

# Newsletter Research, Network and Support Facility

Published by the EC-funded RNSF project based on the EU “Investing in People” Programme



Agriculture &  
Craftship Fair  
Haiti

Credit: Oxfam  
Italia

## In this issue

### *Special Focus on*

Organizing informal workers: Cases from Latin America

### *Reporting*

Organizing informal workers with the financial sector: promotion of financial literacy  
By Oxfam Italia

### *Good practices*

Social inclusion promotion

## Latest news on the IESF Group

### Final line for RNSF!

By RNSF Team

### *Search and publish*

The end of the year is rich in activities and discussions related to the informal economy for the RNSF project. After two successful editions in June and July, three #InformalTalks webinars are planned in the October and November (click here to register!), the second RNSF book on Organising and mobilising informal workers is about to be published as well as the following two new research outputs:

- Volume 3: Global Policy Review. Major orientations of policies designed to tackle (support or eliminate) the informal economy, with special reference to the major actors in the field.
- Volume 4.4: Good Practices and Lessons Learned extracted from projects funded by the EU Thematic Programme “Investing in People”

### *Learn from everywhere*

Moreover, we are in the process of designing and producing an E-learning course on the Informal Economy where the key findings of our research work will be condensed illustrating key theories and concepts, main policies and approaches as long as with good practices and recommendations.



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Organized workers in the streets

## Special Focus on

### Organizing informal workers: Cases from Latin America

By Paolo Carlini, RNSF Team Leader

#### Good practices and lessons learnt from RNSF book

The informal economy absorbs more than half of the global labor force and is associated with poor working conditions, low levels of remuneration and lack of social protection. The RNSF project developed a book that addresses the issue of how the organization of informal workers is a key aspect to consider when facing poverty, inequality, social exclusion, lack of representation and human rights. The organization of informal workers is thus at the center of actions and policies designed to improve the livelihoods and living conditions of people depending on the informal economy.

#### Why is it important to organize informal workers?

- To make informal workers visible
- To pursue common goals and improvements in living conditions.
- To have legal representation and recognition before the authorities and civil society.

- To facilitate access to social protection mechanisms health services, life insurance,
- To demand benefits from public and private actors
- To participate and have a voice and vote in the programming of the annual budget in local governments
- To achieve decent remuneration and working conditions
- To access social protection.

Our book presents cases from Latin America and recognizes that the right to organize is a universal right that all citizens are entitled to and the results that can be achieved by acting in a coordinated and organized manner cannot be achieved individually. Collective actions aim to make visible the informal economy world, in addition to allowing informal workers to negotiate on different topics of interest related to political, economic, and work rights. Organizing also promotes the exercise of rights and contributes to the involvement of the state and other public and private actors in a common effort to the quality of life and working conditions of vulnerable groups.

The table hereafter presents some of the examples, written by book co-authors coming from different backgrounds (experts, civil society organizations, public authorities), that show how the mobilization of informal workers and their engagement in collective actions can raise, spontaneously or in a more organized nature, as a response to a social conflict.



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## GOOD PRACTICES AND LESSONS LEARNT

### PERU

In 2016, hundreds of motorbike taxi drivers blocked the metropolitan transport service road of Lima, demanding that the ban on the circulation of this type of service be eliminated. They managed to negotiate with the municipality the creation of authorized areas where these informal workers could provide their services.

### COLOMBIA

In August 2017, informal miners rebelled in two municipalities in the northeast of Antioquia, Segovia and Remedios, protesting for the closure of their mines as the government had determined not to allow exploitation since serious environmental problems were occurring. They achieved a peaceful dialogue with the departmental government, and they were able to negotiate the exploitation conditions and set a roadmap for the formalization of their activity.

### BOLIVIA

In 2013, the formal and informal workers of the textile sector carried out organized and spontaneous mobilizations against the import of second-hand American cloths and Chinese-made textiles that almost annihilated local production.

The mobilization of national character led to the Government issuing new regulations for importing American cloths and establishing caps on textiles from China as a form of support to the national production. That included establishing a national textile company and providing capital for the replication of this initiative in local governments, with access packages and facilities for the purchase of raw materials through the Ministry of Marketing and Productive Development.

The official presentation of the book will be on 30th October 2018 during our webinar dedicated to the issue of how to support the organization and the collective action of informal workers. In the coming weeks RNSF will also publish on the IESF Group a series of interviews conducted in Latin America with civil society actors, experts, local authorities and ILO representatives who will illustrate the issue of informal workers organization from various perspectives.

## Reporting

### *Organizing informal workers with the financial sector: promotion of financial literacy*

By Oxfam Italia, staff

#### *A good practice from Haiti*

The project “Economic and social inclusion of marginalized, vulnerable and dependent on the informal economy, particularly women in cross-border trade zones in Haiti” was launched by Oxfam Italy in 2014 and ended earlier this year. It aimed at reducing the poverty of marginalized people in the informal sector in cross-border trading areas by promoting their access to sustainable livelihoods and social inclusion; and to ensure the organizational strengthening of marginalized interest groups, the appropriation of their rights and the extension of social protection coverage.

One of its identified good practices was in the field of financial literacy with the creation of financial tools for independent informal workers.

The economic context in Haiti is characterized by the predominance of the informal economy, illustrated by the following figures:

- Only 19% of adults (15 years old or more) have a bank account within a financial institution,
- 47% of adults have already had a loan but only 4,6% with a formal financial institution,
- Almost 20% of adults receive remittances from abroad.

Informal workers have access to limited financial institutions, mostly informal merry-go-round or mutual funds, sometimes formal saving & loans institutions and rarely banks. Their access to financial services is hindered by the lack of coverage by the financial institutions and their own lack of knowledge. Furthermore, the people dependent on the informal economy are faced with major challenges such as the lack of social protection, the lack of economic opportunities and the exposition to various kind of abuses, in particular for vulnerable groups (e.g. women, who represent 80% of the active population).

Oxfam Italy is an aid and development charity with 70 years of experience, working and campaigning with partners in over 90 countries worldwide.



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## PROJECT FWONTYE SAN FOSKOTE

**PROJECT TITLE** “Empowerment for better livelihoods, including skills development and vocational education and training, for marginalised and vulnerable persons and people dependent on the informal economy”

**OBJECTIVE:** i) To contribute to the reduction of poverty of the marginalized people depending on informal sector and living on cross-border commercial areas by fostering their access to sustainable livelihoods and better social inclusion and ii) to assure the organisational strengthening of marginalised groups of interests, the ownership of their rights, the extension of their social protection, supporting entrepreneurship and the creation of productive employment around the HT- DR binational markets in border areas.

**DURATION:** 4 years

**TARGET AREA:** Haïti and Dominican Republic, in particular the 3 main municipalities affected by cross-border trade, namely Belladère, Ouanaminthe and Malpasse.

**TARGET GROUPS:** permanent sellers and service providers of binational markets, migrant workers, craftsmen / technicians and self-employed producers

**PARTNER:** Oxfam Italia with Oxfam GB, OXFAM-QUEBEC, Chambre de Métiers et d'Artisanat d'Haïti, GARR, Asociación de los Municipios de la Región Enriquillo (ASOMURE), Microfinanza Srl

To address this situation, Oxfam Italia developed a project approach involving financial institutions coordinated by the private operator Microfinanza Srl and informal operators (635 persons, including 367 women) gathered in 28 solidarity groups and aiming at:

- Improve the financial literacy of the beneficiaries for a better understanding and management of their family budget and of the available formal and informal financial services,
- Strengthen the capacities of the beneficiaries to identify the financial services best suited for their needs,
- Support the transition of the beneficiaries to more formal financial services.

One of the most interesting aspect of this good practice is the focus on the empowerment and the capacity building of the beneficiary individuals and families through the promotion of financial literacy. It increased their knowledge of the financial institutions and services as well as their capacities to select, access and manage relevant financial services, including formal ones. One should also highlight that the parallel promotion of solidarity groups and the involvement of financial institutions contributed to increase the effectiveness of the project.

The project was implemented through 5 key steps :

- Market assessment of financial services in terms of supply and demand (2015)
- Partnership with the financial operator Microfinanza (2016)
- Development of training modules and tools (including role-plays and case studies) related to financial literacy tailored to local context
- Pilot test on a first batch of beneficiaries and mid-term evaluation
- Drafting of a financial literacy manual and integration of training with promotion of solidarity groups.

Main success factors in this project were:

- The involvement of a financial institution as technical partner with expertise in financial literacy and experience with vulnerable groups
- The dialogue between local authorities, CSOs, informal groups to analyse the beneficiaries' needs and identify solutions
- A network of partners specialized in inclusive finance
- Local and international development partners to design and implement the most relevant solutions



Project Fwontie San Foscote

Credit: Oxfam Italia



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It is also advised to develop financial literacy activities as part of a wider strategy promoting financial and social inclusion and entrepreneurship development. You can find some good practices and lessons learnt from research in the following article.

In terms of sustainability, the methodologies developed during the project, in particular those designed by the technical partner related to financial literacy and inclusion, were transferred to the local partners.



## 6 Good Practices you should know on

### Social inclusion promotion in the informal economy

By RNSF Team



Solidarity group of informal operators

Credit: Oxfam Italia



Haitian craftswoman

Credit: Oxfam Italia

## We want you!

In the last newsletter we had CEOSS in the spotlight. This time it is Oxfam Italia. Who wants to collaborate with us for the next newsletters? Please let us know!

RNSF recommendations extracted from Volume 4.2 – *Recommendations Based on Analysis of a Range of Development Agencies on Support to People Dependent on the Informal Economy*. This volume of research findings is the latest work of the RNSF and is based on the analysis of 202 projects and documents financed and implemented by agencies other than the EC.

### Awareness raising on social inclusion in IE

1) To reach their fullest potential, projects/programmes should actively address the power imbalance of and most vulnerable groups of people who are dependent on the IE.

2) Follow a 3-point strategy to support inclusion of marginalised people so that barriers that perpetuate disadvantageous power dynamics can be eliminated:

- Support producer organisations to develop their market power and encourage them to take progressive measures to ensure equal participation and benefits for women and marginalised producers.

- Support new business models where specialised intermediaries and service providers assist producers, including women to empower them by helping them become more competitive and able to access more lucrative formal markets.

- Make pre-commercial investments : Providing assets and training to support marginalised people who lack the assets and skills necessary to use markets to lift themselves out of poverty.

3) Giving marginalised groups a voice in governance and investment. This involves supporting marginalised groups in dealings with governments, and also helping them with any negotiations around pre-commercial investments such as technologies and irrigation; or access to resources such as land rights for women.

4) In project design, verify the extent to which the project will substantially contribute to increases in incomes as opposed to only marginally supporting the beneficiaries/community members.



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While this may seem obvious many projects simply decide on a range of activities without prioritising those most likely to have high impact.

5) Clearly identify the beneficiary selection criteria in the project design document. This should include vulnerability criteria that are agreed to with the major stakeholders. During the project inception period, double check the correct application of selection criteria to ensure that the target community members are actually engaged in and benefit from the project.

6) When designing programming with people dependent on the IE, promote focus on the rural non-farm economy. This should not be to the exclusion of urban communities. Such support provides for poverty reduction of IE operators and workers in rural areas but may also contribute to strengthening rural economies (local economic development) and product/services shortages in rural markets shortages. Such projects can adopt a four component strategy to analyse market conditions of particular areas and plan concrete intervention aimed at strengthening the rural nonfarm economy. Such strategy would be composed of:

• Identifying potential drivers of growth which may include financial and personal services, trade and transportation, manufacturing, construction and mining

- Developing rural infrastructure
- Promoting access to markets
- Building human capital



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Credits



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<http://capacity4dev.ec.europa.eu/iesf>

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