



UN SECRETARY-GENERAL'S  
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WOMEN'S ECONOMIC EMPOWERMENT

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# EXPANDING THE ECONOMIC POTENTIAL OF WOMEN INFORMAL WORKERS

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## INTRODUCTION

The majority of women workers in developing countries – and a significant share of women workers in developed countries – are informally employed. Thus, any assessment of women’s economic empowerment needs to place a primary focus on the economic empowerment of women informal workers. This paper opens with overviews of statistical data and research findings on women and men in the informal economy (Sections I and II). The paper then provides an analytical framework for assessing what constrains and disempowers women informal workers (Section III). It makes the case that for conceptual and policy purposes it is important to distinguish between different groups of women informal workers by status in employment, branch of economic activity and place of work; and that economic class (i.e. status as informal workers/operators) and gender norms (i.e. status as women) interact to undermine the power of women informal workers vis-à-vis both markets and the state. Section IV provides a policy framework and examples of what can be done to lift these constraints and to empower women informal workers. The paper concludes with recommendations for future action.

### **I. WOMEN AND MEN IN INFORMAL EMPLOYMENT: *DEFINITIONS AND A STATISTICAL OVERVIEW***<sup>1</sup>

Although its role in economic development has been hotly debated since its ‘discovery’ in Africa in the early 1970s, the informal economy has continued to prove to be a useful concept to many policymakers, activists and researchers. This is because the reality it seeks to capture – the large share of the global workforce that remains outside the world of full-time, stable and protected employment – is so significant. At present, there is renewed interest in the informal economy worldwide. This largely stems from the fact that, contrary to the predictions of many economists, the informal sector has not only grown, but has also emerged in new guises and in unexpected places. It now represents a quite significant but largely overlooked share of the world economy and workforce.

To capture all dimensions of informality, the Statistics Bureau of the International Labour Organization (ILO), the International Expert Group on Informal Sector Statistics (‘Delhi Group’), and the global action-research-policy network Women in Informal Employment: Globalizing and Organizing (WIEGO),<sup>2</sup> worked together to develop the expanded concept and statistical definition of ‘informal employment’ that includes informal employment both inside and outside informal enterprises. This expanded definition was endorsed at the International Labour Conference (ILC) in 2002 and the International Conference of Labour Statisticians (ICLS) in 2003.

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<sup>1</sup> This section summarizes the available data on women and men in the informal economy. The underlying detailed tables are in Appendix I.

<sup>2</sup> Founded in 1997, WIEGO is a global action-research-policy network that seeks to improve the status of the working poor in the informal economy, especially women, by building and strengthening organizations of informal workers; improving research and statistics on informal employment; and promoting fair and appropriate labor, social protection, trade, and urban policies. For more on WIEGO and on the informal economy, please see [www.wiego.org](http://www.wiego.org).

There are two official statistical terms or definitions related to the informal economy: the *informal sector* refers to the production and employment that takes place in unincorporated or unregistered enterprises (1993 ICLS); and *informal employment* refers to employment without social protection through work—both inside and outside the informal sector (2003 ICLS). The term or concept *informal economy* refers to all units, activities, and workers so defined and the output from them. Together, they form the broad base of the workforce and economy in many countries, especially in the developing world (Chen 2012).

The majority of workers, both men and women, in developing countries are informally employed. Informal employment is a greater source of employment for women than for men, outside of agriculture, in three out of the six regions for which data are available: South Asia (83 per cent of women workers and 82 per cent of men workers); Sub-Saharan Africa (74 per cent and 61 per cent); Latin America and the Caribbean (54 per cent and 48 per cent). In East and Southeast Asia the percentage of women and men in informal employment is roughly the same (64 per cent of women workers and 65 per cent of men workers). Only in the Middle East and North Africa is informal employment a greater source of employment for men than for women (47 per cent of men workers and 35 per cent of women workers). But, it is important to note that although the proportion of women workers who are in the informal economy is greater than the proportion of male workers in the informal economy, men comprise the majority of the informal workforce in most countries because of low female labor force participation rates (Vanek et al. 2014).

**Table 1: Summary of key definitions**

<b>Indicator and Definition</b>	
<b>Labour force participation rate</b> —labour force is the sum of the number of persons employed and the number of persons unemployed, as a share of the population either 15+ or 15-64. This report uses 15+.	Labour force surveys collected by national governments and curated by the ILO
<b>Status in Employment Categories</b>	
<b>Employees (wage and salaried workers)</b> are workers who hold “paid employment jobs”, where an explicit (written or oral) or implicit employment contract gives them a basic remuneration that is not directly dependent upon the revenue of the unit for which they work.	Resolution on the International Classification of Status in Employment (ICSE): - 15th International Conference of Labour Statisticians (ICLS) - 1993
<b>Employers</b> are workers who, on their own-account or with one or a few partners, hold “self-employment jobs” (where the remuneration is directly dependent upon the profits derived from the goods and services produced), and, in this capacity, have engaged on a continuous basis one or more persons to work for them as employee(s).	
<b>Own-account workers</b> are workers who, on their own-account or with one or a few partners, hold “self-employment jobs” (where the remuneration is directly dependent upon the profits derived from the goods and services produced), and have not engaged on a continuous basis any employees to work for them.	

<p><b>Contributing family workers</b> are those workers who hold “self-employment jobs” (where the remuneration is directly dependent upon the profits derived from the goods and services produced) in a market-oriented establishment operated by a related person living in the same household, who cannot be regarded as partners, because their degree of commitment to the operation of the establishment in terms of working time or other factors to be determined by national circumstances, is not at a level comparable to the head of the establishment.</p>	
<p><b>Informal employment</b> refers to all workers not covered or insufficiently covered by formal arrangements through their work. So defined, informal employment includes own-account workers and employers operating informal sector enterprises (unincorporated enterprises that may also be unregistered or small) all employees who do not enjoy labour rights, such as those not affiliated to social insurance in the job, or who lack the right to vacation or sick leave; whether or not they work in informal enterprises, formal enterprises or households; and all unpaid workers, including family workers, own use producers, volunteers and trainees included in employment, whether or not the economic units they operate or work for are formal enterprises, informal enterprises or households.</p>	<p>Statistical definition of informal sector-15th ICLS (1993); Statistical definition of informal employment -17th ICLS (2003)</p>
<p><b>Women-owned enterprise/business (WOE)</b> —Considered enterprises that have female ownership (at least one women owner), such as a female sole proprietor or a business owned by at least one woman with key management or decision-making responsibilities.</p>	<p>IFC MSME Finance Gap Database</p>

There is gender segmentation within the informal workforce by status in employment, branch of economic activity and place of work. In terms of *status in employment*, women in informal employment are more likely to be self-employed than are men, except in Eastern Europe and Central Asia. In Latin America, both women and men working in informal employment are about equally split between wage employment and self-employment. The self-employed can be further disaggregated into employers, own-account operators, and unpaid contributing family workers. Where women are more likely than men to be self-employed, they are also more likely to be *own-account workers*, except in South Asia, where own-account workers comprise a larger proportion of men’s non-agricultural informal employment than women’s. This is because contributing family workers account for a particularly sizeable share of women’s self-employment in South Asia. *Contributing family workers* are the second largest category of the self-employed comprising from 5 per cent of informal employment in Eastern Europe and Central Asia to 12 per cent in South Asia. The percentage of women contributing family workers is at least twice that of men in all regions except Eastern Europe and Central Asia where it is roughly the same. In the sub-regions of Asia it is three times greater. *Employers* comprise only between 2 and 9 per cent of non-agricultural informal employment, with the proportion being

higher for men than women. Very few women in informal employment are employers: 0 per cent in South Asia, 1 per cent in Sub-Saharan Africa, Eastern Europe and Central Asia, 2 per cent in Latin America/Caribbean, and 9 per cent in East/Southeast Asia (Vanek et al. 2014).

In terms of *branch of economic activity*, very few women work in informal construction and transportation activities, the one modest exception being female construction workers in South Asia. These two sectors are clearly male-dominated. Manufacturing accounts for an equal or greater share of women's informal employment than men's in all regions, except for Sub-Saharan Africa. A similar pattern holds for trading activities, with the exceptions in this case of the Middle East and North Africa and South Asia. Services other than trade and transportation (e.g. domestic work) account for a larger share of women's employment than men's across all regions (Vanek et al. 2014).

In terms of *place of work*, women are engaged alongside men in public spaces outside the home – including to varying – degrees construction, street trade and waste picking depending on the country, but are less likely than men to be engaged in workshops or factories outside the home; (Chen and Raveendran 2014; ILO and WIEGO 2013). Women are over-represented in two forms of employment that take place in private homes: home-based work (work that occurs in the home of the worker) and domestic work (work that occurs in the home of the employer) (Chen and Raveendran 2014; Raveendran et al. 2013).

In terms of *occupational groups*, home-based production and street vending represent a significant share of the workforce across cities in South and Southeast Asia as well as in Sub-Saharan Africa. In South and Southeast Asia, home-based work represents 7-27 per cent of total employment in cities where data are available and 8-56 per cent of women's employment in those cities. In the same cities, street vending/market trading represents 1-6 per cent of total employment and 1-10 per cent of women's employment in those cities.<sup>3</sup> In Sub-Saharan Africa, home-based work represents 8-21 per cent of total employment in cities where data are available (mainly Francophone West Africa) and 13-33 per cent of female employment in those cities. In the same cities, street vending/market trading represents 10-20 per cent of total employment and 12-32 per cent of female employment in those cities. In the two Latin American cities for which data are available, home-based work represents 4 per cent of total employment and 4 per cent and 6 per cent of female employment in, respectively, Mexico City and Lima. Street vending/market trading represents 3 per cent of total employment and 5 per cent of female employment in Mexico City but 9 per cent of total employment and 13 per cent of female employment in Lima.

In India, nearly one-quarter of the total urban workforce in 2011-12 was employed in these four groups, specifically: domestic work (5%), home-based work (14%), street vending (4%) and waste picking (1%) (Chen and Raveendran 2014). Elsewhere, these four groups represent 13-37

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<sup>3</sup> These data were prepared through WIEGO's efforts to improve the available data on specific categories of urban informal workers. While the statistics show the significance of these workers, in particular in women's employment, they probably are an under-estimate, especially of waste pickers. Not all countries collect data on these specific categories of workers and, among those that do, methods often need to be improved. However, the growing recognition of the importance of these specific worker groups is leading to improved data collection and tabulation by national statistical offices.

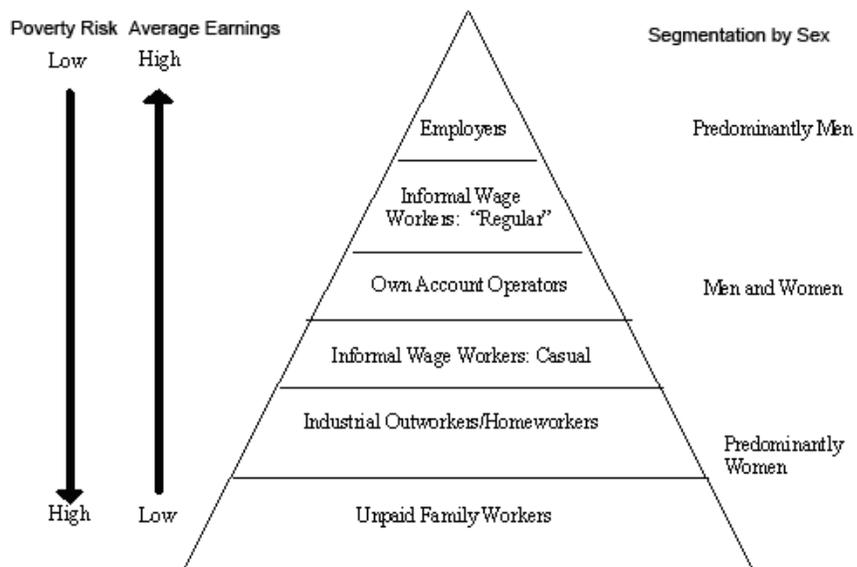
per cent of total employment, 20-71 per cent of women's employment and 7-28 per cent of men's employment (outside of agriculture).

WIEGO has developed and tested a *multi-segmented model of informal employment* defined in terms of statuses in employment that builds off of the International Classification of Status in Employment (ICSE) and their five main categories. The five main categories of the ICSE (employer, employee, own-account worker, unpaid contributing family worker, and member of a producer cooperative) are defined by the type/degree of *economic risk* (of losing job and/or earnings) and of *authority* (over the establishment and other workers). WIEGO argues that two additional categories are needed; namely, casual day laborers and industrial outworkers or subcontracted workers. This is because casual day laborers face greater economic risk than informal employees (as they face the risk of losing job and/or earnings on a daily basis) and industrial outworkers do not exercise the same authority over their work as own-account operators (as they depend on employers/contractors for work orders, product specification, raw materials, and product sales). The WIEGO model features six statuses in employment: informal employers, informal employees, own-account operators, casual wage workers, industrial outworkers or subcontracted workers, and unpaid contributing family workers.

In the late 1990s, WIEGO commissioned two reviews of the links between informality, poverty, and gender: one looking at available literature (Sethuraman 1998), the other looking at available statistics (Charmes 1998). Both reviews found a similar hierarchy of earnings and segmentation by employment status and sex. These common findings provided the basis for the WIEGO multi-segmented model illustrated in **figure 1**.

In 2004, WIEGO commissioned data analysts to test this model in six developing countries – Costa Rica, Egypt, El Salvador, Ghana, India, and South Africa – by analyzing national data in those countries (Chen et al. 2005). Data for casual day laborers and industrial outworkers were not available in these countries. The available data allowed for a comparison of employment status (measured at the individual level) and poverty (measured at the household level), making it possible to estimate the percentage of workers in specific employment statuses who were from poor households (what WIEGO calls “poverty risk”). In all countries, the same pattern of gender segmentation was found and the average earnings went down and the risk of being from a poor household went up as workers moved down the employment statuses in the WIEGO model.

**Figure 1**  
**WIEGO Model of Informal Employment:**  
**Hierarchy of Earnings & Poverty Risk by Employment Status & Sex**



Source: Chen et al 2004, 2005 and Chen 2012.

## **II. WOMEN AND MEN IN INFORMAL EMPLOYMENT: *CONDITIONS, EARNINGS, COSTS & RISKS***

To understand the nature of informal work today, it is important to uncover the underlying relations of production and exchange. In today's global economy, a complex mix of traditional, industrial, and global modes of production and exchange co-exist as parallel or (more often) linked systems. In many developing countries, artisanal and agricultural modes of production have not changed significantly over the past century, and industrialization has not expanded as rapidly or as fully as in developed countries. Traditional modes of artisanal and agricultural production still persist whereby the artisans or farmers own the means of production, work in their own premises or on their own fields with the help of household labor and (as needed) hired workers, and produce for sale in the market. But new modes of artisanal and agricultural production have emerged whereby the artisans or farmers lose their independence and work either exclusively or partially under a contract for a local merchant, a large formal firm or a supply chain supplier (Basole and Basu, 2011).

Self-employment remains a large share of total employment and industrial production often takes place in micro and small units, in family businesses, or in single-person operations. Smaller units tend to hire workers on a casual or semi-permanent basis with limited job security or workers' benefits, no job ladders, and few (if any) labor-management negotiations. Even in larger formal units, employment relationships are increasingly unstable and unprotected by labor legislation or collective bargaining agreements. And, in labor-intensive manufacturing sectors from garments and footwear to electronic and automobile parts, production is often sub-contracted to informal enterprises or to industrial outworkers who work from their homes.

The global system of production – facilitated by digital technologies – involves dispersed production coordinated through networks or chains of firms. Authority and power tend to get concentrated in the top links of value chains or diffused across firms in complex networks, making it difficult for informal entrepreneurs to gain access, compete, and bargain. Highly competitive conditions among small-scale suppliers and the significant market power of transnational corporations mean that the lion's share of the value produced across these value chains is captured by the most powerful players. Some small and micro-entrepreneurs become suppliers in these chains or networks, others become subcontractors or subcontracted workers, while others are unable to link to or compete with global supply chains.

In sum, relations of production and exchange within the informal economy are more complex than those which prevail in the formal economy; and there are complex relations of production and exchange between the informal and the formal economies. In the agricultural sector, small-holder farmers and agricultural day laborers are linked to formal firms through domestic and global commodity chains (Chen, 2012 and 2013). Some small-holders produce under contract for formal firms. They agree to grow what the firm demands and are required to sell all the produce to the firm. In return, the firm is expected to provide seeds, fertilizer, and other inputs to the farmers on credit. But the firms effectively control the price of the inputs and outputs and often do not share the risks if the crops fail (HomeNet Thailand, 2012). In the manufacturing sector, informal firms and industrial outworkers/sub-contracted workers produce goods for formal firms through domestic and global supply chains. A study of home-based workers in three cities -

Ahmedabad, India; Bangkok, Thailand; and Lahore, Pakistan - found that over one quarter (27%) of the sample sold goods to or produced goods for a formal firm (Chen, 2014). Also informal producers buy equipment, raw materials, and supplies from formal firms. In the retail trade sector, many street vendors buy supplies or merchandise from formal firms and some sell goods on commission for formal firms. The same study found that among street vendors in five cities - Accra, Ghana; Ahmedabad, India; Durban, South Africa; Lima, Peru; and Nakuru, Kenya - over 51 per cent of the sample bought goods they sold primarily from formal firms (Roever, 2014). In the construction sector, most workers are hired informally - by the day or for the duration of a particular construction project - even those who work for formal construction firms. Further, many informal workers "subsidize" formal production by providing child care, catering, transport or other services at a low cost to formal workers.

### **Work Arrangements & Conditions**

To understand how these complexities impact everyday work arrangements and conditions in the informal economy for women and men, it is useful to distinguish between different groups of informal workers, between women and men, by status in employment, by branch of economic activity, and by place of work.

### **Status in Employment**

As noted in Section I, in official labor force statistics, status in employment is defined in terms of degree of autonomy and risk of the worker in her/his work. According to the International Classification of Status in Employment (ICSE), there are five official statuses in employment: employer, employee, own-account worker, unpaid contributing family worker and member of producer cooperative. But there are at least two additional statuses in employment, which are mainly informal: casual day laborer and industrial outworker.

Also, in real life, the degree of autonomy or risk used to define these standard statuses in employment get blurred. Self-employment spans a range from fully-dependent arrangements in which the owner-operator controls the process and outcomes of work and absorbs the risks involved, to semi-dependent arrangements in which the operator does not control the entire process or outcome of her/his work but may absorb all of the risks involved. Some self-employed persons are dependent on one or two clients or on a dominant counterpart, such as the merchant from whom they buy raw materials (if they are producers) or merchandise to sell (if they are traders). Ostensibly self-employed street vendors may be selling goods on a commission for a merchant; and ostensibly self-employed farmers may actually be landless sharecroppers or contract farmers. And wage employment spans a range from fully-dependent employees to fairly independent casual laborers.

The employment relationship is the central legal concept around which labor law and collective bargaining agreements have sought to recognize and protect the rights of workers. The conventional notion of the employment relationship, thought to be universal, is that "between a person, called the employee (frequently referred to as 'the worker') with another person, called the employer to whom she or he provides labor or services under certain conditions in return for remuneration" (ILO 2003b). This notion of the employment relationship excludes those workers who are independent self-employed; it also excludes many categories of wage employment in

which the employer-employee relationship is deliberately disguised, objectively ambiguous, or not clearly defined.

In some cases, employers disguise the employment relationship by giving the appearance of a commercial relationship (e.g., when employers are seen to – or claim to – ‘sell’ raw materials to sub-contracted workers who then ‘sell’ finished goods back to the employer). In other cases, the employment relationship may be genuinely ambiguous when dependent workers gain some autonomy or when self-employed workers become economically dependent. For example, some wage workers perform work at a physical distance from the enterprise that employs them, while using the equipment and/or raw materials of the enterprise, following its instructions, and being subject to its control (over the quality of goods produced and the method of payment) but having full autonomy as to how to organize the work. And some ostensibly self-employed workers may be permanently dependent on one or more contractors for work orders, including: newspaper distribution workers, taxi-drivers, and skilled homeworkers involved in information communication technology. In multilateral or triangular employment relations, the employees of one enterprise provide services or labor to another enterprise, therefore making it unclear who the employer is, what rights the worker has, and who is responsible for securing these rights. The classic example in developed countries is the temporary worker who gets work through a temp agency (ILO, 2003b).

Consider the case of the homeworkers: that is, industrial outworkers who produce goods from within or around their own homes for domestic or global supply chains. They are neither fully independent self-employed nor fully dependent employees. Like the self-employed, they have to cover many of the costs of production, including providing the workplace; buying or renting and maintaining equipment; buying inputs (other than raw materials); paying for utility costs and transport, often without legal protection or help from those who contract work to them. Also, those who contract work to them do not directly supervise them. However, they do not sell their finished goods. Moreover, they are subject to factors beyond their control; namely, irregular work orders, strict delivery deadlines, and delayed payments. Many of these homeworkers produce goods for brand-name firms in foreign countries.

### **Branch of Economic Activity**

In urban areas in developing countries, informal workers are in multiple sectors, notably: construction, domestic work, home-based production, street vending or market trading, transport and waste picking. Relatively few women are engaged in construction and those that are tend to be unskilled manual laborers (as is the case in India), not skilled tradespeople. Relatively few women are engaged in transport and those that are tend to be involved in manual transport, such as market porters in Accra, Ghana. Women work alongside men in waste picking but mainly in the primary picking and sorting, not in processing or marketing further up the chain.

Women informal workers in urban areas in developing countries tend to be concentrated in domestic work, home-based production and street trade. Home-based workers are engaged in many branches of industry: notably, labor-intensive manufacturing (craft items, garments, shoes, sporting goods, textiles), but also including processing and preparing food items; assembling or packaging electronics, automobile parts, and pharmaceutical products; selling goods or providing

services (laundry, hair-cutting, beautician); or doing clerical or professional work; among other activities.

In rural areas in developing countries, most artisans, agricultural day laborers, small-holder farmers, fisher-folk, forest gatherers, shepherds or pastoralists are informal. Women work alongside men in most of these sectors but, in some societies, there is a gender division of labor. For instance, in some fishing communities women make fishing nets and dry, process and sell fish but do not go out in boats to fish; in some cattle-rearing communities women tend and milk the cattle but do not take them out to pasture; in some weaving communities women spin yarn and prepare the warp but do not weave at the loom.

### Place of Work

The conventional view of the place of work has been of a factory, shop, or office, as well as formal service outlets such as hospitals and schools. But this notion of the workplace has always excluded the work places of most informal workers. Some informal workers, notably those who work for formal firms, are located in conventional workplaces such as registered factories, shops, offices, hotels and restaurants. But most informal workers are located in non-conventional workplaces, including: farms, forests, pastures and waterways in rural areas; and private homes and public spaces in urban areas. See **Photo Collage # 1** of informal workers in different occupations by place of work.

### Photo Collage #1

#### Informal Workers: Occupations and Places of Work



#### On Streets or In Open Spaces:

- street vendors
- push-cart vendors
- waste pickers
- roadside barbers
- construction workers

#### In Small Workshops:

- scrap metal recyclers
- shoe makers
- weavers
- garment makers and embroiderers
- paper-bag makers

#### In Homes:

- domestic workers
- garment makers
- embroiderers
- shoemakers
- artisans or craft producers
- assemblers of electronic parts

#### In Fields, Pastures, and Forests:

- small farmers
- agricultural laborers
- shepherds
- forest gatherers
- fisher folk



*Private Homes:* Many informal workers are engaged in private homes, either their own home (in the case of home-based workers) or the home of their employer (notably, in the case of domestic

workers). Significant numbers of people work from their own homes, blurring the distinction between ‘place of residence’ and ‘place of work’. Home-based workers include own-account operators, unpaid contributing family members, and industrial outworkers (called homeworkers).<sup>4</sup> Among the benefits of working in one’s own home, a common one that often mentioned by women is the ability to simultaneously do paid work and watch children, care for the elderly, or undertake other domestic tasks. This multi-tasking, which may be seen as a ‘benefit’ in terms of enabling women to fulfill multiple expectations, also imposes concrete costs in terms of interruptions to work undermining productivity and hence lowering income. When a home-based worker has to stop her market work in order to look after a child or cook a meal, her productivity drops.

Some women also feel that their home is a physically safe place to work. However, home-based work may also increase a woman’s *economic* vulnerability – as she is less visible and less likely to be legally recognized as a worker. This may decrease her capacity to claim any social protection measures for which, as a worker, she might be eligible. She is likely to have limited access to avenues for upgrading her skills. She is harder to reach by trade unions or other organizations that are organizing workers and, therefore, not likely to benefit from the solidarity and bargaining power that comes with being organized. Also, those who work at home are less likely than those who work in a workplace outside the home to develop a personal identity and social ties outside the family.

Those who work at home face several business-related disadvantages. Some of the self-employed who work at home are engaged in survival activities or traditional artisan production for local customers. Others try to compete in more distant markets but with limited market knowledge and access. The size, condition, and infrastructure of their homes (including the space available for work and for storage, and access to electricity and water supply) also affect what kind of work they do and how productive they are. In Ahmedabad City, India, poor women who would like to take up piece-rate garment work at home, but who live in dilapidated shelters on the streets report that no one is willing to give them this work because of the status of their house. Where would they store the raw material and finished products? Won’t they get damaged? In spite of having the sewing skills needed to undertake garment work, they have had to resort to work as casual laborers or as waste pickers (Rani and Unni, 2000).

*Urban Public Space:* Streets, sidewalks, and traffic intersections are the place of work for many fixed-site and mobile vendors, who provide goods and services to consumers at all times of day. Other commonly used public places are parks, fairgrounds and municipal markets. The same public spot may be used for different purposes at different times of day. In the mornings and afternoons it might be used to trade consumer goods, while in the evenings it converts to a sidewalk café run as a small family enterprise. Construction sites are the place of work for construction workers, as well as for suppliers and transporters of materials, and these sites may attract other informal providers of goods and services – such as street food vendors – while the site is being developed.

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<sup>4</sup> This discussion is focused on people who work in their own homes. People who work in the private homes of others include the (mostly female) paid domestic workers and nurse assistants, (mostly male) security guards, as well as the better-paid professionals such as bookkeepers who work for home-based consultants.

The benefits of working from public spaces are evidenced by the demand and competition for them. In the competitive jostle for sites close to transport and commuter nodes, city authorities have different options for action, ranging from outright prohibition of street trade, to regulated and negotiated use of sites, to relocation to alternative sites. Which policy option is chosen has different costs for informal traders (and their customers). Harassment, confiscation of merchandise, imposition of fines, physical assault, and evictions are all costs that affect the bottom line for vendors. Given these costs of operating informally, many street vendors are willing to pay license fees or other operating fees provided that the procedures are simplified, the fees are not too high, and the benefits of doing so are ensured. Most critically, street vendors would like city governments to recognize and protect the "natural markets" (areas where they have worked for decades, if not centuries), as these are areas where there is a guaranteed flow of pedestrian customers.

*Rural Open Spaces:* In rural areas, the main places of work are agricultural land (for farmers and agricultural laborers); pastures (for livestock rearers); forests (for forest gatherers); fishing areas, including ponds, rivers, and oceans (for fishing communities); in and around homes (for artisans and for post-harvest processing and animal husbandry); and workshops or factories (for rural off-farm activities).

In many countries, there is a marked gender pattern to the place of work. This is because women have primary responsibility for household duties, including child care, which often prevents them from working outside their homes or neighbourhoods. This is also because traditional social norms in some societies actually prohibit women from going out of their homes to work. In India, for example, this is true not only for Muslim women but also for upper-caste Hindu women.

Consider the case of Ahmedabad City in Gujarat state, India. In 2000, a survey looked into the place of work of all male and female workers, both formal and informal (see **Table 9**). Nearly 60 per cent of the male workforce, but less than 25 per cent of the female workforce, worked in factories, offices, or shops. Significantly more men (23%) than women (5%) worked on the streets; and somewhat more men (5%) than women (3%) worked at construction sites. Nearly 70 per cent of the female workforce, but less than 10 per cent of the male workforce, worked in private homes (their own or that of others).

**Table 9**  
**Distribution of Total Workforce by Gender and Place of Work**  
**Ahmedabad City, India (2000)**

Place of Work	Percent of Total Workforce	
	Male	Female
Within Homes	9	70
Own Home	8	52
Employer's Home	1	18
On Streets	23	5
At Construction Sites	5	3
At Factories/Offices/Shops	58	22
Own	8	3*
Employer's	50	19
At Other Locations	6	0.9
Total	100	100

Source: SEWA–GIDR Survey [Unni, 2000, Table 4.7]

Note: \*All women who work in “own shop” are unpaid family helpers.

It is important to note that while gender norms determine whether women can work outside the home, it is largely the state – notably local government –which determines who can use public space; and the politics of public space revolve more around class – who has wealth, power and influence – than around gender.

### **Earnings**

The earnings of women informal workers can be considered from different angles: by comparing average earnings in formal and informal employment and across different categories of informal employment, disaggregated by sex. What follows is a summary of data on earnings from two WIEGO studies (an analysis of national data in six countries carried out in 2004; and field research in 10 cities carried out in 2012) and a World Bank study (analysis of labor force, budget and living standards measurement surveys from 73 countries).

### **Labor Force Data from Six Countries**

In the six countries whose data were analysed by WIEGO in 2004,<sup>5</sup> average earnings in most forms of informal employment, particularly in agriculture, were well below those in formal employment. In Costa Rica and El Salvador, however, average earnings of *informal employers* were equal to, or higher than, average earnings in formal wage employment. In Ghana and South

<sup>5</sup> The six countries whose data were analyzed were Costa Rica, Egypt, El Salvador, Ghana, India and South Africa.

Africa, average earnings of *informal public wage workers* were higher than those of *formal private sector employees*. In general, earnings in wage employment in the public sector, both formal and informal, were higher than earnings in wage employment in the private sector (see Chen et al, 2005: Chapter 3 for further details).

Also, a hierarchy of average earnings across different segments of the informal economy was found in all six countries. To begin with, average earnings in *agricultural* informal employment were lower than average earnings in *non-agricultural* informal employment. In respect of the latter, informal employers in all six countries had the highest average earnings followed by own-account workers, and then casual wage workers and domestic workers (Chen et al, 2005).

Within informal employment, women's hourly earnings in the country studies uniformly fell below those of men in identical employment statuses. The gender gap in earnings was particularly pronounced among own-account workers, both agricultural and non-agricultural. This gender gap in earnings is compounded by the gendered segmentation of informal employment, as women are more likely to be own-account workers than regular wage workers (Chen et al, 2005). These findings confirm the WIEGO multi-segmented model of the informal economy (see **Figure 1** in Section I).

### **Research Findings from 10 Cities<sup>6</sup>**

The Informal Economy Monitoring Study, carried out in 10 cities in 2012, found evidence of a gender gap in earnings within the three informal occupational groups studied: home-based workers, street vendors and waste pickers<sup>7</sup>. Among the study sample, street vendors have the highest average earnings, followed by waste pickers. Home-based workers (all women) who are, by far, the lowest earnings group of workers in our study. A typical home-based worker in the sample earned US\$32 per month and almost a third earned less than two-thirds of this amount (i.e., earned less than US\$21 per month). Among both waste pickers and street vendors, men earned more than women (e.g. US\$96 for male waste pickers versus US\$76 for female waste pickers). In addition, women (as well as men) in the street vending and waste picking sectors are concentrated further below the median earnings (e.g., among waste pickers, about 30 per cent of women and 20 per cent of men are well below the median).

Within informal occupations, status in employment, not only sex, determines earnings. The IEMS sample contains self-employed workers in all three occupational groups, plus sub-contracted home-based workers and waste pickers who are cooperative members. Among home-based workers, own-account workers earn more than twice as much as those who are sub-contracted (US\$63.50 versus US\$28.50, respectively). Among waste pickers, cooperative members earn more than four times as much as own-account workers.

In terms of earnings categories, among the IEMS sample, home-based workers are concentrated in the <US\$100 per month category; only 22 per cent earn more than US\$100 per month and 12 per cent operate at a loss. Street vending is a high risk/high reward occupation: over one-quarter

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<sup>6</sup> See WIEGO policy brief on Earnings and Work Conditions for more detailed findings on earnings and work conditions from the 10-city IEMS study.

<sup>7</sup> The Informal Economy Monitoring Study was designed by the WIEGO network and organizations of informal workers from the 10 study cities: 4 in Asia, 3 in Africa and 3 in Latin America.

operate at a loss, while around one-third earn more than US\$200 per month. Market trade is higher-reward than street vending, especially if the market is privately owned: private market vendors earn five to ten times as much as street vendors. There is a big gender gap in earnings among market traders, however, as men in private markets earn more than twice as much as women. Waste pickers are less likely to operate at a loss than the other two groups, but like home-based workers, are concentrated in the <US\$100 per month category. In terms of gender gaps, controlling for hours worked, women waste pickers earn less than men waste pickers in two of the study cities: Belo Horizonte (women earn 89% of men's earnings) and Durban (women earn 63% of men's earnings). But in Bogotá the hourly earnings for women waste pickers were higher (118%) than of men waste pickers (Roever and Rogan, 2016).

### **National Data (multiple household surveys) from 73 Countries<sup>8</sup>**

In the 73 countries whose data were analysed by the World Bank in 2015, average earnings of non-professional (i.e. informal) own-account workers and informal wage employees are lower than those of formal wage employees. The earning differential tends to increase with higher levels of national income and to be largest for female workers in high-income countries. In low-income countries, the earnings differentials are small and non-professional own-account workers earn more on average than *all* wage employees (formal and informal). Among employers and own-account professionals, men earn more than women (Gindling et al 2016).

The World Bank study found that in low-income countries, half of the workers are non-professional own-account workers; fewer than 10 per cent are formal employees; and only 2 two per cent of workers are employers or professionals. As per capita GDP increases, the proportion of workers who are formal employees, employers and professional own-account workers increases, while the proportion of workers who are nonprofessional own-account workers falls.

Regarding earnings, the study found that across all regions and income levels, on average non-professional own-account workers and informal wage workers earn less than formal employees; and employers and own-account professional workers earn more than employees, although there are important differences across countries and between men and women. In low income countries, on average, earnings differentials are small (and often insignificant) between formal employees and non-professional own-account workers and informal wage workers; and self-employed *as a whole* earn more than *all* (informal plus formal) wage employees. Earning differentials vary by national income levels: earning differentials increase between formal employees and non-professional own-account workers and informal wage workers as GDP rises; earnings of informal wage workers relative to formal employees are lowest in middle-income

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<sup>8</sup> The World Bank paper uses data from 73 countries and multiple years from a comprehensive set of harmonized household surveys (labor force, budget and living standards measurement surveys), the World Bank International Income Distribution Database (I2D2), to estimate the proportion and wage differentials of self-employed and salaried workers, formal and informal, from around the world. The countries include 20 in Latin America, 19 in Europe and Central Asia (developing), 13 in Europe and Central Asia (high-income) and 21 others.

countries; and earnings of non-professional own-account workers relative to formal employees are lowest in high-income countries.

The World Bank findings on the composition of informal employment and earnings of informal self-employed and wage employed are consistent with the national data and research findings summarized above. However, the World Bank study does not analyze gender differences within the informal economy. Rather, it focuses on gender differences among employers and professionals, who represent less than two per cent of workers (Gindling et al, 2016).

## **Costs & Risks**

The low average earnings in the informal economy are further undermined by the high average costs and risks. What follows is a summary of findings on costs and risks faced by informal workers from the Informal Economy Monitoring Study in 10 cities, as analyzed by Sally Roever, Director of WIEGO's Urban Policies program, and WIEGO's occupational health and safety initiative, as summarized by Francie Lund, ex-Director of WIEGO's Social Protection program.

### **Costs**

*Direct Expenditures:* Direct expenditures are those incurred as part of the routine of work. For wage workers, the most common regular expenditure is on transport. For the self-employed, direct expenditures include expenditures on rent, equipment, supplies and raw materials, water, electricity and transport; and also permits, licenses or other operating fees. Of course, these direct expenditures are common to formal workers/operators as well. But these direct expenditures may be higher or lower or different in some way if the worker was formally employed. For instance, both street vendors and waste pickers often pay bribes or make other payments to local officials or local mafia. Some street vendors have to contribute to the cleaning of their vending sites.

Consider the case of sub-contracted home-based workers. Compared to self-employed home-based workers, those who are sub-contracted have lower direct expenditures on raw materials like cloth, and they do not bear costs related to design, as the contractor provides these to the sub-contracted worker. But the trade-off is that the sub-contracted worker covers the costs of the workplace, equipment, supplies and power and incurs all the risks and occupational hazards that would otherwise be protected in a formal workplace (Roever 2015).

*Downloaded Costs:* “Downloaded costs are costs that are transferred to informal workers by other economic actors who are higher in the value chain, or by the state via government policy and practice. In the former case, they are costs that would be absorbed by a formal enterprise owner with formal employees—for example, costs related to production risks—but in the informal economy are passed on to informal workers (**Table 10**). Without legal protections in place; e.g., through employment contracts, informal workers cannot bargain for the employer/contractor/trader to absorb these costs. In the latter case, they are costs that result from government policies or practices that create vulnerabilities through the criminalization of informal work” (Roever 2015: 9-10).

**Table 10: Downloaded Costs**

	<b>Number of Focus Groups that mention</b>
<b>Home-Based Workers</b>	
Time required for worker to collect material, return to home/workplace, return to deliver finished product, and return home (four trips)	15
Delays caused by contractor result in lost time and wage deductions for workers	5
Contractor gives worker bad quality raw material	7
Wage deductions and late payments	8
Workers bear production risks	4
<b>Street Vendors</b>	
Costs imposed by middlemen/suppliers:	
Middlemen adulterate goods	2
Suppliers manipulate prices	2
Production risks:	
Theft	3
Clients cheat / don't pay	1
Goods spoil	2
Costs imposed by city:	
Without permit: cannot acquire very much stock, forces itinerant sales, requires bribes to be paid	9
Without permit: merchandise confiscations	9
Without permit: evictions / security officials chase vendors away	8
Without permit: arbitrary and excessive fines	2
Without permit: police beat vendors	3
With permit: regulations limit where and what vendors can sell	3

<b>Waste Pickers</b>	
Costs imposed by middlemen:	
Buyer cheats on weighing scale	6
Buyer changes prices on whim / unpredictably	8
Buyer makes waste pickers wait for hours or days to collect	6
Buyer threatens waste pickers and/or other buyers	2
Buyer steals unguarded materials	2
Production risks:	
Theft of materials / no safe place to store materials	8
Injury / conflict with other workers, drivers	3
No materials available to collect / time wasted	3
Costs imposed by city:	
Police harass, beat, search workers; demand bribes; confiscate materials, trolleys	10
Municipal officials / police chase waste pickers away	7
Police steal / take materials for themselves	5

“Wage deductions and late payments were also common themes in the focus groups. Some said the contractor did not give full wages immediately on delivery of finished products. Rather, his practice was to give half the wage owed, reserving the other half for the next time the worker came, so that the worker would be in a disadvantaged position to switch to another contractor. Contractors also deduct wages for late delivery of goods due to illness, for failure to meet quotas, and for flaws in the finished product, even if those flaws resulted from bad quality raw material supplied by the contractor. These are the costs that stem from informal employment status: without a contract or collective bargaining structure, and without any recourse against abuse, workers must take what work they can get, and contractors are limited only by their preference for the convenience of keeping the same workers—though they are, in the end, replaceable.” (Roever 2015: 12).

### **Risks**

The extent of risk is high in the informal economy for a number of reasons. First, those who work in the informal economy have a high exposure to risks given the conditions under which they live and work. Secondly, they tend to have low levels of income and are, therefore, less likely to be able to save for contingencies. This means that, for them, predictable financial needs – such as expenditures on life cycle events and education – often become financial risks or, at least, a source of financial stress. Thirdly, they have little or no access to formal means of managing risks (e.g., health insurance, pensions, and social assistance) or financing housing and education (e.g., mortgages, loans, and scholarships).

In terms of business or production risks, in the IEMS study, some focus groups of informal workers reported that they bear production risks that also result in earning losses. Because they must transport the raw material to their home-workplaces, for example, the material may get damaged in the rain, especially during monsoon season. If the roof of their home-workplace leaks, and raw materials are damaged, workers bear the loss. Participants said incense stick rolling machines and sewing machines do not always function properly during the rainy season, resulting in losses; and incense sticks do not always dry properly, again resulting in losses. These are production risks that a formal enterprise would commonly be able to guard against, for example through insurance; or they are losses that may be offset by a formal enterprise's ability to reach economies of scale. For informal home-based workers, however, these costs are absorbed" (Ibid).

Formal employment carries provision for occupational health and safety, including a clean and safe working environment (in the interest of prevention of illness and injury), and a system of compensation for accidents, injury and death should they happen. The majority of informal workers receive no such guarantees. And yet the nature of their work presents hazards on a daily basis: street vendors' exposure to the weather and to petrol fumes; tobacco workers' daily exposure over long hours to tobacco, in the fields and the sorting sheds; waste pickers who collect and sort hazardous materials in garbage dumps; domestic workers who work long hours in their employers' homes; shipbreakers who manually break down and sort and carry asbestos from the holds of ships.

In common between all informal workers is the lack of a regulated environment for the reduction of risk and the promotion of health, and no regulated labor environment. Furthermore, the conditions of work in public spaces – such as streets, pavements, parks, and garbage dumps – are largely controlled by local government (Lund and Marriott 2011), and local governments themselves can tend to view informal workers as the source of hazard and uncleanness, rather than as people trying to make a living in hazardous and filthy conditions.

Illness, accidents, and exposure to health risks at the workplace were mentioned in about half of all IEMS focus groups: more so by focus groups of home-based workers (58%) which were all women than those of street vendors (48%) or waste pickers (41%) which were both women and men. The home-based incense stick rollers in Ahmedabad, India reported that the raw materials used cause rashes and breathing problems while hand-rolling of the incense sticks leads to blisters on their hands and pain in their wrists. The market traders in Accra, Ghana reported that the lack of sanitation services in the built market areas leads to the accumulation of garbage, and the stench from the garbage makes it difficult to breathe, therefore impairing their health and driving away customers. The waste pickers reported that sorting and reclaiming recyclables can be dangerous. For instance, they frequently cut their fingers on glass or needles.

There is a clear relationship between health and income for informal workers. For most poor informal workers, their body is their most important asset. Hard physical labor, or lighter labor done over long hours, depletes that asset. Informal workers, like all citizens, use a variety of formal and informal health providers. Out-of-pocket expenses on health can be catastrophic for low-income earners, propelling many into poverty (Berman et al. 2010).

Consider the occupational health risks and needs of informal workers. Their status in employment places higher risks on specific groups of informal workers. For example, industrial outworkers (who are more likely to be women) are more likely to suffer injuries than factory workers doing similar work; and casual day laborers in the construction sector (where there are more men than women in many countries) are more likely to suffer injuries than regular employees in the construction sector. The branch of economic activity and place of work puts higher risks on specific groups of informal workers (e.g., street vendors are more exposed to the elements, pollution and traffic accidents than market traders who are more exposed to fires; waste pickers who work in dumps are more exposed to injuries than waste pickers who collect waste from homes or streets) (Chen et al. 2015).

*Women and Men:* Women informal workers tend to face greater health challenges than men informal workers because they are concentrated in certain statuses of employment and places of work. Women are more likely than men to be outworkers and contributing family workers; to work at home or on the streets (rather than in workshops or factories), and to be assigned the most menial tasks. For example, in the waste recycling sector, women and children tend to be overrepresented among those who do the primary collection and sorting of waste.

In most countries, women assume the primary responsibility for caring for the young, elderly and ill members of the household. However, because they tend to work longer hours each day, combining paid and unpaid work, they have less time to access health services for themselves or to accompany young, old and sick members of the households to health facilities (Chen et al. 2015).

Women may be disproportionately vulnerable to musculoskeletal disorders that are rapidly becoming one of the primary causes of work-related injuries and diseases (ILO 2004) because more women are employed in monotonous rapid-pace work that requires static postures and place static loads on muscles (Roskam 2003) or because they work from home without proper equipment (including proper height tables and chairs). Women tend to be over-represented in some sectors that use toxic chemicals, such as shoe-making, incense stick rolling, nail cutting. Furthermore, alongside male farmers and agricultural day labourers, they deal with the harmful effects of fertilizers and pesticides. On the other hand, the highly hazardous mining and construction industries still contain proportionately more men than women. It would take an occupation- and sector-specific analysis to get a more comprehensive picture of men's and women's different occupational health risks at work. What is clear is that a focus on occupational injury alone at the expense of occupational illness might severely underestimate the negative impact of unsafe working conditions for informal workers in general and women informal workers in particular.

Last but hardly least, women informal workers are exposed to verbal abuse, ill treatment, sexual harassment and assault at their places of work and during their daily commutes. A study of the situation of foreign domestic women workers in a selection of Arab states (Esim and Smith, 2004) paints a chilling picture of this kind of vulnerability. Women arriving in these countries are required to complete a number of tests to determine that they are fit for work, after which they as much as disappear into the private domains of their employers' homes. The impression

given is of extreme vulnerability to verbal assault and ill treatment, which must have psychological effects. Yet women workers trade this off against the ability to earn salaries above what could be earned at home (Sabban, 2004).

### **III. ECONOMIC EMPOWERMENT OF WOMEN INFORMAL WORKERS: *ASSESSING CONSTRAINTS & BARRIERS***

Efforts to empower women informal workers, and enhance their productivity, need to be informed by an understanding of the constraints and barriers they face: of what, in other words, disempowers them and inhibits their productivity. This section presents an analytical framework for assessing these constraints and barriers.

#### **Analytical Framework**

The starting point – and underlying assumption – of this framework is that women informal workers have *multiple identities*: as women, as informal workers and (often) as members of poor households and disadvantaged communities (see **Box 1**). Each of these identities is associated with its own constraints and barriers that interact in the everyday work of women informal workers and often creating a *triple burden of constraints and barriers*, which mirror and exacerbate their triple day of work.<sup>9</sup> Considered another way, women informal workers, like other women, have a subordinated position in society and under law (mainly private law). Secondly, women informal workers – like men informal workers – have a subordinated position in the economy and under public law and public policies. Thirdly, most women informal workers are from poor households and disadvantaged communities which need increased access to a full range of development services, including housing and basic infrastructure; health, including occupational health and safety; education and skills training; technology; transport; child care; financial; and business development.

In this framework, as in the policy-action framework detailed in Section IV, *constraints* are seen as factors that limit the resources and agency of women informal workers while *barriers* are seen as the underlying factors that block the access of women informal workers to resources and services and their ability to exercise voice and power. Further, in both frameworks, women informal workers are seen as facing two sets of constraints: *practical constraints* that limit the resources available to them in undertaking their economic activities; and *strategic constraints* that limit their ability to transform the balance of power between themselves and the state (which plays a larger role in the work of women informal workers more than of women formal workers). These strategic constraints occur between women themselves and the market actors they deal with (in commercial transactions and/or employment relationships), and between themselves and men (in their families, their workplaces and their organizations).<sup>10</sup>

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<sup>9</sup> Feminists have argued that women face a “triple day” of work, producing for the market, taking care of their families and helping support their communities. The “triple day” has been referred to as the “triple burden” of paid work, unpaid work and community work. In this paper, the term “triple burden” is used in a different but related way; namely, to refer to the constraints and barriers to women’s paid work imposed by their three identities, not just their time burden.

<sup>10</sup> The distinction between practical and strategic constraints builds on the distinction between women’s practical needs and strategic interests developed for gender planning by Caroline Moser and Caren Levy (Moser and Levy 1986). As used here, practical refers to the resources that women informal workers need

Under existing legal and policy frameworks – and in most countries – informal workers, both women and men, are a stigmatized and disadvantaged class of economic workers or agents. Admittedly, some informal workers seek to deal in illegal goods and services or to evade or avoid regulation and taxation. But the working poor in the informal economy, who are trying to earn an honest living, tend to get tarred by the same brush as those who are criminal or illegal.

For this reason, it is important – indeed necessary - to consider the constraints and barriers of women informal workers through both a class and gender lens, as this paper, and accompanying WIEGO-SEWA policy briefs, seek to do.

### **Box 1**

#### **Analytical Framework for Assessing Constraints & Barriers Faced by Women Informal Workers**

##### **Multiple Identities, Intersecting Constraints & Barriers**

- as women
- as informal workers: wage, self-employed or sub-contracted
- as members of poor households and disadvantaged communities

##### **Practical Constraints**

###### *Lack of Assets & Resources*

- land & housing
- workplace & equipment
- skills & know-how
- capital

###### *Lack of Services*

- basic infrastructure
- transport
- health, including OHS
- child care
- financial and business development

##### **Strategic Constraints**

###### *Lack of Legal Identity & Rights*

###### *Lack of Voice & Bargaining Power*

##### **Structural Barriers**

###### *Inappropriate Economic Models and Policies*

###### *Hostile Legal and Policy Environment*

###### *Unequal Market Relationships and Transactions*

###### *Restrictive Social and Cultural Norms*

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to pursue and undertake economic activities; and strategic refers to the legal recognition and bargaining power that women informal workers need to engage with the state and the market, not only with men.

## Practical Constraints

*Lack of Assets & Resources:* Much has been written about women's lack of assets and resources, relative to men. Here we consider the lack of assets and resources of all working poor in the informal economy with a special focus on women.

Most informal workers, women and men, do not have access to formal sources of capital, and yet they need capital to invest in their business, to improve their housing, to save, to deal with life cycle expenditures (births, weddings, deaths), and to deal with emergencies. To access credit to meet these needs, they borrow money from moneylenders, micro-finance institutions, savings-and-credit groups or their own cooperative or mutual banking institutions – notably, the SEWA Bank (See SEWA policy brief on financial and digital inclusion).

Many informal workers live in slums, squatter settlements or public housing, where entire families and communities, not just women as individuals, often lack property rights to land and housing. However, because women are more likely than men to produce goods and services for the market from their own homes in these informal settlements, the issue of housing is often doubly important to women informal workers, as both a place of residence and a place of work.

As noted in Section II, most informal workers, both women and men, work either at home or in public spaces with little, if any, use or ownership rights. When his/her workplace is their own home, what the informal worker needs is secure tenure (de facto or de jure), basic infrastructure services at the home, and capital to improve the home-as-workplace. When they work in public spaces, informal workers, both men and women, need appropriate laws that allow them regulated access to public space.<sup>11</sup>

Relatively little has been written or is known about the *technology or equipment* used by informal workers, either women or men. In 2015, WIEGO and local partners carried out a study of technology use by informal workers in three cities – Ahmedabad, India; Durban, South Africa; and Lima, Peru. The findings suggest that both existing and emerging work technologies, in all the sectors across the three cities, are quite basic; and that informal workers understand the costs and risks associated with acquiring new technologies (see **Box 2**). Also see **Appendix III** for photo collages of existing and new technologies in the three study cities. Three of the risks associated with investing in improved technology, common to both women and men, are fear of theft, fear of confiscation by local authorities and lack of secure storage space. These risks also discourage informal workers from investing in increased stock (Chen et al 2016). While these risks are faced by both women and men informal workers, the risks may be higher or lower for different groups of informal workers. The earlier IEMS study of street vendors in these three cities and two other cities suggested that local authorities, notably the police, are more likely to

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<sup>11</sup> At the International Labour Conference in 2014 and 2015, a tripartite committee discussed and then agreed on a standard (Recommendation 204) on the gradual transition from the informal to the formal economy. Among other provisions, including the protection of informal livelihoods during the transition, Recommendation 204 mandates that informal workers should have regulated access to public space and natural resources. See <http://wiego.org/content/international-labour-conference-2015>

confiscate perishable goods, than durables; and that women are more likely than men to sell perishables (Roever 2014; Roever and Chen 2015).

**Box 2: Work Technologies of Informal Workers in Three Cities:  
Ahmedabad, India; Durban, South Africa; and Lima, Peru**

- **Existing Technologies are Very Basic**
  - construction workers: hoe, sieve, basin
  - garment makers: electrical sewing machines
  - incense stick rollers: board, basin
  - street vendors: bowls, scales, display tables/stands, carts
  - waste pickers: sack plus rope to tie the sack
- **New or Emerging Technologies are Also Quite Basic**
  - construction workers: tools common to tradesmen
  - garment makers: newer models of sewing machines
  - incense stick rollers: mixing & rolling machines
  - street vendors: improved displays & digital scales
  - transport workers: improved trolleys
  - waste pickers: better forms of transport + space for storage
- **Costs & Risks of New Technologies are Well Understood**
  - multiple direct costs: capital investment + energy requirement + maintenance/repairs + replacement if lost/confiscated/stolen/broken beyond repair
  - lack of necessary know-how or skills: to use and maintain technologies
  - lack of basic infrastructure services: electricity + storage
  - portability/lightness: especially for street vendors who have to move on when police arrive and for home-based workers whose homes double as a workspace
  - storability: especially for street vendors & waste pickers but also for all informal workers whose homes double as storage spaces
  - fear of theft: by the general public
  - fear of confiscation: by local authorities

The findings from the three-city study on technology suggest that informal workers and their organizations are beginning to use information communication technologies (ICTs) in their work and for organizing. However, informal workers use mainly simple mobile phones while organizations of informal workers are beginning to use Internet and online platforms (See SEWA policy brief on financial and digital inclusion).

Finally, most informal workers acquire skills not through formal training courses at work, but rather through acquiring know-how “on the job” including learning from others, observing others, apprenticing for others or simply through practice. Since women are more likely than men to work from their own homes, they have fewer opportunities to learn from and observe others. Also, in some communities and trades, women are barred from learning certain skills considered to be ‘male’ skills. For instance, in some potter communities, women can prepare the clay but not work the wheel; and in some weaving communities, women can spin thread and prepare warps but not weave at the loom. Also, in many trades, women are concentrated in manual tasks and do not have opportunities to learn skilled tasks. For instance, in India, women construction workers are concentrated in manual tasks and seldom acquire the skills to become

carpenters, masons, or brick layers (See Compendium of Promising Examples for a write-up on SEWA's skills training school for women construction workers).

*Lack of Services:* The lack of *basic infrastructure services* at their homes and their workplaces poses a constraint on both women and men informal workers. But the lack of basic infrastructure services in their homes is particularly hard on women, as they tend to be the ones who have to fetch water and fuel and otherwise compensate for the lack of services, and they are more likely to work from their own homes. Without basic infrastructure services, their productivity is undermined as they have to stop work when electrical supply is cut off; they have to suspend work to fetch water and fuel (see pages 46-47 and page 65 of the Panel's report *Leave No One Behind* for further discussion on infrastructure).

The lack of accessible and affordable *transport services* between their homes and their workplaces poses a constraint and costs on both women and men informal workers, as does the fact that typically they cannot transport goods on public transport and do not have safe storage in or near their workplace.<sup>12</sup> Typically, women need more frequent and reliable transport as they have to be able to commute back to their homes at different hours/more times than men and on a timely basis in order to care for children or the elderly and attend to household chores. They also need safe transport: many women informal workers report being harassed or even assaulted during their commute, especially those who have to work at night (Dias and Samson 2016).

As detailed in Section II, in many but not all occupations, women informal workers tend to face greater occupational health risks than men informal workers because they are concentrated in certain statuses of employment and places of work. Moreover, because they tend to work longer hours each day, combining paid and unpaid work, they often have less time to access health services for themselves (Chen et al. 2015).

As detailed in the WIEGO policy brief on Child Care, women informal workers, like women formal workers, need child care services, given the prevailing gender division of labor that conditions women to be the primary provider of unpaid care and domestic work. But women informal workers are often less able than women formal workers to access or afford paid child care services. Also, many *paid* child care providers are hired informally, including many domestic workers (see page 32 of the Panel's report *Leave No One Behind* for a discussion on challenges facing domestic workers).

Finally, much has been written about women's access to *financial services*, and less so about their access to *business development services*. Again, women and men informal workers face common constraints in this regard. But some categories of informal workers, in which women are predominant, are less likely than other informal workers to gain access to financial services and business development services. For instance, home-based workers lack access to financial and business development services due to their invisibility and isolation.

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<sup>12</sup> Arbind Singh, head of the National Association of Street Vendors in India, noted at a recent seminar that street vendors have "to pack up and move their offices" every day. Many home-based workers also have to pack up their 'office', as their often small (sometimes single-room) homes double as work and living space.

## **Strategic Constraints**

*Lack of Legal Identity:* Most informal workers, both women and men, are not recognized as workers or economic agents under the law. Without a legal identity, and without appropriate legal frameworks, informal workers tend to be treated punitively under the law, often as criminals (see discussion of Hostile Legal and Regulatory Environment below). Further, it should be noted that not only individual informal workers, but also their collective organizations often lack a legal identity because they find it difficult to register as a trade union, cooperative or other form of association.

*Lack of Voice & Bargaining Power:* In part because of their lack of legal identity and legitimacy, informal workers are often seen by traditional trade unions of formal workers unsuitable for purposes of union organization and collective bargaining (Bonner and Spooner 2011a and 2011b, Schurman and Eaton 2012). Yet, without legal identity and legitimacy, it is difficult – if not impossible – for individual informal workers to make demands, air grievances or negotiate more favorable terms of trade and employment. And it is only through organizing that informal workers, both women and men, can gain collective voice and bargaining power. In brief, the working poor in the informal economy, especially women, need to organize to overcome the structural disadvantages detailed in this paper and the accompanying WIEGO-SEWA policy briefs, as organizing would give them the power of solidarity and a way to be seen and heard by decision makers with the power to affect their lives.

Fortunately, there is a growing global movement of informal workers, inspired by SEWA and supported by the WIEGO network, with a commitment to women members and women leaders. Considered together, the cases in Section IV of this paper, in the WIEGO-SEWA policy briefs, and in the Compendium of Promising Examples, illustrate the growing power of women informal workers and their ability to address the structural constraints, barriers and disadvantages that they face as women, as informal workers and as members of poor households and disadvantaged communities. (See pages 85-87 in the Panel’s report Leave No One Behind for further discussion on strengthening visibility, collective voice and representation of women informal workers.)

## **Structural Barriers**

### **Inappropriate Economic Models and Policies**

*Labor Market Structure and Behavior:* Historically, neo-classical models of labor market were premised on the notion that the labor force was comprised of the unemployed and the employed (assumed to be formally employed). In the 1950s, W. Arthur Lewis won a Nobel Prize in Economics for making the case that labor markets in developing countries have surplus labor who are either unemployed or engaged in the traditional economy; and that it would take longer than earlier predicted for economies to grow to the point when enough surplus labor would be absorbed into modern industrial employment for wages to begin to rise (what is called the “Lewis Turning Point”). Since the 1970s, there has been growing recognition that much of the labor force, especially in developing countries, is engaged in the informal economy and that few countries are moving towards the Lewis Turning Point’. In response, some economists have developed models of labor markets comprised of the unemployed, the wage employed and the self-employed (Field). However, to date, few economists have considered the implications of a large share of self-employed in labor markets for the neo-classical model of how labor markets

behave in terms of supply and demand. In the case of the self-employed, especially own-account operators who do not hire others, labor demand and labor supply decisions are made by the same person. So the logic of labor market behaviour needs to be revisited and reframed to take into account the large self-employed workforce, comprised mainly of own-account operators and unpaid contributing family workers.

*Causes of Informality:* Most mainstream economists subscribe to the notion that excessive regulations are what drives informality; that is, the self-employed choose to operate informally in order to evade or avoid taxation; and employers choose to hire workers informally to avoid labor regulations. Some recognize that informal operators face a harsh or exclusionary regulatory environment. And a few recognize that no amount of regulation could cause the large informal workforce in many countries and that the informal economy has persisted and even grown in some contexts during the recent decades of deregulation.

*Costs of Informality:* Many mainstream economists subscribe to the notion that informality is a drag on the economy (i.e., on economic growth) because it is associated with low productivity and tax evasion. Taxing and ‘formalizing’ the informal economy is the preferred policy response; however, this policy response fails to recognize that some informal workers pay taxes and many earn less than relevant tax thresholds; and lacks clarity on what is meant by formalization, other than registration and taxation of informal enterprises.

The net result is that the informal economy is stigmatized in mainstream economics as illegal and non-productive, as a symptom of bad governance and a drag on economic growth. What is needed is an alternative economic model that (1) recognizes and legitimizes the informal economy as the broad base of the economy generating growth from below (despite a harsh environment), and (2) recognizes informal workers as the broad base of the workforce who produce goods and services for the local, national and global economies without legal and social protection. What is needed is a new economic paradigm that recognizes that supporting informal enterprises and protecting informal workers, especially the working poor and particularly women, is the key pathway to increasing economic growth as well as decreasing poverty and inequality.

### **Hostile Legal and Policy Environment**

It is widely assumed that informal workers, businesses and activities operate outside of the ambit of the law. Yet informal workers, businesses and activities are regulated by a complex range of national, sector-specific and city-level laws and regulations that are punitive in their effect and that compromise the livelihoods of informal workers, while often violating their human rights. Police harassment of informal traders is ubiquitous, contravention of (often inappropriate) legislation is most often treated as a criminal offence and informal workers are denied basic due process protections under rule of law.

As detailed in the WIEGO policy brief on Legal Barriers, women informal workers face legal barriers and burdens under Public Law that affect their market relations (and those of male informal workers) and under Private Law that affect their intra-household relations. *Public Law* (law that governs the relations between the state and its citizens/denizens) is therefore a key site of analysis to determine the legal barriers to economic empowerment for women who work in

the informal economy. A Public Law focus requires analyzing zoning and housing regulations; regulations that govern the use of public space; public procurement legislation; and sector-specific legislation, such as legislation that governs construction workers, domestic workers, street vendors, waste pickers—and their implications for women.

### **Unequal Market Relationships and Transactions**

Most informal wage workers are employed without written contracts, worker benefits, social protection contributions or collective bargaining agreements. In some cases, their relationship with their employer is disguised, ambiguous or multi-party, making it hard to bargain for a better employment contract. Most informal own-account operators face difficulties dealing with their suppliers - to set fair prices with and secure timely supply of quality goods; and with their buyers - to set fair prices and secure regular purchases or orders.

Many informal workers are inserted into supply chains as contracted or sub-contracted producers and workers. Contract farmers have to buy inputs from and sell produce to a lead firm which tells them what to grow but which does not accept responsibility for when the crop fails. Sub-contracted home-based workers have to cover many of the non-wage costs of production – workplace, equipment, power and transport – while being paid very low piece rates, often earning less than factory workers in the same sector in the same country.

### **Restrictive Social and Cultural Norms**

Much has been written about how gender norms and relationships and the gender division of labor restrict women's ability to access and own resources, to enter and compete in labor markets, and to start and grow a business. These gender norms are reflected in private law governing intra-family relationships and public law governing commercial activities and employment relations, creating legal barriers to women's economic empowerment: see background paper on legal barriers by the Women, Business and the Law group at the World Bank; policy brief on legal barriers by WIEGO; and the sections on tackling adverse social norms and legal protection and barriers in the Panel's report *Leave No One Behind*).

#### *Summary*

As the analytical framework detailed here highlights, women informal workers face not only a triple day of work (paid work, unpaid work, community work) but also a triple burden of constraints (as women, as informal workers, as members of poor households and disadvantaged communities). They face legal barriers associated with both private laws and public laws that, in turn, reflect gender norms biased against women and economic models biased against the informal economy. They operate in a legal and policy environment that is often hostile or punitive towards informal enterprises, informal activities and informal workers themselves. In addition, they operate in markets or supply chains on (often) unfair or unequal terms, stemming in large part from their lack of organization and bargaining power. Furthermore, they often live in slums, squatter settlements or public housing estates and work in private homes or public spaces without adequate basic infrastructure services or legal rights.

In sum, this framework outlines the *structural constraints* faced by women informal workers associated with their multiple identities – as women, as informal workers and members of poor households and disadvantaged communities – and driven by both social norms and economic models, reflected in a hostile legal and regulatory environment and unfair and unequal market

relationships. These structural constraints cannot be addressed by supply-side interventions alone. To be economically empowered, women informal workers need to be organized and to be represented in relevant rule-setting, policy-making and collective bargaining processes in order to change the social norms, economic models, laws, policies, regulations and market relationships that disempower them. In brief, structural disempowerment requires structural empowerment.

#### **IV. ECONOMIC EMPOWERMENT OF WOMEN INFORMAL WORKERS: *REDUCING CONSTRAINTS & LOWERING BARRIERS***

This section provides a policy-action framework for addressing the practical constraints and reducing the structural barriers outlined in Section III as well as proven and promising examples of how this is being done by organizations of informal workers, all-women organizations as well as organizations with both women and men (as members and leaders).

##### **Policy-Action Framework**

In this framework (**Box 2**), as in the analytical framework detailed in Section III, *constraints* are seen as factors that limit the resources and agency of women informal workers while *barriers* are seen as the underlying factors that block the access of women informal workers to resources and services (their practical constraints) and their ability to exercise agency, voice and power (their strategic constraints). *Practical constraints* limit the resources available to women in undertaking their economic activities, and *strategic constraints* limit their ability to transform the balance of power between themselves and the *state* (which plays a larger role in the work of women informal workers more than of women formal workers) between themselves and the *market actors* they deal with (in commercial transactions and/or employment relationships); and between themselves and *men* (in their families, their workplaces and their organizations).<sup>13</sup>

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<sup>13</sup> The distinction between practical and strategic constraints builds on the distinction between women's practical needs and strategic interests developed for gender planning by Caroline Moser and Caren Levy (Moser and Levy 1986). As used here, practical refers to the resources that women informal workers need to pursue and undertake economic activities; and strategic refers to the legal recognition and bargaining power that women informal workers need to engage with the state and the market, not only with men.

## **Box 2: Policy-Action Framework for Reducing Practical Constraints & Lowering Structural Barriers**

### **Enabling Conditions - to reduce strategic constraints**

- Voice: organizing and representation in bargaining/negotiating/policy-making forums
- Visibility: in official statistics and policy-related research and analysis
- Validity: legal identity and recognition

### **Lowering Structural Barriers**

- reducing legal barriers
- reducing policy biases
- improving commercial and employment relationships
- challenging gender biases

### **Reducing Practical Constraints**

- strengthening financial and digital inclusion
- leveraging basic infrastructure services
- improving skills and technology
- leveraging business development services
- investing in child care
- reducing occupational health risks

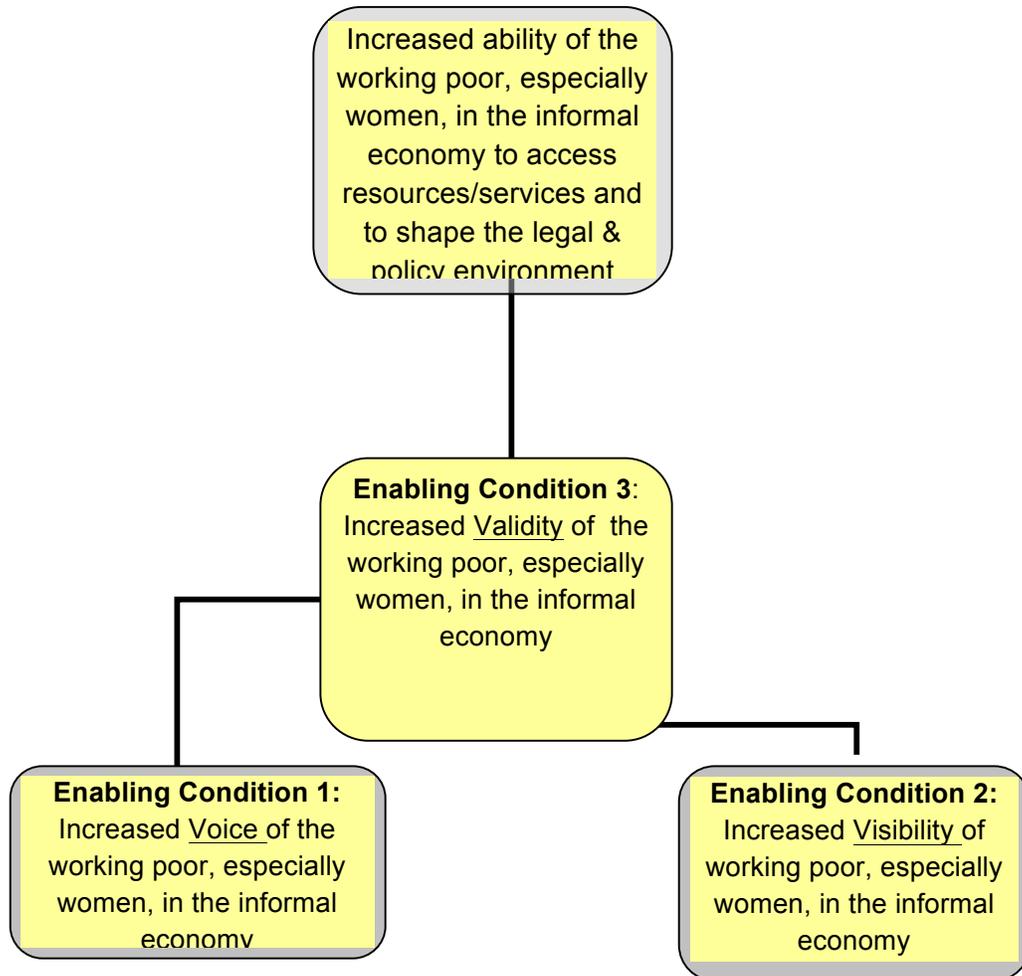
### **Enabling Conditions**

To reduce the strategic constraints they face, and thereby to enable them to leverage resources and services and to engage effectively in legal or policy reforms and in market negotiations, women informal workers need three enabling conditions:

- **Voice** in relevant rule-setting, policy-making, and collective bargaining processes: this requires being members of strong membership-based organizations and being represented, by leaders of their organizations, in these processes
- **Visibility** to policy-makers: this requires improved statistics, research and policy analysis on the informal economy in general and women informal workers in particular
- **Validity** as legitimate workers and economic agents: this requires changing the mindsets of dominant players, including economists and economic planners, government officials, the private sector/owners of capital, and the public at large

It is important to highlight two key points about these enabling conditions. First, while the focus here is on women informal workers, it is not always feasible or desirable to exclude men informal workers, as often the constraints and barriers are common among the working poor in the informal economy, both women and men. Second, it is difficult to increase the Validity or legitimacy of the working poor in the informal economy without first increasing their Voice and Visibility, as depicted in **Figure 2**.

**Figure 2: Increasing the Voice, Visibility and Validity of Women (and Men) Informal Workers**



**Reducing Practical Constraints**

With increased Voice, Visibility and Validity – and through their organizations – women informal workers are enabled to leverage the resources and development services that they need, including financial and business development services, basic infrastructure services at their homes and their workplaces (often one and the same), skills training and technology services, child care services, and occupational health and safety services.

**Lifting Structural Barriers**

With increased Voice, Visibility and Validity, and through their organizations, women informal workers are enabled to engage effectively in a) reforms to reduce the legal barriers and policy

biases that impact negatively on their work, and b) negotiations to improve their commercial (if self-employed) and employment (if wage employed or sub-contracted) relationships.

## **Proven and Promising Examples**

### **Organizing, Organizational Development and Network Building<sup>14</sup>**

Organizing informal workers has a long history. At the dawn of the industrial capitalist age in the eighteenth-century, the whole economy was informal. As Dan Gallin notes in his historical overview of organizing informal workers: "...in the beginning all workers were informal." Workers organized into unions, fought and won rights and their situation started to become formalized. However, many workers, especially in developing countries and particularly women, were left out of this process and remained in what became known as the informal sector or informal economy (Gallin 2011).

More recent organizing amongst informal workers can, arguably, be traced back to the founding of the Self-Employed Women's Association (SEWA) of India in the 1970s. During the 1980s, domestic workers' organizations in Latin America formed the multi-country regional alliance CONLACTRAHO. In 1983, SEWA was recognized as a trade union and accepted as an affiliate by the International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers (the IUF) (see Box 4 on SEWA). In the 1990s, home-based workers came to the fore, organizing into HomeNet International (1994) and HomeNet South East Asia (1997) to advocate for home-based workers and engage in the negotiations at the International Labour Conference that resulted in the adoption of the Convention on Home Work (C177) in 1996. Recognizing the important role that data on home-based workers had played in the campaign for the convention, SEWA and its allies founded WIEGO in 1997 to provide research, statistical, technical, and advocacy support to organizations of informal workers and to help build sector-specific networks of these organizations (Bonner and Spooner 2011a and 2011b; Chen 2000, 2013).

The need for transnational linkages and global advocacy was driven in large part by the globalization of production and markets. Informal worker organizations recognized the need to engage with international agencies and the international development community, both of which deal with issues that affect their work and livelihoods. Given that businesses and governments were taking advantage of the rapid transmission of ideas and technologies, organizations of informal workers felt the need to do the same. In effect, globalization provided both the impetus and the means for informal worker organizations to link up transnationally and engage on the global stage.

In the late 1990s, the ILO began a process of engagement around the informal economy leading up to the discussion on "Decent Work and the Informal Economy" at the 2002 International Labour Conference (ILO 2002a), making this a strategic moment for transnational network

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<sup>14</sup>This write-up on organizing/network building, collective bargaining/advocacy, and promising examples is taken from a background paper for the *2015 Human Development Report* by this author with Chris Bonner and Françoise Carré, also of WIEGO, entitled "Organizing Informal Workers; Benefits, Challenges and Successes".

building and alliances. WIEGO and IW organizations in its membership were very active in the preparations for and the discussion at the 2002 ILC, influencing the ground-breaking Resolution and Conclusions on several key points. Notably, ensuring that informal workers, and their organizations, should be officially recognized and seen as having the right to collective bargaining; and that own-account workers should be considered workers (as they do not hire others but use their own labor, often more so than their own capital) and should be represented in the Workers' Group, not the Employers' Group (Bonner and Spooner 2011a and 2011b; Chen et al 2012).

For organizations of informal workers and their members, advocacy in international venues is greatly enhanced by the formation of global networks. Since 2000, several transnational networks of organizations of informal workers have been formed or consolidated: StreetNet International (2002), HomeNet South Asia (2000), Latin American Waste Pickers Network (Red Lacre) (2005), International Domestic Workers' Network (IDWN) (2009); the Global Network of Waste Pickers (2009); and HomeNet East Europe (2013). The International Domestic Workers Federation was officially launched in 2013. Initially an informal network, the Federation grew in numbers and solidarity through the successful campaign for an International Domestic Workers Convention (No. 189) which was adopted at the 2011 ILC (see pages 62 and 67 in the Panel's report for more information on the ILO Domestic Workers Convention, 2011). For a thumbnail history of organizing of informal workers, see **Box 3**.

### **Box 3**

#### **Brief History of Organizing of Informal Workers**

**1970s:** The Self-Employed Women's Association (SEWA) of India was the pioneer organization, founded in 1972 as a trade union in Gujarat State of India.

**1980s:** SEWA began to make headway in the international trade union movement when it gained affiliation to the International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers (IUF) in 1983. This important step meant that for the first time, informal self-employed workers were recognized within the trade union movement as workers -- workers with a right to form trade unions. Domestic workers had been organizing into unions in many parts of the world but their voice was weak. In 1988 the regional Latin American and Caribbean Confederation of Household Workers (CONLACTRAHO) held its first Congress, giving a more powerful voice to domestic workers in that region. Waste pickers also began organizing into cooperatives in Latin America in this period.

**1990s:** Home-based workers came to the fore in the 1990s, setting up HomeNet International (1994) and successfully campaigning for an ILO Convention on Homework (C177), adopted in 1996. The pace quickened when WIEGO was established to support informal workers in 1997. Street vendors held their first international conference in 1995, and in 2000 the StreetNet Association was formed, paving the way for the launch of StreetNet International in 2002. Waste pickers in Latin America stepped up their organizing into cooperatives throughout the 1990s. In the meantime, the trade union movement and the ILO were beginning to recognize that the informal workforce was growing and could no longer be ignored.

**2000s:** Organizing took off nationally, regionally and internationally. A key event was the adoption of a Resolution and Conclusions Concerning Decent Work in the Informal Economy, ILC, 90th Session, 2002 at the International Labour Conference (ILC) in 2002, which recognized informal workers – both wage earners and own-account workers – as workers with the same rights to decent work as other workers. The various mobilizing activities that occurred in preparation for the ILC 2002 helped to build collective organizations in different parts of the world.

The number of grassroots informal worker organizations increased rapidly in this period and national and international networking activities also increased. In Latin America, national movements of waste pickers (*catadores or recicladores*) were formed, and in 2004 the Latin American Waste Pickers Network was founded. Although HomeNet International collapsed in 2000, HomeNet South Asia was founded following a successful regional dialogue with employers and governments leading to the Kathmandu Declaration. In 2006 domestic workers came together internationally; this led to an agreement to form their own international network, the International Domestic Workers Network (IDWN). The first World Conference of Waste Pickers took place in 2008, resulting in ongoing global networking. (See the conference report.)

**2010s:** The movement continues to grow. Informal workers are increasingly visible and recognized and are making concrete gains. In 2009, 2010, and 2011 waste pickers set out their demands at the United Nations Framework Convention on Climate Change (UNFCCC) conferences (see more about waste pickers at www.globalrec.org and waste pickers and climate change). Also, in 2011 domestic workers won a major victory when the ILC adopted an ILO Convention on Decent Work for Domestic Workers (see The Campaign for a Domestic Workers' Convention), and in 2013 they transformed their Network into the first global federation, the International Domestic Worker Federation, completely run by women. Read more.

For a more detailed timeline, see Informal Workers Organizing Internationally – Timeline of Key Events.

Source: www.wiego.org

The WIEGO network maintains the only database on organizations of informal workers: the WIEGO Organization and Representation Database (WORD), which is at http://wiego.org/wiegodatabase. WORD is by no means comprehensive. It is skewed towards the occupations/branches of informal activity in which WIEGO is most actively engaged and requires constant updating, as the situation changes rapidly especially with local organizations. There are 805 organizations entered in the database that includes around 240-250 organizations each in Africa, Asia (including the Pacific) and Latin America and the Caribbean; 62 in Europe; 18 in North America; and 1 in the Middle East. In terms of occupations or branches of economic activity, the organizations in the database have concentrated on organizing vendors (266 organizations, notably in Africa), domestic workers (173 organizations, notably in Asia), waste pickers (133 organizations, notably in Latin America) and home-based workers (121 organizations, notably in Asia).

The largest organization of informal workers in the world, SEWA of India, has nearly 2 million members, all working poor women in the informal economy. SEWA pursues a twin strategy of “struggle” (i.e., union organizing and collective bargaining) and “development” (i.e., service delivery and other interventions), and hence, engages in an integrated set of strategies. (For a brief overview of SEWA, see **Box 4** and also discussed on page 86 in the Panel’s report *Leave No One Behind*.)

#### **Box 4: Overview of SEWA**

Registered as a trade union in 1972, SEWA is today the largest trade union of informal workers in the world, not just in India, with nearly 2 million members, all working poor women in 10 states of India. The members are drawn from multiple trades and occupations and from all religious and caste groups. SEWA is also the most influential organization of informal workers worldwide, having influenced policies, norms, and practices at the local, national, regional, and international levels. SEWA has been a pioneering leader of three international movements: the labor, women’s, and micro-finance movements. It is a member of the International Trade Union Confederation (ITUC). The SEWA approach involves meeting with specific groups of working poor women, understanding their struggles, and developing joint strategies. SEWA stresses self-reliance, both individual and collective, and promotes organizing around four sources of security: work, income, food, and social security. SEWA is primarily a trade union but engages in a wide range of interventions, including leadership development, collective bargaining, policy advocacy, financial services (savings, loans, and insurance), social services, housing and basic infrastructure services, and training and capacity building. In sum, together with its members, SEWA pursues a joint strategy of struggle (union-type collective bargaining, negotiations, campaigns, and advocacy) and development (direct interventions and services of various kinds).

Organizing is the central strategy of SEWA and takes several forms. In addition to organizing its members by trade into trade unions, SEWA helps its members to form cooperatives, other forms of local associations, as well as state and even national federations. All members of SEWA belong to a relevant trade group and are voting members of the SEWA trade union; many also belong to one or more other SEWA membership-based organizations— service, producer or marketing cooperatives, marketing companies, and (in rural areas) savings-and-credit groups. The trade union is federated at the national level and the cooperatives and rural associations are federated into separate state-wide organizations.

Of particular concern to SEWA is the fact that the working poor, especially women, do not have a voice in the institutions that set the rules which affect their lives and livelihoods. SEWA seeks, therefore, to expand the voice of its members through representation at different levels: by building the capacity of its members and creating opportunities for them to participate in local councils; municipal, state, and national planning bodies; tripartite boards; minimum wage and other advisory boards; sector-specific business associations; and local, state, and national labor federations.

Source: adapted from Chen 2010, 2008, 2006

Despite the example and leadership of SEWA in the growing international movement of informal worker organizations, organizing women informal workers and empowering them to become leaders, particularly in organizations with both men and women members, remains a challenge. The first set of women-specific challenges stems from the gender division of labour which limits the time women have available for activities outside the home, and gender norms and relationships which limit their physical mobility or their involvement in the public sphere. Further, when women assume leadership roles, they may not be as respected as their male counterparts, as stereotypes persist that women are emotional and not capable of exerting authority which contribute to their being ignored or silenced in group meetings or formal settings.<sup>15</sup> Of course, there are all-women organizations such as SEWA. Also, some organizations with both men and women members have stipulated that leadership must be all women (e.g. Sisula Sonke, an agricultural workers' union in South Africa) or at least half of all leaders must be women (e.g. StreetNet International) (Bonner and Carré 2013). (A discussion on women's leadership in unions / organizations is on page 85 of the Panel's report *Leave No One Behind*.)

These gender norms and relationships, and how they impact women informal workers, are quite common across sectors and countries, although they vary in degree and manifestation. These gender norms and relationships also contribute to a second set of factors that pose a challenge to organizing women informal workers: factors associated with the statuses in employment and places of work of many informal women workers. As noted earlier, women are concentrated in the more disadvantaged statuses in informal employment (sub-contracted and unpaid family work) and places of work (private homes). In the case of sub-contracted workers, it is not clear who is ultimately responsible for their work orders and pay rates: the immediate contractor, the supply firm that outsourced production or the lead firm which governs the whole value chain, planning production, designing products and/or selling finished goods. This makes it difficult for sub-contracted workers to bargain for more secure work orders and higher pay rates and to take recourse when work orders are cancelled, finished goods are rejected, pay rates are below the minimum wage, or payments are delayed. In the case of unpaid contributing family workers, should they bargain alongside the head of the family firm or farm with suppliers and buyers/customers and/or with the head of the family farm or firm? Organizers find it difficult to locate and organize home-based workers who work in their own home and, especially, domestic workers who work in the homes of others as they remain invisible and isolated from one another. In sum, because of women's structural disadvantages in the informal labor market, organizing informal women workers is both more difficult and more necessary.

### **Collective Bargaining and Advocacy**

Given that most informal workers are not in a recognized employer-employee relationship (even if they are wage employed) and that a large percentage are self-employed, organizations of informal workers typically pursue a wider set of strategies than trade unions of formal workers (Carré 2013). See **Box 5** for a typology of common core and supplemental strategies.

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<sup>15</sup> The WIEGO network has a project dedicated to building the strength of women waste pickers in Brazil, led by Sonia Dias, WIEGO's waste specialist based in Belo Horizonte, Brazil: see <http://wiego.org/informal-economy/waste-gender-rethinking-relations-empowerment>

## Box 5: Typology of Organizing Strategies

**Common Core Strategies:** pursued by most organizations

Collective Bargaining with Employers/Contractors

Collective Bargaining/Negotiating with Other Dominant Stakeholders: notably,  
government (local, provincial, national)

Policy Advocacy

Mobilization Campaigns

**Supplemental Strategies:** undertaken by some organizations

Economic Development Services, including financial and marketing services

Collective Economic Action; e.g., cooperatives that provide services of various  
kinds (e.g., waste collection); and producer groups that do joint  
marketing

Collective Access to Social Protection: negotiating access to existing schemes  
and advocating for more inclusive schemes or providing their own  
schemes

Source: adapted from Carré 2013

As alluded to above, neither informal workers nor their organizations fit easily into mainstream definitions of workers, worker organizations and organizing strategies. This mismatch is perhaps most pronounced when it comes to collective bargaining as a large share of informal workers are self-employed and most informal wage workers do not have a recognized employer. Who do informal workers need to bargain with and what do they need to bargain for? If they bargain with local government for infrastructure services, is this collective bargaining as defined by trade unions, or should it be considered negotiating or advocacy? Informal worker organizations are often asked these questions by outside observers, especially trade union organizers and scholars.

Collective bargaining is usually understood as taking place between an employer and employees to achieve a collective agreement, primarily around wages and working conditions. (See the International Labour Organization's definition of collective bargaining, C154: Collective Bargaining Convention, 1981 [No.154].) Workers in the informal economy, including the self-employed own-account workers, also engage in forms of collective bargaining through their membership-based organizations (MBOs). However, their counterparts across the table are often not employers but other entities. Street vendors most often negotiate with local authorities, for example, and with different municipal departments on issues such as with police regarding harassment and confiscation of goods. Waste pickers negotiate with local authorities for storage and sorting facilities or, more ambitiously, for the right to provide collection and recycling services for which they are paid. Many need to negotiate with buyers for better prices for recyclables (see page 85 of the Panel's report *Leave No One Behind*).

Unlike workers in the formal economy whose rights are usually laid down in labour statutes, most informal workers do not have statutory collective bargaining rights. While these rights have been acknowledged (including for own-account workers) by the ILO in its 2002 Resolution and Conclusions concerning Decent Work in the Informal Economy, it has not generally been

extended to own-account workers. Most often, negotiations take place in ad hoc meetings (often arising out of a crisis), or in consultative forums without statutory obligation on the part of the authorities, and without enforceable agreements or continuity. While dialogues, consultations, or meetings to resolve immediate disputes play a role in enabling informal workers to raise their voices and make gains, agreements reached can be easily ignored or undermined.

Who informal workers bargain/negotiate/advocate with – and for what – depends on their status in employment, the branch of economic activity in which they are engaged, and their place of work. Their *status in employment* and *overall work arrangements* tend to define the key counterparts in the private sector whom informal workers need to bargain with. The self-employed in informal enterprises (both employers and own-account workers) need to bargain with suppliers and buyers/customers; employees need to bargain with an employer; casual day laborers with multiple employers and their brokers; sub-contracted workers with a lead outsourcing firm and/or its intermediaries; unpaid contributing family workers either with suppliers and buyers/customer together with the head of the family firm or farm and/or with the head of the family firm/farm herself or (more likely) himself. But most informal workers also have to bargain with public sector institutions at the local level especially, but also at the provincial and national levels.

What informal workers bargain for is often defined by the *branch of economic activity* they are engaged in: street vendors need a secure place to vend in a good location and basic infrastructure services at the vending site; waste pickers need access to waste and the right to bid for solid waste management contracts. What informal workers bargain for, and with whom, is also defined by their *place of work*. As noted, street vendors have to negotiate with municipal governments to secure their vending sites. Waste pickers also have to negotiate with municipal governments to secure the right to reclaim recyclable waste from households or neighborhoods, municipal bins, open dumps or landfills. Home-based workers have to bargain with local government for basic infrastructure services to make their homes more productive. Domestic workers bargain with the individual or household whose home they work in. In addition to the demands and needs that are specific to their status in employment, branch of economic activity and place of work, all informal workers need to bargain for legal recognition and identity, the right to organization and representation, access to social protection, and accessible/affordable transport.

Under a collaborative project with the AFL-CIO's Solidarity Center and trade union scholars at Rutgers University, WIEGO commissioned a set of case studies of collective bargaining campaigns by informal workers in different countries: domestic workers in Uruguay, home-based workers in India, street vendors and hawkers in Liberia, transport workers in Georgia, and waste pickers in Brazil. **Table 11** summarizes the priority issues, organizing challenges and bargaining counterparts of each group of workers.

**Table 11: Collective Bargaining Campaigns:  
Priority Issues, Organizing Challenges, Bargaining Counterparts**

Sector/Group	Priority Issues	Organizing Challenges	Bargaining Counterparts
Street, market vendors and hawkers	<p>Right and space to vend</p> <p>Facilities: storage, shelter, toilets, water</p> <p>Protection against police harassment</p> <p>Safety and security</p> <p>Competition: protection against bad effects</p> <p>Access to credit</p>	<p>Not regarded as workers by selves and others</p> <p>Controlled by politicians, “mafia”</p> <p>Fear of harassment by authorities, police</p> <p>Competition amongst selves &amp; formal sector</p> <p>Time spent on organizing means loss of income</p> <p>No forums for bargaining</p>	<p>Municipality: local economic development, health and safety, zoning</p> <p>National and municipal police</p> <p>Suppliers and buyers</p>
Home-based workers	<p>Equal income, benefits as factory workers</p> <p>Identifying employer</p> <p>End to exploitation by intermediaries</p> <p>Access to regular work</p> <p>Access to markets (own-account)</p> <p>Access to credit (own-account)</p>	<p>Isolated in homes, invisible</p> <p>Time-double burden of work and home care</p> <p>Fear of losing work</p> <p>Restrictions imposed by religion, culture</p> <p>Children working</p> <p>Unprotected by labour law or disguised status</p>	<p>Contractors</p> <p>Tripartite boards</p> <p>Suppliers &amp; buyers</p>
Waste pickers and recyclers	<p>Access/right to recyclable waste</p> <p>Integration into municipal systems</p> <p>Work higher up the recycling chain</p> <p>Fair prices for recyclables</p> <p>Recognition and improved status</p> <p>Health and safety</p> <p>End to exploitation by Intermediaries</p>	<p>Low status and self esteem</p> <p>Fear of losing work</p> <p>Fear/dependency on middlemen</p> <p>Competition amongst selves</p> <p>Time to meet means loss of income</p> <p>Child labour</p> <p>Not protected by labour law</p>	<p>Government: national and local</p> <p>Dealers in recyclables</p> <p>Recycling companies</p>

Domestic workers	Recognition as workers Protection against dismissal, abuse Freedom of movement Freedom to change jobs (migrant) Less hours, more rest Better living conditions	Isolated and invisible in homes Fear of employers and losing jobs Dependency on employer for housing etc. Not protected by labour law Lack of time: long hours Fear of authorities (migrant)	Employers Employer associations Government
Transport workers (urban passenger)	Access to routes and passengers Protection against harassment Health and safety/ accident protection Parking and facilities Petrol and spares Prices and fares Competition-protection against bad effects	Mobility Competition between selves and formal sector Control by politicians, “mafia” Threats by employers Fear of harassment by police/ authorities Time for organizing means loss of income	Municipality Formal companies Customers
Women workers: all sectors	Safe and affordable child care Income protection during/after childbirth Physical security Sexual harassment protection Equal income for equal value work Access to higher income earning	Fear and lack of confidence Cultural and religious barriers Often in scattered locations Dominated by men in sector Lack of time Child care and home care	Government Employers Formal companies Community elders

Source: adapted from Budlender 2013: table on pages 25-26.

In addition to negotiations and advocacy with local and national government, informal worker organizations and networks are, increasingly, engaging in collective negotiations and advocacy at the regional level (with regional banks and inter-governmental cooperation associations) and at the international level (with the ILO (all groups), with UN Habitat (all urban workers), and with the UN Climate Change Negotiations (waste pickers)). In these negotiations, the informal workers are demanding recognition as workers who contribute to the global economy,

appropriate international norms that recognize and value informal workers, global processes that include representatives of informal worker organizations, and appropriate sector-specific policies and norms.

### **Legal and Policy Reforms**

Despite the challenges of organizing informal workers and strengthening the organizations and networks of informal workers, several of the organizations and networks have led successful legal or policy campaigns in support of their membership either locally, nationally or globally. What follows is a brief summary of several of them: domestic workers globally, home-based workers in Thailand, street vendors in India, street vendors and barrow operations in Durban, South Africa, and waste pickers in Bogotá, Colombia.<sup>16</sup>

#### *Domestic Workers Globally*

Despite obstacles, domestic workers have a long history of organization and advocacy to be recognized as workers and covered by the labour laws of their respective countries. In 2006, domestic worker organizations began to organize internationally with the support of international trade unions and NGOs, including WIEGO. Their main demands were to be recognized as workers with the rights to workers' rights and benefits. In 2008, after the ILO decided to place Decent Work for Domestic Workers on the agenda of the ILC in 2010 and 2011, they began a campaign for an ILO Convention. The campaign was led by the newly formed International Domestic Workers' Network (IDWN) with its organizational base in the International Union of Food, Agriculture, Hotel, Restaurant, Catering and Allied Workers Associations (IUF) and with support from WIEGO. The campaign involved extensive coordination and engagement at the country level to mobilize workers and engage with Ministries of Labour, trade unions and employers' associations. The process had immediate benefits in some countries and led to the adoption, with an overwhelming majority vote at the 2011 ILC, of two standards: Domestic Workers Convention, 2011 and Domestic Workers Recommendation, 2011.

The main achievement of the Convention is that domestic workers are unconditionally defined as workers with the same protections under national labor laws and social protection schemes as other workers. Some articles in the Convention provide special protection for live-in, migrant, or other specific groups of domestic workers. The Recommendation provides a comprehensive framework and set of guidelines for governments seeking to implement legislation in line with the Convention. The Convention and Recommendation will not directly or immediately change the situation of domestic workers, but they provide a normative framework and legislative springboard for organizations to work further with governments and other partners. The process of achieving the ILO Convention was itself a catalyst for global organizing and for gaining representative voice at the global level. It contributed to building the capacity of organizations and individual leaders, especially women; enhanced the status of domestic workers' associations with formal trade unions; and created the preconditions for recognition and enforcement of rights in countries. Whilst the campaign for ratification is a long term process, legislative changes are taking place as a result of the adoption of the Convention.

#### *Home-Based Workers in Thailand*

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<sup>16</sup> These summaries of the cases are adapted from Chen et al 2012, with the exception of the write-up on Home-Based Workers in Thailand which draws on reports by HomeNet Thailand and WIEGO.

HomeNet Thailand has helped achieve several successes for informal workers on the national policy front, some in alliance with other civil society organizations. The first such success was the universal health coverage scheme for informal workers and other groups not covered by formal health insurance. Thailand stands out for its decade-long inclusion of civil society organizations in an alliance for health reform, with HomeNet Thailand one of the partners, who contributed to the campaign for what became known, initially, as the 30 Baht Scheme (Namsomboon and Kusakabe 2011; Alfers and Lund 2012). When the 30 Baht Scheme was replaced by the free Universal Coverage Scheme, the alliance of civil society networks including HomeNet Thailand, were again involved in the design of the scheme, in the legislation, and thereafter in facilitating, monitoring and evaluating implementation.

HomeNet Thailand also successfully campaigned, with support from WIEGO, for the Homeworkers Protection Act, which entitles Thai homeworkers (i.e., sub-contracted home-based workers) to minimum wage, occupational health and safety protection and other fundamental labour rights (see page 62 of the Panel's report *Leave No One Behind*). To understand obstacles to implementing these protections, under a WIEGO project on law and informality, HomeNet Thailand examined instances where homeworkers had attempted to access their rights and implement the tripartite committee set up under the Act. HomeNet Thailand also made a concerted effort to inform homeworker leaders and homeworkers about their rights under the Act through workshops with lawyers and government officials, posters, newsletters and other documents. In 2014, as a direct outcome of these struggles, three home-based workers supported by HomeNet Thailand were included in the tripartite committee.

Also under the WIEGO law project, HomeNet Thailand organized local and national-level consultations with domestic workers to update them on the ILO Convention on Domestic Workers Convention, 2011 (No. 189) and to mobilize action to protect migrant domestic workers in Thailand, especially Bangkok. During the course of the project, the Thai Domestic Workers Network was formed, which helped pressure the government to pass the Ministerial Regulation for Domestic Workers in 2012.

### *Street Vendors in India*

Since 1998, when it was founded, the National Association of Street Vendors of India (NASVI) has dealt on a daily-basis with the challenges to street vendors associated with urbanization, urban renewal, and economic reforms. One of its first steps was to conduct a survey of street vending in seven cities of India in 2002. The report of this survey served to highlight the increasing harassment of street vendors by local authorities and the growing exclusion of street vendors in city plans (Bhowmik 2002). The report generated a good deal of discussion and was presented at a national workshop organized by the Ministry of Urban Development in 2000. At that workshop, the Minister for Urban Development announced that a National Task Force on Street Vendors would be set up to frame a national policy with and for street vendors.

The national policy for street vendors, developed by the National Task Force including NASVI and other street vendor organizations, was adopted by the national government in January 2004. The policy recommended that state and local governments register street vendors, issue identification cards to street vendors, and amend legislation and practice to reduce the vulnerabilities of street vendors. The main plank of the policy was to establish Vending

Committees at the town and ward levels with representatives from street vendor organizations to identify designated zones for vending and hawking. However, the national policy was never implemented very widely, in large part because local governments are controlled by state governments and few state governments followed the national policy when formulating their own state policies.

In response to this lack of implementation, the national government declared the need for a new national policy for street vendors while NASVI and SEWA demanded a national law for street vendors. In late 2011, thanks to the campaign and advocacy efforts of NASVI, SEWA and other organizations, the two ministries changed their position and decided to support a national law for street vendors. The draft law was formulated by the Ministry of Housing and Urban Poverty Alleviation in consultation with NASVI, SEWA and other organizations of street vendors and was approved by the Parliament of India in February 2014 and went into effect later that year.

#### *Street Vendors and Barrow Operators in Durban, South Africa*

For many years, Warwick Junction, a precinct in the inner city of Durban that houses up to 8,000 street and market traders (on a busy day), was looked to as best practice of street vendor management and support. As part of an urban renewal project, the city government held many consultations with the street vendors which resulted in a high level of self-regulation and a sense of ownership of the area by the street vendors. But in February 2009, to the surprise of many, the Durban/eThekweni Municipality announced its plans to grant a fifty year lease of public land to a private developer to build a shopping mall in Warwick Junction at the site of the Early Morning Market (EMM) – a fresh produce market in the center of the Junction that was to celebrate its centenary in 2010. These plans entailed a redesign of the whole district ensuring that the foot traffic, estimated at 460,000 commuters a day, would be directed past the mall rather than the informal traders, thus threatening the viability of all street vendors and market traders in the Junction.

There was a groundswell of opposition to the proposal and a major civil society campaign to oppose the planned mall emerged, involving organizations of street vendors, academics, urban practitioners, and a local NGO called Asiye eTafuleni which has supported the street vendors of Warwick Junction for many years. Central to this campaign was a pair of legal cases pursued by a public interest, non-profit law firm—the Legal Resources Centre (LRC). One case challenged the process by which the City awarded the lease and contract to the private real estate developer, thus drawing on administrative law. The other case challenged building a mall where a historic market building stands, thus drawing on historic conservation principles. By April 2011 the City Council finally rescinded its 2009 decision to lease the market land for the mall development noting that ‘there was little prospect of the legal challenges relating to the current proposal being resolved.’ This was a major victory for the street vendors and barrow operators of Warwick Junction. The legal case did not mandate the change in position by the City Council. But the legal cases, in combination with civil society activism and protests, helped leverage the change in the City Council’s position.

#### *Waste Pickers in Colombia*

For decades, if not centuries, *recicladores* (waste pickers) in Colombia's capital, Bogotá, have earned a living by recycling metal, cardboard, paper, plastic, and glass and selling the recycled material through intermediaries. Today there are an estimated 12,000 *recicladores* in Bogotá. But recent privatization of public waste collection threatened the livelihoods of the *recicladores*. Previous municipal administrations in Bogotá granted exclusive contracts to private companies for the collection, transport, and disposal of waste and recyclables. In response, the Asociación de Recicladores de Bogotá (ARB), an umbrella association of cooperatives representing over 2,500 waste pickers in Bogotá, began a legal campaign to allow the *recicladores* to continue to collect and recycle waste.

The *recicladores* achieved a landmark victory in 2003 when the Constitutional Court ruled that the municipal government's tendering process for sanitation services had violated the basic rights of the waste picking community. In making its case, ARB and its pro-bono lawyers appealed to the Constitution's provision of the right to equality, arguing that waste pickers should be allowed preferential treatment and judicial affirmative action in the tendering and bidding process for government waste management contracts.

Subsequent cases have appealed to constitutional provisions, including the right to survival as an expression of the right to life (article 11 of the Constitution), which was used to argue the right to pursue waste picking as a livelihood, and the right to pursue business and trade (article 333), which was used to argue that cooperatives of waste pickers—and not only corporations—can compete in waste recycling markets. The most recent ruling, in December 2011, halted a scheme to award US\$ 1.7 billion worth of contracts over ten years to private companies for the collection and removal of waste in Bogotá City. The court mandated that the cooperatives of waste pickers had a right to compete for the city tenders and gave the ARB until March 31, 2012 to present the municipality with a concrete proposal for solid waste management inclusive of the waste picking community. The current Mayor of Bogotá honored this mandate by de-privatizing waste collection, setting up a public authority to manage solid waste management and allowing ARB and other organizations of *recicladores* to bid for contracts. With the help of WIEGO and other allies, the ARB prepared a proposal, elements of which were adopted into the official proposal made by the district agency in charge of the city's public service.

In March 2013, waste pickers in Bogotá began to be paid by the city for their waste collection services, and in June 2014, the national government mandated that the Bogotá model be replicated in cities and towns across the country. However, vested interests in the private sector who want to regain control over the waste collection and recycling sector have mounted a political campaign to remove the current Mayor of Bogotá who rescinded some of the private contracts to set up a public waste management authority and brokered the contract with the *recicladores*. They argue that the public management of waste collection and the involvement of the *recicladores* undermine "free competition" and are, therefore, illegal.

As these case studies illustrate, informal worker organizations are increasingly finding a place at the table, including with national and local governments, and are also finding their voice in international negotiating forums, especially at the annual ILC. But, as these case studies also illustrate, informal worker organizations often need to resort to litigation, in addition to policy advocacy, and need support from allies to protect the interests of their members.

## Lessons & Recommendations

### Lessons Learned

Informal workers are self-organizing or being organized in many sectors and many countries around the world: they are engaging in formal collective bargaining through their membership-based organizations, networking transnationally, and linking together in collective international advocacy. Many of these organizations and networks have had an impact on the wider environment, influencing laws, policies and practices.

But clearly, the structures and strategies of these organizations and networks do not fit easily into conventional structures and strategies associated with trade unions of formal workers. Most notably, their counterparts in bargaining are often not employers, and the issues tackled are not always the same. Organizing informal workers is different than organizing formal workers - and has *distinct challenges of several kinds*. To begin with, many informal workers are *not considered workers* by the law, by policy makers, by trade unions, by other workers, or even by themselves. Globally, the “employment relationship” between a recognized employer and employee has historically represented the central legal concept around which labour law and collective bargaining agreements have sought to recognize and protect the rights of workers (ILO 2003a). This concept has usually excluded the self-employed but also excludes wage workers or employees who are hired by firms in ways that disguise the employment relationship or make it unclear and ambiguous, which is the case with most informal wage workers. Further, many key stakeholders— policy makers, trade unions, and other workers – do not perceive or recognize informal workers as workers. Also, some informal workers do not perceive themselves as workers, especially women and, in particular, women who produce goods and services in their own homes (home-based workers) or in the homes of others (domestic workers).

Second, informal workers *belong to various statuses in employment, making it difficult to organize around a single identity*. Further, individual workers may be engaged in multiple activities and/or employment statuses within a single day, month, or year. A very small percentage of informal self-employed are employers; indeed, most are own-account workers who do not hire paid workers. A small share of those receiving informal wages are employees, while most are casual day labourers or industrial outworkers who by definition do not work in a standard work place and, often, do not work for a single employer. A large percentage of informal women workers, especially in agriculture, are unpaid contributing family workers.

Organizing own-account operators who often invest more labour than capital into their enterprise and earn relatively little is different from organizing informal employers who, on average, invest and earn far more. Organizing industrial outworkers who work under a sub-contract for multiple employers and their intermediaries is different from organizing informal employees in an informal or formal enterprise, just as organizing informal day labourers who work for multiple employers at different times is different than organizing informal employees of a single employer. Also, unpaid contributing family workers need to be organized in order to bargain in the interests of the family enterprise or farm but also in their own interests within the family.

Third, most informal workers *do not work in a standard workplace* (i.e., the firm or factory of an employer), but work primarily in public spaces (streets, markets, pastures, forests, and waterways), in private homes (as home-based producers or domestic workers), or on private farms. There are special risks as well as organizing challenges associated with each of these. For example, where should domestic workers be organized? Where are the common places that they congregate on their day off (if any)? The same consideration applies with regard to day labourers and home-based workers, especially those who are prohibited by social norms from moving outside their homes.

Fourth, most informal workers – other than the fully dependent wage workers – have to *deal with multiple points of control or multiple dominant players*. The self-employed have to bargain with those from whom they buy supplies and raw materials or rent space and equipment, and to whom they sell goods and services. The industrial outworkers have to deal with one or more firms and their intermediaries who sub-contract work to them. Day labourers have to deal with both recruiters and employers, often different ones each day or season. Having to bargain with more than one counterpart makes it difficult to do so effectively. Also, ideally, most informal workers would need to negotiate multiple collective bargaining agreements with both the public sector, especially local government, and private firms.

Fifth, the *control points and dominant players faced by informal workers are often sector-specific*. Consider the urban informal workforce. Their activities are governed by industry-specific regulations (e.g., those governing fresh food) as well as by urban planners and local governments that set rules and determine norms and practices which govern who can do what, and where, in cities. Often the rules are framed or interpreted in ways that discourage – if not outright ban – informal activities. Moreover, urban informal workers, like all informal workers, have to negotiate with dominant players in the sectors or value chains within which they operate. This means that they have to negotiate on several fronts with private businesses and with local authorities. It also means that there is no immediate pay off and no equivalent to the “wage dividend” enjoyed by many organized formal workers. Often they have to negotiate and bargain to simply be allowed to pursue their livelihoods without being harassed, having their goods confiscated, having to pay bribes, or being evicted. In such situations, the hoped-for dividend of organizing is usually a reduction in the risks and costs of operating informally, rather than an increase in earnings.

Given all this, *new and innovative approaches to organizing and collective bargaining are needed and no one model fits all*. At the local level, organizing takes different forms, from trade unions to cooperatives to associations of various kinds to savings-and-credit groups or self-help groups, depending in part on the local political and legal environment. In many countries, there are unregistered associations that function like cooperatives or trade unions but find it difficult to register as such. But to some extent, *organizational form follows organizational function*. Domestic workers who need solidarity in order to bargain with their employers often form or join trade unions. Self-employed home-based workers often form associations to leverage skills training, product design, and marketing services. Industrial outworkers who work from their home need to form unions for collective bargaining with employers and their intermediaries. Street vendors who need to bargain collectively with local authorities often form unions or

market-specific associations. Waste pickers who provide recycling services to cities or cleaning services to firms often form cooperatives.

*What have we learned from the successful struggles of women organizations?* Common strategies include awareness building and mobilization around issues, as well as collective bargaining, negotiating and advocacy, and (often) legal struggles (with action on these different fronts feeding into each other in a circular, interactive, reinforcing manner). Common structural barriers include an inappropriate or hostile institutional environment, competing vested interests, and the mindsets of influential stakeholders. The common sources of technical and political support include pro-bono lawyers, activist academics, specialized non-governmental organizations, and, most importantly, alliances of organizations of informal workers.

All cases of success illustrate the *importance of the joint action of organizations of informal workers with support from individuals or institutions*. The alliance that campaigned successfully against the proposed mall in Durban included local associations of street vendors, the international alliance of street vendors (StreetNet) headquartered in Durban, the Congress of South African Trade Unions (COSATU), the South African Communist Party in the KwaZulu-Natal province, local team members of the WIEGO network, local civil society organizations, urban practitioners, academics, and the legal resource center that filed the case. A local NGO Asiye eTafuleni (dedicated to providing legal, technical, and design support to the informal workforce of Warwick Junction) played a key role by monitoring the situation on the ground, alerting the LRC to the day-to-day harassment of traders by the city, and facilitating access by the LRC to appropriate claimants.

The alliance that helped advocate for the national policy and, now, the national law for street vendors, in India included the National Association of Street Vendors of India, SEWA, as well as academics and activists working on street vendor issues. The campaign also received support from political leaders and government officials. The alliance that helped the Asociación de Recicladores de Bogotá in its campaign to be allowed to bid for solid waste management contracts included pro-bono lawyers, academics, WIEGO and other NGOs. The alliance that helped build the International Domestic Workers' Network and supported its campaign for the ILO convention included a global union federation (International Union of Food, Agriculture, Hotel, Restaurant, Catering and Allied Workers Associations), a national union federation (FNV of the Netherlands), the ITUC and the Workers' Bureau of the ILO (ACTRAV), the WIEGO network, and other NGOs. During the tripartite discussions at the 2010 and 2011 ILCs, this alliance mobilized additional resources: researchers who helped the domestic worker delegates find information, write speeches, and draft demands; media experts who helped write press releases and organized press conferences and interviews and used social media to publicize the negotiations; and interpreters who interpreted for delegates and also translated documents.

At the heart of each of these successful campaigns, except for the domestic workers campaign, was a legal case. Key to the success of the legal cases was access by the informal workers and their organizations to free, high-quality, and responsive legal assistance—from a high-level team of lawyers. The informal workers would not have been able to pay for such high-level legal representation and were fortunate to be represented by such high-level pro-bono lawyers.

At the same time, technical knowledge and political support from civil society—most importantly, from the informal workers themselves – was critical to the success of the legal case.

In sum, well-managed collaborations and alliances with a range of organizations allows for a pooling of resources, skills, and knowledge (including that of the informal workers themselves). These collaborations and alliances extend points of influence and leverage, raise awareness more widely and potentially increase pressure on those with power to influence the outcome of the negotiations (Bonner and Pape 2012)

### **Recommendations**

These lessons suggest two sets of recommendations. The first set relates to the work or livelihoods of informal workers. The second set relates to organizations of informal workers. Both sets include recommendations about the roles of key stakeholders, especially policy makers in governments and international agencies, but also their mindsets and policy stances.

#### *# 1 - Recognition of and Support to Informal Workers and their Livelihoods*

In the end, what the working poor in the informal economy need, through organization and collective bargaining/negotiating, is more and better economic opportunities. For some, this means better wage jobs. For others, this means more secure and productive livelihoods. But so long as informal units, workers and activities are stigmatized by policy makers as illegal and non-productive and excluded from economic planning and policies, informal livelihoods will remain insecure and less productive than they could be. What is needed is a change in the mindsets of policy makers -- to recognize and validate informal workers and their livelihoods, coupled with changes in laws, regulations, and policies to protect and promote informal workers and their livelihoods.

Work today takes many forms, and is central to people's lives, to economies and to societies. More and more wage workers are employed informally without a recognized employer through disguised, ambiguous or third-party arrangements. Yet labor laws and employment laws are premised on the central notion of an employee relationship. One-third or one-half of the informal workforce in most developing countries are self-employed, and a small percentage of these hire workers. Yet commercial laws are premised on enterprises with ten or more workers. And sector-specific laws, including urban policies and plans, are biased towards formal firms and activities. Given the sheer size of the informal economy and informal workforce, the policy goal must be to overcome the formal and informal divide by providing appropriate recognition, protection, and support to all workers and enterprises; and to promote a hybrid economy in which formal and informal – small and large – enterprises may co-exist alongside each other.

#### *# 2 - Recognition of and Support to Organizations of Informal Workers and their Campaigns*

While organizing of informal workers has taken place mainly outside the mainstream labor movement, this too is beginning to change, as formal and informal workers join hands. In today's global economy, those who work in a particular industry – even for a single firm – include not only the core formal employees, but also all of the workers down the supply chain, including workers contracted daily, seasonal workers and/or sub-contracted outworkers. Rather than being

divided by big business, formal and informal workers along specific global supply chains or in specific industries should forge a joint united front. Then only, in today's global economy, will workers be able to improve their situation.

In today's globalizing economy and modernizing cities, there is also a critical on-going need to promote the representative voice of the working poor in the informal economy in the policy-making and rule-setting processes that impact their lives and livelihoods. This will require more and stronger membership-based organizations of informal workers. There is a role for supportive NGOs to help start and build the capacity of informal worker organizations but they must learn when and how to hand over the leadership and administration of these organizations to leaders elected by the membership. As the case studies illustrated, there is also a role for experienced, informed and committed supporters – including academics, lawyers, urban planners and others – to support the legal and policy reform campaigns of these organizations. The key role for government and international agencies is to recognize the organizations of informal workers and invite representatives from them to relevant policy-making and rule-setting processes. The motto of StreetNet International – "Nothing for us, without us" – reflects the key enabling condition to ensure more and better work opportunities for the working poor in the informal economy; namely, to invite organizations of informal workers to help develop appropriate policies, laws and regulations that recognize, validate and integrate their work and livelihoods.

## **V. THE WAY FORWARD**

As the evidence, analysis and examples presented in this paper suggest, to be economically empowered, women informal workers need legal recognition and a favorable policy and regulatory environment – in addition to essential resources and services. This requires that women informal workers are organized and represented, through their organizations, in relevant legal and policy reform processes. And this requires that these reform processes lead to more appropriate and supportive laws and policies that are premised on the notion that the working poor in the informal economy are trying to earn an honest living in a hostile legal and policy environment.

### **Key Priorities**

To be economically empowered, women informal workers need to be organized and to be represented in relevant rule-setting, policy-making and collective bargaining processes in order to advance this vision and to change the social norms, economic models, laws, policies, regulations and market relationships that disempower them. Here, then, are the key priorities for the economic empowerment of women informal workers (with the relevant constituencies on the UN Secretary General's High Level Panel on Women's Economic Empowerment noted under each):

*# 1 – Recognition of - and support to - organizations of informal workers, both all-women organizations and mixed-membership organizations with women leaders.*

Key Constituencies: government, donors, civil society organizations, trade unions

*# 2 – Inclusion of representatives of organizations of informal workers, especially women leaders, in rule-setting, policy-making and collective bargaining processes.*

Key Constituencies: government, international agencies, donors, trade unions

*# 3 - Legal identity and recognition of the working poor in the informal economy, especially women, and their organizations.*

Key Constituencies: government, international agencies

*# 4 – Reforms of existing legal and policy frameworks to recognize all forms of informal work (self-, wage, and sub-contracted employment) and to protect and support different groups of informal workers.*

Key Constituencies: government, international agencies, donors

*# 5- Integration of women informal workers, individually or collectively, in markets (labor and product) and in supply chains on favorable terms.*

Key Constituencies: corporations, government

*# 6 – Extension of essential services – basic infrastructure; transport; health, including occupational health and safety; education and skills training; child care; financial and business development – to the working poor, especially women, in the informal economy.*

Key Constituencies: government, donors, corporations, civil society organizations, trade unions

## **New Vision**

In conclusion, women informal workers need to be empowered through organization and representation to change the legal and policy environment, as they cannot be fully empowered economically until the environment is changed. Laws and policies are needed that allow the smallest units and the least powerful workers to operate alongside the largest units and most powerful economic players. What is needed, more specifically, are laws, policies and practices that allow:

- Home-based producers in global value chains to be able to bargain with dominant players in those chains for their rightful share of value added.
- Street vendors to operate alongside retailers and wholesalers – alongside shops, wholesale markets, and malls – in central business districts.
- Waste pickers to access waste and to bid for solid waste management contracts alongside large corporations.
- Construction day laborers to gain some of the protections and benefits of formal construction workers.
- Informal transport workers to be integrated on equitable terms in public and private transport systems.

- Small-holder farmers and agricultural day laborers to compete on equitable terms with large holders and corporate farms.
- Small-scale producers to compete in export markets on fair terms alongside large-scale commercial farms.

This will require, most fundamentally, a new economic paradigm for inclusive growth: a model of a hybrid economy that embraces the traditional and the modern, the small scale and the big scale, the informal and the formal – and, most importantly, the working poor in the informal economy, especially women.

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## **APPENDIX I WOMEN AND MEN IN INFORMAL EMPLOYMENT: A STATISTICAL PICTURE**

What follows is a summary of available national data on informal employment. The regional estimates are based on recent national data on the size and composition of informal employment outside agriculture from 121 countries (40 with direct measures, 81 with indirect measures) across Asia, Africa, Latin America, Eastern Europe and Central Asia. These estimates, prepared by James Heintz for the WIEGO network, provide a comparative perspective on informal employment of women and men across the developing regions.<sup>17</sup> The data on specific occupational groups were compiled for the WIEGO network from national data by statisticians and data analysts. A summary of data on informal employment in developed countries, compiled by Françoise Carré, WIEGO Research Director, is provided at the end of this appendix.

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<sup>17</sup> In 2011 the International Labour Office and WIEGO compiled data for 47 countries from different regions and published it in the first database on informal employment. An updated version of these data and data for more countries are now part of the 2015 ILO main database of labor force statistics ILOSTAT. <http://www.ilo.org/ilostat>

Detailed country tables are also in the ILO and WIEGO publication *Women and Men in the Informal Economy 2013: A Statistical Picture* (ILO and WIEGO 2013). [http://www.ilo.org/wcmsp5/groups/public/---dgreports/---stat/documents/publication/wcms\\_234413.pdf](http://www.ilo.org/wcmsp5/groups/public/---dgreports/---stat/documents/publication/wcms_234413.pdf)

## Size & Significance

Informal employment comprises more than half of non-agricultural employment in most regions of the developing world – specifically 82 per cent in South Asia, 66 per cent in Sub-Saharan Africa, 65 per cent in East and Southeast Asia and 51 per cent in Latin America (**table 1**). In the Middle East and North Africa informal employment is 45 per cent of non-agricultural employment. Eastern Europe and Central Asia have the lowest level – at 10 per cent – which reflects the legacy of a centrally planned economy where informal activities were considered illegal and even forbidden. Estimates for urban China which are based on six cities show that 33 per cent of non-agricultural employment is informal.<sup>18</sup>

Regional estimates provide a useful overview, but they hide the diversity that exists within a region. For example, in East and Southeast Asia the regional average is 65 per cent, ranging from 42 per cent of non-agricultural employment in Thailand to 73 per cent in Indonesia; and in South Asia the regional average is 82 per cent, ranging from 62 per cent in Sri Lanka to 84 per cent in India.

The relative size of informal employment also varies within regions by sub-regions. In Sub-Saharan Africa, informal employment tends to account for a smaller share of non-agricultural employment in southern Africa (e.g. 33 per cent in South Africa and 44 per cent in Namibia) relative to countries in other sub-regions (e.g. 82 per cent in Mali and 76 per cent in Tanzania).

**Table 1**

### **Informal Employment as Percentage of Non-Agricultural Employment, 2004-2010 Average & Range by Regions**

**South Asia: 82%**

62% in Sri Lanka to 84% in India

**Sub-Saharan Africa: 66%**

33% in South Africa to 82% in Mali

**East and Southeast Asia: 65%**

42% in Thailand to 73% in Indonesia

**Latin America: 51%**

40% in Uruguay to 75% in Bolivia

**Middle East and North Africa: 45%**

31% in Turkey to 57% in West Bank & Gaza

Source: Vanek et al. 2014. WIEGO Working Paper No. 2.

Statistics on informal employment are often restricted to non-agricultural activities. However, lack of social protection also characterizes much of agricultural employment. It can be assumed that much of agricultural employment is also informal, and it is important to keep in mind the relative size of agricultural employment when considering the prevalence of informal

<sup>18</sup> Vanek, J., M. Chen, and R. Hussmanns. 2014. “Statistics on the Informal Economy: Definitions, Regional Estimates and Challenges.” WIEGO Working Paper #2. Cambridge, MA, USA: WIEGO, available at <http://wiego.org/sites/wiego.org/files/publications/files/Vanek-Statistics-IE-WIEGO-WP2.pdf>

employment relative to total employment. Table 2 summarizes regional estimates of informal agricultural wage employment and of agricultural self-employment as a proportion of total employment.

Agricultural self-employment accounts for a significantly larger share of total employment than informal agricultural wage employment across all regions. For example, in Sub-Saharan Africa, agricultural self-employment accounts for over half (54 per cent) of total employment. Agricultural self-employment accounts for a larger share of women's employment compared to men's in Sub-Saharan Africa, South Asia, and East and Southeast Asia. Across all regions, informal agricultural wage employment's share of total employment is largest in South Asia, at 17 per cent, and smallest in Eastern Europe and Central Asia, at less than 1 per cent. However agricultural wage workers have a high likelihood of holding informal jobs. For lack of an international standard definition, the direct estimates from national data do not differentiate whether agricultural self-employment is on formal or informal farms.

**Table 2**  
**Agricultural Informal Wage Employment and Agricultural Self-Employment**  
**as a Percentage of Total Employment, 2004/2010**

	Agricultural informal wage employment as % of total employment			Agricultural informal self-employment* as % of total employment		
	Women	Men	Total	Women	Men	Total
Latin America & the Caribbean	1	6	4	9	15	12
Sub-Saharan Africa	2	4	3	57	52	54
Middle East & North Africa**	...	...	...	...	...	...
Eastern Europe & Central Asia	0.4	0.2	0.2	15	18	16
South Asia	21	15	17	50	32	38
East & Southeast Asia (excluding China)	5	9	8	35	32	33

\* Employers, own-account workers, members of producers' cooperatives, and contributing family workers.

\*\* Too few countries to estimate these sub-categories.

#### *Women and Men*

In three out of six regions, informal employment is a greater source of non-agricultural employment for women than for men: South Asia (83 % of women workers and 82% of men workers); Sub-Saharan Africa (74% and 61%); Latin America and the Caribbean (54% and 48%); plus urban China (36% and 305). In East and Southeast Asia (excluding China) the percentage is roughly the same (64% of women workers and 65% of men workers).

Only in the Middle East and North Africa is informal employment a greater source of employment for men than for women (47% of men workers and 35% of women workers) (Vanek

et al 2014). Finally, it should be noted that because in most countries more men than women are in the workforce, men generally comprise a greater share of informal employment than women.<sup>19</sup>

## Composition

### *Inside and Outside the Informal Sector*

*Informal employment inside the informal sector* is comprised of all employment in informal enterprises, including employers, employees, own-account workers, contributing family workers and members of cooperatives. *Informal employment outside the informal sector* includes a) employees in formal enterprises (including public enterprises, the public sector, private firms and non-profit institutions) not covered by social protection; b) employees in households (e.g., domestic workers) without social protection; and c) contributing family workers in formal enterprises.

Employment in the informal sector follows the same general patterns observed for informal employment as a whole (**Table 3**): it is highest in South Asia (69 per cent of non-agricultural employment), East and Southeast Asia (57 per cent) and Sub-Saharan Africa (53 per cent) and lowest in Eastern Europe and Central Asia (7 per cent). It is a larger component of non-agricultural employment than informal employment outside the informal sector.

**Table 3**

**Employment in the Informal Sector & Informal Employment Outside the Informal Sector as Percentage of Non-Agricultural Employment, by Sex, 2004/2010**

	Employment in the informal sector as % of non-agricultural employment			Informal employment outside the informal sector as % of non-agricultural employment		
	Women	Men	Total	Women	Men	Total
Latin America & the Caribbean	32	36	34	19	14	16
Sub-Saharan Africa	59	49	53	11	15	14
Middle East & North Africa**	...	...	...	...	...	...
Eastern Europe & Central Asia	3	10	7	10	7	8
South Asia	64	70	69	21	13	15
East & Southeast Asia (excluding China)	56	59	57	17	11	14
China**	23	21	22	15	11	13

Note: Employment in the informal sector includes formal employment in informal enterprises (if any).

<sup>19</sup> Vanek, J., M. Chen, and R. Hussmanns. 2014. "Statistics on the Informal Economy: Definitions, Regional Estimates and Challenges." WIEGO Working Paper #2. Cambridge, MA, USA: WIEGO, available at <http://wiego.org/sites/wiego.org/files/publications/files/Vanek-Statistics-IE-WIEGO-WP2.pdf>

\* Too few countries to estimate these sub-categories

\*\*Estimates for urban China based on six cities: Fuzhou, Guangzhou, Shanghai, Shenyang, Wuhan, Xi-an

Women and Men - In contrast to total informal employment, employment in the informal sector often accounts for a larger share of men's non-agricultural employment than women's, the notable exception being Sub-Saharan Africa (see **Table 3**). Employment in the informal sector also accounts for a larger share of women's employment relative to men's in the six-city estimates for China. The opposite pattern occurs with regard to informal employment outside of the informal sector – the proportion for women is larger than for men, again with the exception of Sub-Saharan Africa. Women tend to be disproportionately employed as informal paid domestic workers (informal employees in households) and also, but less so, contributing family workers in formal enterprises.

### *Self-Employment and Wage Employment*<sup>20</sup>

In official labor force statistics, “status in employment” refers to the *allocation of control* over work and its output as well as the *allocation of associated risk*. The International Classification of Status in Employment (ICSE) is used by national statistical offices in collecting and tabulating national labour force data: the five statuses in employment under the existing ICSE are employer, employee, own-account worker, unpaid contributing family worker, and member of producer cooperative.

Informal employment is a large and heterogeneous phenomenon. For purposes of analysis and policymaking it is important to divide informal employment into more homogeneous sub-sectors according to status of employment, as follows:

*Informal self-employment* including:

1. employers in informal enterprises;
2. own-account workers in informal enterprises;
3. unpaid family workers (in informal and formal enterprises); and
4. members of informal producers' cooperatives.

*Informal wage employment*: employees without formal contracts, worker benefits or social protection employed by formal or informal enterprises/employers or by households. Depending on the scope of labour regulations and the extent to which they are enforced and complied with, informal employment relations can exist in almost any type of wage employment. However, certain types of wage work are more likely than others to be informal. These include:

1. employees of informal enterprises;
2. casual or day labourers;
3. temporary or part-time workers;
4. paid domestic workers;
5. unregistered or undeclared workers; and
6. industrial outworkers (also called homeworkers).

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<sup>20</sup> The Policy Brief on “Enhancing the Productivity of Women's Own-Account Enterprises” provides a summary of national data on self-employed and wage employment as shares of *total* employment.

In three of the five regions with data plus urban China, non-agricultural informal employment is almost evenly split between wage and self-employment: see **Table 4**. However, wage employment dominates non-agricultural informal employment in Eastern Europe and Central Asia while self-employment is dominant in sub-Saharan Africa.

**Table 4**  
**Informal Wage Employment and Informal Self-Employment**  
**as a Percentage of Non-Agricultural Informal Employment, 2004/2010**

	Informal wage employment as % of non-agricultural informal employment			Informal self-employment* as % of non-agricultural informal employment		
	Women	Men	Total	Women	Men	Total
Latin America & the Caribbean	49	48	48	51	52	52
Sub-Saharan Africa	24	42	33	76	58	67
Middle East & North Africa**	...	...	...	...	...	...
Eastern Europe & Central Asia	72	52	59	28	48	41
South Asia	42	49	47	58	51	53
East & Southeast Asia (excluding China)	39	56	49	61	44	51
China***	52	47	49	48	53	51

\* Employers, own-account workers, members of producers' cooperatives, and contributing family workers

\*\* Too few countries to estimate these sub-categories

\*\*\* Estimates for urban China based on six cities: Fuzhou, Guangzhou, Shanghai, Shenyang, Wuhan, and Xi-an

Across the regions, own-account workers are the largest category comprising from 33 per cent of informal employment in East and Southeast Asia (excluding China) to 53 per cent in Sub-Saharan Africa. The second largest category is contributing family workers who comprise from 5 per cent of informal employment in Eastern Europe and Central Asia to 12 per cent in South Asia. Few informal workers are employers: only 2 per cent in Sub-Saharan Africa, Eastern Europe and South Asia, 4 per cent in Latin America and the Caribbean, 9 per cent in East and Southeast Asia (excluding China), but as high as 16 per cent in urban China.

Women and Men - In general, women informal workers are more likely to be self-employed than are men, the exception being Eastern Europe and Central Asia. In Latin America, both women and men working in informal employment are about equally split between wage employment and self-employment.

In Sub-Saharan Africa and East and Southeast Asia (excluding China) the percentages of women engaged in own-account employment are higher than of men, especially in Sub-Saharan Africa, where 60 per cent of women engaged in informal employment are own-account workers: see **Table 5**. However, in South Asia, own-account workers comprise a larger proportion of men's

non-agricultural informal employment than women's. This is because contributing family workers account for a particularly sizeable share of women's informal employment in South Asia. Contributing family workers are the second largest category of the self-employed comprising from 5 per cent of informal employment in Eastern Europe and Central Asia to 12 per cent in South Asia. The percentage of women contributing family workers is at least twice that of men in all regions except Eastern Europe and Central Asia where it is roughly the same. In the sub-regions of Asia it is three times greater. Employers comprise only between 2 and 9 per cent of non-agricultural informal employment, and 16 per cent in urban China, with the proportion being higher for men than women. Very few women in informal employment are employers: 0 per cent in South Asia, 1 per cent in Sub-Saharan Africa, Eastern Europe and Central Asia, 2 per cent in Latin America/Caribbean, 9 per cent in East/Southeast Asia (excluding China) and 12 per cent in China.

**Table 5**  
**Informal Employers, Own-Account Workers, and Contributing Family Workers**  
**as a Percentage of Non-Agricultural Informal Employment, 2004/2010**

	Employers as % of informal employment			Own-account workers as % of informal employment			Contributing family workers as % of informal employment		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Latin America & the Caribbean	2	5	4	41	43	42	9	4	6
Sub-Saharan Africa	1	3	2	60	47	53	15	8	11
Middle East & North Africa*	...	...	...	...	...	...	...	...	...
Eastern Europe & Central Asia	1	2	2	20	41	34	6	5	5
South Asia	0	2	2	32	41	39	26	9	12
East & Southeast Asia (excluding China)	9	9	9	38	31	33	15	5	9
China**	12	19	16	27	32	30	8	2	4

Note: Regional estimates of members of informal producers' cooperatives as a per cent of informal non-agricultural employment are not shown in this table, although some, but not all, individual countries with direct estimates report statistics for this category of informal self-employment.

\* Too few countries to estimate these sub-categories

\*\* Estimates for urban China based on six cities: Fuzhou, Guangzhou, Shanghai, Shenyang, Wuhan, and Xi-an

*Branches of Economic Activity: Manufacturing, Construction, Trade, Transportation and Other Services*

Informal employment outside agriculture is dominated by service activities, such as trade, transportation, and various other services (**Table 6**). Trade is perhaps the single most important

branch of economic activity, accounting for 25 per cent (Eastern Europe and Central Asia) to 43 per cent (Sub-Saharan Africa) of all non-agricultural informal employment across the regions. Outside of service activities, manufacturing and construction represent important branches of activity. Manufacturing varies from 14 per cent (Latin America and the Caribbean and Eastern Europe and Central Asia) to 29 per cent (South Asia) and construction from 7 per cent (Sub-Saharan Africa) to 28 per cent (Eastern Europe and Central Asia) of non-agricultural informal employment.

Women and Men - There is also gender segmentation across different branches of industry within informal employment: see **Table 6**. Very few women work in informal construction and transportation activities, the one modest exception being female construction workers in South Asia. These two sectors are clearly male-dominated. Manufacturing accounts for an equal or greater share of women's informal employment than men's in all regions, except for Sub-Saharan Africa. A similar pattern holds for trading activities, with the exceptions in this case of the Middle East and North Africa and South Asia. Services other than trade and transportation (e.g., domestic work) account for a larger share of women's employment than men's across all regions.

**Table 6**  
**Distribution of Non-Agricultural Informal Employment**  
**by Branch of Economic Activity (Per Cent) by Sex, 2004/2010**

	Manufacturing %			Construction %			Trade %			Transportation %			Other services %		
	W	M	Tot	W	M	Tot	W	M	Tot	W	M	Tot	W	M	Tot
<b>Latin America &amp; the Caribbean</b>	14	14	14	0.4	25	13	36	31	33	1	11	6	49	19	33
<b>Sub-Saharan Africa</b>	15	19	17	1	12	7	51	37	43	1	10	6	31	23	27
<b>Middle East &amp; North Africa</b>	34	16	19	2	30	26	29	31	31	1	11	10	34	14	17
<b>Eastern Europe &amp; Central Asia</b>	20	12	14	2	42	28	36	20	25	1	10	7	41	16	25
<b>South Asia</b>	46	25	29	7	17	15	15	30	27	1	12	9	30	16	18
<b>East &amp; Southeast Asia (excluding China)</b>	19	18	18	1	18	11	42	26	32	1	16	10	37	21	28
<b>China*</b>	7	9	8	1	7	4	42	34	8	1	10	6	47	40	44

W = women, M = men, and Tot = total.

\* Estimates for urban China based on six cities: Fuzhou, Guangzhou, Shanghai, Shenyang, Wuhan, and Xi-an

The broad patterns with regard to women's and men's informal employment apparent in the six regions are also evident in the estimates for urban China. But informal employment is even more dominated by services (trade, transportation, and other services) in China than in the other regions.

### *Specific Occupational Groups*

Recognizing the importance of statistics for advocacy by organizations of informal workers, available data on four occupational groups – domestic workers, home-based workers, street vendors and waste pickers – were compiled for the second edition of the ILO-WIEGO publication, *Women and Men in the Informal Economy: A Statistical Picture*, published in 2013. Given the paucity of available national data on specific groups, technical guidelines for collecting the necessary data and generating estimates were then drawn up;<sup>21</sup> and work has begun with national statisticians to improve the collection of national data and with data analysts to generate estimates, using these guidelines. The guidelines were informed by an estimation of Indian data by a senior statistician, G. Raveendran.

**Table 7** presents data on three groups – home-based workers, street vendors/market traders and waste pickers in 18 cities: 2 in Latin America, 8 in Sub-Saharan (mainly Francophone) Africa, 6 in India and 2 in Vietnam. Home-based production and street vending represent a significant share of the workforce across cities in South and Southeast Asia as well as in Sub-Saharan Africa. In South and Southeast Asia, home-based work represents 7 to 27 per cent of total employment in cities where data are available and 8 to 56 per cent of women's employment in those cities; and street vending/market trading represents 1 to 6 per cent of total employment and 1 to 10 per cent of women's employment in those cities.<sup>22</sup> In Sub-Saharan Africa, home-based work represents 8 to 21 per cent of total employment in cities where data are available (mainly Francophone West Africa) and 13 to 33 per cent of female employment in those cities; and street vending/market trading represents 10 to 20 per cent of total employment and 12 to 32 per cent of female employment in those cities. In the two Latin American cities for which data are available, home-based work represents 4 per cent of total employment, 4 per cent of female employment in Mexico City but 6 per cent of female employment in Lima; and street vending/market trading represents 3 per cent of total and 5 per cent of female employment in Mexico City but 9 per cent of total and 13 per cent of female employment in Lima.

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<sup>21</sup> Vanek, J., M. Chen and G. Raveendran. 2015. "A Guide to Obtaining Data on Types of Informal Workers in Official Statistics." WIEGO Statistical Brief #8. Cambridge, MA, USA: WIEGO, available at <http://wiego.org/sites/wiego.org/files/publications/files/Vanek-Guide-Obtaining-Data-Informal-Workers-WIEGO-SB8.pdf>

<sup>22</sup> These data were prepared through WIEGO's efforts to improve the available data on specific categories of urban informal workers. While the statistics show the significance of these workers, in particular in women's employment, they probably are an under-estimate, especially of waste pickers. Not all countries collect data on these specific categories of workers and among those that do methods often need to be improved. However the growing recognition of the importance of these specific worker groups is leading to improved data collection and tabulation by national statistical offices.

**Table 7**  
**Three Occupational Groups as Percentage of Employment in Cities (Non-Ag)<sup>23</sup>**

Location	Year	Home-based Workers			Street and Traders			Vendors Market			Waste Pickers		
		Total	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men
<b>Latin America and the Caribbean</b>													
Mexico City, Mexico	2015	4	4	3	3	5	3	<1	<1	<1	<1	<1	
Lima, Peru	2014	4	6	2	9	13	6	...	...	...	...	...	
<b>Sub-Saharan Africa</b>													
Cotonou, Benin	2001-2003	21	29	10	19	24	6	<1	<1	<1	<1	<1	
Ouagadougou, Burkina Faso	2001-2003	13	23	5	14	15	14	<1	<1	<1	<1	<1	
Abidjan, Cote d'Ivoire	2001-2003	8	13	5	13	21	6	<1	<1	<1	<1	<1	

<sup>23</sup> **Data for all cities in India:** Special tabulations based on the 2011-12 National Survey of Unemployment and Employment prepared by Govindan Raveendran, the former Additional Director of the Central Statistical Organization of India

**Data for México City, México:** INEGI. Encuesta Nacional de Ocupación y Empleo. Informalidad laboral. Indicadores estratégicos. Cuarto trimestre de 2015.

<http://www3.inegi.org.mx/sistemas/tabuladosbasicos/tabtema.aspx?s=est&c=33698> and special tabulations provided by Rodrigo Negrete (INEGI).

**Data for Lima, Peru:** Special tabulations from the 2014 National Institute of Statistics (INEI-Peru), National Household Survey (ENAHO) prepared by Lissette Aliaga, Assistant Professor, Department of Sociology and Anthropology, University of Nebraska at Omaha.

**Data source for all other cities:** Herrera, Javier, Mathias Kuépié, Christophe J. Nordman, Xavier Oudin and François Roubaud. 2012. Informal Sector and Informal Employment: Overview of Data for 11 Cities in 10 Developing Countries. WIEGO Working Paper (Statistics) No. 9

Niamey, Niger	<b>2001-2003</b>	15	33	5	10	12	3	1	1	1
Dakar, Senegal	<b>2001-2003</b>	13	20	7	11	15	7	<1	<1	<1
Lomé, Togo	<b>2001-2003</b>	16	21	9	20	32	7	<1	<1	<1
Antananarivo, Madagascar	<b>2007</b>	12	16	9	10	13	8	...	...	...
Bamako, Mali	<b>2001-2003</b>	14	23	7	17	26	9	<1	1	<1
<b>South and Southeast Asia</b>										
Ahmedabad, India	<b>2011-2012</b>	16	56	6	6	5	6	2	5	1
Chennai, India	<b>2011-2012</b>	7	17	4	1	1	1	0	2	0
Delhi, India	<b>2011-2012</b>	7	13	6	6	7	6	1	2	1
Kolkata, India	<b>2011-2012</b>	17	33	13	5	1	6	2	1	2
Mumbai, India	<b>2011-2012</b>	8	20	5	4	1	4	1	2	0
Pune, India	<b>2011-2012</b>	9	8	9	2	0	2	3	8	1
Hanoi, Vietnam	<b>2007</b>	18	19	17	6	10	2	...	...	...
Ho Chi Minh City, Vietnam	<b>2007</b>	27	30	23	6	9	4	<1	<1	<1

Considered another way, home-based workers represent a larger share of women workers than men workers in both Latin American cities, 5 out of 6 cities in India, both cities in Southeast Asia, and all 8 cities in Sub-Saharan Africa; and street vendors represent a larger share of women

workers than men workers in both Latin American cities, 1 city (Delhi) out of 6 cities in India, both cities in Southeast Asia, and all 8 cities in Sub-Saharan Africa. In India in 2011-12, nationally, home-based workers represented 14 per cent of total urban employment and 32 per cent of women's urban employment,<sup>24</sup> and in Pakistan in 2008-9, they represented 4 per cent of total urban employment and 31 per cent of women's urban employment.<sup>25</sup> Waste pickers represent 1 per cent or less of the total female and male workforces in the two cities in Latin America and the one city in Southeast Asia where data are available; but they represent 1 to 3 per cent of the total workforce and 1 to 8 per cent of the female work force in six cities of India.

Together with domestic workers, these three groups represent a significant share of urban employment across the developing world. In India, nearly one-quarter of the total urban workforce in 2011-12 was employed in these four groups, specifically: domestic work (5%), home-based work (14%), street vending (4%) and waste picking (1%).<sup>26</sup> Elsewhere these four groups represent 13-37 per cent to total employment, 20-71 per cent of women's employment and 7-28 per cent of men's employment, outside of agriculture (**Table 8**).

**Table 8**  
**Four Occupational Groups as Percentage of Urban Employment**  
**at the City or National Level (Non-Ag)**

Location	Year	Total	Women	Men
<b>Latin America and the Caribbean</b>				
Mexico City, Mexico	2015	13	20	8
Mexico, National	2015	15	26	7
Lima, Peru	2014	17	26	8
Peru, National	2014	21	35	9
<b>Sub-Saharan Africa</b>				
Cotonou, Benin	2001-2003	43	57	17

<sup>24</sup> Chen, M. and G. Raveendran. 2014. "Urban Employment in India: Recent Trends and Patterns." WIEGO Working Paper (Statistics) No. 7. Cambridge, MA, USA: WIEGO. Available at <http://wiego.org/sites/wiego.org/files/publications/files/Chen-Urban-Employment-India-WIEGO-WP7.pdf>

<sup>25</sup> Akhtar, S. and J. Vanek. 2014. "Home-Based Workers in Pakistan: Statistics and Trends." WIEGO Statistical Brief No. 9. Cambridge, MA, USA: WIEGO. Available at <http://wiego.org/sites/wiego.org/files/publications/files/Akhtar-HBW-Pakistan-WIEGO-SB9.pdf>

<sup>26</sup> Chen, M. and G. Raveendran. 2014. "Urban Employment in India: Recent Trends and Patterns." WIEGO Working Paper (Statistics) No. 7. Cambridge, MA, USA: WIEGO. Available at <http://wiego.org/sites/wiego.org/files/publications/files/Chen-Urban-Employment-India-WIEGO-WP7.pdf>

Ouagadougou, Burkina Faso	<b>2001-2003</b>	32	46	22
Abidjan, Cote d'Ivoire	<b>2001-2003</b>	27	45	13
Niamey, Niger	<b>2001-2003</b>	28	49	11
Dakar, Senegal	<b>2001-2003</b>	33	54	16
Lomé, Togo	<b>2001-2003</b>	39	57	17
Antananarivo, Madagascar	<b>2001-2003</b>	29	41	21
Bamako, Mali	<b>2001-2003</b>	36	59	18
<b>South and Southeast Asia</b>				
Ahmedabad, India	<b>2011-2012</b>	25	71	13
Chennai, India	<b>2011-2012</b>	19	47	11
Delhi, India	<b>2011-2012</b>	18	32	15
Kolkata, India	<b>2011-2012</b>	37	69	28
Mumbai, India	<b>2011-2012</b>	23	53	14
Pune, India	<b>2011-2012</b>	19	25	17
India, National	<b>2011-2012</b>	22	27	16
Hanoi, Vietnam	<b>2009</b>	24	30	19
Ho Chi Minh City, Vietnam	<b>2009</b>	34	40	27

### Women's Share of Informal Employment

The analysis of women's informal employment has emphasized various categories of informal employment as a percentage of women's non-agricultural employment or women's informal employment. It is also possible to look at *women's share* of informal employment relative to men's (**Table 9**). Women's share of informal employment needs to be understood in the context of women's share of total employment, which is often quite low due to a low labor force participation rate of women in many countries and regions.

Women's share of non-agricultural informal employment ranges from 15 per cent in the Middle East and North Africa to 47 per cent in Sub-Saharan Africa and in Latin America and the Caribbean and 48 per cent in urban China. One of the reasons why women's share of informal employment is low in the Middle East and North Africa is that women's labor force participation rate, as indicated by the employment-population ratio, is low in this region. A similar pattern is evident in South Asia. Women's share of employment in the informal sector is equal to or less than women's share of informal employment across all regions. What is notable is that women account for the majority of informal employment outside of the informal sector in Latin America and the Caribbean, Eastern Europe and Central Asia, and East and Southeast Asia. Women's share of informal self-employment (non-agricultural) is equal to or higher than women's share of informal wage employment (non-agricultural), the exception among the six regions being Eastern Europe and Central Asia. Urban China is also an exception.

**Table 9**  
**Women's Share of Different Categories of**  
**Non-Agricultural Informal Employment (Per Cent), 2004/2010**

	women's share of informal employment	women's share of informal sector employment	women's share of informal employment outside informal sector	women's share of informal wage employment	women's share of informal self-employment*
<b>Latin America &amp; the Caribbean</b>	47	41	51	47	47
<b>Sub-Saharan Africa</b>	47	47	35	33	53
<b>Middle East &amp; North Africa**</b>	15	...	...	...	...
<b>Eastern Europe &amp; Central Asia</b>	34	25	60	41	23
<b>South Asia</b>	20	19	30	18	22
<b>East &amp; Southeast Asia (excluding China)</b>	41	40	52	33	49
<b>China***</b>	48	46	51	50	45

\* Employers, own-account workers, members of producers' cooperatives, and contributing family workers

\*\*Too few countries to estimate all sub-categories

\*\*\* Estimates for urban China based on six cities: Fuzhou, Guangzhou, Shanghai, Shenyang, Wuhan, and Xi-an

### **Informal Employment in Developed Countries**

In developed countries, the concepts such as non-standard or atypical work are often used to refer to employment arrangements that would be identified as informal employment in developing countries. The arrangements in question are generally referred to as non-standard employment because they tend not to afford workers the protections and benefits built around the norm of regular, full time, year-round wage employment. The term "non-standard work"

includes: *own-account self-employed* workers without employees, *temporary* (or fixed-term) workers, including temporary help agency and on-call or contract company workers, and some *part-time* workers. The significance of non-standard employment arrangements in developed countries is shown in 2008 data for OECD countries:

- Own-account self-employment is as high as 21 and 20 per cent of *total employment* in Greece and Turkey respectively, for 11 of the 28 countries with data it ranges from 10 to 19 per cent of *total employment*, and for the remaining 15 countries, from 4 to 9 per cent of *total employment*.
- Temporary or fixed-term work ranges from a high of 29 per cent of *wage and salary employment* in Spain to a low of about 4 per cent in Slovakia and the United States; of the 28 countries with data, temporary employment is over 20 per cent of *wage and salary work* in 4 countries, from 10 to 18 per cent in 12 countries and from 4 to 9 per cent in 12 countries.
- Part-time employment is over 20 per cent of *total employment* in 8 of the 29 countries with data, reaching a high of 36 per cent in the Netherlands; it is between 11 and 19 per cent in 13 countries and under 10 per cent in 8 countries.

Women and Men - In developed countries, women are more likely to be in non-standard employment than men. Compared to men, women have lower rates of self-employment; but, if self-employed, women are more likely to be own-account workers and less likely to be employers. In most of the OECD countries, women's rates of temporary and part-time employment are higher than men's. In many countries, part-time workers have lower hourly wages, lower levels of advancement, and less long-term employment than full-time workers, even after controlling for individual and job characteristics. For women, working part-time is often described as a choice to limit hours of paid labor in order to spend time in care responsibilities. However, social context, social norms, and the extent of public support of child care constrain the extent to which women actually "choose" their work hours.

## APPENDIX II

### INFORMAL EMPLOYMENT IN URBAN INDIA: A STATISTICAL PICTURE

In India, in 2011/12, 80 per cent of the urban workforce - four out of five workers - were informally employed. What follows is a quick snapshot of the urban informal workforce in modern India in 2011/12.

#### By Branches of Industry

Urban informal employment in India was concentrated in four industry groups: non-trade services (including transport and domestic work), manufacturing, trade, and construction: at 32, 27, 27, and 12 per cent, respectively. The percentage distribution was quite different for men and women. More than twice as many men as women informal workers were in trade; 3 times as many were in construction; and 11 times as many were in transport. On the other hand, women informal workers were over-represented in non-trade services other than transport (notably domestic work but also waste picking) as well as in manufacturing.<sup>27</sup>

#### By Status in Employment

Just over half (51%) of the urban informal workforce was self-employed and just under half (49%) were wage employed. Around 38 per cent of the urban informal workforce (39% of men and 31% of women) were *own-account workers* (i.e., those who run single person operations or family businesses without paid employees). Another 11 per cent (8% of men and 20% of women) were *unpaid contributing family workers*. Only 2.5 per cent (3% of men and 0.5% of women) were *employers* who hired others.<sup>28</sup>

Among the urban informal wage workers, around 62 per cent (62% of men and 64% of women) were hired under *regular* contracts; and 38 per cent (38% of men and 36% of women) were hired as *casual* workers. Among urban informal wage workers, around 29 per cent of regular workers and 9 per cent of casual workers worked for formal firms, both public and private. In all, 38 per cent of urban informal wage workers (39% of men, and 34% of women) worked for formal firms.<sup>29</sup>

#### Specific Groups

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<sup>27</sup> Chen, M. and G. Raveendran. 2014. "Urban Employment in India: Recent Trends and Patterns." WIEGO Working Paper (Statistics) No. 7. Cambridge, MA, USA: WIEGO. Available at <http://wiego.org/sites/wiego.org/files/publications/files/Chen-Urban-Employment-India-WIEGO-WP7.pdf>

<sup>28</sup> See footnote 27.

<sup>29</sup> See footnote 27.

Recently, for the first time, estimates of four groups of urban informal workers - domestic workers, home-based workers, street vendors, and waste pickers - have been generated.<sup>30</sup> What is striking is the share of these four groups in urban employment in India. In 2011/12, the four groups combined represented 23 per cent of *all* urban workers (17% of men and 49% of women) and 29 per cent of *informal* urban workers (21% of male and 62% of women). The percentage of women workers in these four groups was nearly three times as high as the percentage of male workers amongst both the total and informal urban workforce.<sup>31</sup>

### **Specific Groups of Urban Informal Workers as Share of Total and Informal Urban Employment (Non-Agriculture), 2011/12**

	% of Urban Employment			% of Urban Informal Employment		
	Total	Male	Female	Total	Male	Female
Domestic Worker	4.5	2.5	13	6	3	16.5
Home-Based Worker	14	10	32	17	12	40
Street Vendor	4	4	2.5	5	5	3
Waste Picker	1	0.5	2	1	1	2.5
All	23	17	49	29	21	62

Source: Chen and Raveendran 2011 (updated 2014)

Home-based workers – that is, those whose place of work is their own home – represented the largest of these four groups, as home-based workers can be found across most industry groups. In 2011/12, 14 per cent of *all* urban workers and 17 per cent of *informal* urban workers were home-based. There are two broad categories of home-based workers: the self-employed and the sub-contracted workers known as industrial outworkers or homeworkers. But the available data do not allow for identifying industrial outworkers or homeworkers, who are often mistakenly classified as self-employed. Both groups of home-based workers need secure housing tenure, basic infrastructure services, mixed zoning laws (to allow them to carry out commercial activities in their residential areas), as their homes double as their workplaces. They also need affordable and accessible transport to buy/collect raw materials and sell/deliver finished goods to markets or contractors, respectively. But city governments and urban planners typically do not recognize that households, slums and squatter settlements are sites of production. Yet recent estimates suggest that there are 5,000 enterprises in and amid the cramped houses in the large well-known Dharavi slum in Mumbai, producing textiles, pottery and leather, jewelry, food products and generating an annual turn-over of between USD 700 million and USD 1 billion.<sup>32</sup>

Take the case of manufacturing in India. Rather than declining, informal manufacturing has persisted and even grown in significance in some sectors. In textiles, most notably, large formal

<sup>30</sup> G. Raveendran, Former Additional Director General Central Statistical Organisation, Government of India, generated these estimates at the request of and with support from the WIEGO network. He used extensive cross-tabulations - a combination of industrial, occupational, status in employment, and place of workers - to generate estimates of the different groups, as there is no single discreet classification code for any of these occupations.

<sup>31</sup> See footnote 27.

<sup>32</sup> Apte 2008, cited in Sanyal, K. and R. Bhattacharya. 2009. "Beyond the Factory: Globalisation, Informalisation of Production and the New Locations of Labour." *Economic and Political Weekly* 44(22).

factories have closed and been replaced by smaller workshops or home-based production using power-looms.<sup>33</sup> As of 2005/6, informal firms accounted for 75 per cent of units, 75 per cent of employment, and 27 per cent of gross value added in manufacturing in India.<sup>34</sup> Among informal firms in manufacturing, 85 per cent were own-account enterprises (employing no wage workers), while 10 per cent employed 5 workers or less, and only 5 per cent employed between 6-20 workers.<sup>35</sup> Also, just under three-quarters (73%) of the firms were located in the household premises of the proprietor, more so among the own-account operators (81%) than among those who hired workers.<sup>36</sup> Among informal workers in manufacturing, 52 per cent were own-account operators or (less so) employers, 24 per cent were unpaid contributing family workers, and 24 per cent were hired workers.<sup>37</sup> Indeed, own-account production accounted for 85 per cent of units and 52 per cent of workers in informal manufacturing in India in 2005/6. That is, in informal manufacturing in India, which represents 75 per cent of units and workers in total manufacturing, the vast majority of firms do not hire workers, the majority of workers do not have employers, and most of the production takes place in households.

Street vendors - that is, those who sell goods and services from the streets - represented the third largest (after home-based work and domestic work) of the four groups of urban informal workers: 4 per cent of *all* urban workers and 5 per cent of *informal* urban workers. Considered another way, street vendors represented 5 per cent of all those engaged in trade, 5 per cent of men traders and 3 per cent of women traders.<sup>38</sup> Yet cities around the country do not incorporate street vendors - or the "natural markets" in which street vendors congregate - into their local economic development, market development, land allocation, or zoning plans. On a daily basis, under urban renewal and large urban infrastructure schemes around the country, street vendors are being evicted and natural markets of street vendors are being destroyed. In Ahmedabad City, there are an estimated 80,000 street vendors, of which 10,000 have already been evicted under four urban renewal schemes (riverside development, model roads, heritage plaza, and bus rapid transport) and another 20,000 are likely to be evicted (estimates of the Self-Employed Women's Association).

When informal workers do not incorporate their enterprises or register their activities - either because there is no appropriate legal framework, they do not know the legal procedures, or they find the procedures too cumbersome to comply with - they are often considered illegal and subject to criminal law or punitive actions by government and police. In Ahmedabad and other cities of India, the police can justify arresting, evicting, or otherwise penalizing unlicensed street vendors on the basis of several national laws: the 1860 Indian Penal Code, the 1973 Criminal Procedure Code, and the 1988 Motor Vehicle Act. Moreover, municipal governments are empowered by municipal corporation acts and urban planning laws to impose fines and warrants

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<sup>33</sup> Roy, T. 1999. "Growth and Recession in Small-Scale Industry: A Study of Tamilnadu Powerloom" *Economic and Political Weekly*, Oct. 30, 1999: 3137-3145.

<sup>34</sup> Government of India 2008, cited in Basole, A. and D. Basu. 2011. "Relations of Production and Modes of Surplus Extraction in India: Part II - 'Informal' Industry." *Economic and Political Weekly*, 46(15).

<sup>35</sup> See footnote 34.

<sup>36</sup> See footnote 34.

<sup>37</sup> See footnote 34.

<sup>38</sup> See footnote 27.

on street vendors for causing an obstruction or not having a license.<sup>39</sup> And yet most cities have not issued new licenses to street vendors for many years.

To sum up, in cities across India and other countries, households are the major site of production and public space is the major site of exchange. Yet city governments and urban planners do not recognize homes as workplaces or slums and squatter settlements as hubs of production, nor do they recognize street vendors for their contribution to exchange and trade in the city. Too often, residents of slums and squatter settlements are not provided the basic infrastructure services to make their homes productive workplaces or the transport services they need to buy supplies and sell finished goods at markets. Increasingly, home-based producers and street vendors are being forcibly relocated to the periphery of cities, often at a great distance from their markets, contractors and customers. Protests against evictions from slums and natural markets to make space for urban renewal projects are the urban analogue to protests against acquisition of peasant landholdings for industrial projects in rural areas. In both cases, land or other resources (public and private) which are critical to the livelihoods of the working poor in the informal economy are being appropriated in the interests of capitalist development.

### **APPENDIX III EXISTING AND EMERGING TECHNOLOGY USED BY INFORMAL WORKERS IN THREE CITIES**

#### **Photo Collage # 1 Existing & Emerging Technologies: Ahmedabad, India**

<b>Sector</b>	<b>Existing Tools</b>	<b>Emerging Tools</b>
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<sup>39</sup> Mahadevia, D. and S. Vyas 2012. Law, Regulations and Rights of Street Vendors: Ahmedabad. Ahmedabad: CEPT University. Available at [http://www.cept.ac.in/UserFiles/File/CUE/Working%20Papers/16CUEWP16\\_Law\\_Regulations%20and%20Rights%20of%20Street%20Vendors%20Ahmedabad\\_Resize.pdf](http://www.cept.ac.in/UserFiles/File/CUE/Working%20Papers/16CUEWP16_Law_Regulations%20and%20Rights%20of%20Street%20Vendors%20Ahmedabad_Resize.pdf)

Garment Workers



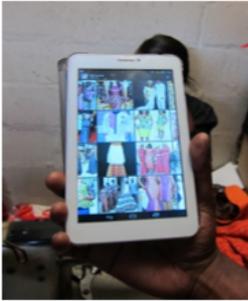
Incense Stick Rollers



**Photo Collage # 1 (continued)**  
**Existing & Emerging Technologies: Ahmedabad, India**

Sector	Existing Tools	Emerging Tools
Construction workers	  	  

**Photo Collage # 2**  
**Existing & Emerging Technologies: Durban, South Africa**

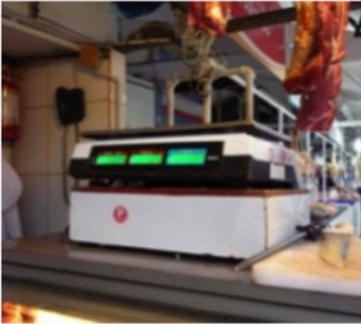
Sector	Existing Tools	Emerging Tools
Mobile Communication		
Shoe Making		
Recycling Carts		
Vending Scales		

**Photo Collage # 2 (continued)**

**Existing & Emerging Technologies: Durban, South Africa**

Sector	Existing Tools	Emerging Tools
Vending Carts		
Sewing Machines		
Carpentry Tools		

**Photo Collage # 3**  
**Existing & Emerging Technologies: Lima, Peru**

Sector	Existing Tools	Emerging Tools
Market Porters	 	 
Market Vendors	 	 

**Photo Collage # 3 (continued)**  
**Existing & Emerging Technologies: Lima, Peru**

Sector	Existing Tools	Emerging Tools
Street Vendors	 	 
Waste Pickers		