

DRAFT

**Defining Strategies for
Improving Working and Employment Conditions
in Micro and Small Enterprises and the Informal Economy**
Overview of the ILO Learning and Research Agenda

Conditions of Work and Employment Programme
International Labour Organization
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Table of Contents

1. BACKGROUND	1
2. OVERVIEW OF THE PROBLEM	3
2.1 THE REALITY OF POOR WORKING CONDITIONS.....	3
2.2 WORKING CONDITIONS AND POVERTY.....	4
2.3 WORKING CONDITIONS AND GENDER.....	4
2.4 OBSTACLES TO IMPROVING WORKING CONDITIONS	4
3. WORK TO DATE ON IMPROVING WORKING CONDITIONS IN MSEs	5
3.1 WORK IMPROVEMENT IN SMALL ENTERPRISE.....	5
3.2 WISE ADAPTATIONS.....	6
3.3 THE SEED JOB QUALITY PROGRAMME.....	7
3.4 OTHER AGENCY INITIATIVES.....	8
4. THE VISION FOR IMPROVING WORKING CONDITIONS	8
4.1 WHAT WILL ILO PROGRAMS AIM TO ACHIEVE?	8
4.2 HOW MIGHT CHANGE OCCUR?.....	9
5. THE LEARNING AGENDA.....	13
5.1 PROGRAM DESIGN QUESTIONS	13
5.2 SUPPORTING QUESTIONS.....	16
6. PURSUING THE LEARNING AGENDA.....	19

Acronyms

CEFE	A GTZ enterprise training methodology and program
FGD	Focus Group Discussion (market research methodology)
ILO	International Labour Organization
MSEs	Micro and Small Enterprises
NGO	Non-government Organization
SEED	ILO Boosting Employment through Small Enterprise Development Programme
SEWA	Self Employed Women's Association (India)
SIYB	Start and Improve Your Business (ILO Programme)
TRAVAIL	ILO Conditions of Work and Employment Programme
UN	United Nations
W&E	Working and Employment (Conditions)
WISE	Work Improvement in Small Enterprise (ILO Programme)

Thanks

We would like to thank Alexandra O. Miehlebradt for her work in preparing the outline of this learning and research agenda.

1. Background

As the UN agency responsible for the world of work, the ILO has a mandate to promote the welfare of workers and employers. Those in most need of workplace improvements are women and men working in micro and small enterprises and the urban and rural informal economy including small scale and subsistence agriculture. The informal economy accounts for one half to three quarters of all non-agricultural employment in developing countries.¹ When small scale and subsistence farmers and workers are included, these women and men are the vast majority of those working in developing countries. Generally, they endure some of the worst working and employment conditions in the global workforce.

The ILO has recently re-affirmed its commitment to improving the welfare, working and employment conditions of disadvantaged women and men in the workforce through its Decent Work agenda, outlined in 1999. Under this initiative, the ILO defines job quality along the following interconnected dimensions: remuneration levels, job security, social protection, safety and health concerns, human resources development, management and organization and freely chosen employment. Working and employment conditions are an integral part of job quality. The term “working and employment conditions” refers to a broad range of issues that women and men face in the workplace, related to their work and in order to balance their work life with their family, social and community lives. These conditions include: maternity protection, work-family issues, working time, home work, wages and incomes, work organization, sexual harassment, violence at work, workload, workers' welfare facilities and occupational safety and health. In the informal economy, it often does not make sense to separate conditions of work from conditions of life. Therefore, working and employment conditions can also sometimes include elements of housing, nutrition and environment. Improving working and employment conditions means improving the physical, psycho-social and income security of workers and the interface between their work and their personal, family and community lives. As such, improving working and employment conditions is a critical step toward achieving decent work. The ILO recognizes that the lack of decent work is intimately linked to poverty, gender inequality and other key development problems. The ILO aims to understand these links better and to take them into account in the promotion of working and employment conditions for women and men in MSEs and the informal economy.²

In addition to the Decent Work Agenda and the 8 “core” labour standards committed to under the “ILO Declaration on fundamental principles and rights of work”, the ILO has a number of labour standards and conventions which provide a mandate to address working and employment conditions for disadvantaged women and men in the workforce including those in MSEs, the urban and rural informal economies and small scale and

¹ “Rights, voice, protection & opportunities – A policy response to the informal economy” Women in Informal Employment: Globalizing and Organizing (WEIGO), 2002.

² The term “MSEs and the informal economy” is used throughout this paper to connote all of the target groups that the ILO aims to reach: MSEs and the urban and rural informal economies including small scale and subsistence agriculture.

subsistence agriculture. For example, the Job Creation in Small and Medium-Sized Enterprises Recommendation, 1998 (No. 189) refers in article 2(i) to “access to improved quality of work and working conditions which may contribute to a better quality of life, as well as allow large numbers of people to have access to social protection.” The following standards are particularly important, giving the ILO Conditions of Work and Employment Programme (TRAVAIL) responsibility to address specific aspects of working and employment conditions: C.183 addressing maternity protection, C.156 addressing work and family, R.116 addressing working time, C.177 on home work, the Minimum Wage-fixing convention (No. 131), and C.111 which has been interpreted as prohibiting workplace sexual harassment.. There are also a range of conventions covering occupational safety and health many of which are relevant for workers in the informal economy. Another example is the Labour Administration Convention (C.150) which specifies in article 7 that the system of labour administration should be extended, gradually if necessary, to include activities, in cooperation with others, relating to the conditions of work and working life of workers who are not employed persons such as sharecroppers, self-employed workers and members of co-operatives. The Indigenous and Tribal Peoples Convention (No. 169) deals extensively with the conditions of life and work of these peoples. Together, these and other standards and conventions show that the ILO, together with its members, has a responsibility to actively promote improvements in the working and employment conditions of women and men in MSEs and the informal economy.

The ILO has extensive experience in promoting better working conditions for largely unprotected segments of the workforce. The earliest ILO program in this area – Work Improvement in Small Enterprises (WISE) – was developed in the mid-1980s and has been used in many countries in Asia, Africa and Latin America. While the WISE approach originated with the Conditions of Work and Employment Programme (TRAVAIL), other ILO units have since used and adapted it. In some cases, entirely new approaches have emerged.

WISE and other programs have often been highly effective at the local level in promoting practical improvements in working conditions. Small enterprise participants in WISE training courses have made concrete changes to their workplaces and work management that have resulted in significant impacts on their businesses both in terms of working conditions and in terms of productivity and enterprise performance. Although WISE and other ILO efforts have shown considerable success at the level of individual enterprises, they have been less successful in attempts to reach significant scale. The ILO now wants to develop approaches which build on the successful aspects of WISE and other programs but are also able to reach a significant proportion of targeted women and men in MSEs and the informal economy.

This learning and research agenda was developed in response to the ILO's aim to improve working and employment conditions of women and men in MSEs and the informal economy on a large scale, in a more comprehensive manner and taking into account the links of this effort with other key development problems, particularly poverty and gender equality.

2. Overview of the Problem

The informal economy has been growing rapidly around the world, accounting for the bulk of new employment and the majority of the working poor. The millions of women and men in micro and small enterprises and in the urban and rural informal economy face the greatest problems in working conditions among the working population. "It is their rights which are the least respected. It is they who are underemployed and poorly remunerated, who have no social protection and for whom social dialogue and participation have little meaning."³ It is also they who face the gravest threats from occupational safety and health hazards and the loss of work.

2.1 The Reality of Poor Working Conditions

Women Home-based Workers in India

A survey of homeworkers in the garment industry carried out by the Self-Employed Women's Association (SEWA) in Gujarat, India found that:

- ✂ Wages were extremely low – approximately US\$35-45 per month. From their meager earnings, women also had to cover production costs such as sewing machine hire or maintenance, electricity and thread.
- ✂ Working hours were long. Just under 30% worked 4-6 hours per day, 44% worked 7-9 hours, while 12% worked 10-12 hours. To these hours must be added the time for domestic chores.
- ✂ A quarter of the women were illiterate.
- ✂ Just over half had their names in the employers' register, but only 1% had identity cards. None received Provident Fund protection or bonuses.
- ✂ 40% work throughout the year. 1 in 5 complained that they did not receive regular work from the same employer.
- ✂ The vast majority of workers complained of pain in the feet and legs, back pain and/or pain in the hands. Headaches, abdominal pain and eyestrain were also common.
- ✂ Women did not receive pre-natal or post-natal care. Eighty five percent work up to the last hour of pregnancy and 10% start working within the first month after delivery.
- ✂ Homeworkers have large debts. Almost half had debt of over US\$325.

"SEWA's Programmes for the Organization of Home-based Workers – India" by Renana Jhabvala in Action Programmes for the Protection of HomeWorkers Ursula Huws ed. International Labour Office, Geneva: 1995

On the ground, this means that women and men in MSEs and the informal economy are facing conditions that harm their health daily, such as poor lighting and ventilation, exposure to hazardous substances and inappropriate tools and work spaces that promote injuries over the long term. They are daily exposed to the threat of injury in workplaces that are unsafe. In the event that ill health or injury does overtake them, they have no protection or safety net to help them and their families survive with reduced or no income. Many women and men in the informal economy are likely to be vulnerable to abuse and harassment which can emerge from precarious and insecure forms of work. For work in these circumstances, they often receive pay which is not enough to meet their own and

³ Report of the Director General: Decent Work for the 87th Session. International Labour Office, Geneva. June, 1999.

their families' basic needs for food, clothing, shelter and education. They may have few or no avenues to express their work-related requirements, improve their working situation or develop their own capacity to gain better work. In fact, from one day to the next, these women and men may not even know if they will have work at all.

2.2 Working Conditions and Poverty

In addition to being a violation of their basic right to decent work, the poor working and employment conditions that women and men in the informal economy face often contribute to and are exacerbated by poverty. It is poverty that often forces women and men to undertake work in poor conditions with few rights or protections. Conversely, poor working conditions increase vulnerability and reduce the potential for working productively and increasing incomes. Workers' poverty is reinforced by overwork, harassment, lack of avenues for speaking out and improving their condition, ill health and injury linked to inadequate working conditions as well as by a lack of protection against the costs associated with abuse, ill health and injury. Poverty is also reinforced by low incomes gained from unproductive and inefficient work caused by poor working and employment conditions and precarious conditions of employment.

2.3 Working Conditions and Gender

These problems affect women most acutely. Globalization and economic restructuring have increased the demand for flexible modes of employment which has, too often, translated into insecure, low paid employment for workers, particularly women. Occupational segregation has meant that women often find themselves in the least protected, lowest paid sectors and jobs. Women are usually disproportionately affected by the difficulties of balancing work and family. Women are particularly vulnerable to workplace abuse, including sexual harassment. In many countries, women still have less rights and less scope for speaking out, which often translates into acceptance of miserable working conditions with few avenues for improving their own situation.

2.4 Obstacles to Improving Working Conditions

The women and men working in micro and small enterprises and the urban and rural informal economy are often considered to be beyond the reach of the traditional approaches for improving working conditions that rely on labor inspections, organization and training, although efforts to include them in these approaches are increasing. Generally, the policy and regulatory environment related to working and employment conditions affects them in a limited way if at all, although the links between legislation and its enforcement or implementation in MSEs and the informal economy may be quite complex and should be further investigated. However, other aspects of the macro environment such as economic conditions, trade and infrastructure and physical planning can have a profound affect on working and employment conditions for people in MSEs and the informal economy. Other aspects of the macro environment such as social structures, gender roles and cultural norms in some cases make it difficult to reach and

concretely address working and employment conditions for people in MSEs and the informal economy. This is often particularly true for women workers.

Moreover, improving working conditions is not an explicit priority of most women and men in MSEs and the informal economy, who are often preoccupied with daily survival and meeting the basic needs of themselves and their families. For example, a SEED Job Quality study of micro and small enterprises in El Salvador showed that there is little consciousness of the occupational risks latent in micro and small enterprises. Many respondents in a survey of micro and small enterprises stated lack of money as one reason for not implementing measures to promote work safety, health and comfort. The study also noted that workers are generally in a very weak negotiation situation relative to their employers. The result, frequently, is exploitation of the worker by the employer, although the practice is not necessarily considered as such by either the employee or the employer.⁴ These types of findings were common among the 11 countries in which Job Quality studies were conducted.⁵

There are also a range of other obstacles to improving working and employment conditions for women and men in MSEs and the informal economy. The SEED Job Quality study in El Salvador found that employers are generally well informed about the costs implied by paying different social benefits, but not about the possible benefits they may bring. Low labor productivity is one of the factors that explain long work shifts that contribute to loss of concentration and the probability of accidents. Social security institutions are not well adapted for MSEs. There is not sufficient research and information available to policy makers and government institutions to formulate appropriate laws, regulations, policies and programs.⁶ These types of obstacles are also common in other countries.

3. Work to Date on Improving Working Conditions in MSEs

In the face of these challenges, ILO programs have had considerable success in helping entrepreneurs and workers themselves change these circumstances through changing their environment and behavior. Through a variety of programs, the ILO has helped small and some micro enterprises to make voluntary changes that have a concrete and significant impact on improving working conditions.

3.1 Work Improvement in Small Enterprise

Because entrepreneurs and workers in small and microenterprises do not explicitly demand improvements in working conditions as a business priority, the ILO has developed training programs that clearly link working conditions with enterprise

⁴ The Foundation for Micro and Small Enterprise Self-Development for ILO SEED, "Study on Micro and Small Enterprise Work Quality in El Salvador – Final Report" ILO SEED, March, 2001.

⁵ Rie Vejs-Kjeldgaard, ILO SEED, February, 2003.

⁶ The Foundation for Micro and Small Enterprise Self-Development.

performance. The ILO WISE program is an innovative training-based approach which encourages entrepreneurs and workers to make simple, low-cost improvements in their working environment and behavior which result in clearly noticeable improvements in both working conditions and enterprise performance. The WISE training emphasizes the involvement of both entrepreneurs and workers in generating ideas, prioritizing improvements and making actual changes in the workplace. WISE training courses empower both entrepreneurs and workers, boosting their ability and confidence to make changes that improve their working conditions.

The improvements which WISE promotes include such aspects as basic safety, lighting and ventilation, tools and workspaces, waste management, chemicals handling and access to basic facilities such as drinking water and a toilet. WISE courses promote a risk assessment approach which starts with the prevention of risk by eliminating the hazard, then control of the risk and, only as a last resort, controlling the effects of exposure. Using this approach, WISE identifies effective, low-cost ways to improve working conditions from local enterprises and uses those as the basis for training others. A focus on improvements from which other local enterprises are already benefiting has been a significant factor in the acceptance of changes promoted by WISE training courses.

IGC Garments Manufacturing – A WISE Company

IGC Garments Manufacturing is a small enterprise in the Philippines, typically contracted by larger companies to produce jackets for export. Mr. Ildefonso Cables, the owner, employs from 20-50 workers depending on the company's orders. In 1996 Mr. Cables took a WISE training course. As a result he made a number of inexpensive changes in his company which significantly improved the comfort of workers. For example, he reduced heat by insulating the corrugated metal roof of the workshop with scraps of material. He invested in a few fans, added several new windows and painted the walls a light color. He installed florescent lights above each workstation with individual switches to ensure lights are used only when needed. He developed a low-cost mobile storage bin made from scrap materials. Of the changes, Mr. Cables said, "Good working conditions and positive work attitudes improve productivity and profitability of the business. ... Workers can move faster when they are comfortable and worker absenteeism is also likely to decrease."

From "Spotlight on a WISE Company" Philippine Department of Labor and Employment and the International Labour Organization.

3.2 WISE Adaptations

Adaptations of the WISE program developed by the ILO include Work Improvement and the Development of Enterprise (WIDE), Improve your Work Environment and Business (I-WEB) and Work Improvement in Neighborhood Development (WIND). These programs have adapted the WISE approach to reach smaller enterprises and the informal economy while maintaining the link between improved working conditions and improved productivity. Through testing and adaptation in a variety of countries these programs have found ways both to interest women and men in the informal economy in addressing working conditions and helping them to make concrete improvements. Like WISE, they have been very successful at promoting improvement in working conditions among the target groups.

While impact data is limited, there are indications that these programs have contributed to poverty alleviation and addressing gender equality issues. Improved work places have reduced illness and injury and increased productivity, leading to higher revenues and, ultimately higher incomes for entrepreneurs and workers. Where these programs have been implemented in sectors dominated by women, they have contributed to addressing working conditions issues that are most pressing for women. The WIND methodology seeks to ensure that women's as well as men's different concerns and priorities for improvement are recognized and acted on.

However, outreach of WISE and related programs have been limited. These programs have relied on local partner organizations to deliver training to entrepreneurs. Training has generally been subsidized to varying extents. It has been difficult to foster the sustained delivery of training services to entrepreneurs without sustained involvement and funding from the ILO. Some partner organizations have limited outreach themselves and limited capacity, without subsidy and assistance, to effectively generate demand for the training services and deliver training to large numbers of entrepreneurs.

3.3 The SEED Job Quality Programme

In the last several years, the ILO department on Boosting Employment through Small Enterprise Development (SEED), has adopted and adapted some of the principles and approaches of these programs with the aim of increasing job quality in microenterprises. Like WISE, the SEED Job Quality Programme emphasizes the link between improvements in working conditions and gains in enterprise performance.

In terms of scale, the assumption of the SEED Job Quality Programme is that the best way to reach significant numbers of microenterprises is to mainstream job quality issues into all ILO small enterprise development programming as well as the enterprise development programs of other agencies. As such, the SEED Job Quality Programme does not aim to achieve significant scale on its own but rather to generate success cases which show how job quality issues can be effectively integrated into small enterprise development programming. The SEED Job Quality Programme has developed a module for the Start and Improve Your Business training program, the largest, global ILO small enterprise development training program. The SEED Job Quality Programme has also worked with the FIT program, a SEED initiative focused on business development services for micro and small enterprises, to test integrating working conditions training into private sector training markets for small enterprises. In addition, the SEED Job Quality Programme is experimenting with other approaches to promoting job quality, particularly social marketing and the use of mass media and addressing working conditions through a value chain approach.

The SEED Job Quality Programme started with 11 national Job Quality needs and demands assessments. The primary objective of these assessments was to identify MSE owners' and workers' perceptions and the status of all the various job quality dimensions. Each national study did an in depth assessment of job quality needs and demands in 50 small and micro enterprises. The study included only the manufacturing and service sectors. It excluded self-employed workers (enterprises with only one owner/worker),

home-based workers, the trade sector and agriculture. The results of the national assessments are available and an international summary is being prepared. The results of these assessments are very relevant to this learning and research agenda.

3.4 Other Agency Initiatives

The ILO has been at the forefront of efforts internationally to improve working and employment conditions in micro and small enterprises. However, other agencies have also undertaken initiatives to promote good working conditions in small enterprises or to integrate issues of job quality into small enterprise development. For example, Swisscontact, a large Swiss NGO, has initiated an effort to promote socially responsible business within its private sector development programs which are focused on small and medium enterprises. This initiative includes some aspects of improving working conditions.⁷ In some countries, local institutions and informal economy workers' associations are addressing aspects of working conditions. For example the Self Employed Women's Association in India offers its members services in health and life insurance and other types of social security programs. Not enough is known about these types of initiatives and the degree to which they have successfully promoted improvements in working conditions for women and men in MSEs and the informal economy.

4. The Vision for Improving Working Conditions

The ILO is now taking a step back and analyzing how best to move forward in addressing working and employment conditions for women and for men in micro and small enterprises and the informal economy. This involves defining the vision for improving working and employment conditions and how changes might be achieved.

4.1 What will ILO programs aim to achieve?

The ILO is defining its vision for new initiatives more broadly than programs in the past. The new vision encompasses the following three key aspects:

Scale: While ILO working conditions programs for micro and small enterprises in the past have reached thousands of enterprises and tens of thousands of workers, the aim is for future programs is to reach hundreds of thousands or more women and men in MSEs and the informal economy. Ultimately, programs should affect a significant proportion of women and men in targeted groups. ILO programs in the past have also focused primarily on manufacturing and a few types of service enterprises. The ILO aims to develop programs relevant to a variety of other target groups as well, potentially including home-based workers, self-employed workers, traders and farmers.

Impact: ILO programs will aim to have the following impact:

- ✍* Concretely and incrementally improving people's working and employment conditions with the aim that they move towards compliance with relevant national

⁷ Paul Weijers, Swisscontact, Vietnam.

labor standards and more generally towards achieving conditions of “decent work.”

- ✍ Empowering people to improve their own working and employment conditions.
- ✍ Particularly reducing suffering from the worst working and employment conditions. A tentative definition of these conditions includes risk of serious injury or death; risk of serious disease; degradation of human dignity; and impact on the most vulnerable workers or others affected. (Developing a tighter definition forms part of the ILO learning and research agenda.)
- ✍ Reducing poverty broadly defined as the denial of various choices and opportunities basic to human development including the ability to lead a long, creative and healthy life, to acquire knowledge, to have freedom, dignity, self-respect and respect for others and to have access to the resources needed for a decent standard of living. It is accepted that programs will have a greater impact on some aspects of poverty than others but programs should aim to maximize impact on poverty.
- ✍ Improving gender equality broadly defined as the capacity of both men and women to develop their personal abilities and make choices without the limitations set by stereotypes, rigid gender roles and prejudices, so that the different behaviour, aspirations and needs of women and men are considered, valued and favoured equally. It is accepted that programs will have a greater impact on some aspects of gender quality than others but programs should aim to maximize impact on gender equality.

Sustainability: ILO programs will aim for sustained changes at the following levels:

- ✍ The impact that ILO programs produce should be sustained at the level of workplaces. Working and employment conditions should not deteriorate and ideally, will continue to improve beyond ILO intervention.
- ✍ The activities and institutional changes that the ILO starts and/or promotes should continue to improve working and employment conditions after ILO interventions have finished.

4.2 How might change occur?

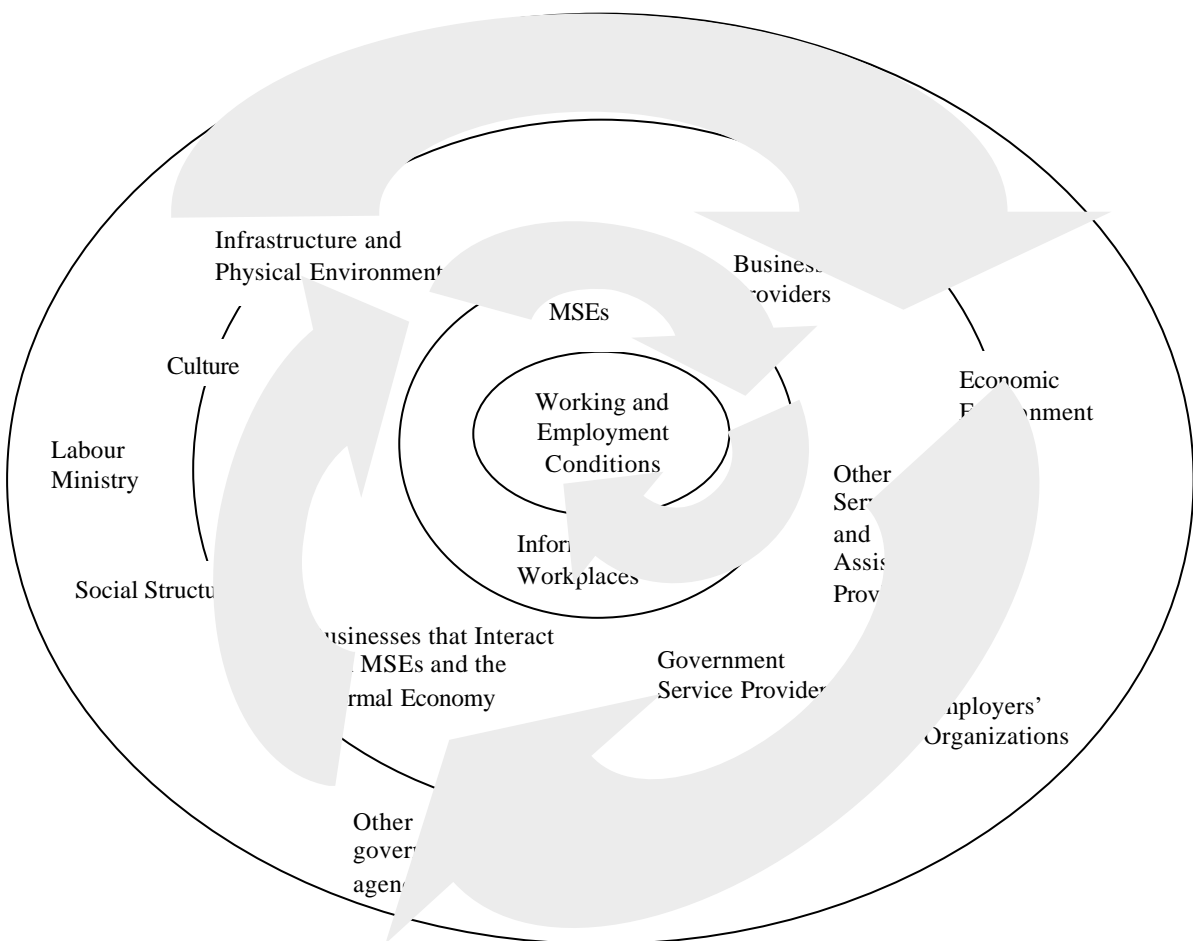
The ILO hypothesizes that a variety of measures can positively affect women's and men's working and employment conditions in MSEs and the informal economy. However, in order to be effective, these measures ultimately must change one of three things:

- ✍ The behavior of individuals in MSEs and the informal economy.
- ✍ The behavior of those that interact with MSEs and others in the informal economy such as formal economy employers and companies that source from or sell to MSEs or employ workers informally.
- ✍ The physical environment in and around MSEs and informal economy work places as well as the communities and living places of those in the informal economy.

Each of these things is in turn affected by several factors. For example, the behavior of individuals in MSEs and the informal economy is affected by their demand for improvements in working and employment conditions, the supply of services, assistance and information which can help them improve their working and employment conditions, the pressure on them to improve their working and employment conditions and the amount of resources available to make changes.

The diagrams below summarize the ILO's hypotheses for how various organizations, factors and measures might lead to improvements in working and employment conditions for women and men in MSEs and the informal economy. The learning and research agenda will examine and test the links and interactions in these proposed models both to determine if they are true and to analyze which links and interactions are the strongest. The diagrams and the hypotheses they represent are works in progress. It is expected that the concepts, links and interactions represented will evolve over time as the ILO gains an increasingly better understanding of the different factors that affect women's and men's working and employment conditions in MSEs and the informal economy and the measures that can influence those factors.

Diagram 1: Organizations and Factors that May Affect Working and Employment Conditions in MSEs and the Informal Economy



Within the context of the framework illustrated above, the ILO will examine particular casual chains that might form the basis for programs, bearing in mind that these chains exist within complex and dynamic circumstances in which many factors affect each other and a combination of factor might be the most powerful change agent. The ILO will refine these casual chains as their understanding grows, as well as add new chains which show promise and drop chains that do not.

Diagram 2: Changing the Behavior of People in MSEs and the Informal Economy

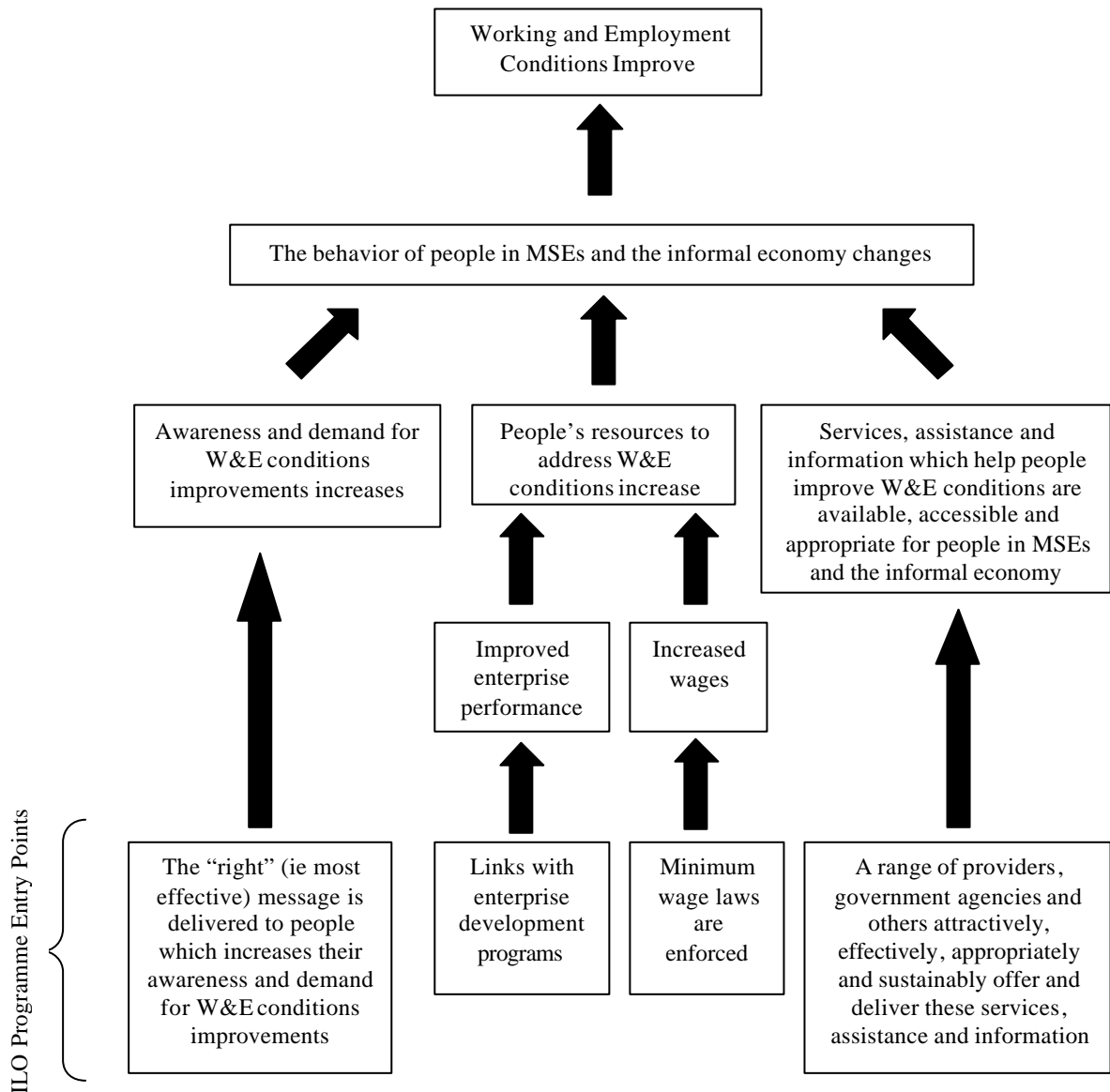


Diagram 3: Changing the Behavior of People who Interact with MSEs and Workers in the Informal Economy

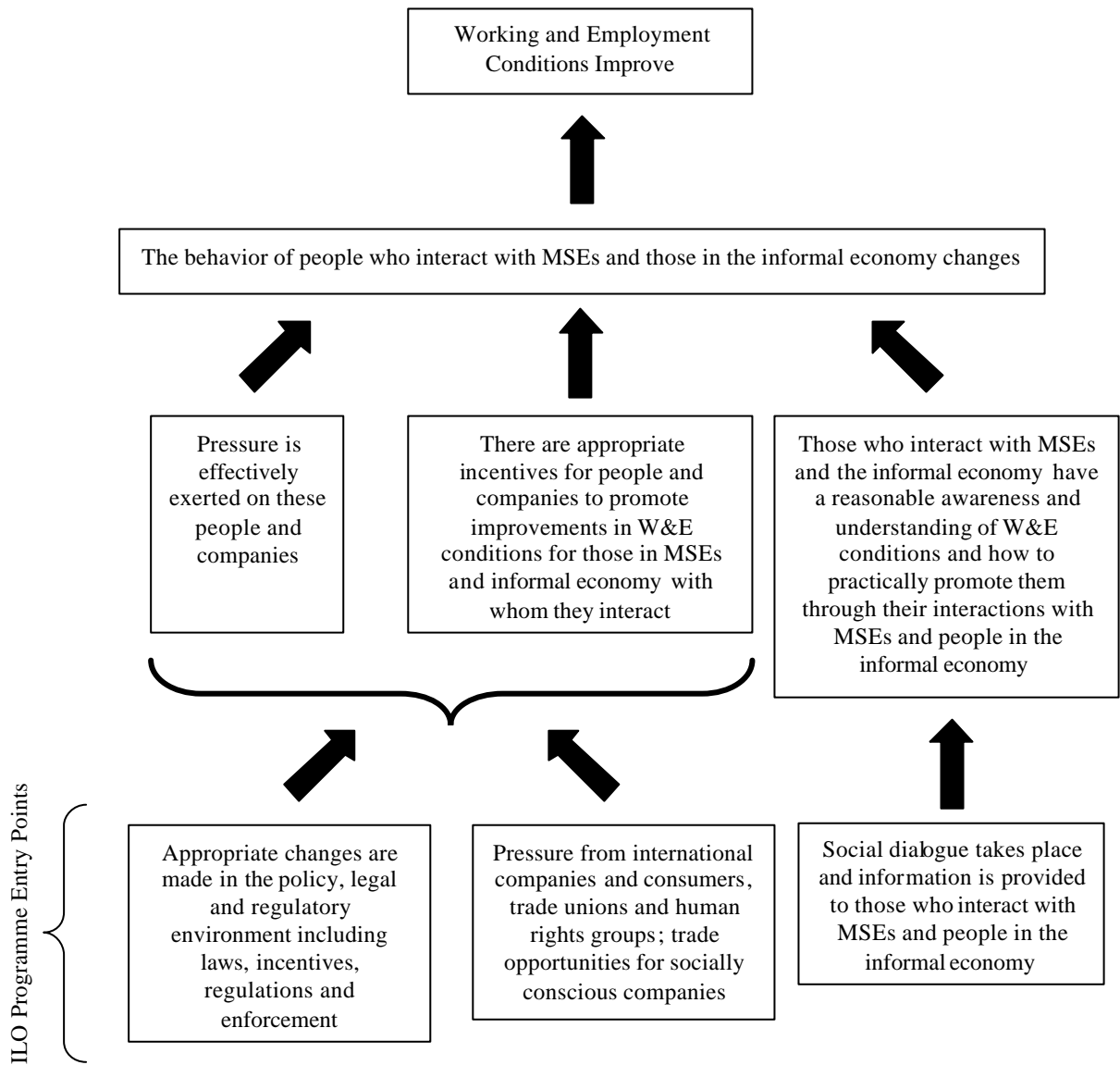
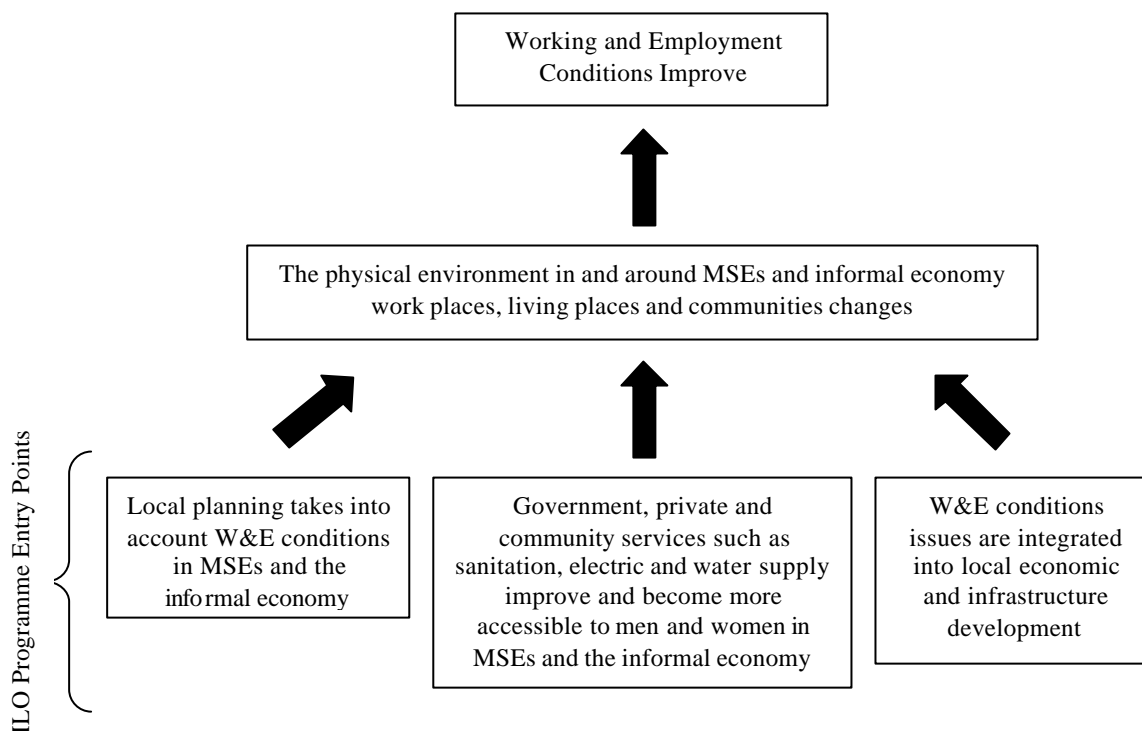


Diagram 4: Changing the Physical Environment



5. The Learning and Research Agenda

The goal of pursuing the learning agenda is

To enable the ILO to define approaches and strategies that the ILO will use to improve women's and men's working and employment conditions in micro and small enterprises, the urban and rural informal economy and small scale and subsistence agriculture.

The ILO will pursue this learning agenda through an integrated effort including research, action research, pilot projects, impact studies, literature reviews, consultation within the ILO, consultation with key stakeholders and informal information gathering.

5.1 Program Design Questions

The main purpose of pursuing the learning agenda is to help the ILO to answer the following three interrelated program design questions. The answers to these questions will form the basis for program designs. The ILO recognizes that it is unlikely that one answer to each question will be appropriate. Instead, different combinations of answers to the questions which outline different approaches and strategies for different target groups in different circumstances and from which national level programs could choose and modify, are more likely to result in achieving the ILO's vision.

1. **WHO?** Which target groups should the ILO focus on?
 - a. Should the ILO focus on particular target groups within the informal economy? What are the advantages and disadvantages of this? What should be the criteria for choosing the target groups? For example:
 - i. Those with the worst working and employment conditions
 - ii. Those that the ILO has experience in reaching
 - iii. Those that have been ignored by programs to date.
 - b. Should the target group focus be standardized or left open to be decided at the national level?
 - c. A focus on which target groups would maximize program scale, impact and sustainability?

2. **WHAT?** Which specific technical subject areas should the ILO include in programs?
 - a. Which of the technical subject areas related to working and employment conditions should be explicitly included in program activities? The potential subject areas include: maternity protection, work-family issues, working time, home work, wages and incomes, work organization, sexual harassment, violence at work, workload, workers' welfare facilities, occupational safety and health, housing, nutrition and environment.
 - b. From the perspectives of entrepreneurs and workers, women and men, what is the rationale for addressing each of the technical topics in terms of their own priorities and motivations to improve their situation? For example, WISE promoted the link between a healthier and safer workplace and both improvements in enterprise productivity and improvements in the quality of life of entrepreneurs and workers.
 - c. What is the theoretical and empirical link between each technical subject area and achieving decent work, reducing poverty and improving gender equity?
 - d. How comprehensive or focused should the ILO's approach to improving working and employment conditions be in order to maximize program scale, impact and sustainability?
 - e. If a focused approach is chosen, how will the focus be determined? For example, occupational safety and health and the other concerns addressed by WISE, the target group's working and employment conditions priorities, selected "worst" aspects of working and employment conditions, etc.
 - f. Would a comprehensive but modular approach in which decisions on which technical subject areas to include can be made at the local level or even by the individuals concerned maximize scale, impact and sustainability?

3. **HOW?** Which strategy or strategies should the ILO pursue to make improvements in working and employment conditions that maximize program scale, impact and sustainability?
- a. Is it better to focus on just one strategy? Several strategies? A comprehensive range of strategies? Or have a menu of strategies that national programs could choose from?
 - b. Which strategies are most likely to maximize the scale, impact and sustainability of programs? Possible strategies are outlined below but there may be other promising strategies as well. Note that these are not mutually exclusive – in fact many of them may be complimentary or even linked.
 - i. Increase the demand for and commercial supply of business services which promote improvements in working and employment conditions in the context of commercial markets for business services.
 - ii. Increase the demand for and subsidized supply of business services which promote improvements in working and employment conditions within the context of donor funded programs, social programs, government services and civil society.
 - iii. Increase the demand for and supply of business services which improve enterprise performance such as marketing, micro-finance services, training and technical assistance.
 - iv. Integrate working and employment conditions issues into appropriate non-business services that are accessed by people in the informal economy, such as health services, etc.
 - v. Social marketing to change women's and men's behaviors in MSEs and the informal economy to improve working and employment conditions.
 - vi. Community development approaches which rely on community level institutions to promote priority improvements in working and employment conditions.
 - vii. Public health approaches which rely on a country's public health infrastructure to promote priority improvements in working and employment conditions.
 - viii. Policy level approaches which aim to develop a policy and regulatory environment which promotes improvements in working and employment conditions.
 - ix. Governance approaches which aim to develop the capacity of government institutions at various levels to integrate working and employment conditions issues into their regular functions, such as local infrastructure and economic planning, national economic planning, national or local business promotion programs, national public health policies and programs etc.

- x. Governance approaches which aim to develop the capacity of government institutions to integrate informal target groups into government functions relating to working and employment conditions, especially labour administrations, and seek to extend the implementation of working and employment conditions laws and regulations to informal target groups.
 - xi. Approaches focusing on macro-economic performance (including those which aim to combat poverty, promote economic growth or trade, or encourage small and micro-enterprise development or rural development, etc.), without specifically addressing issues of working and employment conditions.
 - xii. Approaches focused on building the capacity of employers' organizations and trade unions to address working and employment conditions among informal target groups.
 - xiii. Approaches focused on building the capacity of representative organizations in the informal economy to address working and employment conditions among their members.
 - xiv. Approaches focused on increasing dialogue about working and employment conditions in the informal economy among various stakeholders (representative organizations in the informal economy, employers' organizations, trade unions, labour ministries, other national and local government institutions, suppliers of services that promote improvements in working and employment conditions, etc.)
- c. Are some strategies more appropriate for particular target groups? If so, which strategies are most appropriate for which target groups?

5.2 Supporting Questions

In order to address these core program design questions, the ILO is developing a learning agenda which poses questions that will contribute to formulating program approaches. The questions developed to date are...

1. What specific impacts does improving working and employment conditions have on reducing poverty, improving gender equality or other social goals such as improving human rights?
 - a. What impact have programs so far had on poverty reduction, improving gender equality and addressing other social goals?
 - b. What is the theoretical link between improving working and employment conditions and reducing poverty and improving gender equality?
 - c. How can future programs maximize their impact on poverty reduction and improving gender equality?

2. With the aims of achieving scale, impact and sustainability, which technical subject areas of working and employment conditions are best addressed on a “mass” level with little adaptation for specific target groups and which are best addressed on a “niche” level with significant tailoring to the particular circumstances of specific target groups.
 - a. Are some technical areas, such as maternity protection, best addressed on a mass level while other technical areas, such as exposure to chemicals, are best addressed through tailored approaches? Which technical areas can be effectively addressed on a mass level and which are more likely to result in improvements through tailored approaches?
 - b. For those technical areas that respond more to tailored approaches, how should target groups be defined? For example, maternity protection for industrial outworkers might be best addressed differently than for self-employed workers but in a similar way across subsectors. Occupational safety and health issues such as chemicals or ergonomics might best be addressed differently for traders, manufacturers and farmers. Within manufacturers it might best be addressed differently for furniture manufacturers, shoe manufacturers, handicraft makers etc. But it might be best addressed in a similar way for owner operators and wage employees in these enterprises.
3. If a critical mass of people in a target group and limited geographical area improve their working and employment conditions in particular ways, will others follow with minimal or no external intervention?
 - a. If so, at what percent is the critical mass achieved?
 - b. What are the characteristics of women and of men who are likely to be the “innovators” and “early adopters” of working and employment conditions improvements?
 - c. How do these women and men then act as “change agents,” resulting in the rapid spread of particular improvements to a significant proportion of others in the target group?
 - d. Once a rapid spread starts, how far will it extend? What defines the limits?
 - e. How can programs take advantage of this phenomenon in order to maximize the outreach, impact and sustainability of programs?
4. Within an approach to increasing the demand and supply of services which promote improvements in working conditions (commercial or subsidized, business or non), which services should the ILO focus on?
 - a. With the aims of maximizing scale, impact and sustainability, will it be more effective for the ILO to focus on just one or two services or to promote a broad range of services?

- b. Will it be more effective for the ILO to focus only on one type of service delivery – commercial, subsidized, business or non – or to focus on several types of service delivery?
 - c. Which specific services should the ILO focus on within which context (commercial or subsidized, business or non)?
 - d. How can the ILO develop a system or tool for analyzing these questions in the context of a specific country or target group?
5. What changes in the macro environment will have the most significant impact on improving women's and men's working and employment conditions in the informal economy in terms of scale, impact and sustainability? The "macro environment" is defined broadly to include the policy and regulatory environment, the economic environment, the relation between the formal and informal economy, infrastructure and the physical environment, social structures, civil society and culture particularly including gender roles and power relations.
 - a. How can the macro environment best be analyzed on a regular basis to identify areas for intervention to improve working and employment conditions for women and for men in the informal economy?
 - b. What interventions should the ILO pursue to assist governments, employers' organizations, trade unions and others to develop the macro environment for improvements in working and employment conditions in the informal economy?
6. How can working and employment conditions issues be integrated into the regular functions of governance within national and local government units in order to make improvements in working and employment conditions of women and men in the informal economy?
 - a. At what levels and in what government departments will the integration of working and employment conditions issues into governance functions make the most significant difference in terms of the scale, impact and sustainability of working and employment conditions improvements?
 - b. How should the ILO work with government departments, employers' organizations, trade unions and others to make changes in governance to improve women's and men's working and employment conditions in the informal economy?
7. How can programs best be monitored and evaluated with the aim of generating information that will help program planners at various levels improve program design and implementation?
 - a. What are useful and practical indicators for measuring program progress in the three areas of scale, impact and sustainability?

- b. What are the most effective monitoring and evaluation systems? The ILO has already developed and tested some impact measurement systems for WISE and other working and employment conditions programs.
- c. How can a system be consistently and uniformly applied to a variety of different programs in order to generate regular and useful information for program design and implementation?

The ILO may add, drop or change questions on the learning agenda over time in order to effectively direct research and information gathering efforts towards designing successful programs.

6. Pursuing the Learning and Research Agenda

This learning and research agenda is an opportunity to question basic assumptions that have thus far underpinned the ILO's efforts to improve working and employment conditions in MSEs and the informal economy. It is an opportunity to critically examine the strengths and weaknesses of strategies used to date, both within and outside the ILO, in order to identify what is working and should be incorporated into future efforts and what is not. It is also an opportunity to consider completely new strategies for moving forward.

The ILO experience to date has shown that programs to improve women's and men's working and employment conditions in micro and small enterprises and the informal economy must be creative. The challenges are significant and traditional approaches tend to be ineffective. Design of future programs must rely on creativity, innovation and "out-of-the-box" thinking. While an analytical approach is necessary – systematically gathering and using information, program design must also rely on inspiration and creative ideas to determine the most promising ways for the ILO to improve its efforts to promote women's and men's working and employment conditions in MSEs and the informal economy.

The ILO will pursue this learning and research agenda incrementally and alongside the design and implementation of pilot programs. The agenda is meant to be a living document which reflects areas of inquiry that will help the ILO design effective programs. As such, it will be periodically reviewed and revised as new knowledge is gained and new questions arise.