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## Leading the Fight for Legitimacy: Malawi Union for the Informal Sector – MUFIS

**Impact:** *When the global economic downturn's impact on the informal workers in Malawi went unreported and unrecognized, the Malawi Union for the Informal Sector – MUFIS – helped bring the issue to light, and street vendors took to the streets to demonstrate for their right to secure livelihoods.*

While Malawi's economy has seen improvement overall in recent years, conditions for those who rely on informal employment—primarily street trading—have remained dire. Due to privatization, globalization and many factors that led to the retrenchments, redundancies, lay-offs or right-sizing through public service reforms, formal employment has been reduced in most of the countries in Africa, including Malawi. A massive population of ex-employees in the formal sector have experienced an exodus into the informal sector, joined each year by a new group of school leavers as well as formally employed people who cannot make ends meet due to the financial crisis. There are now an estimated 3.5 million people working in the informal economy.

Government authorities, however, have ignored the situation. As described by Mwanda Chiwambala, General Secretary of MUFIS, "We were the first people to say openly that the economy of the poor is deteriorating every day. The people in authority ignored us, saying that the economy is sound and nobody could say anything negative because Malawi has enough food."

Workers in Malawi's informal economy insisted that the positive picture presented by government was not accurate and have faced particularly harsh government crackdowns as a result. One sweep in 2006 virtually wiped out informal street trading – a mainstay of economic activity for the poor in one of Africa's poorest countries.<sup>1</sup> In more recent years, a disordered and inconsistent daily registration system has meant heavy fines for street vendors already struggling to make ends meet.<sup>2</sup>

### Emergence of a Movement

The Malawi Union for Informal Sector (MUFIS) was formed in order to organize, promote, protect, and negotiate on issues dealing with the rights of informal economy workers, and also to train members on HIV/AIDS prevention and business management. The workers in this sector include hawkers, marketers, vendors, artisans, those in small



photo: MUFIS

veranda (homes) businesses, informal cross borders traders, and tea smallholder farmers. These are workers that trade in unprotected and unsecured places and whose basic rights are consistently violated. Though merchants are required to regularly pay market fees, markets do not have free public toilets and adequate water supply, and general hygiene in the markets is poor. Due to lack of adequate space and proper hygiene inside public markets, some vendors and hawkers encroach into the city and town streets where they are expelled and sometimes their merchandise is confiscated by town and city assemblies. This situation resulted in the formation of The Malawi Union for the Informal Sector (MUFIS) in the year 2000.

Although it took years of struggle for it to become fully registered and to affiliate itself with the Malawi Congress of Trade Unions (MCTU), MUFIS began gaining influence once this was achieved. As one member reported, "The registration by government of our union representing the informal economy was a step ahead towards creating a conducive environment for social dialogue to mainstream the decent work agenda in the informal economy."

### Insisting on Being Counted

In 2009 and 2010, MUFIS, an affiliate of StreetNet, took part in the Global Economic Crisis studies coordinated through the Inclusive Cities project. The resulting research provided the empirical evidence the organization needed to make the case that the economic situation was deteriorating for the poor as the cost of living rose. Tired of having their situation ignored, members of MUFIS joined other civil society players in a massive demonstration in July, 2011. A second demonstration was planned for August, 2011. In advance, StreetNet reported that government officials offered vendors permits, loans and other aid to forego the protests. However, on the morning of August 18, police were deployed to shut down street traders. MUFIS denounced the government's manipulative tactics and joined the civil society demonstrations. A brutal suppression of the protests left many injured and 19 people dead.

<sup>1</sup> Kayuni, Happy M. and Richard I.C. Tumbulasi. 2009. "Political Transitions and Vulnerability of Street Vending in Malawi." *Theoretical and Empirical Researches in Urban Management*. Number 3(12), August 2009. Available at <http://um.ase.ro/no12/7.pdf>.

<sup>2</sup> Horn, Zoe. 2011. *Coping with Crises: Lingering Recession, Rising Inflation and the Informal Workforce*. Inclusive Cities Report. Available at [http://www.inclusivecities.org/GEC\\_Study\\_II.html](http://www.inclusivecities.org/GEC_Study_II.html).



*photo: MUFIS*

The violent response to the protest was a set-back; however, it did not diminish the fact that through organizing, informal workers had found a voice and the strength to speak out and protest publicly. According to MUFIS, informal economy workers are overcoming their fear in order to fight for their rights, and much of this owes to the research and the training that gave them more visibility and capability.

In addition to helping them gain more visibility, the research allowed MUFIS to provide the information it collected on the informal economy to other organizations. As a result, other organizations began to invite MUFIS members to attend workshops and to involve them in other ways. In this way, the research led to a growing group of organizations focusing on the working poor in the informal economy.

## **Building Skills and Assets for the Working Poor**

MUFIS has responded to the urgent economic needs of their members by building an analysis of the gaps in skills and resources for workers in the informal sector and by beginning to construct programmes and positions to address these. For example, in Malawi there is no comprehensive legislation on social protection and social security, and the existing social protection schemes do not reach out to a wider segment of the informal economy. MUFIS reports that informal sector workers are not actively involved by government as key stakeholders in the design and implementation of social protection schemes. Additionally, it has been evident that most tri-partite meetings between the government and through the Ministry of Labour, employers, the Employers' Association of Malawi, and trade unions lack representation of workers in the informal economy. MUFIS is beginning to raise this issue with its members and the government.

MUFIS, with support of StreetNet and other partners, has begun promoting co-operative business development and business skills among members. For example, record keeping among workers in the informal economy is generally poor. This is aggravated by low education levels and lack of business management skills. As such, workers in the informal economy rarely keep records of basic information such as hours worked per day, output or sales per day, violations of workers' rights, accounts, or formal contractual agreements. In response, MUFIS negotiated trainings with funding by StreetNet International with an Italian local organization, Comitato Internazionale per Lo Sviluppo Dei Popoli (CISP), in marketing, stock, costing, financial management, business planning and legal requirements.

MUFIS has also begun a programme of training members in savings and credit. In collaboration with NBS Bank, MUFIS established a savings and credit account (co-operative) for the women union members. This is viewed as a support mechanism to the women union membership towards promoting thriftiness, savings, and easy access to credit on reasonable terms to improve individual enterprises of the targeted group. These programmes are the beginnings of a longer term effort to build up the assets and skills for strengthening the livelihoods and resilience of informal sector workers and their families.

MUFIS has trained people in leadership, negotiations, representation, gender issues and HIV/AIDS. These trainings led to very good and meaningful discussions among members. As one member reported, "We have seen our members in Neno and MUFIS negotiating successfully with local councils when MUFIS members were chased from the market by the council with a short notice. After negotiations the notice period was extended and they were compensated."

## **Looking Forward**

Going forward, MUFIS hopes to benefit from additional capacity building and training. Included among its aspirations is funding to support small business development, business management skill training workshops, and greater mobilization of resources such as an employee with a computer and Internet access. The latter could help with the goal of raising awareness and sensitivity, fostering more visibility.

MUFIS will also continue to bring together more voices by building its membership and to negotiate with authorities. It will continue the struggle for validity and legitimacy of informal workers on the streets of Malawi.

**Inclusive Cities project:** Inclusive Cities focuses on support and capacity building for membership-based organizations (MBOs) of the working poor in the urban informal economy. Through organizing, advocacy, and policy analysis, informal workers are making their needs heard within urban planning processes. Partners in the Inclusive Cities project include MBOs of the working poor and technical support organizations committed to improving the situation of the working poor. For more information, and to access research and publications on inclusive urban planning and capacity building tools for MBOs, visit: [www.InclusiveCities.org](http://www.InclusiveCities.org)