

Workers in Informal Employment in Chile: A Statistical Snapshot of 2019 and 2020

This flyer examines data on informal employment in Chile nationally in 2019 and 2020, with a focus on six groups of workers who are mainly informally employed.

Employment in Chile

The COVID-19 pandemic had a great impact on employment in Chile. Total employment declined in Chile nationally by over 1 million workers between 2019 and 2020.

In the last quarter of 2019, 9.1 million Chileans of working age (63%) were employed and 690,000 were unemployed. A year later, total

employment had decreased to 8 million (57%) and the number of unemployed people rose to 920,000 (**figure 1**).

Women, who accounted for 42 per cent of Chilean workers in 2019, suffered greater losses than men: over 600,000 women lost work compared to over 460,000 men (**figure 2**).

Figure 1: Numbers of people employed in Chile nationally (millions) in 2019 and 2020

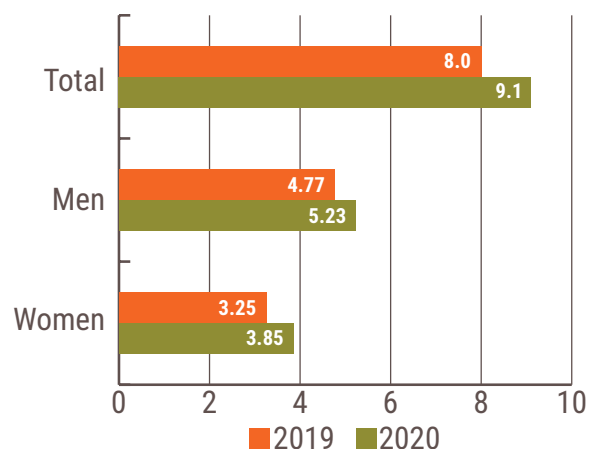
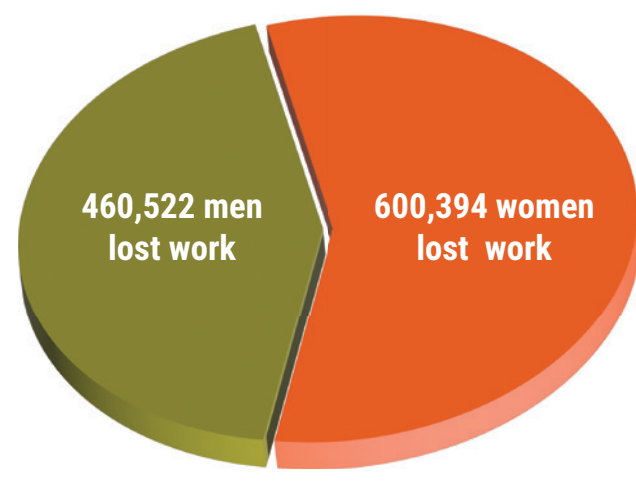


Figure 2: Over 1 million workers in Chile lost employment in 2020



In Chile informal employment includes:

- **The self-employed – employers and own-account workers** – when the economic units they work in are not registered in the national tax system and are not quasi-corporations because they do not have an accounting system that separates business expenses, home expenses and personal expenses.
- **Employees** who do not have social protection or benefits – such as contribution to pensions and medical insurance or entitlement to paid sick leave or annual leave by their employer.
- **All contributing family workers.**

Informal Employment

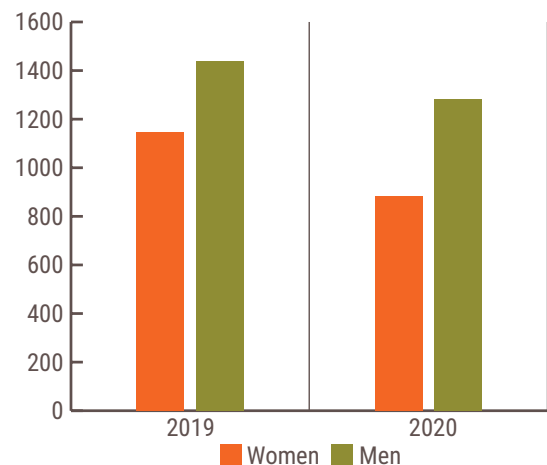
Workers in informal employment represented 28 per cent of Chile's total employment in 2019, yet 40 per cent of those who lost work were informally employed.

Before COVID-19 struck, almost 2.6 million Chileans were informally employed. These are often the poorest and most vulnerable of workers. In 2020, 400,000 of these workers suffered the loss of work. This caused the rate of informal employment among the total employed to fall slightly more than a percentage point to 27 per cent.

Informal employment consistently accounted for a higher share of women's total employment (30% in 2019) than men's (28% in 2019). In 2020, 265,000 (23 per cent) of these women lost their work compared to 154,000 (11 per cent) men (**figure 3**).

However, the six groups covered in this brief together grew in numbers, as shown in the next section.

Figure 3: Women's and men's informal employment in Chile (thousands): 2019 and 2020



Photos right, top to bottom:
 Street vendors and Market vendors in Santiago, Chile. Photos: R.Lesneiwski.
 A domestic worker in Chile. Photo courtesy of IDWF.

6 Groups of Workers

WIEGO focuses on groups of workers who typically are informally employed. In Chile, these groups accounted for 2 million workers, or 21 per cent of total employment, in 2019. That increased to 27 per cent in 2020. This growth was primarily due to the high number of people who became home-based workers during the pandemic.

This snapshot indicates how these groups and their share of total employment (in parentheses) changed between 2019 and 2020.

1. **Domestic workers** provide services in the homes of others.
 - 2019: 310,938 workers (3%)
 - 2020: 194,914 workers (2%)
 - Almost all are women and over 40 % have primary or less as the highest education level.
2. **Home-based workers** produce goods or provide services from, in, or around their own home. They are found in several major sectors of the economy.
 - 2019: 542,680 workers (6%)
 - 2020: 1,215,325 workers (15%)
 - This increase is discussed in detail in the next section.
3. **Market traders** sell goods and offer services in public markets.
 - 2019: 243,187 workers (2%)
 - 2020: 145,749 workers (1%)
 - Slightly more than one in three are age 55 or older.

4. **Street vendors** sell products or offer services in public spaces (streets, alleys, avenues, parks, etc.).
 - 2019: 311,160 workers (3%)
 - 2020: 236,995 workers (3%)
 - About one in three are age 55 or older.
5. **Informal construction workers**
 - 2019: 271,775 workers (3%)
 - 2020: 264,551 workers (3%)
 - Almost all are men and in 2019 many (29%) were aged 55 or older.
6. **Informal transportation workers**
 - 2019: 188,058 workers (2%)
 - 2020: 119,674 workers (2%)
 - In 2019, 89% of these workers were men; in 2020 it increased to 96%.



Informality among the 6 Groups

Informality among these groups, taken together, was over 65% in 2019, a much higher rate of informality than in total employment (28%). The rates of informality were higher for men (70%) than women (60%).

In 2020, the rate had declined to 50 per cent—58% for men and 43% for women. That decrease was in large part due to formally employed workers who became home-based workers during the pandemic (see next section for more information).

Status in Employment in the 6 Groups

- In almost all worker groups, most are own-account workers.
- 100% of domestic workers are employees.
- Among market traders, half are own-account workers, while 40% (more men than women) are employers.

A home-based seamstress in Chile.
Photo: L. Morillo

Home-based Work and the Pandemic

The number of home-based workers more than doubled between 2019 and 2020.

Home-based workers are found in several major industry sectors of the economy. In 2019, over 30 per cent of women home-based workers were in trade, followed closely by manufacturing. Finance, health and real estate – grouped as “other services” – was another important sector for women home-based workers.

Among men, manufacturing and trade were the most important sectors for home-based workers, with around 30 per cent in

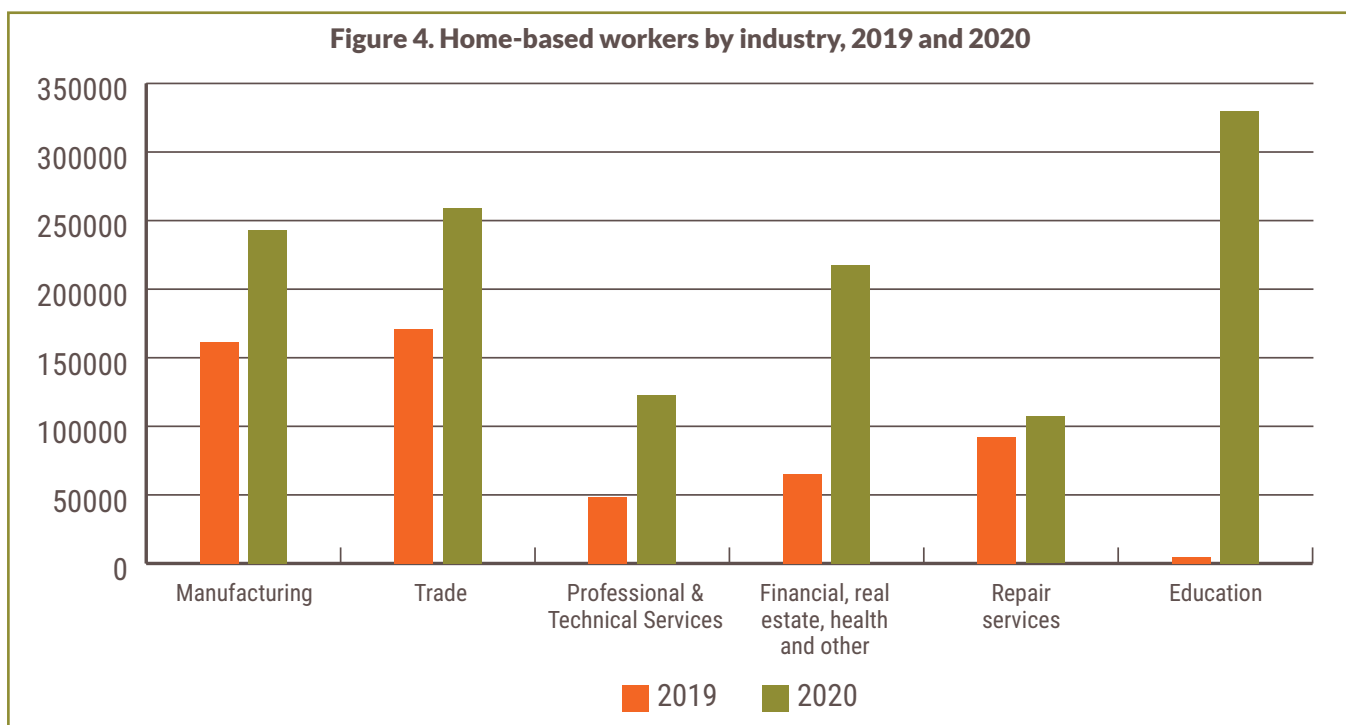
manufacturing and one-quarter in trade. The share of men home-based workers in manufacturing declined to 13 per cent in 2020.

In 2020, the numbers of home-based workers increased in each industry category (**figure 4**), with the greatest increase in education as schools closed due to COVID-19 and teachers worked from home.

There was also large growth in financial, information, real estate and health services, with the numbers of both women and men more than doubling.

The addition of these new workers reduced the incidence of informality among home-based workers, from 56 to 35 per cent.

Figure 4. Home-based workers by industry, 2019 and 2020



About WIEGO

Women in Informal Employment: Globalizing and Organizing (WIEGO) is a global network focused on empowering the working poor, especially women, in the informal economy to secure their livelihoods. We believe all workers should have equal economic opportunities, rights, protection and voice. WIEGO promotes change by improving statistics and expanding knowledge on the informal economy, building networks and capacity among informal worker organizations and, jointly with the networks and organizations, influencing local, national and international policies. Visit www.wiego.org

About this Data

Data in this document are derived from *Informal Workers in Chile: A Statistical Profile* by José de Jesús Luján Salazar and Joann Vanek. 2022. WIEGO Statistical Brief No. 30. Available at: <https://www.wiego.org/wiego-briefs#Statistical%20Briefs>

