

IMPACT OF THE INFORMAL SECTOR ON AFRICAN INDUSTRIAL RELATIONS SYSTEMS

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1. Change and Continuity in African Industrial Relations Systems

Ever since the introduction of wage labor on the African continent, the evolution of the industrial relations systems of sub-Saharan African countries can be seen as going through three marked historical phases of growth and development. The initial phase can be seen as arising during the colonial period and is co-terminus with the advent of industrialization and the creation of the African working class. At that time forced labor, coercive head and hut taxes constituted the logic of moving African workers from peasant ways to industrial lives. The second phase can be seen as emerging in the immediate post-independence period with the rise of the African nation state and a shifting balance of power and roles among the actors in national industrial relations systems. During this phase a critical set of factors related to the locus and distribution of power among the actors, constituted the primary arena for their patterns of interaction and the relative roles adopted by each other. During this phase in the evolution of the industrial relations systems, political independence of the former African colonies from colonial domination is seen as fundamentally altering the nature of state and class interests (1). During this phase, industrial relations systems could be seen as systems in which the preeminent actor was an interventionist state concerned with presenting itself as the champion of the working class. To that end the state sought to control civil institutions and society, viewed trade unions and worker organizations as rivals for power and therefore sought to control the independence of the trade unions through co-optation or coercion. Irrespective of the ideology and industrialization strategy of the elites leading the African state at the time of independence, the ultimate goal of the state in industrial relations was to control the political process by limiting the role of trade unions and where possible co-opting them as surrogates of the ruling political parties (2).

On the contemporary scene, a new, third phase appears to be emerging in the evolution of the industrial relations systems of sub-Saharan African countries. This new phase relates to what is now being observed on the continent in respect of the effects of economic globalization and trade liberalization. Accordingly, students of industrial relations continue to reflect on how the process of economic globalization has altered African industrial relations systems in ways significantly different from what has been previously observed in the first two phases of growth and development. Of particular relevance to this phase is the impact economic globalization is having on the shape and form of the industrial relations systems of nation states. During the last twenty years, there have been a number of major developments that have had significant impacts on the practice of industrial relations among the countries in sub-Saharan Africa. Some of these developments relate to the increasing democratization of countries in Africa where dictatorial regimes and the once pervasive one party state have been transformed into a multi-party state with regular and predictable free and open elections. Other significant developments relate to the globalization process and the opening up of formerly closed economies to foreign direct investment and international trade with a shift from command, socialist economies to open, free market economies.

In theory, these developments associated with the third phase in evolution of the African industrial relations systems are to be seen as positive as they bring about greater freedoms for citizens and workers to have their voices heard directly in the governance of society and the workplace. Additionally, these developments allow the markets of nation states to become connected with enhanced opportunities in the global market place. However, after two decades of democratization and market liberalization there is still a lot to be done for the working person in Africa. High levels of unemployment and poverty, increasing economic insecurity and the lack of opportunity for social mobility together with increased powerlessness appear to be the lot of the majority of workers in Africa. While not attempting any solution to these pervasive problems of development, this paper attempts to assess how the growing informal sector in Africa contributes to the changing industrial relations systems of nation states on the continent in ways that are different from the two earlier phases? The thesis of this paper is that economic globalization and the free market policies of African states is creating a large informal sector as workers are cut adrift from the formal sector as labor markets have become de-regulated and governments have attempted to reduce their intervention in the economic life of their nations. And as governments reduce their role in the market place, increasing inequalities in wealth, income, security, access to work and the quality of life contribute to un-balanced industrial relations systems with diminished roles for trade unions and significantly different roles for government in the social partnership. The paper argues that economic globalization has created greater pressures on labor market equity than at any other time in the post-independence period for African countries and is contributing to a transformed industrial relations system with capital becoming the predominant social partner without any countervailing control from either unions or governments. If this trend continues with the fundamental alteration of the shape and form of national industrial relations systems there is the prospect of increasing inequality and lack of access to opportunities for social and economic mobility for large numbers of workers which in turn could lead to political and social instability and eventually result in a new wave of revolutions and a new class of industrializing elites arising to replace middle class elites and the free market project.

Of particular relevance to this paper is the question of how come governments of African nation states and the trade unions have been eclipsed by capital in the social partnership in contemporary industrial relations? There is an emerging sentiment among students of development that suggests that the primacy, power and mediating role of the nation state in industrial relations is waning as globalization's logic becomes manifest (3). Their view is that economic globalization has contributed to the alteration of national industrial relations systems in such a way that the relative balance of power among the social partners has been significantly altered with the consequence being that labor markets are being dominated by employers at the expense of workers and their unions while national governments have been relegated to the sidelines unwilling and unable to promote the national interest by reconciling the conflicts of labor and capital. Furthermore, it is now being observed that national governments are losing primacy in being able to mediate the conflicts between capital and labor within the framework of national development. Economic globalization's impact on labor markets includes falling real wages, altered conditions of work and a general decline in employment security. The role of the nation state in the labor market is seen as being responsive to capital's call for more deregulation and greater flexibility (4). All of these trends appear to be consistent with what Gray (5) sees as the goal of multinational corporations (MNCs) to incorporate the world's diverse economies into a single global free market. Whether or not Gray's hypothesis is correct, as is his assessment that the neo-liberal free market philosophy is responsible for weakening and destroying the other social institutions on which social cohesion depends is true are empirical questions? One way of testing this hypothesis is to look at the changing nature of African Industrial Relations Systems in the context of the growth and development of the informal sector.

Conventional wisdom about development policy and measures to promote economic development among African countries, and albeit all developing countries, is that the nation state should play a less interventionist and a more limited role in markets. Deregulation, privatization, exchange rate flexibility in financial markets, deregulation to promote flexibility in labor markets and the removal of free trade barriers including the removal of subsidies and tariffs are indispensable governmental policies necessary in order to create free markets. The governments of nation states should therefore undertake reforms of their financial and industrial relations systems in order to deregulate the labor and product markets so that efforts to promote trade, growth and development would find the enabling environment (6). When this form of economic orthodoxy is pursued domestic enterprises will become competitive and coupled with inflows of foreign direct investment, the demand for labor will increase and the resulting cycle of investment, savings and spending by consumers and entrepreneurs will energize the macro-economy of the nation state.

One consequence of this policy shift of the role of the state in product and factor markets is that the shape and form of the industrial relations systems of countries in Africa appear to be undergoing a gradual process of transformation. In turn, a large number of workers in Africa are being relegated to the informal sector as the venue within which they can find the means of subsistence. And with growing numbers of workers being removed from the formal sector, trade union density and strategic weight appear to be falling as trade union power and influence continue to wane. With governments playing a less active role in the labor market and with declining union influence in industrial relations, the statutorily recognized tripartite industrial relations system is being replaced by de facto bipartite and mono-partite industrial relations systems. While the traditional tripartite systems remain in law and on the books, in substance, rule making in industrial relations is increasingly becoming the sole prerogative of employers and their associations.

At this juncture in our paper, it is important to ask how is economic globalization contributing to this transformation in the balance of power of African industrial relations systems? It is also equally important for students of industrial relations to know why is globalization undercutting the bargaining power of trade unions and workers in contemporary African labor markets? Furthermore, in light of the foregoing questions, how come the African nation state is losing its mediating role in national industrial relations systems? In order to answer these questions it is necessary for us to look at the structure of labor markets in Africa and the growing role of the informal sector in shaping contemporary sub-Saharan African industrial relations systems.

2. The Context of African Industrial Relations Systems

Industrial relations theory posits that when there are changes in context of industrial relations systems we can expect a new set of industrial relations processes, rules and institutions to evolve (7). Dunlop (8) argues that a nation's industrial system is influenced by, 1) the technological characteristics of the work place and community, 2) the product and factor markets that impinge upon the actors, and 3) the locus and distribution of power in the larger society. In the context of African societies, economic globalization is altering the context of industrial relations systems in a variety of ways. The first and perhaps most important way is that product and factor markets are becoming increasingly integrated as formerly closed economies are becoming increasingly integrated into the world free market. The logic of economic globalization imposes a discipline on product and labor markets involving the need for enhanced enterprise competitiveness and increased productivity. In order for local enterprises to achieve competitiveness in global product markets, labor market rules and regulations that constrain managerial flexibility to hire and replace workers and to pay above or below minimum wages as economic circumstances warrant require rethinking and re-focus. With these changes in demand conditions in product markets, trade union power and influence continue to fall as employment growth and labor market flexibility constrain the demand for workers in the formal sector.

Notwithstanding the fact that African economies were not industrialized at independence, another important development related to the context of African industrial relations systems is the current economic crisis facing African economies. Since the 1980's when the terms of trade began to deteriorate for Africa's primary products and coupled with the advent of the oil crisis, the economies of African countries have shed rather increased jobs in the formal sector. With large numbers of entrants coming into national labor forces on an annual basis, job creation in the formal sector has not kept pace with the growth in African labor forces. An additional problem posed by Africa's demography is the shape and distribution of its population. Increasing labor force growth coupled with the decline of employment in the formal sector is also contributing to the economic crisis that increasingly shapes the context of industrial relations systems on the continent. The shape of Africa's population has been described as having a large segment of the population falling in the under 16 cohort. As individuals from this cohort enter the labor force there is greater competition for the relatively smaller number of formal sector jobs. And with relatively high population growth rates vis-a-vis other areas of the globe, Africa's population will continue to grow and create the demand for work and access to employment opportunities. It is therefore quite understandable why of the lowest 30 ranked countries by the United Nations Development Programme's Human Development Report as of 1999 in terms of the human development, 28 of these countries are from sub-Saharan Africa. Put another way, of the thirty-five countries classified as exhibiting low human development, 29 are sub-Saharan African countries. Tables 1 and 2 below provide an overview of the economic performance of sub-Saharan African countries in terms of per capita GNP, population growth, urbanization and external indebtedness. The picture painted by the data presented in Tables 1 and 2 is not a pretty one and points to continued difficult economic circumstances for countries in sub-Saharan Africa as

Increasing urbanization continues to put pressures on the formal sector to create jobs and external indebtedness creates pressures on the capacity of African countries to repay debts from declining revenues. It is within this environment of debt and labor force growth that the increasing significance of the informal sector as a source for subsistence and employment has to be appreciated.

The consequence of the deteriorating terms of trade for the continent's primary products, rapid labor force growth and reduced government revenue is that African governments have had to address persistent deficits in their balance of payments. Initially, loans were received on the international capital markets to finance these deficits. As African economies failed to recover because of the continued unfavorable terms of trade, an increasing portion of national revenues were needed to repay the interest on the debt. And this ushered in a new and seemingly intractable economic crisis for African countries. The choices were either to repay these debts or invest in the physical and social infrastructures necessary in promoting growth and development. Invariably, African governments have had to repay their debts or face the wrath of the Multilateral Financial Institutions (MFIs) including the International Monetary Fund, the World Bank and the Bilateral Aid Agencies. What resulted from these choices made by African governments within the context of the debt crisis has been evident for all to see in contemporary African societies: devaluations of currencies, increasing unemployment, low rates of economic growth if any and persistent balance of payments disequilibria.

Table 1: Economic Profile of African States

HDI rank	GNP (US\$ billions)	GNP Annual Growth rate	GNP per capita annual growth rate	AVERAGE annual Rate of inflation	
		(%)	(US\$)	1985-96	1996
	1997	1975-95	1997		
101 South Africa	130.2	1.7	3,210	12.8	8.2
113 Swaziland	1.5	5.1	1,520	11.8	10.0
115 Namibia	3.4	-	2,110	10.7	10.0
122 Botswana	5.1	9.8	3,310	12.1	9.2
124 Gabon	4.8	0.2	4,120	3.8	12.7
127 Lesotho	1.4	3.8	680	11.1	6.1
130 Zimbabwe	8.2	1.8	720	18.7	28.1
133 Ghana	7.0	2.4	390	31.3	39.1
134 Cameroon	8.6	4.1	620	3.1	5.5
135 Congo	1.8	3.2	670	2.1	15.2
136 Kenya	9.7	4.0	340	12.2	8.8
141 Congo Dem. Rep.	5.2	-2.4	110	636.4	613.1
142 Sudan	7.9	2.4	290	-	-
143 Togo	1.5	1.6	340	5.4	4.9
146 Nigeria	33.4	2.5	280	34.1	34.2
147 Madagascar	3.6	0.3	250	20.1	17.9
151 Zambia	3.5	0.8	370	74.4	22.5
153 Senegal	4.8	2.2	540	4.4	3.7
154 Ivory Coast	10.2	1.7	710	3.2	3.7
155 Benin	2.2	3.6	380	5.6	6.7
156 Tanzania	6.6	-	210	-	-
158 Uganda	6.6	-	330	60.3	6.1
159 Malawi	2.1	2.5	210	25.9	39.0
160 Angola	3.0	-	260	297.0	5,427.1
161 Guinea	3.8	-	550	-	2.5
162 Chad	1.6	3.0	230	4.0	14.1
163 Gambia	0.4	3.6	340	11.0	2.9
164 Rwanda	1.7	1.4	210	11.2	10.5
165 Central African Republic	1.1	0.8	320	3.1	-0.8
166 Mali	2.7	2.9	260	4.9	6.3
167 Eritrea	0.7	-	230	-	-
168 Guinea-Bissau	0.3	1.4	230	62.5	48.1
169 Mozambique	2.4	-	140	50.9	41.9
170 Burundi	0.9	2.7	140	6.6	19.6
171 Burkina Faso	2.6	3.7	250	3.3	4.3
172 Ethiopia	6.5	-	110	5.0	1.5
173 Niger	2.0	1.5	200	2.4	4.8
174 Sierra Leone	0.8	-0.7	160	58.3	26.3

Source: Derived from the Economic Performance Tables, No.11, 1999 Human Development Report, United Nations Development Programme

Table 2: Urbanization and External Debt

HDI rank	Annual Population growth rate (%)		Urban Population (as % of total)		External Debt			
					Total (US\$ billion)		As % of GNP	
	1975-1997	1997-2015	1997	2015	1985	1997	1985	1997
101 South Africa	2.1	0.6	49.7	56.3	-	25,221.6	-	20.0
113 Swaziland	3.0	2.6	33.0	47.2	243.1	368.2	60.8	25.4
115 Namibia	2.7	1.3	38.0	53.2	30.1	85.0	2.6	2.6
122 Botswana	3.3	1.4	66.1	88.7	351.1	562.0	31.6	11.5
124 Gabon	3.0	2.1	52.2	66.2	1,206.2	4,284.5	39.0	95.7
127 Lesotho	2.4	2.0	25.6	38.9	175.3	659.8	36.7	51.9
130 Zimbabwe	2.8	1.1	33.2	45.9	2,414.6	4,961.3	43.9	58.5
133 Ghana	3.0	2.6	36.8	47.8	2,256.5	5,982.0	51.0	88.6
134 Cameroon	2.8	2.4	46.4	58.9	3,174.2	9,292.9	40.2	109.2
135 Congo	2.9	2.8	60.2	70.1	3,050.4	5,070.8	150.7	278.4
136 Kenya	3.4	1.6	30.4	44.5	4,177.6	6,485.8	70.7	64.7
141 Congo Dem. Rep.	3.3	2.9	29.2	39.3	6,170.7	12,329.6	93.0	232.3
142 Sudan	2.5	2.0	33.3	48.7	8,955.2	16,326.1	75.1	182.4
143 Togo	2.9	2.6	31.7	42.5	935.3	1,339.0	128.9	92.6
146 Nigeria	2.8	2.2	41.3	55.4	18,643.3	28,455.1	68.1	75.6
147 Madagascar	2.9	2.6	27.6	39.3	2,529.3	4,104.7	92.7	119.2
151 Zambia	2.6	2.3	43.6	51.5	4,575.8	6,757.8	230.4	184.6
153 Senegal	2.8	2.5	45.0	56.5	2,566.0	3,670.6	104.7	82.9
154 Ivory Coast	3.4	2.0	44.7	55.7	9,658.9	15,608.6	153.4	165.3
155 Benin	2.8	2.6	39.9	53.0	853.7	1,624.3	83.3	76.9
156 Tanzania	3.1	2.3	25.7	38.3	9,107.1	7,177.1	-	97.2
158 Uganda	2.7	3.1	13.2	20.7	1,231.9	3,707.9	35.5	56.5
159 Malawi	3.0	2.5	14.2	22.7	1,020.7	2,206.0	94.6	89.0
160 Angola	3.0	2.9	32.3	44.1	2,993.0	10,159.8	47.7	231.8
161 Guinea	2.6	2.0	30.6	42.9	1,465.5	3,520.4	-	95.3
162 Chad	2.6	2.6	22.8	30.9	216.5	1,026.5	22.0	65.2
163 Gambia	3.6	2.4	30.4	42.5	245.1	430.1	113.7	107.6
164 Rwanda	1.4	3.2	5.8	8.9	365.6	1,110.9	21.4	60.0
165 Central African Republic	2.3	1.9	39.9	49.7	343.5	885.3	40.1	88.2
166 Mali	2.4	2.6	28.1	40.1	1,456.1	2,935.1	119.8	119.2
167 Eritrea	2.3	2.7	70.7	26.2	-	75.5	-	9.1
168 Guinea-Bissau	2.7	2.0	22.5	31.7	318.4	921.3	199.6	366.5
169 Mozambique	2.6	1.8	36.5	51.5	2,870.5	5,990.6	81.8	232.9
170 Burundi	2.5	2.2	8.1	14.5	455.1	1,065.5	40.2	112.6
171 Burkina Faso	2.7	2.8	16.9	27.4	511.1	1,297.1	35.9	54.3
172 Ethiopia	2.7	2.5	16.3	25.8	5,205.7	10,078.5	78.1	159.0
173 Niger	3.3	3.0	19.1	29.1	1,194.9	1,579.1	85.5	86.3
174 Sierra Leone	1.9	2.3	24.6	46.7	709.1	1,148.7	60.4	141.4

Source: Derived from Tables 15 (Aid and Debt by Recipient Country) and Table 16 (Demographic Trends) of the 1999 Human Development Report, United Nations Development Programme.

One outcome of this economic crisis is that a large number of African countries have sought and received balance of payment support from the MFIs in the form of Structural Adjustment Programs (SAPs). Structural Adjustment Programs have been the subject of considerable debate by students of industrial relations especially in terms of their impact on economy of African states. The debate relates to whether or not SAPs have had positive or negative effects in solving the economic crisis of African states. On one hand, the proponents of SAPs argue that these programs create the conditions for the enhanced competitiveness of the nation's economy in the global market place by removing market distortions such as artificial prices created by price supports and government subsidies while at the same time cutting down on bloated public sector bureaucracies, inefficient public enterprises and the over regulated labor market. The proponents argue that the SAP is just the kind of medicine African economies need in the short term that is absolutely necessary to revitalize the macroeconomic fundamentals in order to bring about growth and development in the long term.

On the other hand, the critics of SAPs point to the current conditions of the African countries that have implemented SAPs. The critics point to the poverty and misery of the citizens of these countries attributable to high rates of unemployment as result of the privatization of formerly owned public enterprises and the cutting back of public sector employment, high inflation as a result of currency devaluations, and a weakening of the balance of power of the social partners as governments have been forced out of markets as a condition of the SAP while unions have lost membership and a lot of their bargaining power and influence.

Both sides to the debate can undoubtedly muster relevant data and appropriate arguments to support their views for or against the positive or negative effects of SAPs. What cannot be debated however is how the current economic crisis together with economic globalization is impacting the growth of the informal sector?

3. The Increasing Significance of the Informal Sector

The third phase in the evolution of industrial relations systems in sub-Saharan Africa is the contemporary phase and one which should be viewed as one in which the informal sector has replaced the formal sector as the primary source of employment for the African labor force. This is likely to be the case for the foreseeable future for the majority of African countries until the debt crisis is solved and macroeconomic prosperity is achieved to facilitate economic growth and human development. The informal sector displays a variety of characteristics substantively different from the formal sector. Unlike the homogeneity of the labor force in the formal sector, the labor force in the informal sector is heterogeneous and poses considerable difficulties for union organization and representation. The informal sector has been described by the International Labor Office as a vibrant, unregulated sub-sector of the economy that provides relatively little stability for workers while providing firms and operators with autonomy from labor market and state regulations and control (9). Workers in the informal sector have inadequate legal and social protection, lack representation and participation in decision making and are forced to work in unsafe and unhealthy conditions. Furthermore, the informal sector is difficult to organize into representational bodies such as unions in the formal sector because of a marked absence of class solidarity due to the widespread reality of paternalistic labor relationships based on household, ethnic and ties that intervene to reduce conflict and the development of a working class consciousness among workers in this sector. Informal sector workers are for the most part voiceless, invisible and powerless and unable to champion their occupational interests. They are seldom covered by social insurance and social security schemes and are at a disadvantage in accessing credit, skills training and frequently possess low levels of literacy. Because of the low barriers to entry in this sector from new entrants and retrenched workers from the formal sector, informal workers in Africa have to work harder as the returns to their efforts are lowered by the increasing labor surplus of unemployed workers.

Women and children are major actors in the informal sector and are particularly vulnerable to exploitation and abuse. And if for no other reason why an industrial relations framework is so desperately needed for the informal sector is precisely because of the need for minimum standards and working conditions to prevent the abuse of women and children that hinders their human development.

While the traditional view of the informal sector is that it is urban based, Ake (10) also suggests that the informal sector also exists in rural areas of Africa since wherever there is unemployment one can expect to find an informal sector emerging to provide subsistence to the working people. And with the changing land tenure systems in Africa from the traditional usufruct with peasant farmers occupying and using land as tenants in common to privately owned land for the use as commercial farms, an increasing number of peasants have limited choices but turn to the rural informal sector.

The informal sector exists in a symbiotic relationship with the formal sector and it is quite common to find formal sector workers supplementing their falling wages with work in the informal sector. Moreover, at the level of the household, the traditional decision making unit in labor economics, one can find some family members working in the formal sector, others employed in the informal sector and still other members employed in subsistence activities. It is also not uncommon in many African countries to find public sector workers moonlighting as taxi drivers or running small scale enterprises of the kind defined as being in the informal sector to supplement low wages and salaries due to the current economic crisis. More often than not the symbiotic relationship between the formal and informal sector can be seen from the vantage of the outsourcing of certain services and product inputs by formal sector enterprises to informal sector operators. And important point to note about the nature of the informal sector vis-à-vis the formal sector is that perhaps the real difference is one of scale and that today's successful informal sector operator, if provided with sufficient incentives, training and support can move into tomorrow's formal sector as an entrepreneur. The important point is that the formal and informal sectors are organically linked at the level of the national labor markets and each sector derives benefits from each other. The major public policy issue in African industrial relations is what needs to be done by the social partners to speed up the process of formalizing the informal sector. An issue we will turn to in the final section of our paper.

According to various studies cited by the ILO in the 1997-1998 World Labour Report, estimates of the size of the informal sector in Africa suggest that it is responsible for the employment of approximately 61% of the urban labor force and generates some 93% of all new jobs on the continent. Further, the studies note that the rate of expansion of the informal sector between 1980 and 1985 was 6.5%. It is therefore quite appropriate to conclude that as the formal sector has shrunk in terms of employment creation, the informal sector has expanded to absorb a large percentage of the labor force. It should also be noted that women are increasingly employed in the informal sector.

4. The Impact of the Informal Sector on African Industrial Relations Systems

The actors in any industrial relations system are responsible for developing the web of rules that govern the employment relationship. As this paper has argued, over time the rule making process in African industrial relations systems has evolved from where workers and their unions were able to negotiate terms and conditions with employers at enterprise, sector or national levels to one where on the contemporary scene unions are increasingly viewed as powerless to impose their will on employers in the collective bargaining process. Furthermore, these unions accustomed to exerting political and economic pressure on governments to regulate the labor market during the first two phases in the evolution of industrial relations, now find that these governments can longer support labor market regulation that constrain the flexibility for employers in an environment of economic liberalization and free markets.

Because the informal sector is outside the scope of formal sector legislation in terms of regulatory and institutional frameworks, there are no formal associations to represent the interests of this major sector. And since the majority of workers in Africa toil in the informal sector, formal sector protections are not extended to them by existing labor legislation. It is both ironic and paradoxical that so vulnerable a sector is excluded from national safety nets. With the decline in formal sector employment in Africa, one can only suggest that it would be appropriate for industrial relations legislation to be extended to cover as much of the informal sector as is practical and realistic.

There can be no doubt that the informal sector needs to be brought into the African Industrial relations system in a systematic manner just as unions were brought into the industrial relations system as a critical actor. Workers and their associations in the informal sector need more than ever during this phase in the evolution of African industrial relations systems to become an equal partner with the other three traditional social partners and together develop a new industrial relations system to accommodate and meet the needs of informal sector operators and workers. Just how the associations of informal workers should be organized and their organizations structured is best left to these workers and their own interests. It is nevertheless important to note that irrespective of what choice is made about the form of associational representation, informal workers have fundamental human rights that should also extend to their work places as well. Informal sector workers should be able to organize themselves to protect and advance their interests.

5.The Future of African Industrial Relations Systems:

There can be no doubt about the need to organize informal sector workers and operators in order to speed up the formalizing of the informal sector. This is not an easy task and is perhaps one of the major challenges for the development community in Africa simply because the informal sector is heterogeneous and includes own account workers, subcontractors, unpaid household workers, operators of micro-enterprises, apprentices and casual laborers. Just how these varied groups can be organized is going to be a true test of innovation and creativity. It is only a matter of time before solutions to the most appropriate method for the organization and representation of workers and operators in the informal sector are discovered. This is also a challenge for the traditional social partners in contemporary industrial relations systems in view of the fact that the organizing of the informal sector will bring advantages and benefits to all social partners. When the informal sector is organized, the concerns of the workers will be made known by their representatives and governments will be able fashion development strategies, incentives and public policies with these concerns and needs in mind. Furthermore, when this sector is organized, governments will be able to assist workers in the informal sector to overcome some the barriers which have reduced their productivity, barriers such as access to credit, high input prices, low prices for finished goods, persistent conflicts over property and health insurance and income and old age security.

African trade unions must certainly play a major role in the organization of informal sector workers. This is both for defensive and strategic reasons. As long as the informal sector remains unorganized, formal sector workers will continue to face competition from workers in the informal sector as the current harsh economic times in Africa contributes to the view that formal sector workers constitute a labor aristocracy with various forms of security while the large undifferentiated mass of workers are forced to toil in miserable conditions in the informal sector. In some sectors the competition between formal and informal sector workers is so intense that the workers in the informal sector are increasingly crowding out workers in the formal sector. Anecdotal evidence from South Africa suggests that this is happening in the construction sector as migrant laborers from Mozambique and Zimbabwe undercut the wages of the unionized South African construction workers. This has increased tensions between these groups of workers and serves to reduce working

class solidarity. Although some trade unions in Africa have seen the necessity to organize workers in this sector, declining union membership makes it a real stretch for these unions to be able to mount viable organizing drives especially at a time when the regulatory framework of African industrial relations excludes informal sector workers.

Just how the informal sector will be incorporated into the industrial relations systems in sub-Saharan African countries will be of major interest to students in this field of study. While there are some indications of how these developments might take place by reference to the organization of the informal sector in other parts of the globe, it is too early to predict. What is important to note however is that the economies of Africa cannot grow and develop unless some social compact is developed which includes the voice of the informal sector.

One can envision a scenario where the number of actors in the industrial relations system is increased with a new actor representing the informal sector. This scenario is likely in view of the pressing economic and social problems facing countries in Africa. Unless a new industrial relations concordat is reached in Africa it will be very difficult for African economies to compete in the free market. One indisputable reality is that the old adversarial industrial relations cannot roll over into the new phase of the evolution of African industrial relations. The governments of African states will have to engage the employers and unions in order to mobilize and organize the informal sector and together all four parties will have to fashion a new industrial relations for competitiveness and growth.

We can only hope that the parties to industrial relations use the opportunity provided by the rise to prominence of the informal sector to come together in the true spirit of cooperation for national development. If this can be done, the problems of unemployment and underdevelopment could be tackled frontally as all parties to industrial relations put their heads together to fashion a social contract that can buffet the winds of change introduced by economic globalization.

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IMPACT OF THE INFORMAL SECTOR ON AFRICAN INDUSTRIAL RELATIONS SYSTEMS

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Biography of Charles Cambridge.

Charles Cambridge is currently Professor of Management in the College of Business at the California State University, Chico. He earned his B.A. degree in Economics and Business Administration from Macalester College in St. Paul, Minnesota in 1971, his M.A. (1973) and Ph.D. (1981) in Industrial Relations from the Carlson School of Management of the University of Minnesota.

Dr. Cambridge has published a variety of articles related to the comparative and international aspects of industrial relations in the Nigerian Journal of Industrial Relations, Journal of African Studies, Management Review, Ethics and Behavior Journal, the Journal of Black Studies and Productivity SA. He has prepared a range of monographs and desk studies for various clients including the World Bank, USAID, Swedish International Development Agency and the United Nations Development Programme.

Dr. Cambridge has lived and worked in over 30 countries in Africa, Asia, Europe and the Caribbean including long term assignments in Kenya as Advisor to the Tom Mboya Labour College (1981-82), Academic Dean at the Institute of Development Management in Botswana, Lesotho and Swaziland (1986-88) and Senior Research and Programme Development Officer in the Enterprise Department at the International Labor Office in Geneva, Switzerland (1991-1993).

Dr Cambridge was rapporteur during the First African Regional Congress in Lagos, Nigeria and prepared the paper on Trades Unions and the Political Process.

Dr. Cambridge has served as a management consultant to variety of countries, public sector organizations and private enterprises around the world in the areas of productivity improvement and labor-management cooperation.