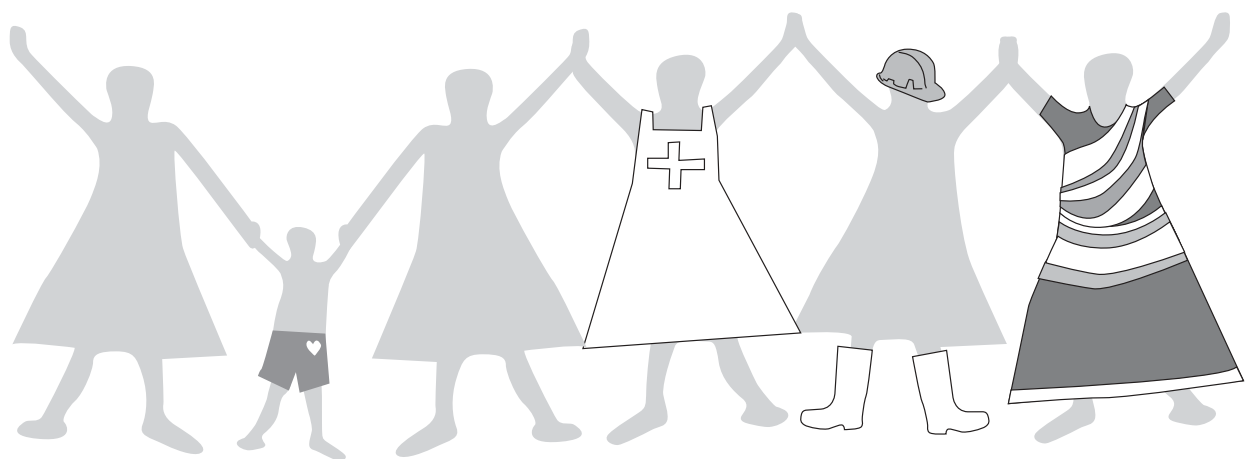


# Tools for advocacy:

## Social protection for informal workers



Francie Lund and Jillian Nicholson



The idea for this booklet came out of the Asia Social Protection Dialogue, held in Bangkok in April 2004, organized by WIEGO and Homenet Thailand, and funded by Ford Foundation China. Participants in the Dialogue included informal workers, trade unionists, activists, researchers and government officials from Bangladesh, China, India, Indonesia, Nepal, Philippines, Thailand and Vietnam.

Published in 2006

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Francie Lund and Jillian Nicholson



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# Overview

All over the world, the informal economy is growing. Fewer people are in formal work, which offers social benefits. Workers who have had formal benefits are losing them, through casualisation and outsourcing. People who start working in the informal economy have little or no access to social protection. Also, there is an increase in the number of people working in unregulated and often hazardous environments, where the work itself brings exposure to risks.

Informal workers will only get better access to social protection if they organize. Social protection can be a useful platform for organizing.

This set of learning materials has been developed in order to assist as tools for advocacy. They are drawn from workshop discussions at the Asia Social Protection Dialogue in Bangkok, 2004, where there were participants from eight countries in Asia: Bangladesh, China, India, Indonesia, Nepal, Philippines, Thailand and Vietnam. The materials reflect this regional experience, but many of the situations and problems are experienced by informal workers worldwide.

The materials are meant to be used by organizations and networks of informal workers, by groups of informal workers or by individual workers. They deal with the following six topics:

## **1. Informal employment and social protection: an introduction:**

This topic deals with the main differences between the formal and informal economies and the general factors that contribute to high risk in informal work. It looks at the shift away from social security systems toward social protection and how this can impact on informal workers.

## **2. Value chains and social protection:**

Value chain analysis provides a way of understanding the significant contributions that informal workers make to the economic value of a product or service. Value chain analysis offers the opportunity to situate informal work within the economy of a country and to see at which points along the chain informal workers could get access to social protection.

## **3. Health insurance:**

For most informal workers, ill health is the biggest risk they face and yet they often lack the means to access health insurance. The topic covers some of the requirements for a health insurance scheme to run effectively and serve informal workers. It helps workers analyse the particular difficulties they face with health insurance.

## **4. Occupational health and safety:**

People have the right to work in conditions that are physically safe and that do not result in ill health, either in the short term or the long term. Informal workers, who tend to face more risks at their places of work, have much less protection. This topic addresses these issues and looks at some examples where this has been addressed and some possible areas for action that workers can consider taking forward.

## **5. Child care:**

Women take the main responsibility for looking after children. Yet more and more women are working at the same time, and child care affects their ability to earn an income. Children have the right to be brought up in a safe and healthy environment and to fulfil their own potential. Children who are brought up at their parents' places of work – on construction sites, in fields, in small factories - have little opportunity to do this. The topic deals with the difficulties informal workers face with child care and looks at workable schemes in some countries as well as possible areas for action.

## **6. Organizations, networks and alliances: influencing informal economy policy:**

Policy and policy change happen as a result of pressure and information and campaigning from workers and their allies, in small and big organizations. This topic looks at different types of organizations, networks and alliances, and at some ways of influencing policies about informal workers and their access to social protection.

These six topics can be used as the basis for a series of workshops, or simply used as home reading material. Each topic can be photocopied, stapled and used separately if necessary. Organizations can of course add their own case studies, or decide to leave out some of these topics.

We hope they will be useful as tools for advocacy.



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# Informal employment and social protection: an introduction

Six organizing topics in this series

1. **Informal employment and social protection:  
an introduction**
2. Value chains and social protection
3. Health insurance
4. Occupational health and safety
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## Defining employment in the informal economy

The International Labour Organization (ILO) defines informal employment as follows:

*The informal economy comprises informal employment (without secure contracts, worker benefits, or social protection) of two kinds:*

- *Self-employment in informal enterprises (small unregistered or unincorporated enterprises) including: employers, own account operators, and unpaid contributing family workers.*
- *Wage employment in informal jobs (for informal enterprises, formal enterprises, households, or no fixed employer), including: casual or day labourers, industrial outworkers, unregistered or undeclared workers, and unprotected contract, temporary and part-time workers.*

This definition shows the inclusion of all types of workers engaged in informal employment. It is important that there is now a widely accepted definition of informal employment, as all over the world, increasing numbers of people work informally. Different and inaccurate terms are used in different countries – for example, the unorganized sector, the unstructured economy, the sideline economy, the black economy, flexible employment. The approach taken here is that ‘informal work is normal work’, and that those who work informally have the right to measures of social protection.

## Comparing formal and informal employment

These are the main differences between the informal economy and the formal economy:

- Average incomes of both men and women are lower in the informal economy and the gender income gap is higher in the informal economy.
- Average incomes of informal workers tend to decline from self-employed to casual wage-worker to sub-contracted worker.
- Women, worldwide, are under-represented in high-income activities and over-represented in low-income activities within the informal economy.
- Informal workers face higher risks than formal economy workers and the poor in the informal economy face the highest risks.
- Informal workers are less likely to be protected against risk or able to manage these risks.

# Understanding more about risk in the informal economy

Like those who work in the formal economy, workers in the informal economy face a common set of core risks or unforeseen events such as: illness, maternity, asset loss, disability, old age and death.

Informal workers, while facing high risks, have little protection. This is a result of a number of related factors:

- The working and living conditions of informal workers are likely to expose them to high risk. Their working environment is not protected by health and safety legislation and they are likely to live in poverty, which exposes them to greater risk of illness.
- They do not receive overtime payment, a minimum wage and other such forms of protection.
- They have few or no worker benefits such as unemployment insurance or maternity benefits.
- Due to their low incomes they are less likely to be able to save for any emergencies, or even for predictable financial expenditure, such as the birth of a child or the education of their children.
- They have little or no formal means of managing risk, such as a health insurance scheme or pension or even access to child care. They have little access to mortgage loans or scholarships to help finance housing and education.
- There are growing numbers of migrants across the world who move in search of work, and a growing number of these are women. Internal migrants are those who move within their own countries, often from rural to urban areas; cross-border migrants go to another country to work. People migrate in search of opportunities to earn an income, but often migrating exposes people to new and large risks, and the work that they find typically has no social protection.

It is clearly important to find ways to help informal workers, particularly the very poor, address the high risks that they face.

## What is social protection?

'Social protection' is a comparatively new term that has taken over from the term 'social security'. In the last century social security was used to refer to formal schemes, which covered, for example, health care, incapacity for work due to illness, disability through work, unemployment, maternity, child maintenance and old age.

In industrialised countries, access to these forms of social security has been through a mixture of contributions between workers themselves, employers and governments. It was assumed that most people would be formally employed.

However, all over the world more people are informally employed. Along with this has been a shift away from comprehensive social security systems. Fewer people are working in jobs through which they can get social security benefits. There has been an expansion of private sector provision of health care and insurance, pensions, and insurance of work-related injuries. Alongside this has been a decrease in the role of the state and employers. This is problematic for informal workers who either do not qualify for benefits or cannot afford them.

The term 'social protection' is now being used, particularly in less developed countries. It attempts to capture the more active inclusion of individuals, families and communities in helping to provide a wider net of protection against risk. However it carries the danger of taking the focus away from the responsibilities of employers and others who benefit from the profits they earn from the economic contribution of informal workers.

## Action

### Examining the needs for social protection

Here are some suggestions to help you and your group spell out your own situation more clearly with regard to social protection:

- Have a discussion about the forms of social protection, if any, that are available to you from your place of employment or from your province or state. List them.
- Then think of the vulnerabilities of the people in your district and their needs for social protection. It may be useful to draw a map that shows what and where social protection exists – perhaps there is a state-run clinic, for example, or a state-run school that is free – and what is lacking.
- What form of social protection is most needed? Is this something you can start to take action on, either as a small group or working with a larger organization? If not, what do you think you can begin to take action on?





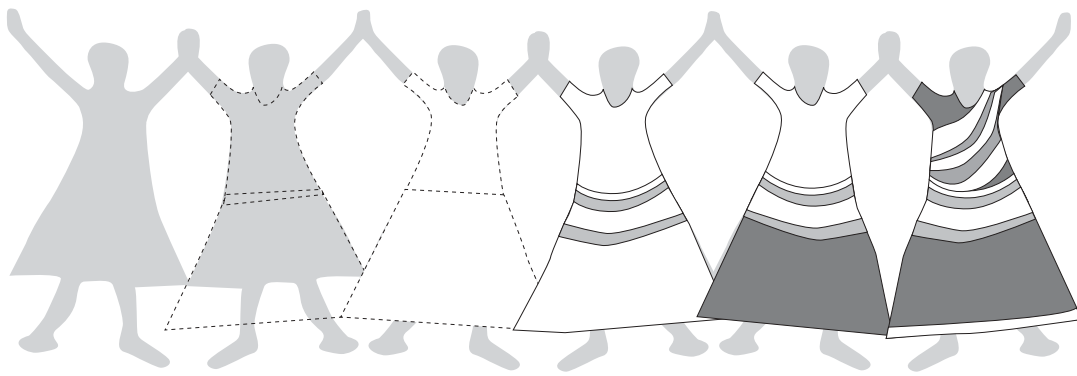


# Value chains and social protection

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## What is a value chain?

Value chain analysis is a way of understanding the links between formal enterprises and informal enterprises in specific chains of production and the contributions that workers in both these enterprises make to the economic value of a particular product or service.

Value is about price and quality. As a product gets nearer the point of completion and sale, its value increases. So, for example, cotton on a cotton plant has a certain value. Once it has been spun into cloth its value increases. This increase continues with each stage of production. All the stages from the cotton in the field to the completed garment in a retail shop make up a chain of production and distribution, and because value is added at each stage it is called a value chain.

Value chains can be short, intermediate or long. The work can take place in one country, or across a number of countries. Long value chains taking place in many countries are called global value chains and are often controlled by a well-known brand name company.

When you think about production or distribution value chains you see that both formal and informal enterprises and workers are frequently part of the same chain. In general, the conditions of work at one end of the chain is regulated and protected (like people selling goods in formal stores or owners of businesses). The conditions of work at the other end of the chain are more unregulated and unprotected work (like those making parts of garments on a piece rate basis, in their own homes.) This way of organizing production has released the owners of businesses from providing minimum wages, benefits and regulated working conditions to millions of workers at the bottom end of the chains.

## Why is it useful to talk about informal workers in relation to value chains?

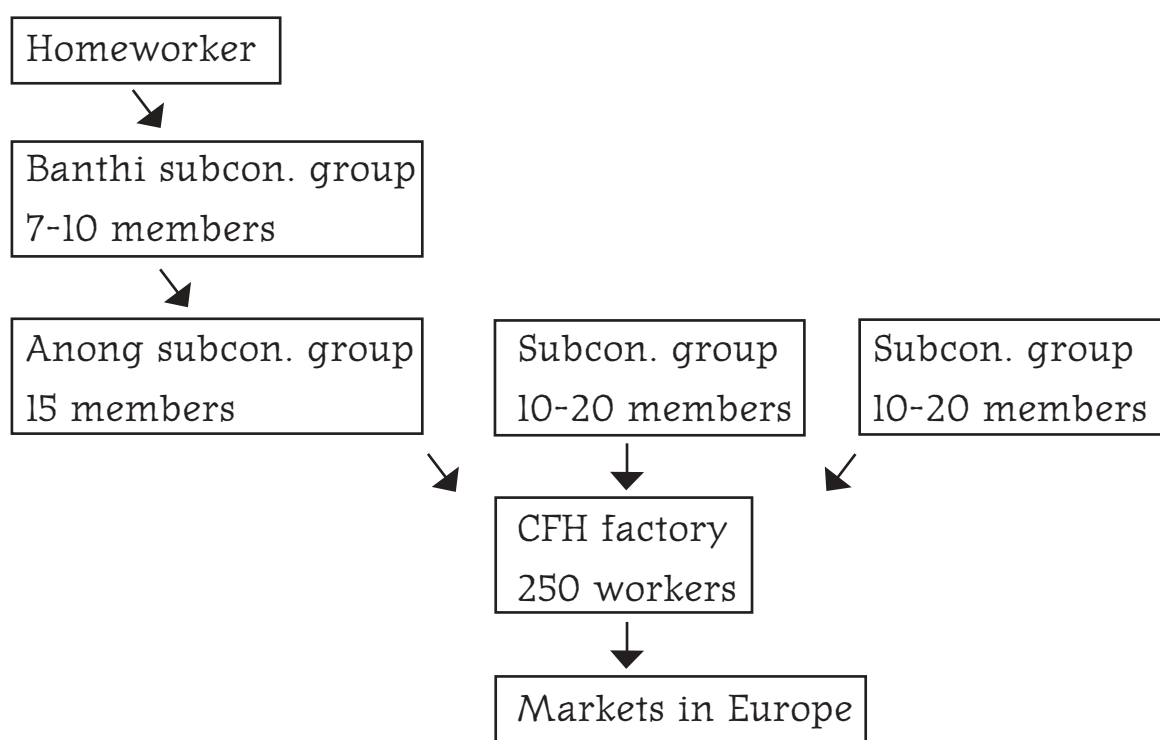
The economic contributions that informal workers make to the value of a product or service, as well as their rights as workers, are often overlooked. Informal workers and their enterprises are seen as an urban or social planning issue, or a health issue. This attitude can change if work is understood in terms of one long value chain where formal

enterprises often depend on informal enterprises for the functioning of a value chain. In this way, informal work is situated in the economy of a country and of the world.

Looking at informal enterprises and workers in this way raises their status and negotiating power with business as well as with local, provincial and national governments.

## An example of a value chain that includes formal and informal workers

Here is a diagram showing the links in the chain of production from homeworkers at one end to a formal factory with 250 workers at the other end.



### The CFH Company

This company is located in the northern part of Thailand. It produces jackets and women's clothing for middle level markets in Europe, mainly for France. It has its own factory with 250 workers. It also subcontracts to a number of groups in the area. Its formal workers get welfare and social insurance benefits in accordance with labour regulations. The other benefits provided to these workers include bonuses and a decent work allowance. In addition they get a reward if they do not take time off work, even for holidays.

## Anong's subcontracting group

Anong, a 45-year-old woman, manages a subcontracting group of 15 women. The group receives orders from CFH Company to sew parts of garments.

In 2004, the following working conditions applied in this small workshop:

- A nine-hour working day.
- Wages: US\$2.79 a day, except for the worker helping in finance who gets US\$3.02 a day.
- Overtime rate: US\$0.28 - US\$0.30 per hour.
- There is no formal leave or vacation, but workers can submit a verbal request in advance for a few days leave. They do not receive wages for the days when they are on leave.

Anong and her group have registered with the Social Security Office (SSO) of Thailand. Anong's son, who is a mechanic and runs his shop near Anong's premises, has registered as the employer. The two contributory parts to SSO (that of the 'employer' and the 'employee') come from the central fund of the group and are deducted from the income of the workers at the rate of US\$3.72 a month. The benefits of social insurance include health benefits, maternity, invalidity, death, old age, and a child allowance. The workers are quite happy with these benefits.

Anong in turn has subcontracted work to three groups and seven individual homeworkers living in a village nearby. One of them is the Banthi sewing group.

## The Banthi subcontracting group

This is a group of 10 members working together in a small workshop. They receive orders from Anong, and the piece rate for stitching one jacket is US\$0.28. To start subcontracting work, the group first borrowed sewing machines from Anong. Later, they received an interest free loan of US\$1,744 from the village fund, to buy nine sewing machines. The group has agreed to pay back the loan by paying US\$326 each year for five years.

The group have not been able to register with the social insurance fund (SSO), but workers receive health cards, which are voluntary subsidized health cards for those not covered by the SSO. In addition, the group has set up a fund to pay for various expenses. This fund is used mainly to pay for utilities, communications, transportation, and other materials such as thread and needles. The members have to contribute US\$4.65 a month to the fund to pay back loans.

During the farming season, all of the members stop subcontracting work; thus, they cannot pay into the fund for this period.

The fund has also been used for general purposes, such as loans for school tuition fees for needy members; as a revolving loan fund for members who need emergency cash; and to make donations into the community's activities. However, the size of the existing fund is still small.

This shows that even a small homebased workshop in a rural province can provide its workers with some form of social insurance benefits as well as other resources if the homeworkers are organized.

At the end of the value chain are individual homeworkers who are not part of a group and who have no way of accessing group benefits.

## What questions should you be asking about your value chain and what do you need to start looking at?

How much do you know about your value chain? Start by listing the companies or agencies that you do know about.

Think about what particular problems you face as an informal worker, in relation to all forms of social protection. List them. Note that at the informal end of the value chain different sectors carry different hazards. For example, casual construction workers are more exposed to the weather and to construction hazards.



## Suggestions for taking action

- Try to work out all the stakeholders in your value chain.
- Compare the same levels of work in formal and informal employment. As in the example of the garment value chain, informal workers in the same value chain, doing similar levels of work to formal workers, were discriminated against because of their status.

Comparisons may include:

- How vulnerable people are in different parts of the chain.
  - The different rights of specific groups of workers to social protection, both through their employment and through wider public provision.
  - The different risks and vulnerabilities of people doing similar work but in different employment situations, both formal and informal.
  - The different ways in which men and women are able to participate in the labour market, their conditions of work and their relative control over these conditions.
  - How workers in different employment situations are regulated in different ways.
- Find a solution that suits your group or your occupation in particular. As a worker, what are your needs for benefits and securities and how are you going to access them? It may be necessary for workers in particular occupations to organize around different social protection needs.
  - Identify the stakeholders linked to a particular economic sector and see what role they can play in developing social protection.
  - Mobilise around codes and standards. Sometimes a firm sets its own codes and standards but an industry, an NGO or a body such as the International Labour Organization (ILO) can also set these. You can organize around minimum wages and working conditions for all workers associated with the main stakeholder in the value chain. The monitoring of the standards and codes is important and can be carried out by others, such as a local NGO.

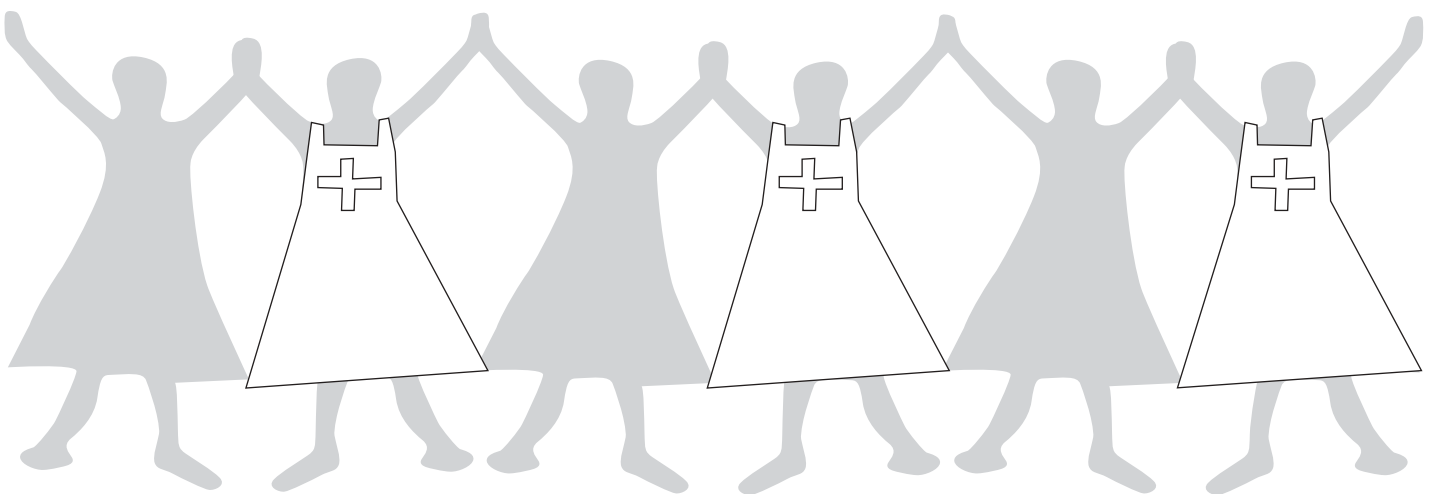
Many case studies have been made of the garment industry in Asia. Participants at the Asia Social Protection Dialogue made other suggestions for value chain work in industries in which many women work:

- Vietnam: the leather industry
- Philippines and Indonesia: the handicraft industry
- India: fashion accessories, the brass industry, the precious gems industry.

# Health insurance

## Six organizing topics in this series

1. Informal employment and social protection:  
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## The problem of health costs

Periods of illness are the most frequent and the most costly risk faced by the working poor. More and more governments around the world are reducing their budgets for health, so the costs of health care to the public are increasing. These high costs not only mean that people do not get proper health care but they also lead to an increase in health problems. For example, people delay going to a doctor or clinic, hoping that they will get well without having to spend money. This can lead to longer and more serious illness and even higher costs. People may then have to finish their savings or borrow money or sell a household asset, such as a sewing machine, that is vital for earning an income. The lower the income the more likely the family is to face increased health hazards.

Many informal workers look to traditional forms of protection in times of need. So the wider family, patrons, or self-help organizations may contribute towards meeting the needs of the person who is sick. Community-based initiatives also provide some health care and a few countries have started introducing subsidised government health services – in Thailand, for example, the ‘30 Baht Universal Coverage Health Plan’ has been introduced. Poorer people, including informal workers, pay less than a dollar for a visit to government health facility, and this is much less than they would pay for private health care.

But these initiatives do not overcome the main pressing problem, that worldwide, poorer people cannot get reliable affordable health care. So there is a new interest in health insurance as a way of tackling the problem.

## What is health insurance about?

The aim of health insurance is to make sure that when you are ill, your medical costs will be covered, or at least partially covered, because you have paid while you are well and earning. If you join a health insurance scheme you pay a regular amount towards the scheme. It is important to understand that an insurance scheme is not the same as a savings scheme or a pension scheme. You do not get back the money that you have paid into the scheme. Instead you get health benefits when you need them. The value of these benefits may be much higher than what you have paid into the scheme, or they may be lower. This is the chance you take when you join any insurance scheme. All insurance schemes work like this.



## Informal workers have difficulty joining health insurance schemes

Informal workers tend to face a higher risk of illness than formal workers and yet few have health insurance. There are a number of reasons for this:

- Many insurance schemes cater for formal workers only. Workers pay a regular monthly contribution that is deducted from their wages. These schemes exclude a large number of working people in developing countries. For example, in the Philippines nearly half of the working population works in the informal economy, in Indonesia it is more than 70 percent, and in India more than 90 percent of workers are in informal work.
- People working in the informal economy often do not have a regular income and so they are not able to keep up payments to a health scheme. Others are too poor to afford even small payments towards health insurance.

## What are some of the difficulties that you face with health insurance?

You may find it helpful to use these two sets of questions when you examine your own difficulties. Which statement applies to you and members of your group?

- Health care is provided by the State and is free for me.
- Health care is subsidised by the State and I pay a reduced amount at government health care centres.
- Health care is only available through private doctors and I have to pay the same as the higher income earners.

Here is a way to analyse what you are spending on health care each year. Include illnesses of other family members who you are responsible for, as well.

- When were you last ill?
- Did you have to spend money on your illness?
- Did you lose earnings because you were ill?
- Has this happened often?
- How many times in the past three years?

Discuss whether it might be cost effective to belong to a health insurance scheme. What would the advantages be? What would the disadvantages be?

## Two health insurance schemes that cater for informal workers

You may want to compare what is available in your own country to these two examples.

### The ORT Health Plus Scheme in the Philippines (OHPS)

The OHPS is a non-profit health insurance scheme that has been running for ten years in the La Union Province in the Philippines. It is attached to the Organization for Educational Resources and Training (ORT). Although it is open to all people in the province it is especially designed to assist those in the informal economy who have little or no access to health care, especially drugs and medicines. Its members finance the programme through voluntary prepayments.

OHPS provides the following benefits:

- Doctors and nurses at day care clinics provide primary health care every day of the week and there is an emergency plan for weekends and holidays.
- Essential drugs prescribed by OHPS doctors or nurses are free of charge and drugs are sold over the counter at a reasonable price.
- Immunization is organized and provided as well as prenatal and well-baby care.
- Diagnostic tests are done at day care centres.
- Hospital care includes out-patient services and in-patient care up to 45 days a year. All members must go to one accredited hospital in the Province and the accredited clinics. The scheme pays the hospital for each insured person.

People qualify for health benefits in a three stage process. After one month of membership primary health care is provided at the day care clinics and after two months members can receive hospital benefits. Maternity benefits are only provided after 12 months of being a member. Once a person has paid for three consecutive months they can then choose whether they wish to pay on a monthly basis, or every three months, or twice a year.

The amount of the contribution varies depending on whether the person is single, has a family of 6 or less, or has a family of 7 and over. A family loses its membership if it fails to pay contributions for two consecutive months. Some of the complaints that people have about this scheme are:

- There is a shortage of medicine and other supplies at the accredited hospital and clinics.
- The doctors who are preferred are not always available.

- There is a long waiting time at the hospital for members.
- There is a lack of space at the clinics for people waiting to be examined.

The biggest problem faced by the scheme is the high drop-out rate of people. This is mainly because people do not have the money to continue regular payments; their particular health problem has not been covered by the scheme; and there is also a lack of understanding of the concept of health insurance.

## SEWA's Integrated Social Insurance

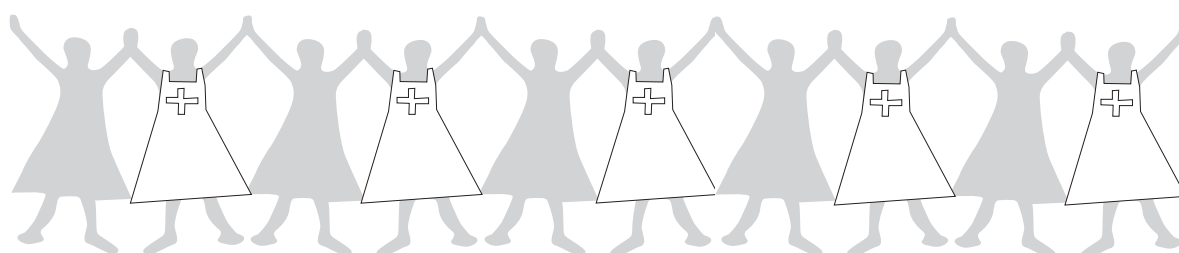
The Self Employed Women's Association (SEWA) in India set up a bank for its members. When it found that one of the main reason for people not repaying loans was sickness, it started a primary health care programme and later a social insurance programme (Vimo SEWA) that includes life insurance, asset insurance and health insurance with a maternity component. SEWA now insures more than 100,000 women workers.

Example of life insurance:                      When the member or her husband dies, an amount is paid to the survivor and family.

Example of asset insurance:                      When a homemaker's sewing machine is stolen, the insurance will pay to replace it, so that she can earn an income again as soon as possible.

Example of health insurance:                      When a street vendor's ankle was broken by a push-cart, the insurance paid for her visit to the hospital.

Those who wish to join must have a savings account in the SEWA Bank. Members can choose monthly, annual or lifetime payments and whether to include children and husbands. The payment rates are designed to suit different income groups. The cut off age for membership is 60. The scheme is currently working well. It shows that it is possible to create health insurance schemes that are adaptable. It also shows that workers are willing to contribute towards insurance as long as the service is appropriate.



## Requirements for an effective scheme

Some of the requirements for a health insurance scheme to run effectively and serve informal workers are:

- It must provide something better than the existing government health provisions or any other existing scheme in the area.
- It must have enough members to provide the scheme with a viable income.
- The community and members should trust and respect the scheme and those who operate it.
- It must have a sound financial basis and management system.

## More questions about health insurance in your own country

Here are a few issues that you may find useful to discuss as you continue to think about health insurance in your own community or province or country:

- What questions should we be asking about our health insurance schemes and their effectiveness?
- Have there been attempts to start health insurance schemes in the past? Did they succeed or fail? What can we learn from their successes and failures?
- Would it be better to try and fight for improvements of existing health services and insurance schemes, or start our own scheme?
- What particular area of health insurance do we need to start looking at?

## A useful new resource

The ILO has produced two volumes on how to build health insurance schemes:

ILO. 2005. *Health Micro-Insurance Schemes: Feasibility Study Guide. Volume 1: Procedure.* ILO-STEP, International Labour Office, Geneva.

ILO. 2005. *Health Micro-Insurance Schemes: Feasibility Study Guide. Volume 2: Tools.* ILO-STEP, International Labour Office, Geneva.

These will be backed up by a website ([www.ilo.org/step](http://www.ilo.org/step)) where you can get online assistance from a technical expert.

# Occupational health and safety

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## What is occupational health and safety about?

Occupational health and safety is about ensuring that the conditions under which people work are physically safe and that they do not result in ill-health either in the short term or the long term. It is also about making sure that workers who use hazardous machines or materials are trained in the safe use of these. All formally employed workers are protected by laws that set health and safety standards for enterprises. Informal workers, who tend to face more risks at their places of work, have much less protection.

In most countries, not enough resources are given to monitoring and enforcing occupational health and safety even for formal workers, so it is unlikely that the majority of informal workers will be reached. Also, formal occupational health and safety rules only cover formal places of work, like factories, shops and offices. Worldwide, more and more people work in places that are not covered by formal regulations – in their own homes, in informal factories, in public parks, on sidewalks and pavements. However, there is quite a lot that can be done to improve conditions in the places where informal workers are employed.

## Examples of health and safety risks for informal workers

### Garment makers

- Poor equipment that leads to neck and backache and a high incidence of arthritis of the neck, shoulder, wrist and fingers.
- Poor lighting that leads to eye strain.
- Long hours that lead to tiredness and stress, which cause physical illness.
- Poor ventilation that leads to respiratory problems from dust and textile fibres.

## Street vendors

- Exposure to weather and extreme temperatures.
- Poor access to clean water.
- Poor sanitation from dirty streets, poor drainage as well as waste from other vendors.
- Disease from vermin.
- Lead poisoning and respiratory problems from vehicle fumes.

## Local, national and international action is needed

Many poorer workers know that bad working conditions are damaging to their health, and therefore to their incomes. But they are afraid of complaining as they may lose incomes, small as they are. However, self-employed workers, including those who employ others, can start local action to improve their own conditions of work. Some examples of this are given further on in this topic.

National occupational health and safety regulations are important, even though they are often not enforced and monitored, as they can be the basis for campaigning and negotiations. However, occupational health and safety standards need to be integrated into international codes of conduct and ethical trade initiatives if there are to be large scale improvements for large numbers of workers producing for industry.

## What are your particular health and safety problems in the work that you do and in your place of work?

There are health and safety risks at the place of work as well as in the work itself. For example, noise levels in a workplace affect workers even if the work they are doing is not hazardous.

Think about your own work and about yourself. What health problems do you suffer from that are work-related? What safety issues are linked to your type of work?

## Examples of what is being done about occupational health and safety for informal workers

- In Lampoon, north Thailand, garment workers associated with Homenet Thailand worked in partnership with a local hospital. Health workers came to the small homebased factory, and gave advice and training on how to improve ventilation, lighting and seating, and the importance of wearing simple but effective face masks.
- In Australia – where many garment businesses subcontract to Asia – a ‘No Sweat Shop’ label has been introduced for qualifying garments. Only companies that have signed the Homeworkers’ Code of Practice can attach these labels to their garments. Those who sign this Code promise to ensure that their clothing lines are made under fair and legal conditions. They have to produce evidence of this and become accredited before they display this label.

- At a world-wide level, the International Labour Organization’s Convention on Homework says the following:

### **National occupational health and safety regulations apply to homework**

National laws and regulations on safety and health at work shall apply to homework, taking account of its special characteristics, and shall establish conditions under which certain types of work and the use of certain substances may be prohibited in homework for reasons of safety and health (ILO Convention on Homework, no.177, article 7).

Despite this convention, health and safety conditions for homeworkers continue to be problematic. It will take more lobbying and campaigning by formal and informal workers to implement and enforce the convention.

## What is being done about occupational health and safety for informal workers in your own industry and country?

Think about your own situation and your own country. Do you know, or can you find out, what laws or codes exist to protect informal workers?



## Some ideas for action

Here are some ideas for action that could be taken. You may find that other forms of action are more appropriate:

### General information gathering

- Find out what the laws of your country are regarding health and safety for informal workers.
- Compare your national code on Occupational Health and Safety, or the ILO Convention on Homework, above, to the situation you are experiencing. Use the information to lobby for one or two important improvements to start with.
- Work with a group such as an NGO that will monitor health and safety and lobby for improvements. You could also monitor sickness and absence rates if you work in a small informal business, so that you can build up a record of the situation.
- Get in touch with a union in your sector and see whether it can assist with training.
- Find out what organization or national body or company could be approached to help improve your situation in your area.

### At your place of work

- Informal workers could negotiate with their employer or supplier to provide necessary health and safety equipment, advice or training. This could include:
  - Explaining what health and safety is about and what the rights of informal workers are in this respect.
  - Providing training on how workers can protect themselves from risks at the workplace. This should happen for all new workers in particular.
  - Making sure that everyone has access to safety equipment such as a mask for those working with textile fibres.
  - Making sure that warnings about dangerous chemicals, for example, are in the local language, and that they are marked with a symbol that indicates that they are dangerous.
- Street vendor groups could consider negotiating with the city council or local government regarding an improvement in facilities for ensuring health and hygiene, for workers and for consumers, in public working places.

- Those working in a small informal business who use dangerous chemicals should receive proper training on how to protect themselves. The International Chemical Safety Card is an educational initiative of the ILO's International Occupational Health and Safety Centre; their materials are available in a number of languages including Chinese, Korean, Thai, Vietnamese and Urdu.
- Ask your employer or supplier to give your working environment a risk assessment. Or learn how to do this yourself, and use this as a basis for negotiating.
- Keep a detailed record of health problems or accidents created by your work, and present these to the employer or supplier.

### Lobbying

- All informal groups can work with NGOs or other organizations to lobby for amendments to legislation to ensure more protection.
- Lobby for industries to contribute towards improving health and safety conditions and providing protection for informal workers.

# Child care

## Six organizing topics in this series

1. Informal employment and social protection:  
an introduction
2. Value chains and social protection
3. Health insurance
4. Occupational health and safety
- 5. Child care**
6. Organizations, networks and alliances





## What are the issues relating to child care for informal workers?

A number of issues need to be recognised when addressing the topic of child care for the children of informal workers:

- Children have a right to be brought up in a safe environment and to fulfil their own potential. Those who are brought up where their mother works have little opportunity to do this. Children in the parents' workplace are exposed to high levels of risk and are likely not to get proper nurturing, playing, and stimulation. They especially need good care in their youngest years, but women working in low-income jobs cannot afford child care and cannot provide this care while they work.
- The all-round development and health of children is critical to economic growth and development. These are the workers of the future.
- The child care field can be an important creator of employment for women.
- The issue of child care is also about the productivity of women at work. It has been shown that having to care for a child while also trying to perform a job lowers the productivity of the worker. While home may be a better place for children to be cared for than a street, a dump or a construction site, for example, productivity for homeworkers rearing children will be lowered and this is likely to impact on income – and poverty - levels.

## A continuum of child care provision

Child care provision can range from very formal to very informal. At the very informal end, family members look after younger children, without being paid, or a neighbour may look after a child, in exchange for some other favour, or for some small amount of money. Some community-based organizations and non-government organizations have child care centres. Some are models of good provision, others may be dangerous places, with muddy floors and a moist, humid environment that is unhealthy for the children.

At the formal end are pre-school facilities that have strict rules about the curriculum, training of pre-school teachers, and the building regulations.

Unless formal child care services are heavily subsidised, they are out of reach of most informal workers. What informal women workers need is access to reliable, safe and affordable child care, in an environment that is stimulating for children.

## Men, women, families and child care

The conflict between child care and work differs in different countries and regions. In some countries, people live in extended families where there are older relatives available to care for children. In other countries, increasing numbers of women are rearing their children without fathers being present. Family policies can influence the number of children people have: in China for example, there is a 'one child family' policy. Regardless of family policies, however, in most countries across the world, it is accepted as 'natural' that women will take the main responsibility for child care.

In countries such as Bangladesh and Indonesia a return to religious fundamentalism also leads to socio-cultural barriers preventing the placement of children in child care facilities.

Even where trade unions have fought for the rights of fathers to have parental leave, such as by the trade union federation GEFONT in Nepal, some men are reluctant to take up these rights, as they think responsibility for child care is 'women's work'.

## Some approaches to the provision of child care in the informal economy

Although women workers tend to be concentrated in the informal economy, there is little appropriate and affordable child care provision for them. Child care is not normally considered or covered by the various programmes of social protection that exist in most countries. Maternity benefits are recognised in most social protection programmes, but the next step of providing for child care is not included.

Even for formal workers, there may be laws that say there should be work-related child care, but the laws are not implemented.

## Examples of laws relating to child care

- In Bangladesh national labour law says that if fifty women work in an enterprise, child care needs to be provided. But this is not enforced, and not even government-owned enterprises have child care centres.
- In China there is wider provision of child care for formal workers, through workers units, and there is also community-based child care.
- In the Philippines, there is a law (R.A. 6972) that in every barangay or village there should be a Day Care Centre providing day care services and subsidizing day care workers. Not only communities but also government and non-government offices as well as certain companies have day care centres.
- In Vietnam child care is provided by government for children up to three years. From three children attend pre-school and from six they attend primary school. Schooling from three is compulsory; it follows a government curriculum and all those teaching children from three years upwards must be trained and qualified. However, there are particular problems of child care for rural women who work in rice fields in mountainous areas. These are often ethnic minority women. The work is seasonal, and women go there for several months. They have to take their children with them and there is no child care provision. So they take their children to the fields, and the children are subject to hazards, such as ants.

## SEWA's child care provision for informal workers

SEWA has been providing child care for its members for three decades. When India launched its Integrated Child Development Scheme (ICDS) - a programme that operated through a network of local level child care centres - SEWA saw this as an opportunity for linking its own child care service with the government service. It also saw it as an opportunity to press for further additions to the programme, such as giving preferential treatment to women workers with infants up to the age of two.

SEWA has child care centres in both urban and rural areas, with each centre serving 40-50 children. Currently there are more than 8000 children involved in the programme. The centres are managed and run by trained SEWA members, who charge fees and belong to a child care service co-operative.

The SEWA child care centres serve children from birth to the age of six years. They focus on the overall development of the children, including their physical and intellectual growth. The children are regularly weighed and records of their growth properly maintained. They are provided with nutritious meals and infants are given milk. These centres are also centres for immunizations, antenatal and postnatal care. SEWA works closely with the government health programmes to provide these services.

Some of the findings that have emerged from studies that assessed SEWA's child care programmes are:


- Members with children in the centres said that there were improvements in their child's development in terms of general appearance and cleanliness, socialisation and child development skills.
- There was a higher rate of immunization amongst children in the centres.
- Mothers reported the benefit to them of leaving their child in a centre – it reduced their levels of stress and anxiety.
- The centres were shown to encourage school going in general and to result in more older siblings, especially girls, going to school.
- The hours worked and the monthly income levels of homeworkers was shown to rise quite dramatically. One SEWA working mother said:

*“First, sister, we had rotlo (thick bread) to eat only once a day. Now we can eat twice a day and have enough money to buy vegetables also. I pray that this crèche will remain – it has been a support to me and my children.”*

Three critical conclusions that SEWA has drawn about child care are that:

- It is an essential economic input to reduce poverty.
- It must be part of social security and social protection and work security programmes.
- It encourages informal workers to organize.





Action

## Areas for action

Informal workers find themselves in very different situations regarding child care. What types of provision or subsidy would best suit your needs? Here are some areas for action that you and your group may want to consider or to adapt depending on your specific situation:

- You may want to start by talking to your local government about the need for child care in your area.
- Interview a local woman who looks after a few children and ask her what she would need if she wanted to look after more children.
- Develop links with the local schools and discuss the possibility of adding a crèche on to the school.
- Talk to your formal trade unions about what their approach is to child care. Request the backing of the unions in providing pressure for more child care facilities.
- Ask for help with studies that show the link between child care and an increase in the productivity and incomes of the carer. Or take part in these studies if they are being done.



# Organizations, networks and alliances

Six organizing topics in this series

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6. **Organizations, networks and alliances**



# What do we mean when we talk about organizations, networks and alliances?

Improved access to social protection for informal workers needs an improvement in policies. This will only come about with sustained organizing. Policy and policy change happen when pressure, information and campaigning are linked through all levels - informal workers linked to their organizations that in turn link into networks and alliances.

These different levels and types of organization can link local, national, regional and international actions. The Philippines has a good expression: “It takes two fires to bake a good rice cake – one above, and one below.” Policy change can be most effective when it combines action at different levels.

## Organizations

Unlike formal workers, informal workers are usually excluded from social and legal protection and from collective bargaining agreements. Women, in particular, are likely to work in isolation in scattered physical locations such as their own or another person’s home or on the streets and pavements. One of the most powerful ways to respond to this isolation and lack of protection is for informal workers to form or join an organization that can take action to defend and advance their interests. There are numbers of such organizations – large and small - around the world.

## Networks and alliances

In addition to improving immediate conditions for informal workers, organizations aim to affect policy at a much broader level. They aim to make their voice heard in the policy making forums of the world – with national governments, businesses and institutions that deal with trade, labour and economic issues and at an international level. Networks and alliances play a critical role in assisting individual organizations of informal workers to achieve these aims and to monitor the impact of policy change.

Networks and alliances may be comprised of three basic types of organizations - organizations of informal workers, organizations of formal workers which have begun to organize informal workers, and pro-labour support organizations of various kinds (both non-governmental and governmental) – or some mix of these.

## How do networks and alliances operate?

Networks and alliances can help to influence policy by conducting research and controlling the use of resources that single organizations would not be able to undertake. By bringing together representatives of informal organization around the world they can help to develop common strategies and campaigns and circulate information that more isolated organizations would never be able to gather. They add considerable weight and power to the voices of individuals and of smaller organizations.

## Some examples of networks and alliances and their impact on policy

Networks and alliances of organizations of informal workers

### **StreetNet International**

This is an alliance of street vendors. Membership-based organizations (unions, co-operatives or associations) directly organizing street vendors, market vendors or hawkers among their members, are entitled to affiliate to StreetNet International. Organizations pay a joining fee of \$50, and thereafter an annual subscription based on the number of members in the organization. By the end of 2005 Streetnet International had 20 affiliates in 18 countries representing 200 000 vendors.

The constitution of StreetNet says that at least half (50 percent) of its international council members and office bearers must be women. Examples of the support that it provides for street traders are:

- It exchanges information and ideas about issues that are important to vendors.
- It develops organizing and advocacy strategies, which it circulates.
- It promotes local, national and international solidarity between organizations that can be in competition with one another - street vendors, market vendors and hawkers.

### **HomeNet South Asia and HomeNet Southeast Asia**

These are regional networks of national associations of organizations of home-based workers. Around 1990, several organizations of women home-based workers came together to explore common issues and strategies. This led to a joint campaign to push for international recognition of home-based workers and, more specifically, for an international convention on homework. Working with its allies in the trade union and

women's movements, the alliance of homemaker organizations was able to lobby successfully for an ILO Convention on homework: Convention No. 177 adopted in 1996.

The convention calls for national policies on homework aimed at improving the conditions of home workers and provides a specific set of recommendations in support of homeworkers. To date, four countries have ratified the convention and the European Union has encouraged its member states to do so. Also, HomeNet South and Southeast Asia have held national and regional conferences to push for national policies in support of homeworkers.

### **HomeNet Thailand**

HomeNet Thailand participated in the commission in Thailand which was set up to see how to start a health scheme for poor people, including informal workers. The member of the commission from HomeNet Thailand helped the commission to understand the specific health needs of informal women workers. The 30 Baht Universal Coverage Health Plan was introduced and is valued by the members of HomeNet.

### **Networks and alliances of member-based organizations of formal workers that have begun to organize informal workers**

At a global level the umbrella organization of national trade union federations – the International Confederation of Free Trade Unions (ICFTU) - and other global unions have made a commitment to support and organize workers in the informal economy. They have put into place resolutions, projects and campaigns to support this commitment. For example the ICFTU launched a campaign on International Women's Day 2004 that focuses on organizing women in the informal economy.

### **Networks and alliances of support organizations or a mix of member-based and support organizations**

- The **Clean Clothes Campaign** is a network of European consumer groups and labour organizations that was formed to improve the working conditions of and empower workers in the global garment industry. The Campaign works with consumers to put pressure on corporations that subcontract garment work to the developing world. It has demanded the improvement of working conditions and the protection of the environment from any further degradation.

- The **Thai Labour Working Group** is one of many partner organizations that work with Oxfam in addressing issues of worker rights. The Thai Labour Working Group includes organizations of informal workers, such as HomeNet Thailand; organizations that focus on women's rights, such as the Committee for Asian Women; formal union federations, such as the Textile, Garment and Leather Workers' Federation of Thailand; and international worker support organizations, such as the American Centre for International Labour Solidarity.
- **WIEGO** (Women in the Informal Economy: Globalising and Organizing) is an international research policy network comprised of member-based organizations of informal workers, researchers and statisticians who work on the informal economy, and persons who work with developmental agencies (inter-governmental, governmental, or non-governmental) concerned with employment and labour issues. WIEGO tries to promote a more favourable policy environment for the working poor in the informal economy, especially women. It does this at local, national and international level. For example, with the ILO, WIEGO has sought to promote productive employment and decent work as a key strategy to reduce poverty, including in the international Millennium Development Goals (MDGs) and the national Poverty Reduction Strategy Papers. To do so, WIEGO has engaged in seminars and conferences; written reports presenting data on employment (especially informal employment) and helped develop a new MDG indicator on the structure of employment by sex.



# Notes