

Social Protection and the Informal Economy: Linkages and Good Practices for Poverty Reduction and Empowerment*

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- Social protection should be seen as an investment in the human potential of poorer workers in the informal economy, and especially for poorer women. Social protection contributes to people being able to escape poverty.
- Good practices of social protection and of empowerment through organization are drawn from member-based organizations of poorer women workers, in particular India's Self Employed Women's Association (SEWA), and the international alliance of street vendors, StreetNet International.
- Donor organizations should ensure that their own economic and social policies and practices do not marginalize the informal economy and poorer informal women workers within it. Donor organizations have a constructive role to play in supporting links between organizations of informal workers, and in promoting dialogues with employers' organizations to demonstrate the productivity-lowering effects of poor employment practices.

Introduction

Poverty persists across the world. The informal economy is growing worldwide. These two facts are connected. The purpose of this paper is to provide a framework which links these two facts, and relates them to a third problem – the decreasing numbers of people who can get access to measures of social provision; and to a fourth dimension, that of empowerment. The paper will explore how empowerment and social protection can be intertwined to achieve employment-related pathways out of poverty. It argues that good social provision can strengthen individual health and well being, as well as the capacity to organize and make demands for better conditions of work.

The outline of the paper is as follows. A brief overview of the informal economy is given, before turning to social protection itself. There are different conceptions of social protection, and some of these have been summarized in preceding papers available to these Task Teams (Sabates-Wheeler, Haddad and Chopra, 2005; Haddad and Sabates-Wheeler, 2005). The core elements of a framework for social protection for people working in the informal economy is presented. The paper then deals with linkages and good practices. Using the framework as point of departure, as well as the background papers from POVNET, which argues for the importance of an approach that is linked and

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multi-dimensional, the good practice examples have been drawn from Women in Informal Employment Globalizing and Organizing (WIEGO) affiliates, and chosen to demonstrate elements of the framework in operation. They have been chosen to illustrate:

- *linkages within an organization of women workers*, in the comprehensive health programme of the Self-Employed Women's Association in India (SEWA);
- *linkages between organizations of workers* to promote empowerment of informal workers, drawing on the experience of the international alliance of street vendors, Streetnet International;
- *linkages between research and organizing for social protection*, drawing on WIEGO's Social Protection programme work with organizations of mainly homeworkers (industrial outworkers) in Asia.

The paper concludes with key messages for policy interventions.

The informal economy

Much work has gone in recent years into better definitions of the informal economy and informal sector, and into the improvement of statistics about the informal sector and informal employment (ILO, 2002; Chen *et al.*, 2005). Informal employment comprises one half to three quarters of non agricultural employment *in developing countries*. If agricultural employment is included, then informal employment comprises 93 % of total employment in India, for example, and 62 % in Mexico (ILO, 2002). In developed countries, non-standard work – which includes temporary, part-time and self-employment – is increasing significantly as a share of all employment. Much non-standard may be formally regulated, yet this tendency towards ‘a-typical’ work is a factor uniting both north and south – precisely because it is related to changes in the structure of employment and the labour market under conditions of globalization. It transcends ‘north and south’ dichotomies; the unequalisation and vulnerability that is produced and reproduced is present in both developed and developing countries. This will be one of the key messages of this paper.

The conditions of informal work for millions of workers in the developing world are objectively and starkly worse, and unprotected. Millions of the world's poor work all their lives, yet never receive more than two dollars a day for their work. They face low and uncertain incomes, high levels of hazard associated with the work, and the work is not covered by social protections. The global financial recession will result in more people working informally, and in more people earning less through their work. Both these facts mean that more working people will have less access to social protection through work.

The informal economy is diverse, with different categories of employment within the informal economy (Chen, 2008), and these have a bearing on the degree of workers' control over their work and their place of work, and to their access to social protection.

Informal self-employment includes:

- employers: owner operators who hire others;
- own account workers: owner operators of single-person units or family;
- businesses/farms who do not hire others in informal enterprises;
- unpaid contributing family workers: family members who work in family;
- businesses or farms without pay; and
- members of informal producers' cooperatives (where these exist).

Informal wage employment: this comprises employees without formal contracts or employed by formal or informal enterprises or by households. In developing countries, the most common categories of informal wage workers include:

- informal employees: unprotected employees with a known employer (either an informal enterprise, a formal enterprise, or a household);
- casual or day labourers: wage workers with no fixed employer who sell their labour on a daily or seasonal basis;
- industrial outworkers: sub-contracted workers who produce for a piece-rate from small workshops or their homes (also called homeworkers).

These classifications are crucially important both conceptually and as guides towards appropriate intervention. They break down the homogeneity of the idea of 'the informal sector', recognizing the diversity and patterns of segmentation within the informal economy:

... there is a significant range of average earnings and poverty risk across employment statuses within the informal economy with a small entrepreneurial class (comprised of most informal employers and a few own account operators) and a large working class (comprised of most informal employees, most own account operators, all casual day labourers, and all industrial outworkers). There is also gender segmentation within informal labour markets resulting in a gender gap in average earnings with women over-represented in the lowest-paid segments and earning less on average than men in most segments (Chen, 2008a).

Thus there is a small segment of high earners in the informal sector. However, incomes earned in the informal economy are lower than those in the formal sector; and with the exception of a few countries, women are over-represented in informal work, and earn lower incomes than men. Work in the informal economy is, by definition, work with no social protection. Furthermore, the vulnerability of employment of informal workers means that they are disempowered, though in different ways for self-employed people, for informal wage workers, and for unpaid family members.

Two linked conceptual/ theoretical issues regarding informal employment are crucial to the work of the Task Team – *choice*, and *permanence*. Both of these issues matter, and they affect where we look for poverty-reducing policy interventions that would expand and extend social protection coverage.

First, *choice*: Do people work informally because they choose to, or because they have no alternative? Some theorists stress the idea that informal workers choose to work informally, and this is largely to do with avoiding taxes, or with enjoying the autonomy

that may come with self-employment. Based on WIEGO experience with affiliated organizations representing millions of informal workers, the reality is that the overwhelming majority of informal workers are constrained in their choices. This is especially so for women, who bear the responsibility for child care, and who frequently have lower skill levels and education than do men.

Most informal workers would of course rather have a formal job with social protection coverage. There is ample evidence (see particularly the World Bank's *World Development Report 2005*) that when barriers to entry to formal work are lowered, people choose to formalize their work status. It is crucial to note that the process of informalisation, through which formal jobs are converted into informal ones without benefits, is largely driven by employers and owners of capital. Many of these engage in informalising or casualising their work forces precisely in order to avoid the labour costs associated with formal contracts. In exploring the disincentives to becoming formal, and in exploring co-responsible partners for social provision, we have to include employers, whose role has become too invisible. This theme will be picked up later.

Second, with regard to the *permanence* or impermanence of the informal economy, the evidence is again overwhelming: it is here to stay, both in the north and in the south. It is not a new and 'atypical' phenomenon, and as we say in WIEGO, 'the informal is normal'. Of course it would be ideal if all could work formally, with full social benefits, and enjoy a reasonable expectation that working hard today would mean that one's children could have better life-chances. It may be possible for some aspects of work in some sectors to become formalized in the sense of being better regulated. And governments have a crucial role to play in setting up and monitoring the structures and environment in which more working people have access to improved working conditions. But in reality, informal work in developing countries is here to stay, and atypical work is increasing in the industrialised countries.

Informal employment, therefore, is not a short term residual category, to be dealt with by short term interventions. If the goal is extended social protection coverage, then a different framework of analysis is needed both for the labour market, and for the role of formal and informal workers, employers, and governments in the provision of social protection.

Social protection and the informal economy

Different countries and regions have different traditions of social provision, and different understanding of the links between economic and social policy. These determine in a fundamental way what gets included in and excluded from the domains of social policy, social security and social protection. There will never be a 'right way' of defining them. Suffice to say that *social policy* is generally a broader term than the others; that *social security* comes out of the welfare state and welfare regime tradition, and usually has a clear and primary focus on state provision; and *social protection*, a much newer term, has been more used in connection with the developing world.

In recent years, the social protection discourse has been developed around the idea of risk, using conceptual and technical terms directly drawn from the actuarial science discipline. The interpretations and diagnostics do vary, and can include ideas of market failures, and systemic shocks, in addition to individual and idiosyncratic risks. But the central problem with the Social Risk Management (SMR) model [see Holzmann and Jorgenson (1999) for the defining article presenting SMR] is the

general focus on enhancing the ability of poorer people to take more risks. It is unclear why this would be a sensible thing to do. Countries with advanced welfare states know that the effectiveness of social provision, and especially social security, has been that it has not been just risk management, or response to crisis – it is a long term investment in a productive society and economy. In the south, however, social protection has been viewed more as a response to short term crisis (as in the ‘safety net’ model), and/ or as resources for systems of provision that compete with ‘more productive’ economic investment. The inadequacy of this view is being realized, and the question asked, ‘If social protection *as investment* worked for the north, why should it not work for the south?’

A focus on social protection for informal workers needs to start with the fact that informal work is by definition work without access to work-related measures of social protection.

Informal workers, whether self-employed or wage workers:

- cannot usually afford to purchase private insurance against risk;
- live in poor communities which cannot co-insure against risk;
- are excluded from contributory schemes (such as unemployment insurance, and workers compensation against accidents at work);
- may be included in social assistance schemes, such as cash transfers – but these are usually designed to go to target groups of non-working age, such as younger children, and elderly people, or who cannot work, such as people with severe disabilities;
- may be included in temporary public works schemes, but these do not usually have a training component that would help attain better long-lasting employment.

What do we know about the negative and positive links between social protection, employment, and poverty reduction? These relationships are extensively documented. On the positive side, at the individual and household level, we know that:

- People receiving unemployment insurance are able to pursue job search.
- Poorer people are an insurable risk (see the case study on SEWA later in the paper).
- Even very poor people show the will to save. When offered the choice between health insurance and savings for their later years, however, they tend to choose health insurance.
- Research in India’s SEWA (see the later case study for more about SEWA) shows that when poor working women have affordable child care, their incomes increase.

A large body of research in South Africa shows that the state non-contributory pension for elderly people not only reduces poverty and inequality, but also is used for income-generating purposes by the elderly themselves, and other household members.

There is a positive relationship between years of education and returns to income from education – those in the poorer end of the informal economy have little education, few opportunities for developing skills for career advancement, and their children will inherit poor opportunities for education. Also, however, much of present formal

education available to poorer people does not equip people for realities of skills demand in a globalized world.

Women's education is positively related to the overall state of well-being of households.

On the negative side, and again at the individual and household level:

- Even minor health shocks have drastic consequences for poorer informal workers. The health shock leads to lowered income, and the costs of buying health care are experienced when most physically vulnerable, and when income is unreliable.
- Women are particularly vulnerable, as they have their own sex-related vulnerability associated with child-bearing – again, income is lowered at a time of great vulnerability. Women in unprotected work may lose their jobs through becoming pregnant. Those who keep their jobs may get little maternity leave, whether paid or unpaid.
- Poor nutrition of children and of women who are child-bearing has lasting consequences, and contributes to the cross-generation transmission of poverty.
- There are gender-related vulnerabilities to do with women's care responsibilities for others in their households and communities, and their vulnerability to those in positions of power over them. Women experience conflicting demands between child and elderly care, and their paid work, and their ability to be productive at work.
- Men and women (and possibly men more than women) in the informal economy face hazardous conditions of work in certain industries, and the work is unprotected by occupational health and safety rules. Obvious examples are the informal construction, ship-breaking and mining industries, and those working with pesticides and other hazardous chemical substances.

While the above associations and linkages are known to exist, the direction of causation is sometimes unclear. For example, does poor income lead to poorer health, or does poorer health lead to poorer income-earning ability?

A key message of this paper, borrowing from a recent conceptual paper by James Heintz (2008), is that the production and sustenance of human resources has to be integral to the functioning of the economy, and to any conception of pro-poor growth. A core question then becomes: *In what ways might social protection be beneficial for employment, and be a pathway into access to and sustaining decent employment?* What conceptual framework would allow for an emphasis *more* on the long term development of human resources, and the emphasis *less* on *ex post* risk management? And how can this be done in a way that fully accepts the need for insurance mechanisms?

Framework for social protection, informal economy and empowerment

The brief from the POVNET Task Team calls for a pro-poor approach that links informality, social protection, and empowerment. This requires an approach that is rooted in the idea of rights. Given the vulnerable position of poorest informal workers, those rights will only be realized through organizations through which the interests and demands of poorer (women) workers can be expressed. The following identifies core elements of a framework that meets these requirements.

Empowering of poorer people, especially women

The right to work appears in few constitutions of the world, essentially because governments *per se* cannot guarantee this right. India is a signal exception to this, and in 2006 introduced legislation that guarantees a minimum number of days employment per household per year, in the National Rural Employment Guarantee Act (NREGA).

Informal workers usually, however, have to secure their rights through other legislation, in such areas as basic human rights, the extension of labour laws, and through using international codes that can impact on work. Some of the latter are the Convention for the Elimination of Racial Discrimination, and the International Convention on Economic and Social Rights, both adopted in 1966, and the 1979 Convention for the Elimination of all forms of Discrimination against Women.

WIEGO sees the right to social protection as an inalienable part of the right to work. It is helpful to distinguish between ‘rights stages’: having rights, then knowing about those rights; then being able to claim those rights; and finally being able to maintain and protect those rights. The vulnerability and lack of autonomy of poorer informal workers means that for all of these ‘rights stages’ to be realised, there is a need for *informal worker organisation*.

A life cycle and employment cycle framework

People face different risks at different stages of the life cycle, and are placed in a different relationship to the labour market at different stages of their lives as well. Here we identify just three broad stages: preparation for employment, being in employment, and life after employment. We can integrate this life and cycle employment framework with the links to poverty reduction outlined above.

Social protection as contributing to preparation for employment: This stage of the life cycle starts from birth through to the start of working age. The focus of social protection would be on access to, and overcoming constraints to, early childhood nutrition, early education programmes, primary and secondary school education, and vocational education. There should be no child labour that gets in the way of any of these.

Social protection as protecting against risk while in employment: This is the focus of much of the literature about and programmes for social protection for informal workers. The focus is on access to health services, savings, disability insurance, maternity and other reproductive health services. There is a strong link with labour policies and legislation – wage and income policies, basic conditions of employment for wage workers; access to resources for growing enterprises.

Social protection as ensuring a secure old age, and as helping break the inter-generational transmission of poverty to the next generation: As people’s willingness to work, or physical capacity to do so, starts declining, there is a concern with financial security in these elderly years. There is growing recognition of the role of the older generation in the care of grandchildren (in the north and in the south), and in their continuing productive work (contributing to the economy), and in the relationship between care and development (their care work enables other household members to work productively).

Integrative and inclusive – in other words, a mainstreaming approach

Much of the conventional approach to social protection for informal workers has been to create special schemes and programmes, outside of mainstream labour, financial and insurance institutions. For a sustainable approach, an investigation should be made of practices in which the social protection needs of informal workers are incorporated into existing institutions. Different occupational groups, and workers in different statuses of employment, might be incorporated in different ways. Industrial outworkers could simply be integrated into existing insurance schemes of multi-national employers. People trading in public spaces could get access to local government insurance schemes. Small independent micro-insurance schemes might be housed inside larger financial institutions. All of these could be done relatively easily. *In many countries, the institutions already exist; the extension and integration have to be put into practice.* This is not to detract from the importance of continuing to support the building of institutions specifically for informal workers in very poor countries, and those where there is limited private sector and state capacity.

Inclusion in local, national, and international government spheres

Much of the concern with social protection deals with providers as either being at the level of national government, or at the very local level of families, neighbourhoods, and local communities. In a number of countries, local government has active and passive policies regarding the informal economy, which impact on the vulnerability of informal workers, and on their attempts to accumulate assets and grow enterprises and sustain secure waged employment. Likewise, support for and the security of informal workers depends on a combination of social and economic policies which have their impact at the local level. The search for good practices must move beyond both national level policies and local-level small-scale examples, to a more comprehensive approach. This is an area where much work needs to be done, both in the framework and in seeking out practice examples. The StreetNet example below focuses on local government in its strategies.

A multi-stakeholder approach

The crisis in social protection for informal workers is so large, and the numbers involved so great, that as a matter of both principle and practicality, a multi-stakeholder approach is needed. Programmes need to include governments, the private sector, and formal and informal workers. Current policy space is predominantly taken up with cash transfers – which are non-contributory, and deal primarily with a contract between the state and citizens, for those who are not able to work. It is a fundamental right of all people, including those with disabilities who are not able to work, children, and elderly people, to have access to social protection. Trade unions of formal workers are scarcely involved in the cash transfer campaigns, except through the ILO. Work-related social protection is a contract largely between only formal workers and formal employers. The role of employers/ owners of capital has to get special attention. Those who extract value from workers in the production or service process are currently being able to evade responsibility for social provision. This is one of the factors underlying the increasingly unequalising effects of globalization. More formal trade unions need to become more aware of the need to build alliances with organizations of informal workers in ‘the new workers movement. India’s SEWA has finally been recognized as a union by the International Trade Union Confederation (ITUC), and thus gets direct access as a worker organization to the ILO.

This is not at all to detract attention from the importance of cash transfers. Few such cash transfers schemes however focus on poorer people *as workers* – because this would be a very difficult thing to do. We are looking here for an understanding of social protection that normalizes informal work, which deals with informal workers as workers, and not as the marginalized poor.

Timing

Time is a key variable in this framework, in three ways. The first is that the *sequencing of the life cycle* is important, recognizing that in practical ways, informal workers face different vulnerabilities at different periods of their lives, and thus need different mechanisms of social protection at different times. Second, there is an urgent need for an *immediate* and large scale response to the social protection needs of informal workers. This has become a critically important issue in the current global financial crisis, where consideration needs to be given to programmes designed for especially hard-hit and newly vulnerable workers. These shorter term interventions and gains have to be compatible with longer term broader issues such as environmental vulnerability and climate change. Third, programmes *take a long time to build*, and *may require long term support*. The idea of ‘sustainability’, if that means poorer people doing all the work of building, resourcing and maintaining organizations and programmes all on their own, in just a few years, may simply be unrealistic and unjust.

Good practices and linkages

Large numbers of evaluations have been done of interventions in social protection for informal workers. Schemes face typical and similar problems: they are expensive to start up, difficult to sustain, and find it impossible to reach large numbers of the very poor. Further, few are able to really be ‘owned’ by members themselves – and this ownership is a basic element of empowerment. In this paper, three substantial examples of good practice were selected, to illustrate both linkages and empowerment and the pro-poor focus. They also address issues of scale, and of ownership.

Good practices and linkages within an organisation of informal workers – The Self Employed Women’s Association of India¹

SEWA combines in its vision and work a number of much sought-after principles. It focuses on women at work. It emphasizes women empowerment in the most concrete way, in members’ ownership of the organization, and participation in all aspects of its local and international work. It includes work in rural and urban areas. It is continually responsive to the needs of its members. It is aware of the problems of sustainability in its work and strives constantly for independence and self-reliance.

The case study that follows uses SEWA’s health interventions as an example of good practice in social protection and empowerment for informal workers. Many have written about the integrated insurance scheme, VIMO SEWA (for a comprehensive picture see Chatterjee and Ranson, 2003). This scheme is exceptionally interesting in terms of its understanding of the technical issues in insurance. Just as interesting, and the focus of this case study, is how its success is embedded in SEWA a whole, and how the components link. The case study abridges a much longer version prepared for a DFID study on reaching the poorest (Lund and Marriott, 2005).

SEWA was first established in 1972 and is a trade union and set of co-operatives for women who work informally in situations without a fixed and continuing employer/employee relationship. By 2004 its membership had reached about 700 000, of whom about two thirds were in Gujarat State, and the remainder in other states of India (Chen, 2006: 5).

SEWA was aware from the start that reasonable health is imperative to women's ability to work well and earn a living and that a woman's occupation has a direct bearing on her health (Dayal, 2001). Its approach to health is part of many interventions undertaken to protect and support its members. It recognises that a lack of protection around the work place is both a cause and a consequence of employment and income insecurity. It intervenes at the point at which health interacts with, and impacts on, employment and income security. Its health work depends on linkages with other institutions of SEWA, including the SEWA Bank, child care services, and institutions for disaster management. Below we show the linkages between research, promotion and care, and the insurance scheme.

Research and prevention

Ela Bhatt, the founder of SEWA, early recognized the many occupational health problems suffered by women informal workers. In the 1970s, she approached the National Institute of Occupational Health (NIOH) and with their support and research expertise, did studies of the various problems women faced (Dayal, 2001), especially those experienced by handcart-pullers and *bidi* (a low cost cheap version of a cigar) workers.

From the early 1990s SEWA began to use its research more proactively to prevent occupational injury and illness of its members. Examples of such direct preventative interventions include:

- The organisation of eye clinics and provision of low cost spectacles to garment workers, embroiderers and others. The eye clinics directly address the hazards of craftwork and in addition to improving the quality of life, the curative aspect of the intervention enabled the women to see their work more clearly, work faster and at a higher level of quality, thereby increasing productivity (Crowley, 2003).
- The provision of gum boots to protect salt-workers against the corrosive effects of salt water and sun-glasses to protect their eyes against glare (Dayal, 2001).
- The provision of specially designed chairs and sewing machine tables to ready-made garment workers to prevent lower back pain.
- The provision of protective gloves to tobacco workers who had themselves the hazards they were exposed to when they removed tobacco flowers, to encourage leaf growth, and came in contact with the sticky nicotine-laden juice.
- The organisation of a series of consultations-cum-health education workshops to inform women rural workers on the hazards of working with pesticides and appropriate safety-measures to be taken (Dayal, 2001).
- The design of a special sickle by The Gujarat Agricultural University for SEWA members to reduce the strain on women's bodies during harvesting. Women report that the sickles have directly reduced pain and increased productivity. Demand for the sickles is high despite their cost at Rs 40² each (*ibid*).

Promotion and care

The India government's primary health care (PHC) programme focuses on reproductive health and on family planning in particular (Dayal, 2001). Working women have both more holistic and more specific health needs. Between 1985 and 2000 about 200 SEWA members were trained as local health workers for their own villages and urban neighbourhoods (Dayal, 2001). They provide other SEWA members with health education and preventative health care, such as antenatal care and immunization of children, and promote the use of protective equipment like gloves and masks (*ibid*). They also provide curative care from their homes or a health centre run by them, where low-cost generic drugs are dispensed at cost to members (Raval, 2000). Where necessary, referrals are made to hospitals (*ibid*). The variety of tasks carried out by SEWA's health workers is well capture in the case-study presented in Box 1.

Box 1. Meeting the needs of informal women workers: Aishaben, a primary health care worker in India

Aishaben Mashrat Pathan is a Muslim woman, living in what is described as a “slum” area in Ahmedabad City in Gujarat, India. She lives with her two unmarried sons, young men in their early twenties/late teens, in a two-roomed house. She married as a teenager, but her husband left many years ago. The streets are dusty, the houses packed close. The streets team with people, including many children, as well as animals, particularly goats. Men and old people lay in the sun on wooden beds. Women are working in their homes-engaged in unpaid domestic labour and a variety of home-based income generating activities such as sewing, embroidery, incense stick rolling, bidi (cigarette) rolling, cooking food for sale.

Aishaben is a Self-Employed Women's Association (SEWA) health care worker in the community. In the mornings Aishaben gets up early and sees to her domestic chores; drawing and heating water for bathing and cooking, cleaning the house, yard, pots and clothes, making food for her sons. She is then ready for her SEWA work. This might begin by her attending to woman who comes to her home for advice, and to buy the natural medicines and unscheduled medicinal products she keeps- bought at low prices from a SEWA pharmacy. Or a woman might want her to assist with a health insurance claim from the SEWA Integrated Insurance Scheme (ISS). This could include helping her to make the claim or even cashing the payment cheque for her at the SEWA bank.

.../...

Box 1. Meeting the needs of informal women workers: Aishaben, a primary health care worker in India (*continued*)

Most days, Aishaben goes on her rounds in the community. Each day she covers part of her constituency, which includes Muslim and Hindu women in their respective neighbourhoods (separated since the community violence in 2002). Women approach her as she passes by. She provides health advice and medicines, and helps members with their health insurance. (She also) acts as an organizer, a recruiter, an insurance scheme agent as well as being a trusted community support person to whom women bring their problems. She acts as eyes and ears for SEWA, and in turn provides information on the union to the members. (She also) organizes regular health education sessions in the different neighbourhoods. Women and their children gather around her to learn about a range of health care issues such as good nutrition, how the reproductive system works, and sexual health.

On other days she facilitates and coordinates health care “camps” in the community. Teams of health care professionals visit the community to deal with a specific health issue such as eye problems, tuberculosis. Women and men can be examined, diagnosed and treated, or be referred for treatment at a government hospital or clinic. Aishaben often accompanies members to the government hospital. In her community where women are poor, cannot afford to travel or spend time away from their work or, in some cases, are not permitted to leave the house or immediate surroundings, this allows access to public health care which otherwise might never reach them.

Aishaben is an executive member of the SEWA health cooperative. So she has to attend many meetings and make reports. She also has paper work to do and keeps meticulous records of medicines sold, health insurance claims dealt with.

Aishaben is one of SEWA’s worker leaders – the key to building SEWA from the bottom up. Deeply embedded in the community, she is involved in an integrated organising programme, providing a basic service, organizing the union, and building a movement of women at the place of immediate need.

Source : Bonner, 2005

Another health-related activity concerns water. In India water collection is carried out by women and is becoming increasingly difficult and time consuming in the face of environmental change. By making water more accessible to women, SEWA’s approach directly reduces anxiety and fatigue and strain on the body (Raval, 2000) that could potentially increase the risk of injury or illness at work. Direct intervention in this area has included assisting women to harvest rainwater by constructing village ponds, check dams and even individual underground tanks for storage (*ibid*).

Insurance

SEWA’s integrated insurance scheme, or VIMO SEWA, has three components – life insurance, asset insurance and health insurance. It has over 102 000 members and was a response by SEWA to the concerns of members that the majority of what they earn is spent on health costs, and ill health was a major cause of loan default in their savings scheme. The health insurance helps cover the cost of seeking necessary medical attention. In so doing, it helps to avoid further loss of income in addition to that already caused by the illness or injury, such as loss of earnings. The reduction in cost of treatment is an

important incentive for workers to seek medical attention when needed rather than risk continuing to work and further compounding health problems.

SEWA developed its own maternity benefit scheme in 1992 as part of the VIMO SEWA (Dayal, 2001). SEWA members' need to earn means that they work right until their labour pains start, and return to work soon after delivery. This endangers their own and their children's health and lives. The maternity benefits include a grant at the time of child birth, and some antenatal and nutritional care.

One major concern of SEWA is that some of the poorest members cannot afford even the low premiums charged, which have to be set at a rate that ensures viability over time (Chatterjee and Ranson, 2003). There is also concern that while the health insurance provides access to hospitalization, in some cases the standard of care provided is 'frankly dangerous' (*ibid*). SEWA is very aware of these limitations and through a process of constant innovation and experimentation are attempting to tackle them.

Overall, then, it is clear that low cost, quality and trusted health care provided at the level of community helps to ensure that health services are affordable and accessible to working women, especially given the reduced lost working time in seeking medical attention. As such, women are more likely to seek health services for all health problems earlier and more regularly. Not only will this likely include care for occupational injuries and illnesses but it also helps to mitigate the increased risk of occupational injury and illness presented by other health problems that cause fatigue and weakness and also those that reduce immunity.

Aishaben, who we met in the Box, speaks of her own empowerment. She says that being a health worker has changed her life – it has given her a home, a purpose and an identity; she has acquired skills, and a degree of security. She has status in her community and in her union (Bonner, 2005).

Good practice and linkages between organizations of street vendors - StreetNet International

Millions of poor people in cities, small towns and villages across the world have public streets as their main place of work. Whether providing services such as cleaning shoes or cutting hair, or trading in commodities such as cosmetics, clothes or religious artifacts, these men and women may be found on street edges, in public parks, at intersections.

Many are self-employed, running their own enterprises. Many are wage workers, employed by other informal operators, or by those in the formal sector. Many again are unpaid family workers. The goods traded, and services offered, are predominantly legal. Their legal status as workers is however tenuous, and their conditions of work are hazardous. They are exposed to the elements daily, and trade near fast-moving traffic with the smoke and dirt and noise that comes with city areas. The only way they can improve their working conditions is through organizing.

Across the world hundreds of thousands have formed their own organizations, whether as loose informal networks, or as formal unions and co-operatives. In West Africa, the *Federation Nationale Travailleurs du Bois et Construction du Cameroun*; in Latin America, the *Federacion Departamental de Vendedores Ambilantes de Lima*, in Peru; in Asia, the StreetNet Association of Sri Lanka National Alliance – these are examples of the city-level and national organizations of informal workers.

An international alliance of street vendors was formed in 2002. StreetNet International has its headquarters in Durban, South Africa, and by the end of 2007 it had registered 28 affiliates in 25 countries (StreetNet, 2008). Remarkably, given the scarce resources of many of its affiliates, and the language barriers that separate people, it has managed to form linkages through astute organizational strategies. Some of these are:

- Develop a collective bargaining and negotiating strategy for members of the informal economy.
- Develop defensive and proactive litigation strategies.
- Promote legal reforms that protect the rights of street vendors. Through its Newsletter (published in three languages) it shares examples of good practice between affiliates. In a recent Newsletter, for example (StreetNet, 2008) it has two such cases: - India's Street Vendors Protection and Promotion of Livelihoods Bill, and a new law in Peru what will give about 100 000 informal workers - especially market stevedores - rights to occupational health and safety at work.
- Develop a system of social protection for all workers in the informal economy, including street vendors (such as India's Unorganised Workers Social Security Bill of 2007).

StreetNet International is currently involved in a major international campaign, World Class Cities for All (WCCA). It challenges elitist first world approaches to building 'world class' cities. In practice these approaches mean protecting particular urban spaces, around international events, in such a way that thousands of poor working people not only do not share in the benefits of these events, they also frequently have their means of livelihoods removed – they lose their trading spaces, or their assets are confiscated. The WCCA programme will use the FIFA World Cup in 2010, to be held in South Africa, as the focus of building a more inclusive and pro-poor notion of cities for all.

The campaign aims to uphold policies and guidelines which are directly related to being pro-poor, and to empowerment. These include that there must be prominent and visible women leadership, no party political affiliation, the interests of the poorest must be prioritized, and there must be recognition of the rights of informal workers.

Included in their campaign demands are the training of enforcement agents, such as local authority police, a moratorium on all evictions from trading places, and community participation in the fight against crime. These issues all directly affect the economic security of the poorest workers. The campaign organizers will award 'Red Cards' to public figures involved in planning of the event if their actions are anti-poor or exclusionary. This campaign promises to be a potent way of bringing to international attention the way these events are distinctly not 'pro-poor' despite all the talk of their bringing foreign direct investment and opening up economic opportunities in general.

StreetNet itself does not get involved in promoting or providing access to social protection. It does however build bridges between organizations, and through exchanges and meetings, vendors are exposed to the different practices in different countries. India's National Alliance of Street Vendors of India, for example, has much to teach others about the legislation on social protection for the unorganized sector. At a meeting of WIEGO affiliates in Durban in 2006, there was much interest from the StreetNet International

Council members in the new health insurance scheme in Ghana, now available to street vendors.

Research with and by organizations of informal workers: WIEGO Social Protection and organizations of homeworkers in Asia

There are millions of homeworkers worldwide, some self-employed, but mostly working as industrial outworkers, on contracts to people and firms whom they can scarcely identify. The place of work of such people means they are particularly vulnerable, as they are so invisible, and dependent on brokers over whom they have little power. Many work either with no contracts at all, or with contracts which deny them of the usual rights associated with paid work.

Though this is a worldwide phenomenon, such workers are concentrated in Asia. They have started organizing in that region, into country level organizations, such as HomeNet Thailand, and in emerging regional alliances, such as HomeNet South East Asia. A number have focused their work around social protection needs.

WIEGO is an international research and advocacy organisation whose purpose is to promote the conditions of work of poorer women working in the informal economy. It has five substantive programmes, one of which is Social Protection (the others being Statistics, Global Markets, Urban Policies, and Organisation and Representation). In 2003 and 2004, the Social Protection programme engaged in a research and advocacy exercise with affiliates in the region (in India, Thailand, Bangladesh, Philippines, Indonesia and Nepal), and also used the initiative to build networks with countries we had not had contact with (Vietnam) or had had limited contact (China).

Earlier intervention had demonstrated that bridges could be built between organizations, by close analysis of case studies of different types of social protection needs and interventions. In particular, we wanted to build on the work already done by HomeNet Thailand and the Philippines, using value chain analysis of the garment industry to identify how and where possibilities existed for multi-stakeholder contributions to social provision (see the case study in Lund and Nicholson, 2003; also Raworth, 2004). The occasion was used to assist HomeNet Thailand extend its analysis of value chains, and share the effectiveness of this sort of mapping analysis with other organizations. We also wanted to share SEWA's experience in building child care into their comprehensive work; and to learn from China's experience of the situation of internal migrant women workers, in the transition from a centrally planned to a market economy.

Country teams were convened to attend the Asia Social Protection Dialogue, a multiple stakeholder event. Where possible the teams were led by a worker organisation, and comprised (as the ideal) about seven members, among them informal worker leaders, government officials (from national or local government), formal trade unions, concerned academics and activists. We met in Bangkok over three days, in the Asia Social Protection Dialogue, going over the case studies in depth, and identifying priorities for research and action. Participants decided they would be greatly assisted if we could produce a series of pamphlets, drawing from the workshop materials, aimed at worker organizations with an emphasis on organizing around social protection.

These materials, called Tools for Advocacy (Lund and Nicholson, 2006), have the following themes:

- Informal employment and social protection: an introduction
- Value chains and social protection
- Health insurance
- Occupational health and safety
- Child care
- Organizations, networks and alliances

The sixth pamphlet, in particular, presents examples of how informal worker organizations have represented the interest of informal workers on national commissions to do with environmental protection, worker rights, national health insurance schemes, and child care.

The materials have been translated into a number of regional languages, arranged by the worker organisations themselves. The impact of this dialogue and dissemination has not been evaluated, but in both content and process it represents an example of using research for activism through increasing the workers' understanding of their position in global value chains, and who their employers are; of drawing from the experience of organizations in building small schemes of social protection; and of encouraging linkages between organizations.

Conclusion

This paper, drawing on the experience of WIEGO and its affiliates, has attempted to lay out a conceptual approach to social protection that sees informal work as permanent, informal economic activities as part of mainstream economic life, and investment in social protection as a proactive part of ensuring human development, as a way of tackling poverty. Informal workers have prioritized health services, child care, and a secure old age as their most pressing needs, though they also say that better incomes would enable them to provide better for themselves.

A range of member-based organizations of alliances of informal workers, such as SEWA, StreetNet, the Homenets, and others, have found that organizing around social protection can be a way of building empowerment among workers. Yet this is not easy to do, as repeated failures of small scale, marginalized schemes leads to demoralization and despair. The long term improvement of working conditions and of improving incomes depends on stronger organizations that can express the interests of the working poor.

There are good practice examples from within organizations of poorer workers that point the way to incremental gains being made to the benefits of workers, their children, and the economy as a whole. The empowerment dimension is centrally linked to strengthening organizations of informal workers.

The informal economy is here to stay, and social protection needs to be seen as a long term investment in the productive capacities of the present and future generation of workers. It worked for the north, so should work for the south as well. Decent work should be a fundamental consideration of economic, trade, financial and social policies. Social protection provision should be seen as an inalienable right connected to work.

Schemes need to look at context-specific ways of combining contributions from different stakeholders, and combining statutory with voluntary provision. Responsibility

for social provision for informal workers needs to be shared, and at present the stakeholder with the least responsibility is the employer/ owner of capital.

SEWA struggled for years to get the private insurance industry to accept that informal women workers are an insurable risk. Ela Bhatt of SEWA writes:

When someone asks me what the most difficult part of SEWA's journey has been, I can answer without hesitation: removing conceptual blocks. Some of our biggest battles have been over contesting preset ideas and attitudes of officials, bureaucrats, experts and academics (Bhatt, 2006: 17).

It would be appropriate to end the paper by trying to draw out from this clear statement of a problem, implications for some potential roles of donors.

First, donors could critically review their own policies and structures to ensure that the informal economy is not dealt with as a residual category. In WIEGO's experience, some donors place it under 'small businesses' (in which case the reality of the very small size of poorer workers' informal enterprises is missed, and support policies misplaced), or under 'community development', in which case the serious economic nature and contribution of informal work is under-estimated. We have also had the experience that informal women workers are seen by donors as 'a gender issue' rather than as an employment issue, and are marginalized into 'women's departments'.

Second, if it is the case, as this paper has argued, that private employers' responsibility for eroding social protection is a significant issue, then donors could have a constructive role in supporting and bringing together employers' organizations, together with informal employment experts, to raise the awareness of employers of the productivity-lowering effects of poor employment practices.

Third, donors may have a special role to play in exploring the potential of mainstreaming social protection for informal workers into existing formal institutions, while continuing to support innovative ways of building independent institutions where appropriate.

Fourth, donors have a role in promoting the multiple stakeholder approach to social protection, fostering dialogues between organizations of formal and informal workers, governments, and the corporate sector.

Finally, and on a note of practical intervention, an analysis of trade and fiscal policies can anticipate and identify where vulnerability will be heightened and increased. The DAC has developed its own *ex ante* Poverty Impact Assessments. WIEGO's experience with influencing policies about the informal economy, and its work with organisations of informal workers, would suggest the Poverty Impact Assessment could be refined to more specifically include and analyse the situation of different categories of workers in informal employment. DAC might call this an Informal Employment Impact Assessment, and promote it as part of its range of tools for poverty analysis.

Notes

- 1 For the longer case study, focusing on occupational health and safety issues, see Lund and Marriott, 2005
- 2 One US dollar is worth approximately 45 rupees.

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