



## INCLUSIVE CITIES & THE URBAN WORKING POOR: INFORMALITY, GENDER AND EMPOWERMENT

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Good afternoon. It is a real pleasure to be here today – in a familiar city with so many familiar faces – to speak on a topic that is - and has been - at the core of my professional work and also near and dear to my heart. As many of you know, I grew up in India – where my paternal grandparents, my parents, plus my aunt and uncle were Protestant missionaries dedicated to education and ecumenical inter-faith dialogue. My grandparents arrived in India in 1916 – a hundred years ago. I grew up observing and interacting with the working poor in the small towns we lived in across the Gangetic plain and in the Himalayan foothills. In my office at Harvard University are two photographs I took in the 1950s on my Brownie Hawkeye camera: one of my ayah, Laksmi, in Mussoorie where I went to school; the other of a shepherdess I befriended in Rajpur, the small town outside Dehra Dun where my parents worked in the 1950s and 60s. Forged by this childhood exposure, my life's work has been dedicated to promoting economic empowerment and justice for the working poor, primarily women but also men.

I wish to thank the three persons and organizations who so kindly organized this guest lecture: Reika Tsushima of the ILO Delhi Office – who I met only recently but have heard so many good things about and the ILO which the WIEGO network has worked closely with for 2 decades

Bina Agarwal who has been a dear friend for many years, in both Delhi and at Harvard, and whose scholarship I have long admired. And to the Feminist Economics Saturday Discussion Group (FESDIG) which Bina co-founded.

And, last but hardly least, to Renana Jhabvala who has been a dear friend and very close colleague for 35 years and whose committed dedicated activism I have long admired and learned from

Working with SEWA, and Renana-ben in particular, since 1979 has been a great privilege and deep joy in my life.

As all of us are aware, Delhi is fast changing - like so many cities around the world. But it is the working poor – at the bottom of the economic pyramid - who bear the brunt of what I call the **urban juggernaut** – on a daily basis around the world, large urban infrastructure projects, city

policies and regulations, and local authorities are undermining or destroying the livelihoods of the urban working poor.

In my remarks today, I want to share with you what the WIEGO network has learned about the impact of rapid urban change on the working poor, especially women; and on how they are organizing and being empowered to address the negative impacts of rapid urban change.

The WIEGO network, as Renana has mentioned, is part think tank and part social movement. We have a Statistics Program dedicated to improving national statistics and regional estimates of informal employment. We have a Law Program dedicated to legal empowerment of the working poor and to appropriate legal reforms; and programs which promote Social Protection and Urban Policies for the working poor. We have a Research Team dedicated to generating knowledge and policy analysis. And we have an Organization and Representation program that supports organizations of informal workers and links them into sector-specific networks at the national, regional and international levels. In all of our work, we partner with organizations of informal workers and seek to enhance their capacity to change the wider environment that controls their livelihood opportunities.

My remarks today will be in three parts:

- # 1 – set of key facts about informality, gender and poverty and about urbanization, cities and informality – based on national data
- # 2 – recent evidence on the impact of cities and urban development on three groups of urban informal workers – home-based producers, street vendors and waste pickers - based on WIEGO-led research in 10 cities
- # 3 – promising examples of campaigns led by informal worker leaders, primarily women, to demand more inclusive policies, laws or practices in three of these cities

I will conclude with some reflections on the linkages between informality, gender and empowerment.

While I speak, I will project [powerpoint slides](#) in the background – some with photos and graphics and others with data or figures. I will refer to each slide but not go through them – but I thought all of you might enjoy the photos and graphics and that some of you would like data and figures.

To begin with, let me first clarify

- what I mean by “informal employment”
- who constitutes the urban informal workforce
- who constitutes the urban informal workforce in India today

### **INFORMAL ECONOMY**

When WIEGO was founded in 1997, an official international statistical definition of the “informal sector” had recently been approved by the International Conference of Labour Statisticians (convened by the ILO). But WIEGO and SEWA felt something was missing – namely, informal workers who do not work in informal enterprises. So together we began to promote an employment-based definition of informality – which was adopted by the

International Conference of Labour Statisticians in 2003. Since then, national statistical offices have begun to collect data on informal employment so defined and the ILO and WIEGO have jointly developed an on-line data base and brought out a statistical publication on informal employment in 50 countries – and WIEGO has generated regional estimates of informal employment based on these data.

### URBAN INFORMAL WORKFORCE

The urban informal workforce is large and heterogeneous – and works mainly in public spaces or in private homes: with women more likely to work in private homes and men more likely to work in public spaces in most countries. Some informal workers are engaged in hotels, restaurants, offices or shops; others in small factories or karkhannas. And some work in formal factories or offices – but without social or labor protection.

### URBAN EMPLOYMENT IN INDIA

In India today, informal employment represents 80% of total urban employment – a slightly higher percentage of women urban workers are informally employed than men urban workers. The urban informal workforce is concentrated in manufacturing, trade and non-trade services – with some notable differences between women and men. Within non-trade services, a significant percentage of men are in transport while a significant percentage of women are domestic workers. The three groups of workers I will focus on in my remarks – home-based workers, street vendors and waste pickers – represent nearly 20% of all urban workers: 15% of male but 35% of female urban workers in India today.

### Part I - Key Facts

Let me turn now to the set of KEY facts about informality, gender, and poverty in cities – based on national statistics

#### **Informality & Poverty – There is a significant, but not complete, overlap between being informally employed and being poor**

- Most informal workers are poor; most working poor are informally employed
- Earnings are low and costs-plus-risks are high, on average, in the informal economy

#### **Informality & Gender –**

- A higher percentage of women workers than men workers are informally employed in 3 (out of 5) developing regions including South Asia; but *men comprise the majority of the informal workforce in all regions* due to relatively low female labour force participation rates.
- Women are concentrated in the lowest-earning segments of informal employment in all regions

#### **Informal Economy & Cities**

- Informal economy represents the broad base of the urban workforce, urban enterprises and urban output
- But cities as they modernize become increasingly hostile to the informal economy, penalizing or criminalizing informal workers + undermining or destroying their livelihood activities

### MAP: INFORMAL EMPLOYMENT: REGIONAL AVERAGES

As the [figures on this map](#) indicate, informal employment is the norm, not an exception, in most developing countries. These regional estimates are of informal employment outside of agriculture – which is a useful proxy for urban informal employment in the absence of urban data for many countries. Within each region, there is a range by country. Notably, in Sub-Saharan Africa, informal employment is far less significant in the Southern Cone than in East and West Africa, where the incidence of informality is comparable to South Asia.

In South Asia, the range is from 64% in Sri Lanka to 84% in India. In India today, informal employment represents 94% of total employment, 84% of non-ag employment, and 80% of urban employment

This [pyramid diagram](#) summarizes national data from over 15 countries where the national data allow us to compare poverty rates at the household level with status in employment and earnings at the individual level. The slices of the pyramid represent different statuses in employment within the informal economy – not by relative size but by relative average earnings and poverty risk. Employers are least likely to be from poor households and enjoy the highest average earnings. Industrial outworkers – sub-contracted workers – who work from their home are very likely to be from poor households and are paid very low piece rates. The diagram also shows that women are less likely than men to be employers – at the top of the informal employment pyramid - but more likely than men to be industrial outworkers and unpaid contributing family workers – at the bottom of the informal employment pyramid.

### URBANIZATION, CITIES & INFORMAL LIVELIHOODS

The world is already *predominantly urban* and is *further urbanizing* at a rapid pace.

Whether the global commitment to reduce poverty and inequality - to deliver on the Agenda 2030 objectives - *succeeds or fails will depend on the cities* of the world.

In order for the global commitment to succeed, cities must strengthen their economies, create jobs and also *enhance existing livelihoods*.

But as they modernize and seek World Class status, cities around the world are *destroying – not enhancing – existing livelihoods*.

This policy contradiction – what economist Ravi Kanbur refers to as “**policy schizophrenia**” – is at the heart of WIEGO’s urban advocacy work – we are trying to ensure that the New Urban Agenda coming out of the Sustainable Development Goals and Habitat III summit will include a commitment to preserve and enhance urban informal livelihoods. With SEWA, we were able to introduce a clause on preserving informal livelihoods in the ILO Recommendation 204 on the transition to formalization, adopted at the International Labour Conference in June 2015. The recent evidence from 10 cities that I will now share with you illustrates how cities undermine or destroy livelihoods.

### Part II - Recent Evidence

In 2012, as part of a global project on Inclusive Cities and the Urban Working Poor, WIEGO with local partners and researchers in 10 cities studied how three driving forces – economic trends, government policies and practices, and value chain dynamics - impacted on three groups of the urban working poor - home-based producers, street vendors and waste pickers. We found

that the policies and practices of local government were the major drivers of change in urban livelihoods but that this impact differed by sector. Here briefly is what we found:

### CITIES AND HOME-BASED WORKERS

When your home is your workplace, the need for basic infrastructure services is doubly important – for your livelihood and for the well-being of your family.

**Lack of - or high cost of - basic infrastructure services ► decreased production AND/OR increased expenditure on basic infrastructure services ► low earnings**

- ❑ Survey Respondents: one-third reported lack of basic infrastructure services as a problem (more so in Ahmedabad and Lahore than in Bangkok)
- ❑ Focus Groups: all 15 in Lahore and 6 (out of 15) in Ahmedabad ranked irregular electricity supply and/or high price of electricity as major negative drivers

**High cost of transport ► high business costs ► low earnings or *operating at a loss***

- ❑ Survey Respondents:
  - transport costs comprised 30% of business costs
  - *25% of those who spent on transport operated at a loss*

This reflects not only the high cost of transport but also the low earnings of home-based workers, especially those who are paid on a piece rate.

### CITIES AND STREET VENDORS

In cities around the world, street vendors have over the years carved out space in what SEWA calls “natural markets” – near transport hubs or public institutions – to sell goods to passer-bys. But cities around the world are destroying these natural markets and evicting vendors from them: there is at least one eviction per day reported in the on-line news. But when cities sweep the street vendors away and relocate them far from pedestrian flows, they always return.

**Insecure work space + harassment by local authorities + evictions/relocations ► fines/bribes + confiscation of stock + loss of working hours ► greater need to borrow to replenish working capital ► increased interest payments ► reduced earnings**

- ❑ Insecure workspace, abuse of authority, and evictions/relocations accounted for 44% of all Focus Group mentions of the city as a driver of change; *abuse of authority by police and local officials was the only driver to be ranked in top three in every city*
- ❑ Fruit and vegetable vendors twice as likely as other vendors to experience insecurity, harassment, confiscations, and evictions – and *women are more likely than men to sell fruit and vegetables*

### CITIES AND WASTE PICKERS

**Lack of legal & policy protections + lack of working space for sorting & storage ► lack of access to waste + loss of materials due to damage, theft, confiscation ► low and unstable earnings**

- ❑ Lack of formal permission to work is a significant problem for over 65 per cent of waste pickers in Bogotá, Durban and Nakuru
- ❑ Half of the waste pickers across the five cities said harassment hinders their work
- ❑ Nearly two-thirds of waste pickers said lack of work space is a problem

- ❑ Yet the policy environment varies greatly across the cities: with BH as the best and Nakuru as the worst
  - Access to waste is a major problem: 15% (BH) vs. 73% (Nakuru)
  - Harassment is a problem: 27% (BH) vs. 50% (Nakuru)
  - Regulations are a problem: 22% (BH) vs. 46% (Nakuru)

### **Part III – Promising Experiences**

The purpose of this research was not only to highlight the impact of rapid urban change on informal livelihoods but also to help empower the urban working poor, through their local organizations and leaders, to address these impacts – to advocate more effectively for inclusive – rather than exclusionary - city policies, practices and services. Let me share three examples of successful advocacy campaigns: one each from Asia, Africa and Latin America

#### **NATIONAL VICTORIES FOR HBWS IN BANGKOK, THAILAND**

HomeNet Thailand is an alliance of informal workers in Thailand, mainly home-based workers but also domestic workers, motorcycle taxi drivers, street vendors and waste pickers. HomeNet Thailand was part of the civil society alliance that successfully campaigned for the Universal Health Coverage scheme in Thailand and for a Home Workers Protection Act based on the ILO Convention 177 on Home Workers which was passed 20 years ago – in 1996. Based on research they have done with WIEGO, HNT also negotiated a joint OHS scheme with government and has mounted a campaign for accessible and affordable transport for home-based workers, especially those who have been relocated from central Bangkok to the periphery of the city.

#### **Universal Health Coverage**

- ❑ Formation of alliance, drafting a UC legislation (people’s version) (1997-2000)
- ❑ Collection of >50,000 signatures needed to submit a people’s sector law (2001)
- ❑ Participation in the parliamentary committee discussion on the draft legislations (2001-2002)
- ❑ Passage of the UC Law (2002)
- ❑ Participation in implementation of the legislation through membership on committees and subcommittees at local, district, and national levels (2002 to present)
- ❑ Representation on the National Health Security Board (2006 to present)

#### **Occupational Health & Safety Project (2012-2015)**

**Home Workers Protection Act B.E.2553 (2011)** – based on C177

**Transport for Bangkok Home-Based Workers Campaign (current)**

#### **LEGAL VICTORIES FOR STREET VENDORS IN DURBAN, SOUTH AFRICA**

In 1999, when the Durban-eThekweni municipality decided to adopt a policy and scheme in support of informal workers: two Durban-based activist academics on the WIEGO team were recruited as expert advisors by the city government. But when the government changed its policies on the eve of the World Cup games in South Africa – when they wanted to build a mall in the center of Warwick Junction, two key city officials decided to leave government and form an NGO to continue their work in Warwick Junction. WIEGO helped raise funds to AeT and has worked closely with them ever since. Local WIEGO team provided expert witness and evidence to back up the legal cases.

- ❑ City scheme and policy in support of informal workers, including SVs in Warwick Junction (1999-2007)
- ❑ Asiye eTafuleni (AeT) founded to *provide design, legal and other support to 6-7,000 street vendors in Warwick Junction (2008)*
- ❑ Legal Resources Center, at request of AeT, filed 2 successful cases *against city plans to build a mall in the middle of Warwick Junction (2009)*
- ❑ Legal Resources Center, again at request of AeT, filed successful case *to challenge power of municipality to confiscate and impound street vendor goods (2014-2015)*

## **CITY CONTRACTS FOR WASTE PICKERS IN BOGOTA, COLOMBIA**

**Asociacion Recicladores Bogota (ARB) (founded in 1990)**

co-founded by Nohra Padilla and Silvio Ruiz



**Legal Campaign (20 years)**

technical support from pro bono lawyers and NGOs led by  
Nohra Padilla who wrote many legal briefs



**First Global Waste Picker Conference, Bogota (2008)**  
hosted by ARB, organized by international planning committee



**Constitutional Court Victory (2011)**

right of waste pickers to bid for solid waste management contracts



**Successful Bid for Solid Waste Management Contract (2012)** technical analysis of appropriate costs for waste services research on conditions and trends in the waste picking sector policy dialogues with mayor and city officials



**Waste Picker Integration Model Launched in Bogota (2013)**

**Goldman Environmental Award to Nohra Padilla (2013)**

**National Ruling to Replicate Bogota Model throughout Colombia (2014)**

WIEGO met ARB plus Nohra and Silvio when we formed the committee to organize the first international conference of waste pickers in Bogota in 2008. We have worked closely with them ever since – through our own waste expert based in Bogota and other members of the WIEGO team.

In each case, the advocacy campaign was led by a local organization of informal workers with support from WIEGO and other allies: home-based workers in Bangkok; street vendors in Durban; and waste pickers in Bogota. In two of the three cases – Bangkok and Bogota - the

organizations are led by women. In the third case – Durban – there are strong women leaders within the local organization. In all three cases, the women leaders identified and joined hands with other workers in the same occupation, both women and men, to achieve a common victory for all who work in the same occupation.

### COMMON SECRETS OF SUCCESS

In each case, what contributed to the success was:

- **Common strategies** included organizing + awareness building + advocacy + legal struggles including test cases: with action on these different fronts feeding into each other in a circular, interactive, reinforcing manner.
- **Common sources of technical and political support** included pro-bono lawyers + activist academics + specialized non-governmental organizations including WIEGO - and, most importantly, alliances of organizations of informal workers.

### Concluding Reflections

Let me conclude with a few reflections on gender and informality and empowerment.

Gender and Informality – as I noted earlier...

- there is *gender segmentation within the informal economy*: by branch of industry, status in employment and place of work – e.g. with more men as employers but more women as industrial outworkers, and more women than men working in private homes
- there is, therefore, a *gender gap in average earnings* within the informal economy

It is also true that women leaders within organizations of both men and women informal workers have to struggle to secure their rightful place in those organizations; and that women workers have to struggle for their rightful share within their families.

But when it comes to economic empowerment – and the struggle for economic justice – women informal workers and leaders tend to rally around their identity as workers and forge solidarity with both men and women in the same informal occupations. But it is also true that women leaders and women-led organizations have been the pioneers and are at the forefront of the organization and empowerment of informal workers, both men and women.

To sum up,

# 1 – women informal workers have multiple identities – which represent multiple intersecting sources of disadvantage

- as *workers* within specific segments of the workforce/informal employment
- as *members of particular groups* defined by class, race, ethnicity, or caste
- as *residents of slum or squatter settlements*
- as *women* within their households, communities and workplaces

# 2 – some constraints faced by women informal workers are common to all informal workers, some they share with other workers in the specific sectors or working conditions, while others are specific to the fact that they are women

- *common* constraints - common to all informal workers
  - lack of legal identity as worker

- lack of legal rights
- lack of social protection
- lack of voice
- *work-specific* constraints - for both women and men in specific...
  - sector/branch of economic activity
  - status in employment
  - place of work
- *gender-related* constraints – specific to women
  - gender segmentation – women concentrated in more disadvantaged statuses of employment (e.g. sub-contracted) + places of work (e.g. private homes)
  - gender gap in education/skills + property rights

In their everyday struggles to earn a living for their families, working poor women tend to identify first and foremost as a worker. And through organizing around work – with fellow workers in the same occupation – they have begun to increase their visibility and voice and make demands for economic recognition and justice. And they have played a leadership role in the organization and empowerment of the working poor, both men and women, in the informal economy around the world. So while the linkages between informality, gender and poverty are complex, those who live and experience them on an everyday basis – working poor women - have paved the way to address these linkages and to empower the working poor at the bottom of the economic pyramid.

### WOMEN'S ECONOMIC EMPOWERMENT

For the WIEGO network, empowerment refers to the *process of change* that gives working poor women – as individual workers and as members of worker organizations – the *ability to gain access to and exercise influence or control* over the

- **resources** they need for their work
- **markets or value chains** they operate in
- **wider policy, regulatory, and institutional environment** that shapes their livelihoods and lives

### WIEGO 3 V THEORY OFCHANGE

Through our joint work with organizations of informal workers over the last two decades, the WIEGO network has developed a theory of change that includes three enabling conditions – Voice, Visibility and Validity – what we call the 3 Vs.:

- Increased Organization and Representation ► Increased Voice
- Improved Statistics, Research & Policy Analysis ► Increased Visibility
- Increased Voice + Visibility ► Increased Validity or Legitimacy – as legitimate economic actors
- Increased Validity ► Ability to Influence Wider Environment – to Demand Changes in the Wider Policy, Regulatory & Legal Environment ► Ability to Realize & Secure Economic Rights

### VISION OF INCLUSIVE CITIES

I would like to close with a vision statement from Ela Bhatt, the founder of SEWA and the founding chair of WIEGO: a vision for inclusive cities for the urban working poor

“The challenge is to convince the policy makers to promote and encourage **hybrid economies** in which micro-businesses can co-exist alongside small, medium, and large businesses: in which the street vendors can co-exist alongside the kiosks, retail shops, and large malls. Just as the policy makers encourage bio diversity, they should encourage **economic diversity**. Also, they should try to promote a **level playing field** in which all sizes of businesses and all categories of workers can compete on equal and fair terms.“

This is the vision that guides the work of SEWA and also WIEGO.

Thank you for coming today - I look forward to your questions and comments. And thanks again to the co-sponsors of this public lecture.