

Workers in Informal Employment in Peru: A Statistical Snapshot of 2019, 2020 and 2021

This flyer examines data on informal employment in Peru nationally in 2019, 2020 and 2021, with a focus on five groups of workers who are mainly informally employed.

Total Employment in Peru

The COVID-19 pandemic had a great impact on employment in Peru. In 2020, 2.9 million non-agricultural workers lost their work, while agricultural employment rose by 629,000 workers. Thus, in total, 2.2 million people had no work.

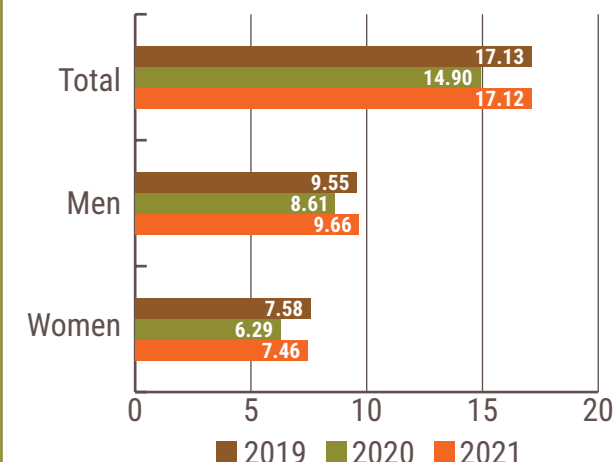
Significantly more women lost employment than men (**figure 1**).

Total employment recovered in 2021 nationally (**figure 2**) and across urban areas in Peru. However, in Metropolitan Lima there were 322,000 fewer workers in 2021 than in 2019.

Figure 1: Over 2.2 million workers in Peru lost employment in 2020



Figure 2: Numbers of people employed in Peru nationally (millions) in 2019, 2020 and 2021



Informal employment in Peru consists of:

- **Employers and own-account workers** in production units in the informal sector (units that are not legally constituted, excluding quasi-corporations) and are not registered in the national tax system (SUNAT). All production units in the primary (household sector) are considered informal.
- **Employees** without social security financed by their employer.
- **Contributing family workers**, regardless of the formal or informal nature of the production unit.



María de los Ángeles Ochoa is a domestic worker.
Photo by Victor Mallqui.

Informal Employment

Informal employment predominates in Peru. In both 2020 and 2021, it accounted for more than three of every four employed persons (figure 3). Informal employment consistently accounted for a higher share of total employment among women (79% in 2021) than men (75% in 2021).

- Between 2019 and 2020, 21% of formal jobs were lost compared to 10% of informal employment.
- Although the number of workers in informal employment dropped in 2020, the share of total employment increased.
- About 888,000 informally employed women lost work due to the pandemic, compared to 347,000 men.

Informal employment led the recovery from the COVID-19 pandemic. Between 2020 and 2021, it increased by 1.9 million workers, exceeding its pre-pandemic level.

Women regained more informal work than men: the number of women workers in informal employment increased by over 1 million, while the number of men increased by 912,000 (figure 4).

Photos right, top to bottom:

Petrona Flores sells poultry at the Mercado San José in Lima. Teodoro Agustín Naupari, a newspaper vendor—or canillita, as they are called locally—sells on the streets in Lima. Emilia Rocío Bances García recuperates and sorts recyclable materials in Lima. Photos by: Juan Arredondo/Getty Images Reportage



Figure 3: Informal employment as a share of total employment: Growth 2019-2021

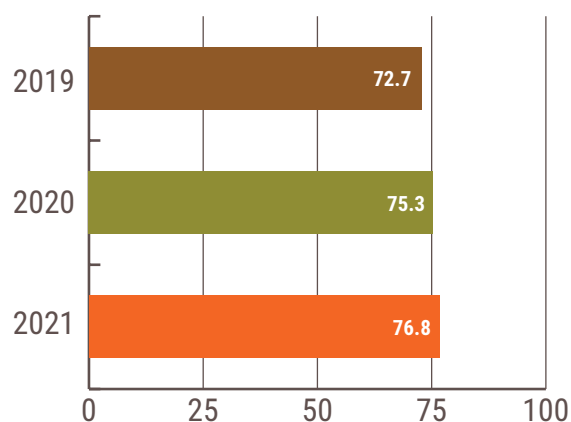
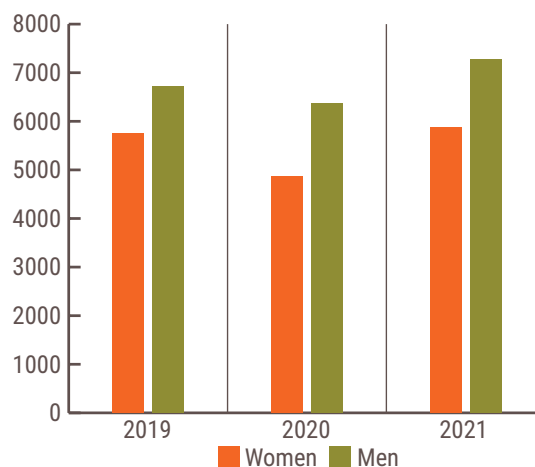


Figure 4: Women's and men's informal employment in Peru (thousands): 2019, 2020, 2021



5 Groups of Workers

WIEGO focuses on five groups of workers who typically are informally employed. These groups together account for 3.5 million workers in Peru, around 20 per cent of the country's total employment.

This snapshot indicates how these groups and their share of total employment (in parentheses) changed between 2019 and 2021.

1. **Domestic workers** provide services in the homes of others. The vast majority are women.

- 2019: 423,000 workers (2.5%)
- 2020: 245,000 workers (1.6%)
- 2021: 344,000 workers (2.0%)

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: 1,488,000 workers (8.7%)
- 2020: 832,000 workers (5.6%)
- 2021: 1,543,000 workers (9.0%)

3. **Market traders** sell goods and offer services in public markets.

- 2019: 404,000 workers (2.4%)
- 2020: 329,000 workers (2.2%)
- 2021: 351,000 workers (2.1%)

4. **Street vendors** sell products or offer services in public spaces (streets, alleys, avenues, parks, etc.).

- 2019: 1,365,000 workers (8.0%)
- 2020: 860,000 workers (5.8%)
- 2021: 1,184,000 workers (6.9%)

5. **Waste pickers** collect, sort, and sell recyclable material (paper, cardboard, glass, ferrous and non-ferrous and other reusable materials).

- 2019: 51,000 workers (0.3%)
- 2020: 40,000 workers (0.3%)
- 2021: 53,000 workers (0.3%)

In Peru, domestic work, home-based work, market trade and street vending were the main sources of employment for women in 2019, comprising around 36 per cent of women's total employment compared to just 10 per cent for men. Women's employment in these groups did not recover from the losses of the pandemic. The exception is home-based work, which provided employment for more women in 2021 than in 2019.

For men, two other groups provided the most informal employment: informal construction and informal transport work. Together, these accounted for over 18 per cent of total employment. The loss of work in 2020 for men in these groups was minor.

Informality among the 5 Groups

Informality among these groups, taken together, was over 86 per cent in 2019, a much higher rate of informality than in total employment. In 2021, the rate of informality was 88 per cent.

The rates of informality were substantially higher for women than for men in all 3 years.

Status in Employment in the 5 Groups

- 69% of women and 72% of men are own-account workers.
- 3% of women and 8% of men are employers.
- 100% of domestic workers are employees.



A home-based worker in Lima, Peru shows off her weaving. Photo by: Sofia Trevino

Earnings

Women's average hourly earnings in the five groups were just 68 per cent of men's earnings in 2019 nationally. Within urban areas, women's earnings were 70 per cent that of men, while in Metropolitan Lima women earned 81 per cent as much as men.

The discrepancy between men and women was smallest among street vendors and greatest among home-based workers.

The average hourly earnings for workers in the five groups fell significantly in 2020 and then recovered to some degree by 2021 (**figure 5**). However, earnings did not reach pre-pandemic levels for women or for men, except among waste pickers, who typically are the lowest earners.

Figure 5: Average hourly earnings in soles* among the five groups: 2019, 2020 and 2021



* For most of 2019, 1 Peruvian sol was equivalent to USD\$0.30.

Poverty Rates

In 2019, almost 14 per cent of workers in the five groups lived in poor households. The percentage was slightly higher for men than for women.

Waste pickers had the highest rates of poverty: by 2021, more than one third of waste pickers lived in poor households.

The pandemic drove up the poverty rate among both sexes and all groups in 2020, most dramatically for market traders (from 7 per cent to 20 per cent). Only market traders selling perishables were allowed to vend during the pandemic crisis. The share of workers living in poverty rose even higher in 2021 (**figure 6**) for all groups except market traders, who recovered slightly: in 2021, 17 per cent of market traders were living in poor households.

Figure 6: Percentage of workers living in poor households: 2019, 2020, 2021



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 Peru: A Statistical Profile, 2015 -2021* by Tomás Ramírez, Renato Carcelén, Carmen Roca and Joann Vanek. 2022. WIEGO Statistical Brief No. 34. Available at: <https://www.wiego.org/wiego-briefs#Statistical%20Briefs>

