

# Policy Brief 8



International  
Labour  
Organization

## Gender, Employment and the Informal Economy in Syria<sup>1</sup>

This policy brief discusses some strategic considerations for the world of work of the Syrian public policy move towards achieving a social market economy, as set in the 10th five-year plan of 2006-2010. It lays down recommendations for moving informal economic activities in Syria to the formal economy.

### Context

The Syrian policy goal of moving towards a social market economy has ignited important debates about what the concept means, how best to reach the goal, and how to assess progress along the way. According to one of its first proponents, the social market economy “represents an attempt to reconcile personal freedom and social security on the basis of free competition” (Muller-Armack, 1960). Even in Germany where it was first introduced, the social market economy has carried different meanings in theory and reality (Goldschmidt and Wohlgemuth, 2008).

*International labour standards can provide important guidance on how to best move forward in giving meaning and concretizing the social market economy in Syria*

Syria has already ratified a number of ILO conventions, including the eight ILO core conventions pertaining to freedom of association and collective bargaining, discrimination, forced labour, and child labour. It has ratified in 1964 the Convention on Social Policy (Basic Aims and Standards), 1962 (No. 117), according to which the “improvement of standards of living shall be regarded as the principal objective in the planning of economic development.” It has also ratified the

Tripartite Consultation (International Labour Standards) Convention, 1976 (No. 144), and in this context established the National Tripartite Committee for Consultation and Dialogue.

Respect for workers’ rights in both the formal and informal economies is essential to improving living standards. Workers in the informal sector typically lack legal and social protection because of the nature of the establishments they work in, which makes enforcement more difficult. Informal employment, however, can also take place outside the informal sector. According to their employment relationship, workers may be informal even in the formal sector, including in large registered establishments, as well as in households, as in the case of domestic workers.

*For economic and social policy, an approach to informal employment that takes the nature of the jobs into consideration and not just the nature of the establishments should therefore be a priority*

### Women’s access to employment

Efforts to improve the quality of jobs need to take into account which categories of the population are actually in employment. According to the 2008 labour force survey, two-thirds of men above the age of 15 are in employment, whereas three-quarters of women above the age of 15 are neither in employment nor in education (see figure 1). The share of women outside employment and education decreases with the level of education, from 95 per cent among illiterates, to 35 per cent among university graduates.

<sup>1</sup> This policy brief is partly based on a study entitled “Informal Economy Employment in Syria: A Gender Equality and Workers’ Rights Perspective”, by Maha Kattaa and Sattouf Al-Cheikh Hussein. The study was a part of the ILO/CAWTAR regional initiative on “Gender Equality and Workers’ Rights in the Informal Economies of Arab States”, funded by IDRC, AGFUND, and ILO.



### Box 1 Informal economy, informal sector, and informal employment

The *informal economy* refers to all economic activities that are – in law or in practice – not covered or insufficiently covered by formal arrangements. Employment in the informal economy includes employment in the informal sector and informal employment outside the informal sector.

The *informal sector* comprises private unincorporated enterprises, whose size in terms of employment is below a certain threshold to be determined according to national conditions (usually five or ten workers), and/or which are not registered under specific forms of national legislation.

Employees are considered to have *informal jobs* if their employment relationship is, in law or in practice, not subject to national labour legislation, income taxation, social protection or entitlement to certain employment benefits (such as advance notice of dismissal, severance pay, paid annual or sick leave).

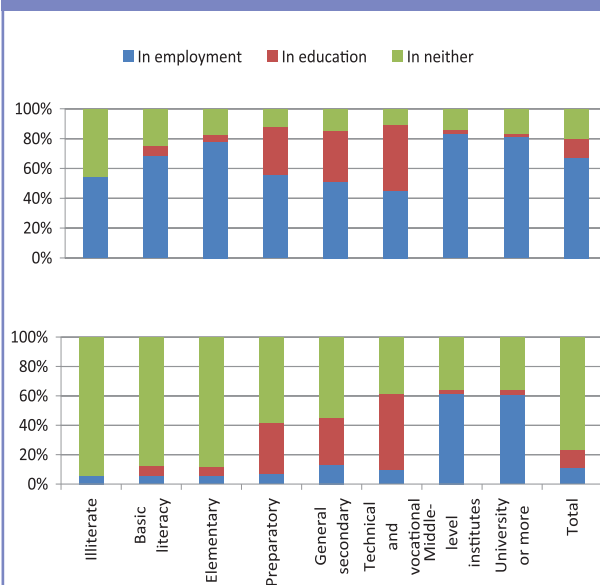
Source: ILO, 2002; 2003.

Less than a quarter of the respondents approve of women's employment outside the home in all cases, according to the labour force survey of 2008 (see figure 2). In contrast, about 41 per cent are generally unfavourable to women's employment. The main conditions for accepting women's employment are economic need (19 per cent) and lack of conflict with "women's duties" (11 per cent). Given the prevalence of the social norm of the man as sole breadwinner, labour statistics are likely to underestimate women's actual participation. Moreover, measures to promote employment that do not take into account family responsibilities can create a double burden for women.

### Gender dimension of informal sector employment

Debates around employment in the informal sector often present various arguments as to whether it is a choice for dynamic entrepreneurs, or a survival strategy for the destitute. In Syria, the informal sector has been found to employ 48 per cent of the poor in rural areas and 31 per cent of the poor in urban areas in 2003–2004 (El Laithy and Abu-Ismaïl, 2005). With wages lowest in agriculture and in the informal sector, informal workers were also likely to

Figure 1. Distribution of population aged 15+ in Syria by level of education and age, 2008



Source: Central Bureau of Statistics, 2009.

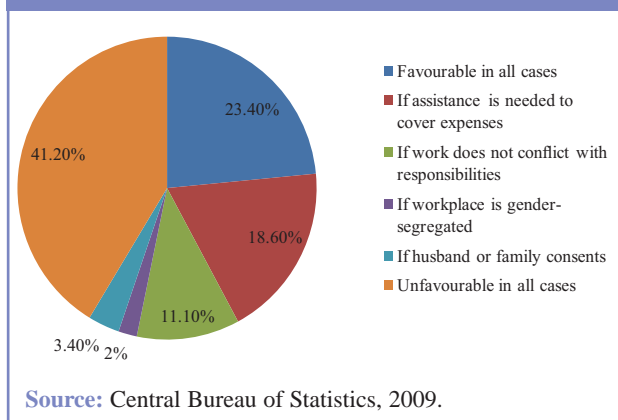
be in informal housing and lack economic security as well as access to basic social services.

The informal sector in Syria was first officially measured in the 1987 Internal Migration Survey and has since been incorporated in labour force surveys. The official definition of the informal sector, however, has changed over the years, which affects comparisons. Some surveys considered establishments that did not keep regular accounts as informal sector establishments, while other surveys considered economic activities outside establishments as comprising the informal sector.

### Education

According to the 2008 labour force survey the majority of employed women (55 per cent) work in the public sector, whereas 43 per cent of employed men work in the private formal sector. The public sector remains the first choice for employment, as it provides better wages and protection, particularly for young women (Kabbani, 2009). Among employed women, the informal sector is the main provider of jobs for those with primary education or less, whereas the public sector employs the majority of those with secondary education or more. Among employed men, the private formal sector is the main employer for those with primary education or less, whereas the public sector is the main job provider

**Figure 2. Conditions for accepting women's work outside the home in Syria, H2/2008**



for those with more than secondary education including a majority of those with university education or more.

*The informal sector appears to be the entry point to the labour force for a slight majority of young women and men*

### Age

The informal sector appears to be the entry point to access employment for a majority of young women and men. As age advances, the share of informal sector employment declines. Yet while the decrease is rather uniform for men, for women the share of informal sector employment reaches a low of 16 per cent in the age group 45-50 before rising up to 57 per cent in the age group 60-64.

### Status-in-employment

More than 84 per cent of employers and own-account workers are in the private formal sector, whereas 88 per cent of unpaid workers are in the informal sector. Almost 80 per cent of men employees are split rather evenly between the public and informal sectors, whereas 77 per cent of women employees are in the public sector.

### Industry

The industries with a majority of employment in the informal sector are construction, agriculture, and transportation. Among workers in agriculture and forestry, 85 per cent of women are in the informal sector, whereas 56 per cent of men are in the private formal sector.

### Occupation

Three out of four women and men workers in administrative, clerical, professional, and technical occupations are employed in the public sector. The majority of women and men services workers and sales workers are employed in the private formal sector. Most women in agricultural occupations work in the informal sector, whereas the majority of men in such occupations are in the private formal sector.

## Main findings and recommendations

### *Rethinking the informal sector in Syria*

A tension exists between different perspectives to informality in Syria. Common agreement may be developed through a process of social dialogue that is inclusive of the informal workers themselves. A widespread view is that the informal sector is a site of underemployment and low-productivity, as well as low-skill activities. Accordingly in that view, public policy should aim to promote the growth of the informal sector to modernize it and upgrade the technologies of informal sector enterprises and the skills of informal sector workers, particularly women.

The informal sector is a significant contributor to the Syrian economy. It is estimated to contribute to about 30 per cent of employment, and about 30-40 per cent of gross domestic product, according to estimates in the 10th five-year plan, which would suggest that the informal sector is at least as productive as the formal sector. Moreover, as long as workers' rights are less respected in the informal sector than in the formal sector, and given the limited reach of protective legislation, promoting the growth of the informal sector conflicts with the goal of protecting the rights of women and men workers.

*Estimates suggest that the informal sector is at least as productive as the formal sector*

A related view is that with economic growth the size of the informal sector will diminish over time, as traditional activities are replaced by more advanced ones. Empirical evidence whereby informality has increased in the world of work across countries, especially since the 1980s, stands against such an assessment. Informalization of jobs has been theoretically connected to the mode of economic liberalization adopted during that period, reconsidering the role of the state, restructuring of





social protection, along with the flexibilization of labour markets and the related decrease in the bargaining power of workers.

Another view is that the promotion of entrepreneurship and own-account work, including through microfinance schemes, can contribute to sustainable job creation and economic development. Although microfinance, in its widespread form, may improve the prospects of some of its recipients, it may also and often more likely become an impediment to sustainable development as it replaces better alternatives (Bateman and Chang, 2009). Meanwhile the 10<sup>th</sup> five-year plan recognizes as a negative trend the increasing share of vulnerable employment witnessed since the late 1980s, namely own-account work and contributing family work, along with the increasing share of informal sector employment. A broader view of entrepreneurship that recognizes all its forms, including state entrepreneurship and cooperative entrepreneurship, can provide a wider array of opportunities for the non-employed. Specifically the promotion of cooperatives in line with ILO Recommendation No. 193 can contribute to an effective basis for the empowerment of rural women.

#### *Shifting the focus beyond the informal sector to encompass all forms of informal employment*

Restricting attention to employment in the informal sector fails to adequately take into account the diversity of informal situations and ensuing deficits in workers' rights. Accordingly the

enterprise-based concept of employment in the informal sector needs to be related to a broader, job-based concept of informal employment.

Taking the lack of social insurance protection as the criterion for informal employment reveals that overall slightly less than three-quarters of men workers and two-thirds of women workers are informal according to 2003-2004 data (see table 2). In the informal sector, virtually all workers are informal. Working in the formal sector, however, does not guarantee social insurance coverage. More than 90 per cent of private formal sector workers, and more than 10 per cent of public sector workers, are informal.

The majority of informal workers, about 57 per cent among men and 67 per cent among women in 2003-2004, are in the formal sector. The distribution of informal workers confirms the inadequacy of a strict focus on the informal sector, which accounts for only 43 per cent of employment among men and 33 per cent among women. In fact the private formal sector includes twice the number of women informal workers as the informal sector.

Recognizing the lack of social protection as a determinant of the informality of women and men workers emphasizes the need to ensure that formal social protection is extended to all, including the non-employed. Moreover, benefits need to be at a level that is sufficient for people to secure decent living conditions. In line with international labour standards, social protection needs to apply the principle of equality of opportunity and treatment between women and men. Provisions that reinforce traditional gender stereotypes, such as compensation for women who resign for marriage or pregnancy, need to be reconsidered accordingly. Instead of being paid by individual employers, maternity benefits should be covered by the social security system, to ensure better protection for women workers.

#### *Entrepreneurship should be considered in all its forms, including state entrepreneurship and cooperative entrepreneurship*

#### *Improving the availability and accessibility of data on informality*

The variation in definitions affects comparability across time, and the discrepancy with the definitions set by the International Conference of Labour Statisticians, most recently in 2003, also hinders comparability across countries. The Syrian

Table 1. Social insurance coverage, 2003-04

Share of unprotected workers per sector (%)	Men	Women
Public sector	12.4	4.6
Private formal sector	89.9	93.4
Informal sector	96.8	99
Total	73.6	63.1
Distribution of unprotected workers across sectors (%)		
Public sector	4	2.6
Private formal sector	53.3	64.8
Informal sector	42.7	32.6
Total	100	100

Source: Central Bureau of Statistics, 2009.

Central Bureau of Statistics has in recent years introduced additional questions in the questionnaires of its various surveys to better capture the various forms of informal employment for women and men. Labour force surveys should include questions to identify both informal sector employment and informal employment. Moreover, social security statistics need to include information on coverage, beneficiaries, contingencies covered, and level of benefits to better monitor and evaluate social security systems. User-producer dialogues on gender-responsive labour statistics can contribute to evaluating the quality of improvement in data collection, guide data analysis, and provide direction for future data initiatives.



### *Promoting workers' organizing and collective bargaining*

The collective agency and voice of women and men workers is essential for improving their living standards and strengthening the fulfilment of their rights. According to the 2005 labour demand survey, less than 15 per cent of men workers sampled, and 13 percent of women workers, are registered in trade unions (Nabulsi et al., 2007). Outreach to unorganized women and men workers, particularly informal workers, can be an important means for existing membership-based organizations to increase their representation power and bargaining ability. Although Syria has ratified ILO Conventions No. 87 and No. 98, the ILO Committee of Experts has requested legislative changes that would, among other things, allow the possibility of trade union diversity and safeguard trade union freedom and independence. Of particular importance for informal workers is the right to organize for non-Arab workers. The promotion of collective bargaining can also contribute to enhanced situation for formal and informal workers. The benefits of collective bargaining are yet to be reaped in Syria, as the government reports that no collective agreement has taken place in the country in recent years. The ongoing Decent Work Country Programme for Syria and the establishment of the National Tripartite Committee for Consultation and Dialogue are important steps towards strengthening tripartism.

### *Devising a national strategy on the informal economy*

Given the diverse perspectives involved, inclusive social dialogue can be the basis for a national strategy on the informal economy, which is



to provide for coordination among different actors working in formulating, implementing, and monitoring social and economic policies. The Ministry of Social Affairs and Labour has a lead role to play in coordinating the formulation of policy and programmes to improve the access to adequate level of social protection to all workers and their families, including those in the informal economy. Other stakeholders that need to be involved include the Ministry of Economy and Trade, employers' and workers' organisations, international organizations, donor agencies, and relevant NGOs.

Incorporating informal workers within the scope of existing labour and social legislation must be a top priority. It involves ensuring that the concept of workers used covers the full range of workers in the formal and informal economies. The extension of social protection to informal workers needs to recognize the diversity of groups in the informal economy, including vulnerable workers, agricultural workers, domestic workers, migrant workers, and refugees. Extending social protection may require reshaping existing mechanisms for the enforcement of labour regulations covering these workers at the national level, such as labour administration and labour inspection.

## References

- Bateman, M; Chang, H.J. 2009. "The Microfinance Illusion". Mimeo. University of Cambridge, UK.
- [Syria] Central Bureau of Statistics. 2009. Labour Force Survey 2008.
- . 2004. Household Income and Expenditure Survey 2003-2004.
- El Laithy, H.; Abu-Ismaïl, K. 2005. Poverty in Syria: 1996-2004: Diagnosis and pro-poor policy considerations (Damascus, UNDP).
- Goldschmidt, N.; Wohlgenuth, M. 2008. "Social Market Economy: origins, meanings and interpretations", in *Constitutional Political Economy*, Vol. 19, pp. 261-276
- Government of Syria. 2005. *10<sup>th</sup> Five-Year Plan 2006-2010*.
- ILO. 2002. *Decent Work and the Informal Economy: Report of the Director-General, Report VI*, International Labour Conference, 90th Session (Geneva).
- . 2003. *Guidelines concerning a statistical definition of informal employment, adopted by the Seventeenth International Conference of Labour Statisticians* (November - December 2003).
- Kabbani, N. 2009. "Why young Syrians prefer public sector jobs." Middle East Youth Initiative Policy Outlook No. 2 (Wolfensohn Center for Development, Dubai School of Government).
- Müller-Armack, A. 1960 [1982]. "The second phase of the social market economy: an additional concept of a humane economy." In H.F. Wünsche (ed.) *Standard texts on the social market economy: two centuries of discussion* (Bonn, Lucius and Lucius).
- Nabulsi, M. S. et al. 2007. *Study of labour demand in the Syrian Arab Republic* (FAFO and CBS).
- This brief was prepared by the ILO Regional Office for Arab States in June 2010.
- Photo credits: Rim Al Jabi.

## For more information, contact:

International Labour Organization  
Regional Office for Arab States  
Aresco Center, 11<sup>th</sup> & 12<sup>th</sup> floors  
Justinien Street, Kantari  
Beirut, Lebanon  
Tel: 961-1-752-400  
Fax: 961-1-752-406  
[beirut@ilo.org](mailto:beirut@ilo.org)  
[www.ilo.org/arabstates](http://www.ilo.org/arabstates)  
<http://www.ilo.org/gender>