

THE PLACE OF INFORMAL WORKERS AND THE INFORMAL ECONOMY IN
APPROACHES TO SOCIAL PROTECTION

Francie Lund

1. BACKGROUND

Social protection arises in response to different concerns of different nation states. Social protection for workers, in the form of access to social insurance, appeared as a feature of industrialised nations in the 19th century. In Germany in 1889 Chancellor Otto von Bismarck introduced the first measure of social security focused on the workforce – formal workers – in the world. Social security, as it became known, spread rapidly through Europe. In Britain an organised national programme of school feeding in schools appeared in the early 20th century as a response to the poor nutritional state of men presenting themselves to fight in the imperialist Anglo-Boer War in South Africa. In the USA, the Great Depression triggered the shift in economic policy towards massive investment in infrastructural and economic programmes such as the Tennessee Valley Authority. In Britain, the introduction of Beveridge’s plan for a welfare state in Britain was blocked by Churchill before World War 2; it was accepted following that war and developed into Britain’s comprehensive welfare state, which included the social insurance-based national health system.

The core debate in social protection is about the relationship between and respective responsibilities of and for the state, the market, and individuals. A key area of contention, before and during the neo-liberal era, is the extent to which state intervention ‘distorts markets’, and undermines ‘self-reliance’ of families and communities. This relates also to whether the objective of social protection is to address and mitigate poverty, and/ or whether it also has or should have a redistributive role.

Welfare regimes in the north were largely built on assumptions of (nearly) full employment in formal work. Workers and their families could be protected through contributory social benefits, with a residual set of social assistance benefits for the very poor, or those unable to enter formal labour markets.

Inexorably, increasing numbers of workers across the world are experiencing eroding work-related social protection. Informal workers, by definition, do not receive it, though some get social benefits as citizens. The processes of casualisation mean that growing numbers of workers, though they may receive work contracts (and are thus not strictly informal), nevertheless have some work-related benefits eroded or entirely lost in the transition.

One of the barriers to development of appropriate and equitable economic and social policies is this: Those who ‘do’ social policy don’t see informal workers – they see citizens, or ‘poor and vulnerable and marginalised’ people. Those who ‘do’ economic policy – macro

and micro - don't see labour as a 'produced factor of production'. They thereby do not see social spending as investment in the reproduction of society of the present and future.

2. GETTING SOCIAL PROTECTION FOR INFORMAL WORKERS ON THE MAP

When the WIEGO Social Protection (SP) programme started in 2000, there was very little published work on social protection for informal workers. A singular exception was the ILO book entitled 'Social Security for the Excluded Majority' (Von Ginnekin 1999) which explicitly foregrounded informal workers. One of the first activities of the WIEGO SP programme was the ILO STEP / WIEGO book on a gendered approach to social protection for informal workers (Lund and Srinivas 2000); this purposely moved away from the 'poor and marginal and excluded' paradigm towards seeing informally working women primarily as workers. An important contribution by the Friederich Ebert Stiftung at that time covered nine countries in Southeast and East Asia (Adam et al 2002); all chapters note the absence of provision for informal workers. Elsewhere, there was substantial literature and case studies on related areas such as small scale insurance, micro savings, rotating credit associations and the like, and some publications done by India's Self Employed Womens Association (SEWA) on their health insurance and their child care services.

The core question for WIEGO was framed as "Under what conditions can what kind of workers in the informal economy (and especially poorer women) get access to what core measures of provision, which can be incrementally improved upon in the future?" (Lund and Srinivas 2000).

The SP programme developed a framework paper for its work. Key characteristics of the approach were that:

- "It recognises the right to social protection as an inalienable part of work;
- It has as a core variable the different status in employment, along a continuum from wholly formal employment, to informal employment, with many gradations in between;
- It focuses on poorer women, but not to the exclusion of men;
- It keeps open a role in social protection for all interest groups;
- It advocates principles of equity and redistribution." (Lund 2004: 238)

A point of departure was that the strategic approach had to be incremental. It did not expect that fundamental differences in worker benefits would be possible in the short term, but that fundamental differences would be the longer term goal. As in the Lund and Srinivas book, the framework advocated a life cycle approach, an analysis of work-related risks based on occupational sector and risk at place of work, and a commitment to informal worker involvement in policy processes and reforms.

The framework paper was first presented at a conference in Santiago of the Inter-American Development Bank in 2002, where Armando Barrientos also presented his paper on women in the informal economy in Latin America (Barrientos 2004). The framework paper was then used to test out the WIEGO approach in a series of country dialogues and research

meetings, in five Latin American and eight Asian countries, between 2002 and 2005. During this time relationships were forged with member-based organisations (MBOs) and NGOs, with the process facilitated in Latin America by Carmen Roca, regional coordinator for LAC, and organised by Homenet Thailand for the work in Asia.

The launch of the ILO STEP/ WIEGO book (Lund and Srinivas 2000) led to a further collaboration with ILO STEP (Strategies and Tools against Exclusion and Poverty). A Technical Consultative Workshop (TCW) was a collaboration between the World Bank, the ILO, and WIEGO. The purpose was to hold up an empirical mirror, as it were, against which to assess the ability of the social protection departments or programmes of each of the three organisations to integrate informal workers into their approach to social protection. The case studies were of horticultural workers in Chile and South Africa (by Armando Barrientos and Stephanie Ware Barrientos), and in the garment industry in Philippines and Thailand (by Donna Doane, Rosalinda Ofreneo and Daonoi Srikajon). As far as we know, this was the first time social protection for informal and formal workers was analysed using global value chain (GVC) analysis.

At about the time of the TCW, Robert Holzmann had replaced Joseph Stiglitz at the World Bank, with responsibility for social security, and introduced the 'new approach' of Social Risk Management (SRM), which was meant to replace the short term 'social safety net approach' (Holzmann and Jorgenson 1999). In the above TCW between ILO, the World Bank and WIEGO, and attended by Homenet Thailand and SEWA among others, the weaknesses in the SRM approach became apparent. It essentially employed new terms which still meant more provision by the poor for their own social protection, and with little inclusion of informal workers in the model. It was a remarkable opportunity for the partners to get to grips, at a deep level, with the differences in approaches, drawing from the concrete realities of informal workers' lives – including of course the tensions between MBOs and the formal trade unions. A book was produced which presented the GVC framework, the case studies, and the lessons learned (Lund and Nicholson 2003).

In about 2006, we moved towards specific areas of social provision.

3. THE SOCIAL PROTECTION PROGRAMME INITIATIVES

I give the briefest of descriptions, as a backdrop to the selection of conceptual and strategic issues.

3.1 OHS and the institutional issues in health

Access to health services was a concern for the Social Protection Programme from the start, with many lessons being learned from the involvement of HNT in the development of Thailand's 30 baht health service and then free health care, and SEWA's VimoSEWA health insurance and health services.

Mainstream OHS does not cover work places such as streets, private homes, waste dumps where informal workers operate. In 2008/9 we developed a programme specifically focusing

on occupational health and safety of informal workers. The core question, crudely put, was: If mainstream OHS is not covering informal workers and their work places, how might it be encouraged to do so? If it resists opening up to inclusive services, what other agencies or interest groups could or should make a contribution? And if not, what does this mean for how to build a movement where informal workers organisations can frame focussed demands with practical strategies for being integrated into health care services?

The five country project explored what a more inclusive OHS could look like. The project was used to focus in particular on the intersection of OHS with other disciplines in health; the intersection of both national and local government policies and processes that exclude or include informal workers; the representation of informal workers in public health and OHS forums and platforms; and the precise nature of barriers of access to health in different cities. Laura Alferts and co-authors describe an OHS intervention within Warwick Junction in Durban, which had three components: trader led health and safety committees, training representatives of the different markets in core aspects of OHS, and a market site-based health screening of informal workers with immediate referral to health services where appropriate.

3.2 The Child Care Initiative

Informal workers clearly express their own priorities in social protection: after more secure and reliable incomes, they have access to health care as a very high priority, and then express concern about their own security during their elderly years. Provision of child care services is not articulated as a priority area. The Child Care Initiative (CCI) is designed to explore the relationship between child care provision and women's incomes – child care is seen through the lens of women's need to earn incomes, rather than through the usual lens of children's rights. A scoping study on child care at the start of the CCI could find, as expected, no literature which dealt with child care for women workers.

3.3 Social Protection for Elderly Women Workers

WIEGO is proposing an additional social protection initiative on workers' transition into their elderly years. Initial scoping indicates that, with no or little social protection available to them, elderly informal women have multiple roles: they are workers, are carers of others in their households and communities, and they themselves may need to be cared for, as well.

A project run under Social Protection was what was abbreviated as 'Voice', in Peru and Mexico, and led by Carmen Roca in collaboration with other partners. It created platforms for participation by informal workers with municipal and national governments. An important breakthrough in Peru was the extension of some components of social protection to informal workers.

4. SELECTED POLICY ISSUES

In the last 20 years, there have been major changes in the social protection arena. They have to do with the changing role of the state, responses to climate change, disaster

management, social protection needs of migrants, the role of civil society organisations, among other things.

While there has been withdrawal in many states from social spending, along with privatisation of some services, there is also a great deal of new attention on cash transfers, and on universal health care/ coverage. I select four issues to illustrate progress, regress, and paradoxes.

4.1 Social policy and social protection cannot remediate inequalities caused by economic, labour and trade policies that create inequality

The lack of social protection for probably the majority of workers across the world is a disconcertingly huge challenge . WIEGO advocates for greater security at work at the same time knowing that processes such as casualization are all the time eroding social provision.

One vignette: In 2009 WIEGO was asked to present a keynote address to a Europe Commission/ OECD 'Joint Seminar on Employment, Social Protection and Decent Work in ACP Countries' (Africa, Caribbean and Pacific). The EC and OECD were in the process of encouraging numbers of ACP countries into trade agreements that would disadvantage the poorer populations of those very countries; the model was so harsh and punitive that it was denounced by the World Bank. From my back-to-office report:

“This social protection round of training and seminars [being held by the EC and OECD] goes in parallel with the economic and aid policies. On the one hand, the economic policy branch of the EC is forcing trade deals on APC countries which are absolutely sure to impoverish them further; but on the other hand, the EC will try and remediate the bad economic and trade policy with this sort of ‘training’ in decent work and social protection. It just does not make sense.”

4.2 Lack of fit – both vertical and horizontal – between national and local levels of government

International organisations work chiefly with the nation state as their point of entry, and this is the level at which partnerships are typically formed and dealt with (WTO, WHO, ILO, IMF, UN agencies, etc.). In many countries, social policy and social protection is developed at the national level. As articulated in the SP framework paper, and then made even more clear through the OHS project and the health programme as a whole, is that it is the local municipal level of government that influences the daily lives of informal workers, especially with regard to the provision of infrastructure that will allow workers to access to safer and healthier workplaces, including their own homes. WIEGO's strategic interventions, guided by the theory of change, demand that we balance three things, all at the same time:

- support for MBOs on the ground
- while climbing up and down the vertical ladder between local and state or federal levels of government, looking for institutional intersections, and institutional barriers
- while exploring, crabwise, the horizontal links, especially at local level, between different functions within local government, as well as within central government.

The intersection between social protection and urban policies is an area that will be developed in the next phase of work. It is an exciting place to be, conceptually, and in terms of identifying practical spaces for policy reform.

4.3 Universal health coverage and private insurance

The last ten years have seen the growth, globally, of commitment to universal health care, or universal health coverage, endorsed and supported by significant philanthropic foundations such as the Bill and Melinda Gates Foundation and the Rockefeller Foundation, as well as many national governments in the global south. The previous great push towards universal health care, based on primary health care (PHC), followed the Alma Ata Conference in 1978; there was widespread understanding that the PHC component would be state-provided. In the more recent fervour of support for UHC, many promoters are seeing it as government provision, but with the participation of private insurance firms supported by government.

Different roles can be played by the state: financing, provision of services, enabler, and guarantor. The WIEGO SP programme has a grave concern that health programmes underpinned by private insurance tend towards the provision of curative services, with some unnecessary surgery. This erodes commitment towards preventive health services, which should be a central pillar of both PHC and of public health.

4.4 Cash transfers

A surprising development in social protection in the last 30 years has been the rapid spread of cash transfers in Sub Saharan Africa and Latin America. Some attribute the main cause of the spread of this form of provision to the success of some programmes in the south (Hanlon, Hulme, Barrientos 2010); others proffer the idea of south-south learning, for example from Brazil to Ghana (Foli, Beland and Fenwick 2017); others would say it was important that the World Bank's own researchers found that cash transfers properly designed could be effective as well as equitable, and could be seen as compensation for the damage caused by privatisation of pensions schemes under structural adjustment. Bob Deacon writes about the ILO's driving role of the ILO's social Security Department playing a driving role in the development of a global social floor, which has cash transfers as a main pillar of provision (Deacon 2013); others acknowledge HelpAge International's driving role in the spread of cash transfers for elderly people.

All in the Social Protection team, and surely many others in WIEGO, see the merit of cash transfers in providing direct income support especially to women and children. The initial model of the GSF comprised essentially cash transfers over the life cycle, as well as affordable basic health care. Early documents categorised informal workers with 'the unemployed'. In the course of the acceptance by all UN agencies of the GSF, and the start of implementation, the focus on informal workers is being diluted. The intended 'universality' of the GSF might be – probably is – contributing to the ILO losing its focus on worker-oriented social protection, in favour of citizen-based social protection (see Laura Alfes contribution for this conference for more discussion of this point).

5. GOING FORWARD

Social protection for informal workers is on the global policy map, and WIEGO has contributed to this. We have developed some strong partners – local, national and international. The processes of working through existing organisations of MBOs wherever possible was a way of bridging between organisations of workers, on the one hand, and the authorities or agencies who control their spaces.

The participatory research in the CCI's FGDs with MBOs, and in regional meetings have revealed that poorer informal working women themselves do not necessarily articulate child care as a priority need. Key organisational and programme leaders have suggested that this might be that the workers themselves see child care as something that simply is women's private responsibility.

The focus of WIEGO is on paid work done by adults, with an explicit boundary excluding unpaid care work/ reproductive labour done in the household. Elson notes the invisibility of unpaid care work, and how social reproduction is taken for granted noting that the 'unpaid care economy is outside the production boundary – but its operation has implications for what goes on inside the production boundary' (Elson 2004: 65). This boundary is sometimes difficult to maintain in the SP programme, because so much of the unpaid care work is done by women, and this of course affects their ability to engage in paid work outside of the home.

Within the SP programme, the OHS intervention in Durban's Warwick Junction 'reinforced to traders that they are workers, that the spaces in which they work are workplaces, and that they have rights and responsibilities in relation to that space' (Alfers and others 2016). A challenge to WIEGO is how to maintain the paid work focus, and the boundary, while interacting intellectually and strategically with those working in different but closely related domains.

FRANCIE LUND: REFERENCES FOR WIEGO RESEARCH CONFERENCE PAPER, 2017

Adam, Erfried, Michael von Hauff and Marei John. 2002. **Social Protection in Southeast and East Asia**. Singapore: Friedrich Ebert Stiftung.

Alfers, Laura, Francie Lund and Rachel Moussie. Forthcoming. 'Approaches to social protection for informal workers: aligning productivist and human rights approaches', **International Social Security Review**.

Alfers, Laura, Phumzile Xulu, Richard Dobson and Sujatha Hariparsad. 2016. 'Extending occupational health and safety to urban street vendors: reflections from a project in Durban, South Africa', **New Solutions** 26(2): 271 - 288.

Barrientos, Armando. 2004. Women, informal employment and social protection in Latin America. Chapter 8 in Piras, Claudia (ed.). 2004. **Women at Work: Challenges for Latin America**. Washington DC: Inter-American Development Bank.

Barrientos, Armando. 2013. **Social Assistance in Developing Countries**. Cambridge: Cambridge University Press.

Barrientos, Stephanie Ware. 2013. 'Labour chains: analysing the role of labour contracts in global production networks,' **Journal of Development Studies** 49(8): 1058 - 1071

Beland, Daniel and Rianne Mahon. 2016. **Advanced Introduction to Social Policy**. Cheltenham: Edward Elgar Publishing.

Cook, Sarah and Naila Kabeer. 2010. **Social Protection as Development Policy**. Abingdon and New Delhi: Routledge.

Deacon, Bob. 2013. **Global Social Policy in the Making: The Foundations of the Social Protection Floor**. Bristol: Policy Press.

Devereux, Stephen and Rachel Sabates-Wheeler. Transformative social protection.

Elson, Diane. 2004. 'Social policy and macro-economic performance: Integrating "the economic" and "the social"'. Chapter 3 in Mkandawire, Thandika (ed.). 2004. **Social Policy in a Development Context**. Houndmills, Basingstoke: Palgrave MacMillan and Geneva: United Nations Research Institute for Social Development.'

Goodin, R. 2001. 'Work and welfare: towards a post-productivist welfare regime,' *British Journal of Political Science* 31(13 – 39)

Hanlon, Joseph, David Hulme and Armando Barrientos. 2010. **Just Give Money to the Poor: The Development Revolution from the Global South**. Sterling, VA: Kumarian Press.

Holzmann, Robert and S Jorgenson. 1999. 'Social Protection as Social Risk Management: Conceptual Underpinnings for the Sector Strategy Paper,' **Journal of International Development**, 11: 1005 – 1027.

Kabeer, Neila. **Mainstreaming Gender in Social Protection for the Informal Economy**. London: Commonwealth Secretariat.

Kabeer, Neila and Ricardo Santos. 2017. Intersecting inequalities and SDGs: insights from Brazil. WIDER Working Paper No. 167.

Lund, Frances. 2004. A framework for analysing social protection for workers in the informal economy.' Chapter 7 in Piras, Claudia (ed.). 2004. **Women at Work: Challenges for Latin America**. Washington DC: Inter-American Development Bank.

Lund, Francie and Jillian Nicholson. (eds.) 2003. **Chains of Production, Ladders of Protection**. Durban: University of Natal, School of Development Studies.

Lund, Frances and Smita Srinivas. 2000. **Learning from Experience: A Gendered Approach to Social Protection for Workers in the Informal Economy**. Geneva: International Labour Organization.

Phe Goursat, Marielle. 2016. Practical options for the extension of social protection to paid employees, self-employed and contributing family workers in the informal economy in Zambia: domestic workers, small-scale farmers and construction workers. Lusaka: ILO Regional Office.

Samman, E. et al. 2016. Women's work: mothers, children and the global child care crisis. Research Report. London: Overseas Development Institute.

Standing, Guy. 1999. **Global Labour Flexibility: Seeking Distributive Justice**. Basingstoke: Macmillan Press.

Townsend, Peter. 2004. 'From universalism to safety nets: The rise and fall of Keynesian influence on social development.' Chapter 2 in Mkandawire, Thandika (ed.). 2004. **Social Policy in a Development Context**. Houndmills, Basingstoke: Palgrave MacMillan and Geneva: United Nations Research Institute for Social Development.'

UNRISD. 2016. The Human-Rights Based Approach to Social Protection. UNRISD Issue Brief No. 02, August. Geneva: United Nations Research Institute for Social Protection.

Van der Veen, R. and Loek Groot. 2006. 'Post productivism and welfare states', **British Journal of Political Science** 36, 593 – 618 (article found on internet for free)

Van Ginnekin, Wouter. 1999. **Social Security for the Excluded Majority**. Geneva: International Labour Organization.

World Bank. 2000. Emerging directions for a social protection sector strategy. Washington DC (Social Protection Sector)