ranges of wages earned per week are reported in the following table by country.

Table 30: How much money do you make a week in this job?

Country	Wage range	Income classification*
Barbados	$360 - $750	High Income
Korea	$175 - $626	High Income
Turkey	$108 - $362	Upper Middle Income
Brazil	$58 - $294	Upper Middle Income
India	$11 - $35	Lower Middle Income
Ukraine	$73	Lower Middle Income
Philippines	$36 - $120	Lower Middle Income
Albania	$49 - $162	Lower Middle Income
Colombia	$61 - $77	Lower Middle Income
Nigeria	$8 - $78	Low income

* Source: World Bank List of Economies (2008)

The following summarizes the demographic characteristics of these MSE respondents:

- The majority of MSE workers are male (55%) and 45% are female
- A large proportion of MSE workers are young - 44% fall into the 19-29 age cohort
- The majority of MSE workers are well educated - 37% report having completed secondary level schooling, followed by 21% of MSE workers who have a tertiary degree
- Most MSE workers (47%) are in the service sector, and in sales and retail in particular
- MSEs are becoming a more permanent feature of the economy as 50% of MSE workers say that they have been in their jobs for one to five years
- Approximately one third belong to trade unions

2.2 Comparison of MSE's – Indicators of the Decent Work Deficit

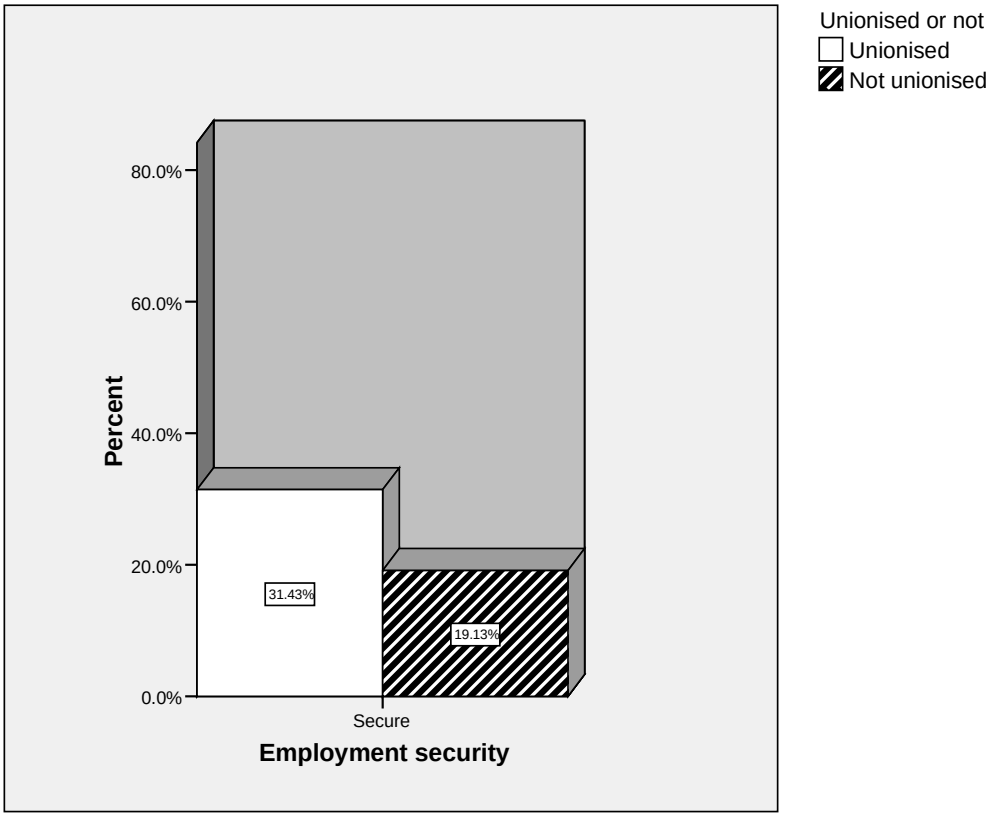
A key question of the study is whether unionisation has any impact on workers, wages and working conditions in MSEs. To address this question, we compared MSEs – those that have unions with those who do not have unions. We used key variables in the questionnaire to compute the indicators of the decent work deficit.

The first indicator is:

Employment security

And it has been computed using the variables of the questions "Would it be easy to lose your job?" and "Do you have a contract?"

Figure 4:



For the variable of employment security, 31% of unionised MSE workers report feeling secure in employment as opposed to 19% of non-unionised MSE workers. This data does suggest a relationship between unionisation and employment security but the relationship has not been probed statistically.

We illustrate this relationship by citing the following statements made by the respondents in an elaboration of the answer to the question:

Why it is not so easy to lose your job?

- The skill I have is in demand so I do not lose my job
- Employer trusts me so I will not lose my job
- Past the probation period so can't lose my job/devoted worker/follow the rules
- Have a lot of knowledge so will not lose my job
- I will not lose my job as I am a member of the trade union

Why it is easy to lose your job?

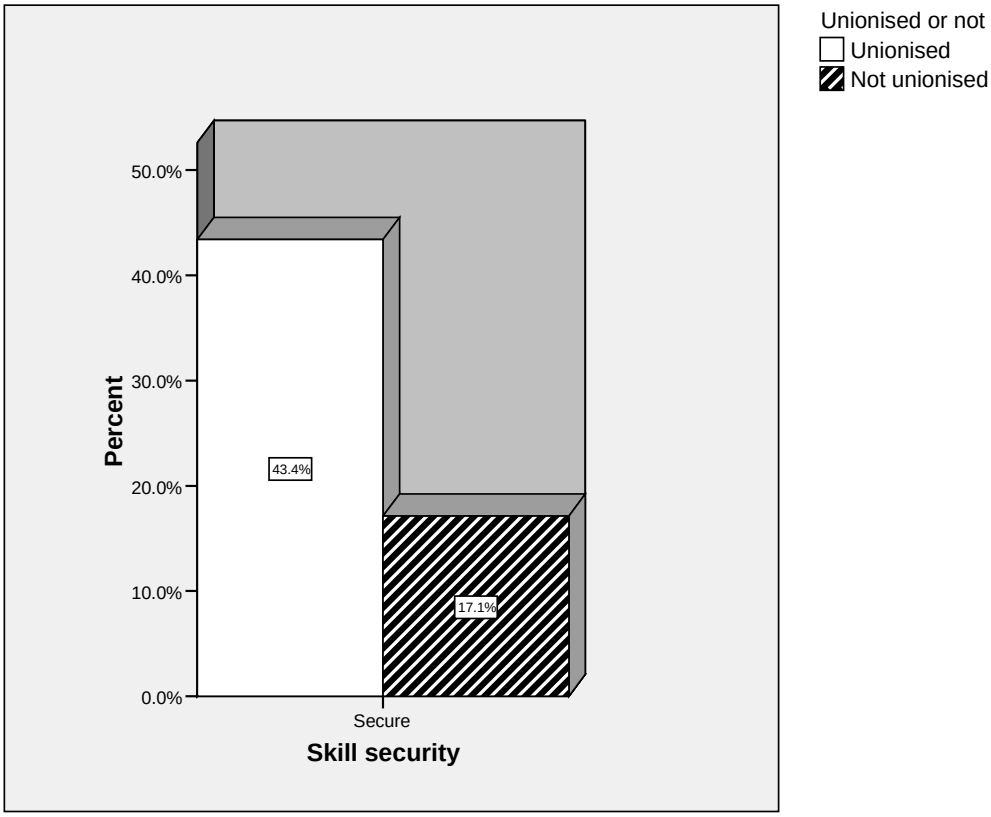
- Competition from others applying for the same job
- You are out if you do not keep up with production/changing pace of technology
- If you argue with the boss you lose your job
- Need more knowledge to hold onto my job or else no future
- Employer has the right to fire me at any time
- Do not trust my employer
- I am an outsourced worker
- I have no contract/ not covered as labour laws do not apply to my firm
- The job is unstable/very hard/risky/insecure
- No clients, no work, no job
- You lose your job as speed of innovation is so fast
- Work I do is not regularized
- Rules of the enterprise make it easy for you to lose your job

The second indicator is:

Skills training

It was computed using the variables "Did you get formal training for this job?", "Can you use your skills in another job?" and "Do you have an opportunity to increase your skills?"

Figure 5:



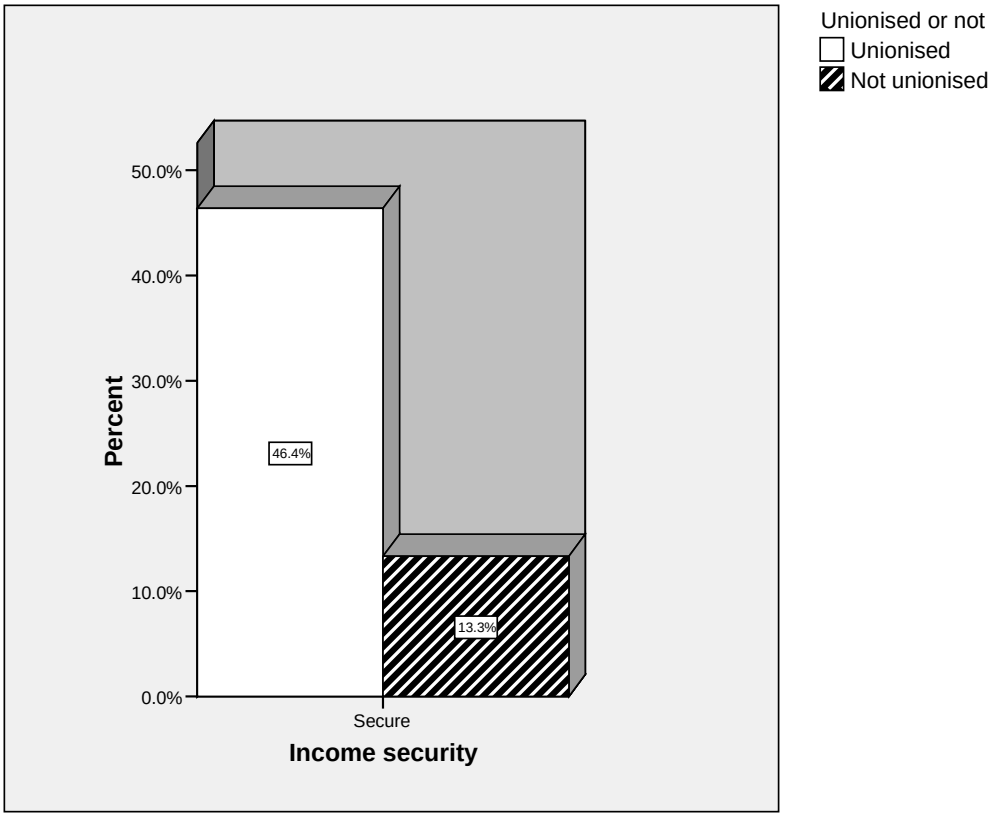
For the variable of skills training, 43% of unionised MSE workers report feeling secure in skills training as opposed to only 17% of non-unionised MSE workers. Again the data is suggesting that there is a relationship between unionisation and skills training but this have not been proven statistically.

The third indicator is:

Income security

This has been computed using the variables of "Do you earn the same amount of money each month?", "Do you have any benefits", "Do you contribute to social security?" and "Does your employer shoulder his/her counterpart or contribution?"

Figure 6:



For income security, 46% of unionised MSE workers experience security in income as opposed to only 13% of non-unionised MSE workers. The data suggest a relationship between unionisation & income security exists but the nature of the relationship has not been established statistically.

The following statements were made by the respondents in an elaboration of the answer to the question:

What makes you satisfied at work?

- Pleasant working environment/like my job
- Job satisfies me financially
- Everything is ok/better than previous job

What makes you dissatisfied at work?

- Wish I had higher salary/better wages
- I work too hard and don't get compensation/benefits
- Atmosphere is not nice/unfriendly/ stressful
- Health and safety is poor/high risk job/work long hours

Satisfied/dissatisfied?

- Have no option

Have you encountered any problems related to your work?

- Harassment at work
- Stress because of work intensification
- Victimisation for joining a trade union
- Irregular wages
- Unsafe workplace

Which aspects of your job need improvement?

- Cleaner and safer workplace
- Less competition from others/work needs to slow down/too much stress at work
- Job stability

Note that only one person mentioned an improvement in wages and salaries as an aspect of their job that needed improving although some did say that they wish that they could be paid on time.

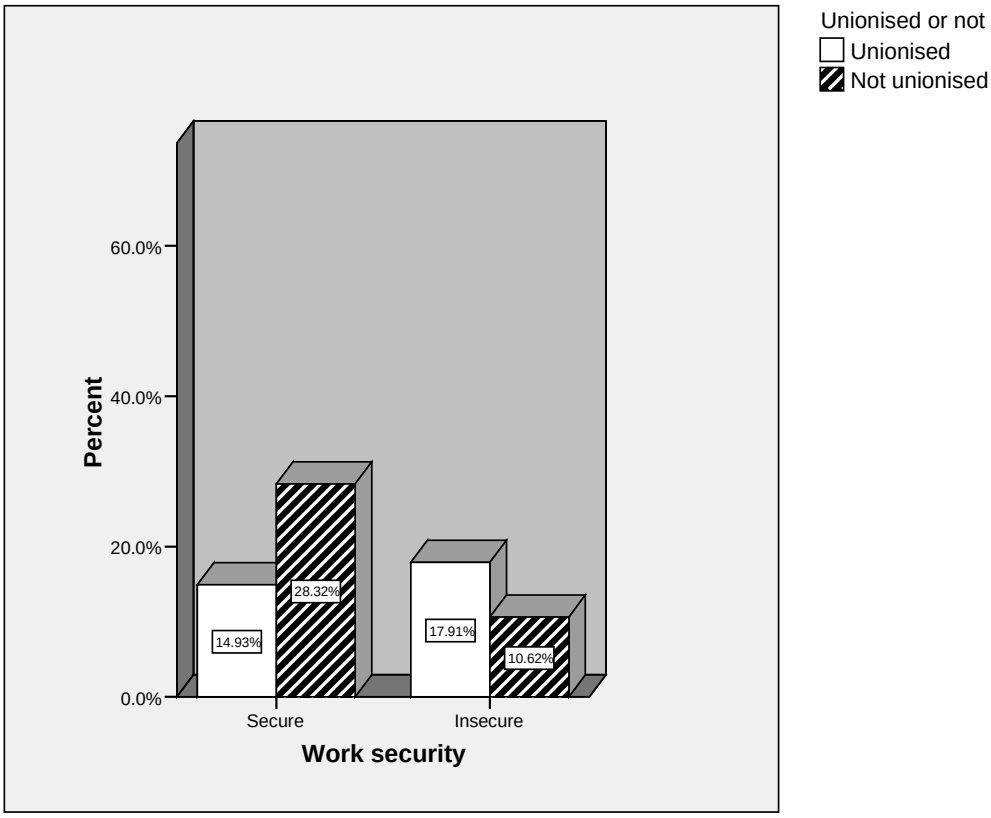
When asked in what ways these areas could be improved, the majority of respondents who work in MSEs suggest that it is an active trade union that could give them collective representation and help them improve on these areas.

The fourth and final indicator is:

Safety at work

This was computed using the variables of "Do you feel safe at work?" and "Does work have a negative effect on your health?"

Figure 7:



For the variable of work security, 28% of non-unionised MSE workers feel safe at work as opposed to 14% of unionised MSE workers but 18% of unionised MSE workers feel insecure in their safety at work. This data is indicating that there is most probably no relationship between unionisation and security in safety at work but this has not been established statistically.

The following statements were made by the respondents in an elaboration of the answer to the question:

Reasons why feel safe at work:

- Workplace is safe and there is adequate ventilation
- Workplace is secure as management provides security
- I feel safe as I have health insurance
- You are safe if you operate machines correctly
- Work process is well organised
- No danger as I know machines and how to fix them
- Have control over my job and am committed

Reasons why workplace unsafe:

- there are no safety regulations in the workplace and it is dangerous
- there is no protective gear (clothing, masks) for me
- Co-workers make it difficult to be safe in the workplace
- The job I am in makes me prone to occupational diseases and accidents
- There are robberies/assaults/no security so you are unsafe
- I have no health insurance to cover me if I get sick and cannot work
- Ventilation is inadequate/very high temperature in the workplace
- Have no contract
- Workplace dirty and it stinks

When asked to specify whether there were any negative effects on their health, respondents said:

- Work in rain on the roof
- Have to handle chemicals without gloves/masks
- Developed illness due to job conditions; migraines, heat, fatigue, stress, stomach aches, smoke inhalation, nausea, lung diseases
- Job is very stressful
- Work very late/overtime/work at odd times of the day
- On my feet the whole day so legs and back aches
- Work at the computer whole day/eye strain
- I never get breaks
- Mental depression

Our results reveal that unionisation has a direct impact on the level of security in the workplace in the MSE sector with the exception of safety at work. One

possible explanation for this is that there are a large number of exemptions given in labour regulations on health & safety issues, regardless of whether there is a trade union present or not. Clearly it is a real dilemma for workers who are willing to take risks in return for danger pay.

Are MSE workers interested in joining trade unions?

A number of questions were devised to gauge the perceptions of MSE workers attitudes towards trade unions in our survey. Particularly, in the question, "Do you see any opportunity for collective representation and action in your enterprise?" the majority of MSE workers said that they did not - 48.2% - as opposed to 35.1% who said that they did. However in the very next question, over half of the MSE workers surveyed then said that they would welcome a union in their enterprise - 56% - as opposed to only 18.3% who reported that they would not. The main reasons for welcoming the trade union were to: defend worker's rights (37.2%), for benefits and improve working conditions (7.9%) and finally for better wages (5.8%).

Thus whilst MSE workers are clearly interested in joining trade unions, the majority do not see the opportunity for collective representation in their enterprise. Perhaps these findings can be attributed to the fact that the majority (58.6%) of MSE workers in this survey said that they thought that it would be easy to lose their jobs (even though over two thirds of them said that they had either a written contract or a verbal one – 61.3%), that employers had the right to fire them at any time (12.6%) or their job was precarious (12%), over half of them reported that they had not heard of a trade union in their sector (55%) and lastly nearly two thirds said that there had been no attempts made to organize workers at their enterprise (58.6%).

CONCLUSION: CLOSING THE REPRESENTATIONAL GAP

Xhafa (2007) argues that "studies analysing improvements in labour standards compliance point to the indispensability of representation and participation of both the employer and the organization of workers in enforcement mechanisms. Participative and inclusive approaches coupled with capacity-building of all actors involved may address the dual problem of limited number of labour standards inspectors and low capacity in inspection in many countries. As argued earlier, the need for MSEs to be treated differently should be complemented with alternative mechanisms which can ensure the same rights and job quality for MSE workers".

A number of suggestions emerged from our findings that support Xhafa's argument of the indispensability of representation. The question then is how can the representation gap be overcome and what organizational tools could be employed for organizing workers in the MSEs?

Proposals for strengthening worker rights in MSEs

In spite of the obstacles identified in this report, there are a number of possible ways of strengthening workers rights in MSEs: There is however an interdependent relationship between the opportunities that labour regulations open up for organisation and representation, and the impact these organizing initiatives has on the regulatory framework. As Xhafa (2007) argues "states have tried to come up with innovative initiatives to increase labour standards compliance rate particularly in the MSE sector. Some of these initiatives aimed to extend protection to MSE workers, whereas some others have had the broader objective of also empowering trade unions to ensure protection. It may be argued that even when the initiatives aim only at the protection of workers these may be used by the unions to expand the scope. This becomes particularly evident, if we consider that one of the main reasons for workers not to join unions is their vulnerability making them less courageous to stand up for the right to be organised. Some of the main initiatives from states have been directly related to the scope of work and the strategies of state structures to ensure better protection for workers. They have sometimes initiated important laws, policies and programmes aimed at extending protection and social coverage to workers" (Xhafa, 2007: 61).

Here are some ways in which workers rights and working conditions could be strengthened in MSEs:

- Trade unions need to extend union organisation and collective bargaining coverage to MSEs (this would mean that all workers in the sector would be covered thus making it easier for MSEs workers to be organized into trade unions)

- Trade unions could insist that there is an incorporation of labour clauses in procurement contracts for MSEs

- Health and safety protection needs to be extended to MSE workers

- There could be greater collaboration between trade unions and the labour inspectorate. Trade unions could be drawn into the process of inspection and inspectors could play a more educative rather than a policing role

- The Department of Labour could partner with the trade union movements to put more resources into increasing the awareness of workers in MSEs of their labour rights

- Trade unions could give greater emphasis on organizing and co-operating with each other at local government levels

- Where workers in MSEs are connected in a supply chain to larger enterprises, they could use these links to increase their bargaining leverage

- Trade unions should try to link up with existing informal groupings in MSEs. In Nigeria, informal groupings without any formal documentation or registration, whose primary objective is to defend workers' interests, were identified. Their strategies are "work to rule, work stoppage, picketing" and they exist underground. They are faceless but become noticeable during crisis and when they have to come out to defend their members. Their activities are regarded as illegal.

- A more co-operative approach to employers through various forms of social dialogue could be developed

In order to achieve these proposals in overcoming the representational gap it is necessary to identify ***new sources of power*** and ***new organisational tools***.

In order to develop such an analysis of the new sources of power, we need to pay attention to the question of working class power, both actual and potential. We approach this question with the distinction made by Erik Olin Wright between structural power and associational power. Structural power results 'from the location of workers within the economic system', whether this is derived from 'tight labour markets or from the strategic location of a particular group of workers within a key industrial sector'. Associational power, in contrast, results from the formation of collective organisations of workers – trade unions, political parties, works councils (Wright 2000: 962).

Silver (2003) makes use of this distinction, but develops it somewhat further. Firstly, she sharpens the distinction between structural power based in the labour market, which she terms *marketplace bargaining power*, and *workplace bargaining power* which is based on strategic location within the process of production (Silver 2003: 13). Different forms of structural power require different mobilisational or organisational strategies on the part of trade unions – different associational strategies, in other words. Thus auto worker unions are able to organise on the basis of strong workplace power. Textile workers, on the other hand, have historically had quite limited structural power, and have therefore had to compensate by broadening their associational power, building strong regional organisation or, in the colonial contexts of China and India, building strong alliances with national liberation movements (Silver 2003: 92-4).
These distinctions enable Silver to develop an innovative analysis of the new wave of campaigns to organise low-paid and vulnerable service sector workers in the United States. Activists and unions, she argues, have compensated for the low level of workplace and labour market bargaining power of these workers by rethinking associational power, and developing 'a new model of organising that was more community-based' rather than workplace based, adopted more public tactics such as 'in your face' street protests aiming to make large corporations, government and universities responsible rather than the subcontractors they hire, as well as building alliances with stable organisations such as church-based structures and centralised trade unions (Silver 2003: 110-11).

We draw on Fine (2006) and Chun (2006) to complement Silver's analysis with the concept of *symbolic power*. In her study of community-based worker centres, Fine identifies the importance of 'moral power' in a context where undocumented immigrants have virtually no structural economic power. Moral power, she argues, involves recasting worker struggles as the struggle of 'right' against 'wrong', providing the basis for an appeal both to opinion makers and politicians as well as to allies in civil society (Fine 2006: 256). Chun uses the concept of 'symbolic leverage' which entails adopting new organisational repertoires drawing on the intersection between exploitation and social discrimination (Chun 2005: 256). In highlighting social discrimination, these repertoires appeal not only to the workers who are subject to such discrimination, but also their communities. This is a useful way to understand the significance of the new issues of race, gender, citizenship, and class which, according to Silver (2003), the new wave of campaigns in the United States has had to incorporate.

We use the concept of symbolic power to conceptualise a sphere of public and symbolic contestation, a sphere which is entered with forms of action such as street marches as well as with discursive strategies that emphasise social and citizenship rights, not only worker rights. Symbolic power is constituted in the public sphere, and elaborates on images and ideas which resonate with community and public consciousness. Symbolic power, like structural power, is articulated with associational power, and may provide new sources of power to

labour movements battling with the loss of older and more traditional sources of power in the labour market or the workplace. We do not claim that the different forms of power in our analysis are mutually exclusive; quite the opposite – they are usually found in combination, but with different forms predominating. Thus structural power remains abstract unless workers have sufficient associational power to make use of their structural location. Likewise, symbolic power remains only potential unless there is an associational strategy for realising it. Indeed, all trade union struggles, no matter what the predominant source of their power is, make use of at least a minimum of symbolic and moral power to cement associational solidarity and counter the arguments of employers.

Our analysis of the different sources of power available to organisations of workers is encapsulated in the following table:

Table 31: Types, Sources and Forms of Worker Power

Type of Power	Source of Power	Form of Power
Structural	Embedded in the Economy	Workplace bargaining power
		Market-based bargaining power
Associational	Collective organisation	Trade union
		Political parties
Symbolic	Public and symbolic contestation	Demonstrations, marches, pickets
		Alliances, coalitions, media

A PROPOSAL FOR THE NEXT PHASE OF THE STUDY

This phase of the Representation Gap study has clearly revealed that organising workers in MSEs requires a very different strategy by trade unions. The study suggested that a starting point to closing the representational gap could be the use of mapping as an organisational tool. There are two ways of conducting mapping: horizontal (HM) and vertical (VM). HM refers to the method used to document and identify the characteristics of the worker, their location and industry sector, by contacting individuals in their homes or communities. HM focuses on gathering data on demographic characteristics of workers, their home situation, their work processes, their employment relationships, payment amounts and processes and the problems and issues that they face. This has already been established by the data gathered from the 191 respondents to the questionnaires and the results have been characterized in phase two of the study.

Vertical mapping (VM) refers to a process that identifies the chain of production linking workers (of MSEs in this case), subcontractors, intermediaries, buyers and brand owners (Burchielli et al, 2008:169). Thus both VM and HM have important implications for trade union policy and practice in organizing as it is a tool for helping to locate those workers who are not at a single workplace, like some MSEs are but are spread out but are in need of a basic worker identity. This is particularly applicable to the workers in the MSEs where work is largely informal and non-standard – these workers stand to benefit from the process of mapping (Burchielli et al, 2008: 176). A very useful starting point could be linking up to the existing workers' association, whether enterprise-based or across enterprises in a community.

In order to operationalise this concept of mapping MSE workers, we decided to conduct a pilot study of the third phase, namely mapping MSE workers, and we carried this out in June 2008 amongst trade unionists and GLU students who were present at the Cosatu Winter school workshop in Johannesburg in June 2008. We divided the trade unionists and GLU students into three groups and we asked them to think about the following issues:

- Identify MSEs in the various sectors of the economy
- Think about how the trade unionists would "map" these workers in order to organise them and
- Think about where the new sources of power are for trade unions who attempt to organise MSE workers

In the report backs, it was clear that a mapping strategy would be a feasible way of locating MSE workers and also suggestive ideas of strategies for organising and representing them clearly emerged.

We propose that a third phase be introduced where the researchers involved in the project (as well as other possible alumni) initiate with their trade union and federation a mapping workshop and that this would provide the basis for a concrete organizational campaign over the next year. There would be a report – back on this phase of the study at the next Summer School in 2009. Funding would need to be found for the workshops and remuneration for those involved in this activity.

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APPENDIX

The Questionnaire

Respondent's name (optional):_____
Date and place: _____

1. Respondent's Profile
1.1 Ethnicity (by sight): _____
1.2 Gender (by sight):

Female	
Male	

1.3 Age: _____

1.4 Education level:

Primary	
Intermediate	
Secondary	
Vocational training	
Tertiary	

1.5 How many dependents do you have? _____

1.6 How many in your household also earn an income? _____

2. Employment history

2.1 **What is your job?** _____

2.2 **How long have you been doing this job for?** _____

2.3 **Where have you worked before and for how long**?
_____

2.4 **When have you been unemployed and looking for a job, and for how long?**
_____

3. Employment Relationship

3.1 Would it be easy to lose your job?

Yes	
No	

3.1.1 **Why**? _____

3.2 **Do you have a contract of employment**?

Written	
Verbal	
None	

3.2.1 **If you do have a contract, what does it say**? _____

4. Skills and Training

4.1 **Did you get formal training for this job?**

Yes	
No	

4.2 **Could you use your skills in this job for another job?**

Yes	
No	

4.3 **Are there opportunities to increase your skills?**

Yes	
No	

4.3.1 **If yes, how do you get these opportunities and who pays for the training**?

_____

5. Safe Working Conditions and Working Hours

5.1 **Do you feel safe at work? (health and safety at work)**

Yes	
No	

5.1.1 **Why**? _____

5.2 **Are there any regulations in your enterprise that make it safer? Please cite.** _____

5.3 **Does the work you do have any negative effect on your health**?

Yes	
No	

5.3.1 **If yes specify.** _____

5.4 **How many hours do you work a day**? _____

5.5 **How many days in a week**? _____

5.6 **Do you work at night**?

Yes	
No	

6. Remuneration

6.1 **Do you earn the same amount of money monthly**?

Yes	
No	

6.1.1 **If not, why**? _____

6.2 **Is there a minimum wage for your work**?

Yes	
No	

6.3 **How much money do you make a week for this job**? _____

6.4 **Do you have any benefits? Please check all applicable.**
__End of year bonus
__Medical aid
__Funeral benefits
__Pension fund
__Long leave: sick leave, paid leave
__Housing subsidy
__Transport allowance
__**Other, please specify**: _____

7. Social Security

7.1 **Do you contribute to a social security system**?

Yes	
No	

7.2 **Does the employer shoulder his/her counterpart of contribution**?

Yes	
No	

8. Job satisfaction

8.1 **Are you satisfied with your job here**?

Yes	
No	

8.1.1 **Elaborate:** _____

8.2 **Have you encountered any problem related to your work**?

Yes	
No	

8.2.1 **Elaborate** _____

8.3 **Was the problem resolved**?

Yes	
No	

8.3.1 **How**? _____

9. Representation

9.1 **Are there any organisations that represent your work interests**?

Formal	
Informal	
None	x

9.1.1 **Elaborate** _____

9.2 **Have you ever heard of a union in your sector**?

Yes	
No	

9.2.1 **If yes, what experience did you have of it (what are your impressions about the union)?**

_____

_____

9.3 **Has there been any attempt to organize workers in your enterprise**?

Yes	
No	

9.3.1 **If the attempt was successful, which factors facilitated it**?

_____

9.3.2 **If the attempt was not successful, what were the obstacles or constraining factors**?

_____

9.3.3 **If there was no attempt, why do you think so (cite problems and obstacles)**?

_____

9.3.4 **Do you see any opportunity for collective representation and action in your enterprise**?

Yes	
No	

9.3.4.1 **Elaborate** _____

9.4 **Would you welcome a union in your enterprise**?

Yes	
No	

9.4.1 **Why**? _____

10. Areas of improvement

10.1 **Which aspects of your job need improvement**?

_____

10.2 **In what ways do you think these areas could be improved**?

_____

Published GLU Working Papers

No.1 Seeraj Mohamed; Economic Policy, Globalization and the Labour Movement: Changes in the Global Economy from the Golden Age to the Neoliberal Era, February 2008
http://www.global-labour-university.org/fileadmin/GLU_Working_Papers/GLU_WP_No.1.pdf

No.2 Birgit Mahnkopf; EU Multi-Level Trade Policy: Neither coherent nor development-friendly, February 2008
http://www.global-labour-university.org/fileadmin/GLU_Working_Papers/GLU_WP_No.2.pdf

No.3 Edward Webster, Christine Bischoff, Edlira Xhafa, Juçara Portilho Lins, Doreen D. Deane, Dan Hawkins, Sharit K. Bhowmik, Nitin More, Naoko Otani, Sunghee Park, Eustace I. James, Melisa Serrano, Verna D. Viajar, Ramon A. Certeza, Gaye Yilmaz, Bülend Karadağ, Tolga Toren, Elif Sinirlioğlu and Lyudmyla Volynets; Closing the Representation Gap in Micro and Small Enterprises, November 2008
http://www.global-labour-university.org/fileadmin/GLU_Working_Papers/GLU_WP_No.3.pdf

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- undertake joint research and organize international discussion fora on global labour issues;
- publish textbooks, research and discussion papers on labour and globalization issues.

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