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*Gender and the informal economy: Key challenges  
and policy response*

Naoko Otobe

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## Preface

The primary goal of the ILO is to work with member States towards achieving full and productive employment and decent work for all. This goal is elaborated in the ILO Declaration on Social Justice for a Fair Globalization, 2008, which has been widely adopted by the international community. Comprehensive and integrated perspectives to achieve this goal are embedded in the Employment Policy Convention, 1964 (No. 122), the Global Employment Agenda (2002) and – in response to the 2008 global economic crisis – the Global Jobs Pact (2009) and the conclusions of the Recurrent Discussion Reports on Employment (2010 and 2014).

The Employment Policy Department (EMPLOYMENT) is engaged in global advocacy and in supporting member States in placing more and better jobs at the centre of economic and social policies and growth and development strategies. Policy research and knowledge generation and dissemination are essential components of the Employment Policy Department's activities. The resulting publications include books, country policy reviews, policy and research briefs, and working papers.

The *Employment Policy Working Paper* series is designed to disseminate the main findings of research on a broad range of topics undertaken by the branches of the Department. The working papers are intended to encourage the exchange of ideas and to stimulate debate. The views expressed within them are the responsibility of the authors and do not necessarily represent those of the ILO.

Azita Berar Awad  
Director  
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## Foreword

Despite some progress made in advancing gender equality in the world of work, women across the world face more disadvantages in the labour markets, compared to men. Recent global employment trends indicate that the rate of atypical forms of employment is increasing in advanced economies, and working poverty and informality persist in developing and emerging economies.

While the rate of informal employment is not necessarily higher for women than for men across various emerging and developing countries, the levels remain substantial especially in developing countries. This is a major concern, given that informality implies low remuneration, poor working conditions, and lack of or limited access to social protection and rights at work.

This paper reviews concepts of gender and informal economy and the situation of informal employment of women and men, and highlights the key issues and documents on selected country experiences regarding vulnerable groups of workers, such as homeworkers, street vendors, waste pickers, as well as women entrepreneurs. It also presents the overall ILO approach to formalization of informal employment.

It is hoped that the paper will further contribute to the debate regarding gender dimensions of the informal economy.

Sukti Dasgupta  
Chief  
Employment and Labour Market  
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## Contents

	<i>Page</i>
Preface .....	iii
Foreword.....	v
Acknowledgements.....	viii
Abstract.....	ix
Acronyms.....	xi
1. Introduction.....	1
1.1 Rationale and motivation for the report.....	1
1.2 Objectives and scope of the report.....	2
1.3 Methods of analysis and sources of data and information.....	2
1.4 Structure of the report.....	2
2. Conceptual frameworks regarding gender, work and the informal economy .....	3
2.1 Gender and work.....	3
2.2 Concept of informal sector .....	4
2.3 ILO’s approach to the informal sector.....	5
2.4 Gender dimensions of the informal economy and employment.....	7
2.5 Conclusion .....	8
3. Gender dimensions of informal employment.....	9
3.1 Gender dimensions of informal employment in various regions.....	9
3.2 Youth and informal employment: gender dimensions.....	10
3.3 Conclusion .....	12
4. Specific groups of informal workers: key challenges .....	13
4.1 Home-based workers .....	13
Homeworkers in Pakistan.....	15
Home and home-based workers in Indonesia.....	16
Home and home-based workers in India .....	18
4.2 Street vendors .....	19
4.3 Waste pickers.....	20
4.4 Women entrepreneurs.....	21
4.5 Conclusion .....	22
5. ILO’s approach to transition to formalization: a rights-based approach to gender equality .....	25

5.1 Rights-based approach to formalization .....	25
Home Work Convention, 1996 (No. 177) .....	26
Domestic Workers Convention, 2011 (No. 189).....	27
Transition from the Informal to the Formal Economy Recommendation, 2015 (No. 204): gender dimensions .....	27
5.2 Integration of gender and formalization in national employment policies .....	30
Sri Lanka .....	30
Mozambique.....	32
5.3 Conclusion .....	35
6. Conclusions.....	37
References.....	39
Websites:.....	41

## Table of Figures

Figure 3.1 Share of informal employment in non-agriculture employment by region and sex in emerging and developing regions (per cent) .....	10
Figure 3.2 Probability of different forms of employment, young vs. adult, young females vs. young males, and rural young vs. urban young people.....	11
Figure 3.3 Youth informal employment rates by sex and age group, 32-country average .....	11

## Table of Boxes

Box 1: .....	5
Box 2: Home Work Convention, 1996 (No. 177).....	14
Box 3: MWPRI and the ILO/MAMPU project in Indonesia.....	18
Box 4: Self-Employed Women’s Association in India.....	19
Box 5: Organizations of street vendors.....	20
Box 6: Alliances of waste pickers.....	21
Box 7: Approaches to formalize women’s enterprises .....	22



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## Abstract

Across the globe, despite some progress made in advancing gender equality in the world of work to varying degrees, on average women remain more at a disadvantage in the labour market than men, in terms of both quantity and quality of employment. The paper reviews the concepts of informal sector and informal economy, gender dimensions of the world of work and informality of employment. The paper also documents challenges faced by selected vulnerable categories of workers, such as homeworkers, street vendors, waste pickers and informal women entrepreneurs. It further provides information on the ILO's rights-based approach to formalization of informal employment with a specific gender perspective.

Key words: Feminist economics, informal employment, gender equality, labour rights

JEL Codes: B54, J68, J7, J8



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## Acronyms

AUSAID	Australian Agency for International Development
GB	Governing Body (of the ILO)
KILM	Key Indicators of the Labour Market
ILC	International Labour Conference
ILO	International Labour Organization
MSMEs	Micro, small and medium-size enterprises
NEP	National Employment Policy
NHREP	National Human Resources and Employment Policy (Sri Lanka)
WIEGO	Women in Informal Employment: Globalizing and Organizing



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## 1. Introduction

Across the globe, despite some progress made in advancing gender equality in the world of work with varying degrees of success, on average women remain at a greater disadvantage than men in the labour market in terms of both quantity and quality of employment. Women tend to experience higher unemployment than men and be more affected by underemployment, inactivity and vulnerable employment<sup>1</sup> (ILO, 2016a, 2017a). In terms of informality of employment, however, the majority of developing and emerging regions surprisingly indicate, where data are available, that the share of informal employment in non-agriculture sector employment is lower for women than for men, except in sub-Saharan Africa and in Latin America and the Caribbean (ILO, forthcoming).

Informal employment is characterized by low or lack of access to and coverage by social protection and labour rights, often poor and hazardous working conditions, and with low remuneration and productivity. As a consequence, informal workers experience higher levels of decent work deficits and working poverty than those in formal employment.

### 1.1 Rationale and motivation for the report

Since the adoption of the Transition from the Informal to the Formal Economy Recommendation, 2015 (No. 204) at the 104th session of the International Labour Conference, the ILO continues to support various countries in analysing the overall trends and drivers of informal employment and the barriers to formalization, and in the development of policy and legislative measures to facilitate transition from the informal to the formal economy. In the action plan to follow up on the Resolution concerning efforts to facilitate the transition from the informal to the formal economy (ILO, 2015a), which was adopted and approved by the ILO's Governing Body,<sup>2</sup> an ILO report on women in informal employment, with special focus on the ILO centenary initiative on women at work, is to be produced.

The ILO is currently engaged in various centenary initiatives: women at work; future of work; end to poverty; and four others.<sup>3</sup> This report will contribute to, in particular, the women at work initiative, which constitutes an important aspect of the future of work initiative, and to the end to poverty initiative. Given that gender inequality and various forms of discrimination are the root causes of working poverty disproportionately affecting women and other social groups, it is important to undertake this analysis to also inform the end to poverty initiative.

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<sup>1</sup> Vulnerable employment is a labour market indicator, which combines both own account work and unpaid family worker employment status, which are considered “vulnerable”, as most of those who are in vulnerable employment are found in the informal economy, that is, without social protection or access to labour rights.

<sup>2</sup> See GB document – Formalization of the informal economy: Follow-up to the resolution concerning efforts to facilitate the transition from the informal to the formal economy (GB.325/POL/1/2).

<sup>3</sup> See ILO web site on the future of work centenary initiative: [http://www.ilo.org/global/topics/future-of-work/WCMS\\_448448/lang--en/index.htm](http://www.ilo.org/global/topics/future-of-work/WCMS_448448/lang--en/index.htm) (accessed on 2 March 2017).

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## 1.2 Objectives and scope of the report

The objective of this report is to review the evolution of concepts regarding the informal sector and informal economy, together with the gender dimensions of the world of work. The report reviews the overall status of the gender dimensions of informal employment, based on updated available data for selected countries from various regions. It also documents and reviews various measures for formalization of the informal economy, concentrating on specific groups of workers, namely, home and home-based workers, street vendors, waste pickers and women entrepreneurs, from a gender perspective. The paper also presents the ILO's rights-based approach to formalization of informal employment, and country examples of the integration of policy measures on formalization of the informal economy and gender equality in national employment policies.

## 1.3 Methods of analysis and sources of data and information

The report reviews secondary sources from published reports and data. It also sources data from the report *Women and Men in the Informal Economy: A statistical picture, 2018*, third edition (ILO, forthcoming), and other ILO reports on employment trends. As for the gender review of country measures for formalization, the information has been collected from the existing literature and sources.

## 1.4 Structure of the report

Following the introduction, Section 2 provides conceptual frameworks on the informal sector and informal economy and gender dimensions of the world of work and informal employment. Section 3 reviews and analyses the gender dimensions of informal employment. Section 4 reviews, with a gender focus, key challenges faced by specific vulnerable groups of informal workers. The section includes selected country cases on vulnerable categories of women workers, such as home-based workers, street vendors and waste pickers. Section 5 discusses the ILO's rights-based approach regarding gender dimensions of formalization policies and measures. The last section of the paper sets out the conclusions.

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## 2. Conceptual frameworks regarding gender, work and the informal economy

### 2.1 Gender and work

Despite the overall progress made in advancing gender equality in the world of work, gender gaps persist across countries. The world of work is sex-disaggregated regardless of the level of development of a society, while the magnitude of gender gaps and differences in the world of work at the country level varies depending on how the society ascribes gender<sup>4</sup> roles to girls, women, boys and men. It also depends on the extent to which such socially constructed beliefs affect both the quantity and quality of women's and men's economic participation, and the distribution of unpaid care and household work. All societies, in this regard, ascribe social roles to people through unsaid social norms that are passed on from one generation to another. Such social norms are also often enforced by formal written norms. Gender roles could thus evolve, and have evolved, in various societies over time. The overall trends in the global world of work show, however, that gender gaps in the labour market persist, and changes in social norms dictating the roles of women and men are slow at best, if not static in many countries.

Girls and women living where discrimination against them is rife tend to be stuck in continuing poverty and social and economic deprivation, a situation that is passed on from one generation to another. Girls at younger ages can be discriminated against, as families give preference to boys not only in education but also in other ways, even to the extent of the sharing of food. Disadvantages created by such discrimination at early stages of the life cycle can have a cumulative effect in the later stages of life. As young girls, they are not given the same access to education as their male counterparts, and they are married young – many even before reaching puberty. When they become young women, as they are less educated and skilled than their male counterparts, they have less access to economic and labour market opportunities.<sup>5</sup>

In traditional patriarchal societies, there are many obstacles that women face in access to both economic resources and labour markets; low levels of or little access to education and training opportunities; and lack of or little access to assets, financial resources, technology, and information. In addition, there are also restrictions on girls' and women's physical mobility – females are not allowed to travel or move far away from home, in principle, and especially alone, unless accompanied by a male family member. Furthermore, women undertake the bulk of unpaid care work – taking care of children, the elderly and the sick – what is called “reproductive work”. Undertaking both “productive” or market work and unpaid reproductive work could result in excessively long working hours for women. Those women who are engaged in various forms of informal work also tend to work long hours, although home-based workers feel that there is an advantage to being engaged in income-generating activity either at or near home.

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<sup>4</sup> Here, gender is defined as the social construct regarding what women and men are expected to do and their relations, whereas sex refers to the person's biological sex. How one needs to behave as a girl, boy, woman or man is learned at home, in education, in society and the world of work.

<sup>5</sup> The research on the impact of child marriages indicates that child marriage reduces education prospects for girls, and conversely better education and employment opportunities for girls may reduce the likelihood of marrying early (Wodon, et al., 2017).

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Around the world, women's labour force participation (in market work) is lower than men's because women undertake the bulk of unpaid care work (taking care of children and families) which reduces their ability and available time to participate in economic activities (employment which leads to production or services for a third party). The rate of unemployment also tends to be higher for women than for men in most countries except in North America and East Asia (ILO, 2017a). In particular, where a more conservative gender paradigm – “men as main bread-winners” and “women at home” – prevails, gender gaps in the labour market are wider compared to the patterns observed in more egalitarian societies. A correlation is also observed between the level of gender inequality and lower economic development – higher income is correlated with better gender equality (UN-Women, 2016).

## 2.2 Concept of informal sector

Many authors have theorized about the phenomenon of the informal sector, where numerous, wide-ranging small-scale activities take place – from construction, mining, manufacturing and services to vending, cart-pulling and waste-picking, among others. Latin American authors earlier maintained that the fundamental cause of the informal sector phenomenon was the surplus labour in urban areas resulting from rural-urban migration. As the population grew, urbanization ensued and increasing numbers of people moved from the rural to urban areas in search of better economic opportunities. In the sprawling urban environment where the excess labour from rural areas migrated, owing to the limited scale of the formal sector, people engaged in any economic activity that they could find in order to survive. Excessive levels of available labour force could not be absorbed into the formal labour market as there was insufficient labour demand in the formal part of the economy (Portes and Schauffler, 1993).

Different theories have been advanced to conceptualize the phenomenon of the “informal sector” and employment therein: there are “structural” and “neoliberal” perspectives. The neoliberal theory put forward by de Soto posits that the reason the small informal entrepreneurs operated informally was excessive government regulation and bureaucracy, and regarded those informal entrepreneurs as active and dynamic operators skirting government regulations as it was costly to formalize their businesses, rather than as only survivalists on the margins of regulation and the formal economy (de Soto, 1989).

The structural view, on the other hand, describes the informal sector in the framework of the linkages between the formal and informal parts of the economies. This approach explains that informal operators produce goods and services cheaper than those produced by formal operators, hence support the formal sector. Such economic linkages have been seen extensively in the Latin American countries. Adherents to the structural view also recognized the heterogeneity of informal operators and have opined that informality would not disappear as economies developed, due to these inter-linkages between the informal activities and the formal economy (op. cit.).

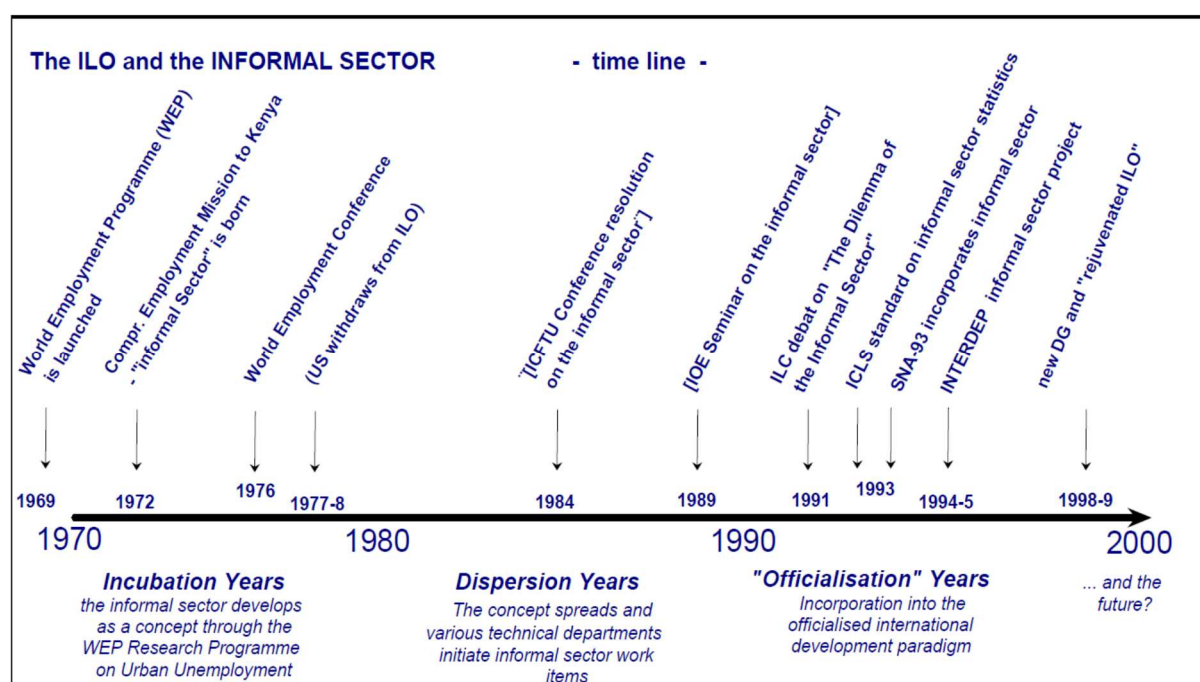
Many researchers thought, indeed, that such informal, small-scale activities would eventually diminish and become formalized and absorbed into the mainstream formal economy as countries developed. However, several decades after the informal sector was first recognized and analysed as a phenomenon in development processes, a large majority of workers currently work informally in developing countries, mostly engaged in small-scale production or provision of services, mostly in self-employment or unpaid family work – the majority of those in the last category being women. A minority work informally in the formal sector.



## 2.3 ILO's approach to the informal sector

Bangasser (2000) documented the institutional history of the ILO's approach to the informal sector and informal economy. He categorized three periods of the ILO's response to the informal sector between 1970 and 2000 as follows: (a) incubation years (1970–1980); (b) dispersion years (1981–1990); and (c) “officialization” years (1991–2000). As seen in box 1 below, the organization has had a long history working on the relevant issues, starting from the time of the broader World Employment Programme launched in 1969, which lasted until the late 1980s. The main objective of the World Employment Programme was to place employment creation in the development plans and policy agenda of its member States – in particular, those poor developing countries. Under the World Employment Programme, there was a designated programme which undertook numerous research projects focused on urban unemployment and informal sector issues.

Box 1:



Source: Bangasser, 2000, p. 2.

From the above, it can be seen that the ILO has been working since the 1970s on both the conceptualization and formalization of the “informal sector” (which latterly has been revised and broadened to be termed the “informal economy”). The concept of the informal sector was further propagated by the ILO in subsequent decades, referring to the phenomenon of informal forms of small-scale production and services and work thereof – or “*jua kali*” (work under the sun) – found in urban areas in Kenya (ILO, 1972). The ILO comprehensive employment mission to Kenya, undertaken in the context of the World Employment Programme, observed the self-employed small-scale entrepreneurs operating in the urban areas in Kenya, terming the phenomenon “the informal sector”.

The ILO mission observed the informal sector as a symptom of underdevelopment, underemployment and poverty. The mission report also criticized the negative government policy stance towards the informal operators – as the government did not adopt measures to support and provide public services to the sector. The mission observed that the sector would continue to grow in the following 20 years (and indeed, the sector persists to this day in Kenya); that the sector provided employment and low-cost goods to the poor and no alternative sources of supply were foreseen in the near future; and that the sector could

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be a source of economic growth and an integral part of employment strategy (ibid, pp. 228–229). The ILO’s initial conceptualization of the informal sector was drawn from the earlier theory provided by Hart (1973) who observed that informal employment and income activities in urban Ghana were the result of rural-urban migration. The ILO conducted a series of research studies on the informal sector under the World Employment Programme, with a focus on urban unemployment, during the decades following its launch.

As to addressing gender in the context of the informal sector and the economy, the ILO initiated a programme under the World Employment Programme targeting poor women in rural areas and the informal economy, which lasted until the mid-1990s. Under this programme, substantial innovative research was undertaken and pilot projects were implemented in poor developing countries, largely in Africa and Asia. In terms of standard setting, one of the milestones during this period was the adoption of the Home Work Convention, 1996 (No. 177). This Convention recognizes an employment relationship between those workers who work under a mostly informal “putting-out” system (a domestic system) and those employers who provide them with inputs to be assembled or processed, together with specifications. It also extends the same labour rights to homeworkers as to formal wage employees. A large majority of homeworkers are women. The adoption of the Convention was the result of a decade of an ILO-assisted pilot programme which provided technical assistance to countries where home work was prevalent, in Asia and Latin America.

In 2002, a broader concept of the “informal economy” was adopted at the 90th session of the International Labour Conference. The concept of the informal economy was defined as follows:

The term “informal economy” refers to all economic activities by workers and economic units that are – in law or in practice – not covered or insufficiently covered by formal arrangements. Their activities are not included in the law, which means that they are operating outside the formal reach of the law; or they are not covered in practice, which means that – although they are operating within the formal reach of the law, the law is not applied or not enforced; or the law discourages compliance because it is inappropriate, burdensome, or imposes excessive costs (ILO, 2002, p. 25).

The above ILO concept primarily focuses on the question of whether the informal activity or employment is within the reach of the law and regulations, and the practitioner hence legally entitled to benefits (such as social security, paid annual and sick leave, and rights to organize). The ILO further adopted the Transition from the Informal to the Formal Economy Recommendation, 2015 (No. 204),<sup>6</sup> in which (para. 2) the term “informal economy”:

(a) refers to all economic activities by workers and economic units that are – in law or in practice – not covered or insufficiently covered by formal arrangements; and (b) does not cover illicit activities, in particular the provision of services or the production, sale, possession or use of goods forbidden by law, including the illicit production and trafficking of drugs, the illicit manufacturing of and trafficking in firearms, trafficking in persons, and money laundering, as defined in the relevant international treaties (ILO, 2015a).

In the above normative definition, in addition to the aspect of the extent of legal or formal arrangements, it excludes criminal or illicit activities from the concept. The ILO’s main concerns regarding the informal economy include: the lack of or low coverage by social protection, poor or hazardous working conditions and generally low remuneration

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<sup>6</sup> At the 104th session of the International Labour Conference (Geneva, 2015).

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and productivity, and a lack of organization, voice and representation in policy-making – that is, decent work deficits.

Statistically, informal employment includes employment in informal and unregistered establishments and households, and informal employment (employment without any social benefits and entitlements) in formal (registered) establishments.<sup>7</sup>

## **2.4 Gender dimensions of the informal economy and employment**

Informal employment takes various forms: wage employment in informal establishments and households, self-employment, unpaid contributory family work, or informal wage employment in formal establishments. In all regions, the share in informal employment of unpaid family contributory employment is greater for women than for men. Furthermore, in most developing regions, the level of vulnerable employment (a combination of employment status: own-account work and unpaid contributory family worker) is higher for women than for men. Although vulnerable employment is not equivalent to informal employment, there is a substantial overlap between the two – much of vulnerable employment is informal, particularly in developing countries (ILO, 2016b).

As noted earlier, prevailing gender norms have a strong impact on the world of work in any given society. Conservative gender norms do not provide the same opportunities to women as to men. Such norms restrict girls' and women's physical mobility and access to education and economic assets and opportunities. In such a society, girls do not have equal opportunities to boys for education and vocational training. Even when girls are provided with skills training, these are likely to be skills for gender-stereotyped occupations, such as sewing, hairdressing, catering, and other similar activities. In such a society, a woman is often not allowed to move out of her house without being accompanied by a male family member, or needs the permission of her husband or father to engage in economic activities outside the home. As a result, poor women in such societies are engaged in informal home-based work, mostly as a way of survival, helping the household earn an income and livelihood.

Although women may prefer to work in or near their homes, where they can combine both the reproductive work (taking care of the household) and productive work (market work), informal forms of employment typically do not provide women with appropriate social protection, benefits or rights. The challenges associated with working in informal employment are the lack of access to social protection and benefits, low remuneration and poor working conditions, along with lack of organization, voice and representation in policy-making. Such challenges are more accentuated for women, because the types of informal employment that women tend to be engaged in are invisible and make them isolated – such as home-based work and domestic work. Working at or near home makes the worker invisible not only physically but also from the point of view of statistics and policy-making. Being isolated from other workers engaged in similar occupations, it is not easy for such workers to organize themselves in a network. It is also more difficult to conduct labour inspections when work is done in private homes.

Millions of women and men in developing countries are engaged in informal home (or home-based) work, doing work provided by formal and informal enterprises often through informal intermediaries. Many home-based workers and homeworkers also form

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<sup>7</sup> The 17th International Conference of Labour Statisticians provided guidelines on the definition of informal employment (see: [http://www.ilo.org/wcmsp5/groups/public/---dgreports/---stat/documents/normativeinstrument/wcms\\_087622.pdf](http://www.ilo.org/wcmsp5/groups/public/---dgreports/---stat/documents/normativeinstrument/wcms_087622.pdf)).

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a part of global value chains. Under the growing trend of decentralization of production and services, work is also increasingly decentralized to informal workers and employment becoming more precarious. Women have been drawn into such a global economic system forming the bottom rung of the global value chains (Benería, 2001, Benería and Floro, 2006). Although the prevalence of female entrepreneurs is increasing across the world, women in informal business still face gender barriers in terms of access to credit, technology, business services, training, and the market. In various developing countries, the share of people in employment with a status of unpaid family worker is higher for women than for men. This means that, despite being engaged in productive work, women are not independent, nor do they have control over the business to which they contribute.

Another type of informal employment in which women are often engaged is domestic work – including working as house-help, taking care of children, the elderly and the sick, cooking, cleaning. Although there are some estimated 8.9 million male domestic workers in the world, the large majority of domestic workers are women, as it is a type of work regarded as an extension of the unpaid care work that women mostly do. They often work with low pay, and under poor and exploitative conditions, without contracts or access to social benefits. Domestic workers basically help to reduce the unpaid care work that would mostly be undertaken by women members of their employers' households. Given that it is only those who have the means who engage domestic workers for pay, this creates stratification of women's employment. Those women and men who work in the formal sector on wage employment may engage women domestic workers who typically have lower education and skills. In richer and developed countries, it is often migrant women from poorer, developing countries who are engaged in this type of employment. This also creates a North-South divide within female workers. There are over 52.55 million domestic workers in the world, and a large majority (estimated 83 per cent) are women (ILO, 2013a).

## 2.5 Conclusion

The challenges of the informal economy and informal employment endure, especially in emerging and developing countries. The concept of the “informal sector” was coined and further propagated through various research activities and advisory work undertaken by the ILO since its mission on employment to Kenya in 1972. Issues of the informal sector and economy were discussed at two sessions of the International Labour Conference in 2002 and 2015, the latter adopting a landmark international normative instrument – Transition from the Informal to the Formal Economy Recommendation, 2015 (No. 204). The ILO has taken a rights-based approach to formalization of the informal economy and employment through standard setting and policy advice, including integrating principles of gender equality and non-discrimination. It can be seen, therefore, that issues of the informal sector and informal economy have been addressed by the ILO over an extended period of time.

Gender gaps in the world of work persist, regardless of the level of development. As regards informal employment, female informal workers are more concentrated in types of employment with lower remuneration, less visibility and fewer rights at work than men. Where gender gaps in the labour market are wide, traditional patriarchal gender roles restrict girls' and women's access to education, skills development and employment and income opportunities. In this regard, it is important, therefore, to analyse the patterns of employment and informality thereof with a specific gender lens. The following section will analyse the status of informal employment with a focus on gender and identify key related world of work challenges.

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### 3. Gender dimensions of informal employment

Informal employment is one of the key labour market indicators,<sup>8</sup> and although it is an important indicator to measure the quality of employment, the level of informality needs to be understood in the context of the overall labour market situation in combination with other labour market indicators. In general, where the vulnerable employment (a combination of self-employment and unpaid contributory family worker employment status) rate is high, the level of informality is also likely to be high. This is because the majority of informal workers and operators work as self-employed or unpaid family contributory workers, rather than in wage employment. As said earlier, in most countries women are more likely than men to be in an unpaid family contributory status, and less likely than men to be in self-employment (or own account worker status). However, not in all regions are women affected by a higher rate of informal employment.

#### 3.1 Gender dimensions of informal employment in various regions

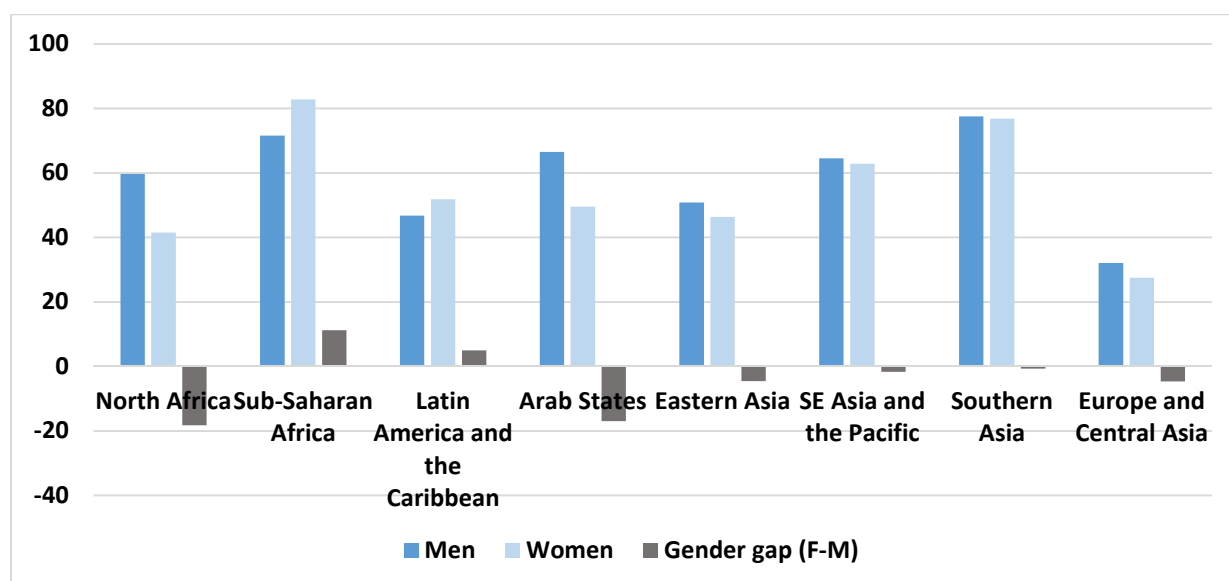
The ILO report estimates that in emerging and developing regions the share of informal employment of women in the non-agriculture employment sector ranges between 27.5 per cent in Europe and Central Asia and 82.8 per cent in sub-Saharan Africa. The corresponding percentages for men are between 32.1 per cent and 71.6 per cent, respectively, indicating that in the former region the rate is lower for women, and higher in the latter. In fact, when it comes to informality of employment, in only two subregions is the share of informal employment in non-agricultural sectors higher for women. In Latin America and the Caribbean, the rate is 52.5 per cent for women and 47.4 per cent for men with a gender gap of 5.1 percentage points. In sub-Saharan Africa the rates are much higher at 82.8 per cent for women and 71.6 per cent for men, with a bigger gender gap of 11.2 per cent (ILO, forthcoming).

It is noted that, while men are more affected by informality than women in other subregions, this could imply that men are more likely than women to take up economic opportunities even in the informal economy. In particular, where the gender gaps are wide, such as in North Africa and the Arab States, because of the gender barriers in terms of not only social constraints but also limited access to credit and other productive resources, women are less able to engage in self-employment and to run small-scale economic activities. Women in these regions are also more likely to be unpaid contributory workers and less likely to be self-employed than men. In these regions, women's participation in the labour force is substantially lower than men's, with gender gaps being substantial (51.2–55.2 per cent) (ILO, 2017a).

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<sup>8</sup> See ILO: Key Indicators of the Labour Market (KILM) 2015 (Geneva, 2016).

**Figure 3.1 Share of informal employment in non-agriculture employment by region and sex in emerging and developing regions (per cent)**



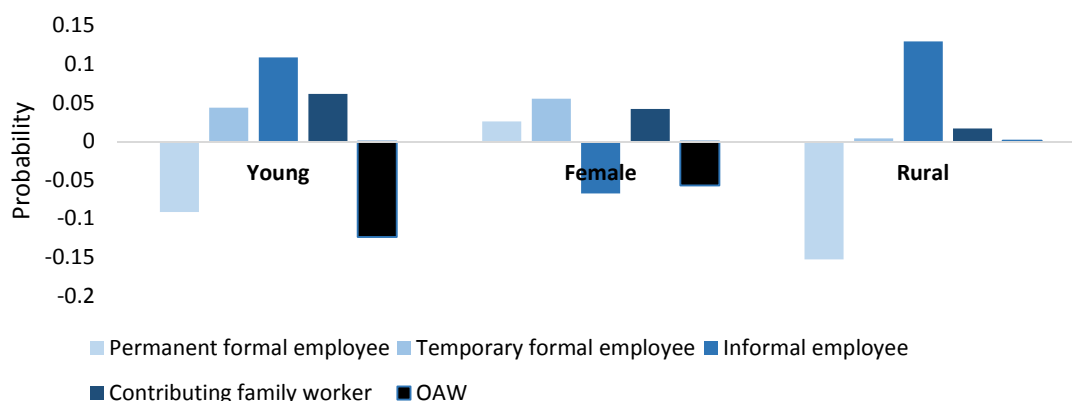
Source: Author's calculations based on the data in Men and Women in the Informal Economy: A statistical picture, 3<sup>rd</sup> edition, ILO, forthcoming.

As these regions have substantial gender gaps in their labour force participation rates, with lower rates for women, it is likely that fewer women will be found in formal employment than men. However, as women have reduced access to assets, resources and business services, they are less likely to be able to establish their own businesses and become self-employed in the informal economy. As a result, the unemployment rate is substantially higher for women in these subregions.

### 3.2 Youth and informal employment: gender dimensions

The 2017 ILO report on global employment trends for youth (ILO, 2017b) shows that young workers in general are likely to be in poorer quality and more precarious employment than adults. However, in contrast to the overall employment situation for women, young women are more likely to be in employment of a slightly better quality than young men. Figure 3.2 demonstrates the results of modelling on the probability of different types of employment of various groups by their characteristics. The left side of the figure shows that young people are less likely than adults to be in permanent employment or own-account work, and more likely to be in temporary formal employment, contributory family work, or informal employment. The centre of the figure shows that young women are more likely to be in permanent or temporary formal employment, or contributory family work, and less likely to be in informal employment than young men. This is an interesting finding, given that women tend to be generally more disadvantaged than men in various aspects of the labour market as shown by indicators. The indications found on the right side of the figure show that in rural areas young people are far less likely to be in permanent employment than those in urban areas and far more likely to be in informal employment. Young rural workers are also slightly more likely to be in unpaid contributory work.

**Figure 3.2 Probability of different forms of employment, young vs. adult, young females vs. young males, and rural young vs. urban young people**



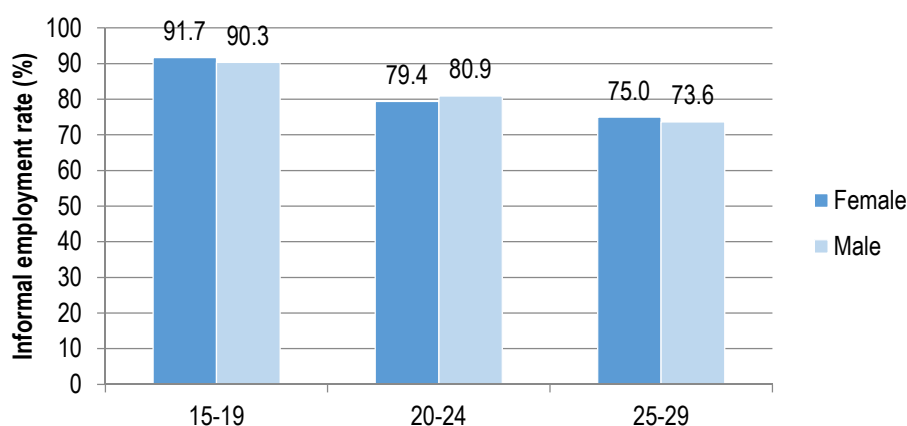
Note: OAW: own account work (self-employed).

Source: Based on ILO, 2017b, p.68, figure 5.4.

Another report on gender analysis of the school-to-work transition surveys undertaken in 32 countries in various regions has shown that, although there is no substantial difference in the rate of informal employment between young women and men, women tend to be employed in more marginal and low-income activities compared to young men. The rate of female informal employment is 91 per cent in Asia and the Pacific, 49 per cent (61 per cent in rural areas) in Eastern Europe and Central Asia, and 80 per cent in Latin America and the Caribbean, with a high of 93 per cent in sub-Saharan Africa (Elder and Kring, 2016).

Similarly, the rate of vulnerable employment is very high for young women in various countries where the surveys were conducted. In Asia and the Pacific, nearly 60 per cent of young women were found to be in vulnerable employment (of which 40 per cent were in contributing family work), 19 per cent and 30 per cent in Eastern Europe and Central Asia and Latin America and the Caribbean respectively, and nearly 80 per cent in Sub-Sahara Africa (ibid.).

**Figure 3.3 Youth informal employment rates by sex and age group, 32-country average**



Source: Elder and Sriani, 2016, p. 32, figure 2.20.

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### 3.3 Conclusion

In general, women tend to be at a greater disadvantage than men in the labour markets in various regions, taking into account such labour market indicators as labour force participation, unemployment and vulnerable employment. The rate of informal employment, however, is not necessarily higher for women than men across all regions. Even in two subregions mentioned earlier where gender gaps are substantial on all fronts, North Africa and the Arab States, the rate of informal employment is higher for men than for women. The younger generation of women are also not necessarily affected by a higher level of informality than young men. According to the data from the school-to-work transition surveys in 32 countries, there is very little difference in the levels of informal employment between young women and men – but both are affected by substantial levels of informality. Women still tend to be in poorer quality informal employment than men, however, such as domestic work and home-based work. The next section will review situations, characteristics and challenges of selected categories of informal workers.



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## 4. Specific groups of informal workers: key challenges

### 4.1 Home-based workers

In many developing economies, one of the typical forms of work in which women are engaged in the informal economy is home work or home-based work – productive work undertaken at or near to home. Home work has been performed in many countries for many years, and involves both traditional and modern forms of production. Homeworkers typically produce or process goods according to the specifications of employers or intermediaries who provide them with the work, supplying them with materials, inputs and specifications for the production. Homeworkers, therefore, are dependent on the employers who give them work. Home-based workers, on the other hand, are considered to be more independent and are regarded as self-employed. They undertake production or processing, and typically procure materials and inputs from and sell the end products to formal or informal enterprises or on the market. It is mostly small enterprises which engage homeworkers and home-based workers, and they may also use those outputs for further production and sales. Although most goods produced by homeworkers are sold in the local or domestic markets, some are also exported to international markets. Given that homeworkers are generally paid low wages, they form the bottom rung of the global value chains, often working under poor and exploitative conditions.

Both homeworkers and home-based workers share similar characteristics, but those home-workers who are under subcontract arrangements are generally economically less independent than home-based workers. Home-based workers are not fully independent either, however, as they lack access to information on the markets and they do not have full control over the way that the production should take place. Both homeworkers and home-based workers are also subject to market conditions, such as inflation, irregular orders and competition. They both face such challenges as low remuneration, poor working conditions (in terms of both occupational health and safety and hours of work), and lack of negotiating power for improving working and living conditions. Both types of workers mostly use their own tools and equipment and cover various operational costs such as the rent of premises, electricity, water, transport, and other incidentals.

Globally, under the overall trends of increasing decentralization of production and services with associated outsourcing, in addition to growing flexibility in the overall labour market, the number of homeworkers and home-based workers is likely to remain substantial. Given the paucity of data on the exact nature of informal employment in general and more specifically on homeworkers, however, it is difficult to estimate the global numbers of homeworkers and home-based workers. Where home work is widely practised, the large majority of workers are women, but men also participate. Women in Informal Employment: Globalizing and Organizing (WIEGO)<sup>9</sup> estimated that in India, in 2011–2012, home-based workers represented 13.4 per cent of total urban employment and 30.5 per cent of women's urban employment (Raveendran et. al., 2013). In Pakistan, in 2008–2009 they represented 3.9 per cent of total urban employment and 30.6 per cent of women's urban employment (Akhtar and Vanek, 2013).

According to ILO Convention No. 177, the definition of home work implies that those enterprises which provide home workers with work either directly or via intermediaries

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<sup>9</sup> WIEGO is an international non-governmental organization (NGO) which undertakes research, advocacy and knowledge dissemination in support of female informal workers across the world (<http://www.wiego.org/>).

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with a set of specifications (the nature of products or services, deadlines and remuneration – in terms of both level and mode of remuneration) are considered as de facto “employers”. Homeworkers are also considered as “dependent” workers. In other words, the Convention presumes an employment relationship between those who undertake the work – “employees” – and those who provide them with work – “employers”. On the other hand, those home-based workers who procure inputs and materials from the market and sell the end products on the market (not necessarily back to the enterprises from which they procured the inputs) are considered “independent” and “self-employed” or “own-account” workers.

**Box 2: Home Work Convention, 1996 (No. 177)**

Article 1 provides that:

- (a) the term homework means work carried out by a person, to be referred to as a homeworker,
  - i. in his or her home or in other premises of his or her choice, other than the workplace of the employer;
  - ii. for remuneration;
  - iii. which results in a product or service as specified by the employer, irrespective of who provides the equipment, materials or other inputs used, unless this person has the degree of autonomy and of economic independence necessary to be considered an independent worker under national laws, regulations or court decisions<sup>10</sup>

Home work typically involves labour-intensive production of goods such as soccer balls, garments (both modern and traditional), toys and comparable items. Home work is often precarious, arduous owing to the long hours required, and earns low wages, typically paid by piece rate. There are usually intermediaries (mostly men) who provide and distribute work to homeworkers. Homeworkers face many challenges: unpredictability of orders and delayed payments of remuneration, added to bearing the costs involved in the production process such as equipment, electricity, premises and transport, costs which would be borne by the employer if the work were to be done in a factory. In most countries, since informal homeworkers are not recognized under law as workers, they have no labour rights. Neither do they have access to social protection, or voice or representation, as a consequence of the lack of organization and awareness of their rights. They often work long hours in order to meet tight deadlines, and in poor working conditions, including poor lighting and ventilation, and exposure to hazardous chemicals.

While it is often believed that there are no linkages between the informal work undertaken by homeworkers and formal enterprises, evidence shows that in many instances homeworkers form the bottom rung of the global value chain in some sectors. With a growing global trend of decentralization of production and services, work is outsourced by enterprises to individuals who produce goods or provide services in accordance with the requirements specified by the enterprises. Many informal homeworkers and home-based workers, do indeed undertake work upon orders provided by formal enterprises which then export the goods, or procure materials from formal enterprises which sell goods to other firms. Although the incomes of those homeworkers are low and unpredictable, their contributions to the household alleviate income poverty. In most households in which homeworkers are found, their main source of income is informal (Chen and Raveendran, 2014). And, yet, the work of informal homeworkers is invisible not only physically because of its location but also from the policy and legal points of view. Further, the value

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<sup>10</sup> ILO Convention No. 177 has been ratified by only 10 countries to date. See ILO web page: [http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100\\_ILO\\_CODE:C177](http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C177).

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of the economic activities that take place in the informal economy is not fully accounted for in the GDP. This is despite the fact those economic transactions and outputs, of home and home-based workers, form part of the GDP, including through value added tax, and the procurement from and sale of goods to the economy.

There are different explanations as to why, despite the low earnings, women are engaged in work in the informal economy, or more specifically in home work, in developing countries. One reason is that those women who are engaged in home work are typically not highly educated or skilled and cannot engage in wage employment in the formal economy; they therefore undertake informal home work as a means of survival, contributing to household income. Another reason is that women in more traditional and conservative societies are constrained by the lack of mobility and social acceptance of women working outside home; as a result, they are forced to work at home by default and they do not have much choice in the types of work that they can do. Furthermore, women may opt for home work because it allows them to combine both productive and reproductive responsibilities.

Whatever the reason, typically it is those poor women with low literacy and numeracy skills who are engaged in informal home and home-based work, because of the social barriers and discrimination against such women constraining them from engaging in more productive, better remunerated and protected forms of employment – wage employment with proper contracts and associated social benefits, enhanced by better access to rights at work.

In countries where women's mobility is restricted by religious or traditional norms on gender roles, when women are engaged in productive work, they do such work from home. Because of their gender, however, in many cases, they tend to be exploited or sometimes harassed by the intermediaries (mostly men) who distribute work to those women.

### ***Homeworkers in Pakistan***

Hassan and Farooq (2015) have documented the gender dimensions of home and home-based workers in Pakistan. Their research shows how traditional views and practices in respect of women's role in the home and community severely constrain the women's ability to work outside the home. Structured interviews were undertaken with 200 selected female home-based workers engaged in *chunri*<sup>11</sup> making, garment making, carpet weaving and stitching soccer balls. In the households interviewed, the women's husbands or male relatives would not allow women to go out of the home alone or to work outside home. The study also shows that, although some are harassed by the intermediaries (men) and they find the remuneration low and exploitative, a large majority of women are happy to engage in the home work. By engaging in income-generating work, they can provide income for their households, and they feel comfortable as they can discharge their household responsibilities at the same time.

In Pakistan, in order to claim labour rights and extend social protection coverage to home-based workers, the Home Based Women Workers Federation and Pakistan National Trade Unions Federation have been lobbying the government to adopt a national policy on

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<sup>11</sup> *Chunri* or *dupatta* is a long scarf worn by women in South Asia (Wikipedia: <https://en.wikipedia.org/wiki/Chunri>).

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home-based workers and ratify ILO Convention No. 177, but have not succeeded thus far.<sup>12</sup>

### ***Home and home-based workers in Indonesia***

In Indonesia, which is the largest Muslim country in the world (in terms of the size of the Muslim population), there are tens of thousands of women who work as homeworkers engaged in various forms of production. In many cases home work is not new and has been practised throughout several generations in Indonesia – the work has been passed on from grandmothers to mothers and then to daughters. Home work in Indonesia shares many characteristics and challenges with those existing in other countries. It is characterized by low pay, long hours of work, unstable orders, and lack of access to social protection, rights at work and voice and representation because of its invisibility and lack of organization.

The ILO-supported project, “Access to Employment and Decent Work for Women”, funded by AUSAID, undertook a survey of home-based workers in 2014 (ILO, 2015b). The survey targeted those women who were subcontracted as homeworkers, also known as “putting-out” workers. The survey found that: women homeworkers have lower levels of education than the national average; 80 per cent of women homeworkers are married and all age groups of women are engaged in the work; their spouses are typically engaged in informal or casual work; about half of the women interviewed were introduced to home work by their neighbours, or intermediaries, and 20 per cent by a friend; and for the large majority (88 per cent) home work was their main activity.

In terms of types of production, homeworkers are engaged in various sectors and industries, carrying out activities such as processing vegetables (like onions, garlic) and seafood (for example, shrimp, fish), sewing bags, removing loose threads from completed garments, making parts for electronics items, producing sports equipment, and embroidery. The majority of women receive raw materials but it is less common for the homeworkers to receive tools from their employers or intermediaries, and they do not receive compensation for the production-related expenses. Most of the so-called “employers” engaging homeworkers are micro and small enterprises that act as suppliers, sub-suppliers, or intermediaries for larger factories. The homeworkers may not know which factory the microenterprise trades with. While most of the products are sold on to the domestic markets (both regional and national), about one fifth of the homeworkers stated that their outputs are sold through international value chains (ibid.).

One of the key challenges faced by the homeworkers is that the pay is low and most are not in a position to negotiate the pay with their employers. Homeworkers are paid by piece-rate and the rate is determined by the employers without negotiation. Despite working long hours, with more than 30 per cent of the women working more than 48 hours per week, they earn enough to rise just above the poverty line and less than 50 per cent of the average wage for women in the manufacturing sector. Most workers receive payment upon delivery of their products, but many experience delays in receiving payment. In the manufacturing sector in Indonesia in general, women are paid less than men – there are gender wage gaps ranging between 16 per cent in Banten region and 33 per cent in Central Java where the survey took place. Furthermore, the wage gap between women homeworkers and women in regular employment in the manufacturing sector is even greater. Women homeworkers are paid only 19 per cent of the wages received by regular wage employees in Banten, and 74 per cent in West Java. The disparity is even greater

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<sup>12</sup> See web site of Law at the Margins: <http://lawatthemargins.com/perspectives-home-based-policy-still-distant-dream-for-millions-of-workers-in-pakistan/>.

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when taking into consideration the fact that the homemaker typically has to bear the production operating costs, such as tools and equipment, electricity, transport, and similar incidentals (ibid.). Such operating costs are borne by the employers in factories, not by the regular wage employees.

As regards access to social security and other working conditions, about 60 per cent of women homeworkers have access to some form of social protection but the rest do not. This is, however, largely as a result of their lack of awareness of the government-provided social welfare programmes and schemes.<sup>13</sup> Some women workers interviewed complained about occupational injuries and illness, and resulting lost work days, which would cause loss of income. Women homeworkers are not very well organized, nor connected with each other, and they generally do not have the power required to negotiate their terms of work (ibid.).

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<sup>13</sup> Article 99 of the Manpower Act No. 13/2003 provides that all workers are entitled to Social Security in Indonesia, but only 25 per cent of all formal wage workers, and only 3 per cent of homeworkers are covered under employment insurance, owing to informality of work (ILO, 2015b).

The ILO/AUSAID project has provided various forms of support to homeworkers to raise their awareness of labour rights, improving working conditions and in organization building (see box 3. below).

### **Box 3: MWPRI and the ILO/MAMPU project in Indonesia**

In the late 1990s, NGOs, local universities and the government in Indonesia started to look into the situation of homeworkers with the support of an ILO/Danish International Development Agency project to protect and organize homeworkers. In 1996, NGOs<sup>1</sup> and academicians<sup>2</sup> founded Mitra Wanita Pekerja Rumahan Indonesia (MWPRI, or the National Network of Friends of Women Homeworkers) in Malang, East Java with a view to improving the socio-economic situation of Indonesian home-based and informal economy workers. Since then, MWPRI has engaged in developing HBWs' organizations and represented HBWs at the local, national, subregional and international levels, although the scale of activities has depended on the availability of external resources.

In 2012 the ILO partnered with the Ministry of Manpower, and employers' and workers' organizations to increase women's access to decent jobs and remove workplace discrimination and became part of MAMPU (Maju Perempuan Indonesia untuk Penanggulangan Kemiskinan, or Empowering Indonesian Women for Poverty Reduction), a cooperation programme of the Indonesian and the Australian Governments, to improve access to jobs and social protection and livelihoods for poor women in Indonesia in selected geographical areas. In 2013, in cooperation with the National Programme for Community Empowerment or Program Nasional Pemberdayaan Mandiri (PNPM), the ILO/MAMPU project increased the business skills of women HBWs in North Sumatra and supported the organization of homeworkers in East Java. Since early 2014, following a reorientation of the overall MAMPU programme cooperation between the Governments of Indonesia and Australia, the ILO/MAMPU project focused on improving the working conditions of homeworkers, including women with disabilities in home-based work.

From mid-2014 to early 2015, the project partnered with BITRA (Yayasan Bina Ketrampilan Pedesaan Indonesia, Activator for Rural Progress) in North Sumatra, TURC (Trade Union Rights Centre) in Central Java, and YASANTI (Yayasan Annisa Swasti, Indonesia, or Annisa Swasti Foundation) in Yogyakarta and MWPRI (Mitra Wanita Pekerja Rumahan Indonesia, or HomeNet Indonesia) in East Java to create awareness on gender equality and workers' rights among homeworkers and improve their working conditions by facilitating the organization of homeworkers' groups and building their capacity in areas such as organizing, leadership, negotiation and advocacy skills, occupational safety and health, and financial literacy. Trade union partners also created awareness on homeworkers' issues to start extending trade union support to homeworkers.

Despite the relatively short time frame, the project partners supported 2,104 homeworkers (1,958 women and 146 men) to improve their knowledge and working conditions and as many as 34 groups of homeworkers have been formed covering 1,197 homeworkers. A homeworkers trade union, Serikat Pekerja Rumahan Sejahtera (Prosperous Homeworkers Trade Union), initially consisting of 10 occupational groups of around 300 homeworkers in total, was established in January 2015 in North Sumatra, and at least 429 homeworkers successfully negotiated with their employers for better working conditions, resulting in, among others, wage increases, provision of holiday allowance, and coverage of some of the production costs.

Notes: HBW = home-based workers.

\* Yayasan Pengembangan Pedesaan (the Rural Development Foundation), Bina Swadaya Yogyakarta Foundation, Yayasan Pemerhati Sosial Indonesia, and Lembaga Daya Dharma.

\*\* LPM Merdeka University.

Source: ILO, 2015c, section 2.3.

## **Home and home-based workers in India**

In urban India, poor women are often engaged in informal home-based work. In 2009–2010, the four major vulnerable groups of workers combined – domestic workers, home-based workers, street vendors and waste pickers – accounted for 33 per cent of total urban employment (35 per cent of male and 24 per cent of female urban workers) and 41 per cent of urban informal employment (44 per cent of male and 29 per cent of female urban informal workers). Virtually all workers in each of these groups were informally employed. The rate of informal employment in the non-agriculture sector for women is 84.7 per cent, among which domestic workers constitute 4 per cent of all workers in urban India, and home-based workers represent 18 per cent of the urban workforce (ILO, 2013b).

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It was estimated that in 2011–2012, home-based workers represented 14 per cent of total urban employment and 32 per cent of women’s urban employment (Chen and Raveendran, 2014).

In 2009–2010, nearly two-thirds (62 per cent) of all home-based workers – 65 per cent of men and 40 per cent of women – were own-account workers. A far larger percentage of women (39 per cent) than men (19 per cent) were unpaid contributing family workers. A small percentage of home-based workers were wage workers: 9 per cent of all, 8 per cent of men, and 18 per cent of women; and some were employers: 8 per cent of men and 3 per cent of women (ILO, 2013b).

Women who work in the informal sector in India face gender discrimination and come from sections in society that need some sort of income to survive at any cost. An average woman spends some seven to eight hours on household duties and family care, and those who do not have remunerative work spend an additional five to eight hours as unpaid family workers. A mere 7.5 per cent of all women workers are members of a registered trade union. Most of the women lack proper education and training. They have few options as far as gainful employment is concerned. Still, nearly half of these women are the sole income earners of their families (ibid.).

**Box 4: Self-Employed Women’s Association in India**

In India, home-based workers have been assisted by the Self-Employed Women’s Association (SEWA), which was born in the early 1970s as a trade union of self-employed women. It grew out of the Textile Labour Association (TLA), India’s oldest and largest union of textile workers founded in 1920 by a woman, Anasuya Sarabhai. After some organizational evolution, SEWA was registered as a trade union under the Trade Union Act of India in 1972, and split from the TLA in the 1980s due to differences in views with regard to some members of SEWA. Since then, SEWA has been engaged in the promotion of cooperatives, women’s saving groups, and the rights of informal workers, also in support of women home-based workers. Their outreach of networks extends to the international network of homeworkers and home-based workers (ILO, 2015c).

## 4.2 Street vendors

Across various countries, especially in the developing world, a substantial number of informal workers are engaged in street vending on the sidewalks, streets or other public places. Although it is generally a male preserve, many women are also engaged in street vending, especially in sub-Saharan Africa and to a lesser extent in Asia. Street vendors are engaged in the sale of various types of goods and services: selling anything from luxury goods, electronics items and auto spare parts to fruits and vegetables, and offering such services as shoe-shining and shoe repairing, barbering and hairdressing, or repairing bicycles and motorcycles. Women are more likely than men to sell fruits and vegetables (Roever, 2014).

Street vending forms a substantial part of employment in urban areas in developing regions. Street vending represents 11 per cent and 15 per cent of the urban employment in India and South Africa, but only 3 per cent and 1 per cent in Brazil and in Buenos Aires, respectively. In Africa, in particular, the share of women among street vendors is high: between 63 per cent in Kenya and 88 per cent in Ghana (ILO, 2013b).

Street vendors typically have little formal education, and the large majority live in households with income only from informal employment and where street vending is the main source of income. Street vendors contribute to both the informal and formal economy. They buy goods from both formal and informal enterprises, and they also pay for services such as security guards and transport operators, creating other economic activities. Furthermore, many street vendors do obtain a licence for which they pay fees, and pay

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value added taxes on the goods they procure, also contributing to local government and national government revenues (Roever, 2014).

Key challenges facing street vendors include: police harassment, arbitrary confiscation of goods, demands for bribes and physical abuse, and insecurity of workplace (especially on the streets), eviction, relocation and difficulty of obtaining licences. Others include inadequate quality of urban infrastructure, such as lack of access to safe water, toilets, shelter and storage space. Street vendors are also affected by inflation and market competition, and lack of access to finance, and unfavourable terms of credit (from informal money lenders) (ibid.). Women in particular are at higher risk of being subjected to police harassment, demands for bribes, street violence, and similar forms of abuse.

**Box 5: Organizations of street vendors**

There are both national organizations of street vendors and an international network. StreetNet International is an alliance of street vendors. It was launched in Durban, South Africa, in November 2002. It is an international network connecting various national organizations of street vendors. The aim of StreetNet is to promote the exchange of information and ideas on critical issues facing street vendors, market vendors and hawkers (that is, mobile vendors), and on practical organizing and advocacy strategies. They meet five times every three years, and most recently held an international congress in New Delhi in October, 2016, gathering delegates from 42 out of 49 affiliates, representing paid-up membership of some over 600,000 members. The delegates discussed the progress of StreetNet International and their struggle to promote the organization of street vendors, hawkers, and market vendors.

Source: StreetNet International web site.

### 4.3 Waste pickers

Waste picking is one of the worst forms of work undertaken in terms of working conditions and health and personal risk. In developing countries, a small part of the urban labour force is engaged in waste picking. More men than women are waste pickers; they engage in the work as a way of survival, but they are often regarded as a nuisance or on the margins of society. This is especially the case in India. Yet they contribute not only to the well-being of the community in which they work, but also to the overall sustainability of the environment by collecting, sorting and recycling wastes which people discard. By recycling part of the waste, the quantities of wastes that are dumped in public sites is also reduced. Waste pickers pick up wastes on the street or from public dump sites, but in some cities they also render a service of waste collection from individual households in the cities. Collected wastes are sorted, recycled and sold to formal enterprises, or turned into compost (Dias, 2016).

There are no global statistics on waste pickers and across various regions, where data are available, the share of waste pickers in urban employment is less than one per cent. It is estimated at between 0.1 and 0.4 per cent in West African cities. In India, it is estimated at 0.1 per cent. Waste pickers account for 0.7 per cent of urban employment in South Africa, 29 per cent of whom are informal, but the rest are working with municipalities as formal workers (ILO, 2013b).

Waste pickers face many challenges in common with other informal workers: poor working conditions (in terms of health and safety at work, even risks to life, including being exposed to hazardous materials and agents, and working under the sun); workplace insecurity; lack of social security and rights at work; and lack of organization and voice.



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#### Box 6: Alliances of waste pickers

There are national and international alliances of waste pickers, and there are also different types of member-based organizations. Many of them form cooperatives, some are trade unions, and others are NGOs. Workers are best organized in Brazil. In Brazil there are over a quarter million waste pickers, 33 per cent of whom are women. While perhaps small in number, considering the size of the country, waste pickers are responsible for the high rates of recycling in Brazil: nearly 92 per cent of aluminium and 80 per cent of cardboard was recycled in 2008 (ILO, 2013b). But the largest national organization of waste pickers is the one in New Delhi in India – All India Kabadi Majdoor Mahasangh (AIKMM) which is stated to have some 40,000 members. AIKMM is also a trade union.

Source: Web site of the Global Alliance of Waste Pickers (<http://globalrec.org/waw/>).

#### 4.4 Women entrepreneurs

While global estimates of female and male entrepreneurs are difficult to find, according to the Global Entrepreneurship Monitor report, in 2016 an estimated 163 million women were starting or running new businesses in 74 economies around the world. In addition, an estimated 111 million were running established businesses. Across various economies, the number of women entrepreneurs is increasing; they contribute to economic growth and the improvement of the well-being of their families and society at large (Global Entrepreneurship Research Association, 2017).

Although the development of women's entrepreneurship has led to increased policy traction in both the developed north and developing south, very often the reason why women engage in small business or economic activity is not out of choice, especially when working with low remuneration and for long hours, and often in locations and conditions that are hazardous or result in their being subjected to harassment (as in the case of street vending). On average, women are 20 per cent more likely than men to start a business out of necessity, rather because an opportunity presents itself. The rate is 36 per cent and 30 per cent in sub-Saharan Africa and Latin America and the Caribbean respectively, and lower at 13 per cent and 23 per cent in North America and East and South Asia and the Pacific respectively (ibid.).

As small and medium-size enterprises create the vast majority of jobs in the world, however, it is worth reviewing the gender dimensions of the development of entrepreneurship in the context of the informal economy. There is a large amount of literature analysing the key challenges and barriers that women face as entrepreneurs. It is known that women's enterprises are smaller in size compared to men's, and more likely to be informal. It is more difficult to formalize them than male-owned enterprises for reasons similar to those faced by women employed in other types of work in the informal economy.

Women entrepreneurs face such challenges as a lack of or low access to credit, low levels or a lack of business skills and knowledge, and low access to technology and markets. In more traditional societies women are constrained by the social stigma attached to working outside homes in public places, and to travelling alone unaccompanied by a male family member. Women entrepreneurs also face risks of harassment and extortion by local authorities, in addition to the risk of sexual violence.

Most women entrepreneurs are engaged in small economic activities, stemming from the lack of alternative employment and income opportunities, as a survival strategy. But according to a small-scale survey conducted on women entrepreneurs in Nepal, some are motivated to engage in small businesses by their desire to become financially independent from their husbands rather than staying at home, and some others mentioned other motivating factors, such as having a social network. Nevertheless, they also expressed such

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constraints as family responsibilities (unpaid care work), and lack of credits and skills (Xheneti and Karki).<sup>14</sup>

Another larger survey conducted on women in the informal economy in India has shown that women entrepreneurs are engaged in micro-business both out of necessity and by their desire to engage in economic activity, or as a rational choice. The survey results show that among the four groups of working women interviewed, domestic workers, office assistants, shop assistants, and self-employed (entrepreneurs), the last group earned the highest income. The majority of women entrepreneurs were migrants to the city, with no formal education. In addition to low and irregular income and long hours of work, which were mentioned by all the groups of women interviewed, women entrepreneurs also stated that competition from larger enterprises was a disadvantage. The lack of alternative employment was also acknowledged, as was the case for domestic workers who also cited the lack of social benefits as a disadvantage (Williams and Gurtoo, 2011).

The ILO has been implementing a programme entitled Women's Entrepreneurship Development (WED).

**Box 7: Approaches to formalize women's enterprises**

- Supporting associations of women entrepreneurs.
- Organizing members to facilitate representation with local and national governments.
- In cooperatives, creating economies of scale for joint procurement, production, and marketing.
- Providing or facilitating access to microfinance, health care, business development services, and other services (e.g. SEWA programmes).
- Undertaking projects to improve working conditions.
- Organizing members for self-regulation.
- Providing visibility and validity through the group's formal status, including identification cards to give members an economic identity.
- Including women entrepreneurs in trade in general, and in "Fair Trade" in particular.
- Engaging with women entrepreneurs for the development of market infrastructures.
- Creating supporting infrastructures and systems.
- Capacity building in management of women entrepreneurs' associations.
- Increasing women entrepreneurs' capacity through enhanced business development services and demand-driven skills development.

Source: ILO, 2015d

## 4.5 Conclusion

This section has reviewed both the key challenges and responses to support those workers who are most vulnerable in the informal economy: among others, home-based workers, street vendors, waste pickers, and women micro-entrepreneurs. All these workers

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<sup>14</sup> A small-scale survey conducted on women entrepreneurs in Nepal indicated that 39 per cent of the respondents replied that they were engaged in micro entrepreneurship owing to the lack of other alternative employment, and 37 per cent were attracted by their desire to become financially independent rather than staying at home (Xheneti and Karki).

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face similar challenges: poor working conditions, long hours, workplace insecurity and hazards, poor remuneration, market fluctuations, and competition. From a gender perspective, women are more likely to be exploited and harassed by those with whom they have to deal: the intermediaries and enterprises for the homeworkers, and the police and local authorities for the street vendors, waste pickers and women micro-entrepreneurs in general. Of these the most vulnerable, although least numerous, are the waste pickers.

For each category of worker, some action has been taken by their own organization, or supported by national or international NGOs and movements. There is, however, a clear need for the national governments and local authorities to do more to provide support to such vulnerable categories of workers. The governments can provide a more conducive legal and policy environment to enable them to organize themselves, up-grade and improve the infrastructure where the workers operate, and extend labour inspection services and social protection coverage for them.

The ILO/AUSAID project has also demonstrated that a donor-funded project that focused on the improvement of working conditions of homeworkers was instrumental in raising the workers' awareness of their rights at work, promoting their organization, and improving their working conditions and well-being, including augmenting their income.



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## 5. ILO's approach to transition to formalization: a rights-based approach to gender equality

The ILO has been engaged in standard-setting, research, technical assistance, and disseminating information on issues concerning women workers, and gender and the informal sector and economy, throughout its 100-year history. Informality of employment matters in the world of work, as it is closely linked to income poverty, poor working conditions, and generally a lack of or limited access to social protection and rights at work. As reviewed throughout this report, the gender dimensions of informal employment matter. On average, women tend to be more disadvantaged in the world of work than men, due mostly to traditional social institutions which are very slow to change. Across all regions, in varying degrees, social views effect the access of women and men to education and training opportunities, economic resources and opportunities, and rights at work. Yet women in informal work often contribute essential income to their households in which the husband is either unemployed, underemployed or also an informal worker.

### 5.1 Rights-based approach to formalization

The ILO has numerous International Labour Standards on gender equality, non-discrimination, and protection of women workers. Among the Conventions supporting the fundamental principles and rights at work are the Equal Remuneration Convention, 1951 (No. 100) and the Discrimination (Employment and Occupation) Convention, 1958 (No. 111). These Conventions are key in the promotion of gender equality and non-discrimination principles in the world of work across the board.<sup>15</sup>

Promotion of formal employment is the most important avenue to reduce informality of employment and prevent informalization of formal employment. In relation to employment promotion, the key international normative instrument is the Employment Policy Convention, 1964 (No. 122). The Convention requires the ratifying member States to develop and implement policies to promote full, productive and freely chosen employment for all those women and men who are available and capable to work. The Convention includes the same provisions on gender equality and non-discrimination as ILO Convention No. 111. These Conventions have direct implications for those who work in the informal economy. Equal rights and principles at work are applicable to all workers in the member States, regardless of whether a country has ratified these Conventions. The key thrust of Convention No. 122, ratified by 111 countries to date, calls upon the ratifying States to provide a policy framework which places employment promotion at the centre of socio-economic policies according to their socio-economic context and level of development. As the best measure to reduce informal employment is to create formal employment in the formal economy, Convention No. 122 provides overarching and important policy guidance in this regard. A holistic approach to employment promotion policies was re-emphasized at the second recurrent discussion on employment at the International Labour Conference in 2014.<sup>16</sup>

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<sup>15</sup> See the ILO web site on International Labour Standards concerning gender equality: <http://www.ilo.org/global/standards/subjects-covered-by-international-labour-standards/equality-of-opportunity-and-treatment/lang--en/index.htm>.

<sup>16</sup> See the Resolution and conclusions concerning the second recurrent discussion on employment, 103rd Session of the International Labour Conference, 2014:

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There are also other Conventions and Recommendations, as discussed below, which target specific categories of vulnerable informal workers such as homeworkers and domestic workers. They provide policy guidance for setting decent occupational safety standards and equal rights at work.

### ***Home Work Convention, 1996 (No. 177)***

As mentioned earlier, Convention No. 177 was adopted as a result of ILO-assisted research and a direct assistance programme in Asia and Latin America. The Convention has been ratified by only 10 countries to date (as at December 2017). The Convention aims to protect the rights of homeworkers – the large majority of whom are women – and improve working conditions by recognizing an employment relationship between those who provide work and those who work under a form of contractual relationship (whether written or verbal) by extending to them the same rights as those applied to formal wage workers.

The convention provides under Article 3 that:

Each Member which has ratified this Convention shall adopt, implement and periodically review a national policy on home work aimed at improving the situation of homeworkers, in consultation with the most representative organizations of employers and workers and, where they exist, with organizations concerned with homeworkers and those of employers of homeworkers.

Under Article 4, it provides that:

1. The national policy on home work shall promote, as far as possible, equality of treatment between homeworkers and other wage earners, taking into account the special characteristics of home work and, where appropriate, conditions applicable to the same or a similar type of work carried out in an enterprise.
2. Equality of treatment shall be promoted, in particular, in relation to:
  - (a) the homeworkers' right to establish or join organizations of their own choosing and to participate in the activities of such organizations;
  - (b) protection against discrimination in employment and occupation;
  - (c) protection in the field of occupational safety and health;
  - (d) remuneration;
  - (e) statutory social security protection;
  - (f) access to training;
  - (g) minimum age for admission to employment or work; and
  - (h) maternity protection.

Other provisions stipulate that relevant national laws should apply with regard to collective agreements and arbitration, and cover safe occupational standards and labour inspection, responsibilities of employers and intermediaries, and collection of statistics on home work.

The Convention is a milestone Convention which specifically extends labour rights to those informal homeworkers, mostly women, who are vulnerable to exploitation by intermediaries and employers.

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[http://www.ilo.org/wcmsp5/groups/public/---ed\\_norm/---relconf/documents/meetingdocument/wcms\\_249800.pdf](http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---relconf/documents/meetingdocument/wcms_249800.pdf)

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## ***Domestic Workers Convention, 2011 (No. 189)***

Another landmark international labour standard which also targets and aims to protect a vulnerable category of worker, particularly women, is Convention No. 189, which has been ratified by 24 countries (as at December 2017).

Under Article 3 the convention provides that:

1. Each Member shall take measures to ensure the effective promotion and protection of the human rights of all domestic workers, as set out in this Convention.
2. Each Member shall, in relation to domestic workers, take the measures set out in this Convention to respect, promote and realize the fundamental principles and rights at work, namely:
  - (a) freedom of association and the effective recognition of the right to collective bargaining;
  - (b) the elimination of all forms of forced or compulsory labour;
  - (c) the effective abolition of child labour; and
  - (d) the elimination of discrimination in respect of employment and occupation.

The Convention has wide-ranging provisions to extend to domestic workers, including to migrant domestic workers, the same labour rights as apply to formal wage workers. It also includes a specific provision regarding protection of domestic workers against all forms of abuse, harassment and violence, and provisions on ensuring their privacy and decent living conditions, as well as on mode of payment and decent wages. The ILO has been promoting this convention under a specific programme providing technical assistance in various countries.<sup>17</sup>

## ***Transition from the Informal to the Formal Economy Recommendation, 2015 (No. 204): gender dimensions***

In 2015 the International Labour Conference adopted a most comprehensive normative instrument with regard to formalization of the informal economy (and employment): –**Transition from the Informal to the Formal Economy Recommendation, 2015 (No. 204)**. The Recommendation is not only comprehensive in its approach to formalization of informal employment and the economy, but also includes fully the principles of equal rights and non-discrimination. The Recommendation states under section I, on objectives and scope, that:

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<sup>17</sup> See the ILO web site: <http://www.ilo.org/asia/areas/domestic-workers/lang--en/index.htm>. (Accessed on 2 November, 2017).

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This Recommendation provides guidance to Members to:

- (a) facilitate the transition of workers and economic units from the informal to the formal economy, while respecting workers' fundamental rights and ensuring opportunities for income security, livelihoods and entrepreneurship;
- (b) promote the creation, preservation and sustainability of enterprises and decent jobs in the formal economy and the coherence of macroeconomic, employment, social protection and other social policies; and
- (c) prevent the informalization of formal economy jobs.

Under section II, on guiding principles, it states that:

7. In designing coherent and integrated strategies to facilitate the transition to the formal economy, Members should take into account the following:

- (a) the diversity of characteristics, circumstances and needs of workers and economic units in the informal economy, and the necessity to address such diversity with tailored approaches;
- (b) the specific national circumstances, legislation, policies, practices and priorities for the transition to the formal economy;
- (c) the fact that different and multiple strategies can be applied to facilitate the transition to the formal economy;
- (d) the need for coherence and coordination across a broad range of policy areas in facilitating the transition to the formal economy;
- (e) **the effective promotion and protection of the human rights of all those operating in the informal economy;**
- (f) **the fulfilment of decent work for all through respect for the fundamental principles and rights at work, in law and practice;**
- (g) the up-to-date international labour standards that provide guidance in specific policy areas (see Annex);
- (h) **the promotion of gender equality and non-discrimination;**
- (i) **the need to pay special attention to those who are especially vulnerable to the most serious decent work deficits in the informal economy, including but not limited to women, young people, migrants, older people, indigenous and tribal peoples, persons living with HIV or affected by HIV or AIDS, persons with disabilities, domestic workers and subsistence farmers;**
- (j) the preservation and expansion, during the transition to the formal economy, of the entrepreneurial potential, creativity, dynamism, skills and innovative capacities of workers and economic units in the informal economy;
- (k) the need for a balanced approach combining incentives with compliance measures; and
- (l) the need to prevent and sanction deliberate avoidance of, or exit from, the formal economy for the purpose of evading taxation and the application of social and labour laws and regulations. (*Highlights added by the author.*)

Respect for gender equality, non-discrimination and human rights forms a part of key guiding principles under this Recommendation.



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Under section III, on legal and policy frameworks, the Recommendation provides that:

11. This integrated policy framework should address:
  - (a) the promotion of strategies for sustainable development, poverty eradication and inclusive growth, and the generation of decent jobs in the formal economy;
  - (b) the establishment of an appropriate legislative and regulatory framework;
  - (c) the promotion of a conducive business and investment environment;
  - (d) respect for and promotion and realization of the fundamental principles and rights at work;
  - (e) the organization and representation of employers and workers to promote social dialogue;
  - (f) the promotion of equality and the elimination of all forms of discrimination and violence, including gender-based violence, at the workplace; .... (Highlights added by the author.)

Under section IV, on employment policies, it provides that:

15. Members should promote the implementation of a comprehensive employment policy framework, based on tripartite consultations that may include the following elements: ...
  - (g) comprehensive activation measures to facilitate the school-to-work transition of young people, in particular **those who are disadvantaged**, such as youth guarantee schemes to provide access to training and continuing productive employment;
  - (h) measures to promote the transition from unemployment or inactivity to work, in particular for long-term unemployed persons, **women and other disadvantaged groups**;... (Highlights added by the author.)

The Recommendation further provides under section V, on rights and social protection, that:

16. Members should take measures to achieve decent work and to respect, promote and realize the **fundamental principles and rights at work** for those in the informal economy, namely:
  - (a) freedom of association and the effective recognition of the right to collective bargaining;
  - (b) the elimination of all forms of forced or compulsory labour;
  - (c) the effective abolition of child labour; and
  - (d) **the elimination of discrimination in respect of employment and occupation.**
18. Through the transition to the formal economy, Members should progressively extend, in law and practice, to **all workers** in the informal economy, social security, **maternity protection**, decent working conditions and a minimum wage...
21. Members should encourage the provision of and access to **affordable quality childcare and other care services in order to promote gender equality** in entrepreneurship and employment opportunities and to enable the transition to the formal economy.

The above-mentioned Conventions and Recommendation clearly indicate that the rights and principles of gender equality and non-discrimination form an important part of the guiding principles in these international standards.

In addition to the above-mentioned International Labour Standards, the Social Protection Floors Recommendation, 2012 (No. 202) includes the principles of gender equality and non-discrimination, and is extremely relevant in the context of the formalization of informal employment.

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## 5.2 Integration of gender and formalization in national employment policies

A growing number of developing countries have formulated, adopted and are implementing a national employment policy,<sup>18</sup> in which policy measures on both gender equality principles and formalization of the informal economy have been included. Most national employment policies (NEPs) that have been developed recently, between 2016 and 2017, have integrated in them gender equality principles and issues. They have also addressed the issues of the informal economy and employment. In general, however, sections addressing gender equality and informal employment are separate sections, and the statements of policy measures on formalization of informal employment (economy) are not necessarily gender responsive or inclusive.

The National Human Resources and Employment Policy of Sri Lanka and the National Employment Policy of Mozambique are presented hereunder as examples. Both policies are comprehensive and include both demand and supply side policy measures, as well as those which address labour market governance issues, such as social dialogue, wages and employment services. They both have sections on gender equality and non-discrimination, as well as the informal economy.

### **Sri Lanka**

Sri Lanka's National Human Resources and Employment Policy (NHREP) is a multi-faceted policy involving various measures of both demand and supply side issues, as well as those policy measures that address labour market governance. It includes 16 thematic policy areas from pro-employment macroeconomic policies, sectoral strategies, and development of small and medium-size enterprises on the one hand, and several sections addressing the supply side issues of education and skills development, on the other. The policy includes measures pertaining to the governance of the labour market, such as public employment services, social dialogue and wages. The policy also includes sections on migration and social protection measures. Of particular relevance are specific measures to promote employment of women with gender equality at work, as well as formalization of informal employment.

The following is an excerpt of the National Human Resources and Employment Policy (NHREP) of Sri Lanka (2012).

#### **13. Informal Employment**

Policies to change the incentive structure to favour size expansion of firms and formalization will be formulated.

##### **Policies**

202. An entrepreneurship development programme will be formulated as part of employment promotion policy. ...

203. Having identified labour force segments with entrepreneurial potential encouragement will be provided to open new businesses through programmes of development of entrepreneurial skills, easy and subsidized credit facilities, product and market guidance and insurance schemes to cover short-term economic fluctuations.

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<sup>18</sup> The ILO has been providing technical support to more than 60 mostly developing and emerging countries in the formulation of a national employment policy during the last 10 years.

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Private sector organizations such as Chambers of Commerce are to be invited to join hands with public institutions to support entrepreneurial development.

204. [An] Attempt will be made to institutionalise and promote a 'pathways to business' concept within and outside the school system, so that school leavers at all levels as well as graduates of vocational training institutions and universities will be able to access entrepreneurship training at appropriate points in their lives. ...

205. Consensual policy action to eliminate legal impediments to firm expansion is proposed. Action to enhance effectiveness of labour laws and regulations would improve coverage for workers and flexibility for employers. It is also proposed that an insurance scheme for the unemployed would be developed to provide protection for workers when firms go bankrupt as in economy-wide recessions.

206. Credit and business development services will be provided to eligible small enterprises on attractive terms. ...

207. Longitudinal databases of enterprises participating in the credit and business development programmes will be built up so that factors that ensure survival and expansion of firms or precipitate their dissolution could be identified. ...

208. While policy has thus far concentrated on providing infrastructure such as electricity, power and water for firms through industrial estates, the issue of housing for workers has been neglected. ....If an effective housing programme, in which private property owners also will be active, eases these labour shortages it will help the setting up and growth of informal sector enterprises, perhaps more so than formal sector ones.

209. By implementing measures to improve the health of such workers they could be helped to contribute to the development of the society through productive work for a longer time.

210. The bulk of the informal sector workers are early school leavers or drop-outs from the school system. HR policies targeting these informal workers will aim at helping them gain further education through either informal ways (such as evening schools, distance learning, apprenticeships, etc.) or subsidized vocational training. ...

211. There are over 2 million borrowers, mainly female, served by these micro-finance institutions [MFIs]. ... The recent Finance Business Act has made it illegal for MFIs, other than Banks, Finance Companies and Cooperatives to take deposits from members. A Micro-finance Regulation and Supervision Authority (MR & SA) Law is to be enacted to enable MFIs to be regulated and to enable them to take deposits.

212. The informal sector is served to a large extent by community-based organizations (CBOs) and nongovernmental organizations (NGOs) such as Sarvodya and Sanasa. These community-based and nongovernmental organizations are sometimes called "non-formal". Policies will be developed to encourage such non-formal organizations to be more effective in their community based development work.

The NHREP for Sri Lanka also has a specific section on Mainstreaming Gender (Section 18), which aims at increasing women's labour participation and access to decent employment, by promoting women's entrepreneurship and equal wages for work of equal value; improving women's employability in particular in the innovative technology sectors; providing for war widows in war-affected regions; and by changing attitudes. The following is an excerpt of the relevant policy measures.

### **18. Mainstreaming Gender**

292. In order to enhance women's participation in the labour force, measures such as the following will be implemented:

- Provision of incentives for setting up well-monitored crèches for young children and day care centres for the elderly. The Ministry of Social Services has already begun a programme to convert unused primary school buildings into day care centres for old people. This programme needs to be strengthened.

- Encouragement of more flexible work arrangements such as part-time work, and work that can be done online. Telecommunication and other infrastructure facilities necessary to support online working arrangements will be further developed.
293. Through measures like the following, the accessing of better paid jobs can be facilitated for women in the labour force:
- Investment in training women for higher skilled occupations such as in the IT sector, nursing, hospitality industry and driving;
  - Promotion of women's entrepreneurship development, enhancing the access to credit, technology, business knowledge and markets for women;
  - Provision of a secure environment by maintaining law and order for women to travel to and from work; and
  - Provision of safe and efficient transport services through public-private partnerships.
294. Attitudinal changes will be promoted:
- Sexism and gender stereotyping in the workplace ought to be discouraged.
  - The state's legal and institutional infrastructure will be strengthened to handle issues of discrimination and sexual harassment.
  - A more equitable sharing of the burden of care and household chores between men and women will be encouraged.
295. A study may be conducted to identify any gaps in giving effect to provisions of the [C]onvention on equal remuneration for the work of equal value [Equal Remuneration Convention, 1951 (No. 100)] ratified by Sri Lanka and initiate remedial measures.
296. The knowledge base on the gender division of labour, employment and gender-related issues will be expanded through greater involvement of women's organizations. ...
297. Some of the sectors in the national economy to be promoted – e.g., tourism, ICT and health services – have been identified as high growth sectors with a high capacity to absorb educated young women.
298. The measures like the following are likely to further help women in the labour market: (a) provision of especially designed job search assistance to women graduates whose networks are even less well-developed than those of men; (b) use of mentorship programmes within schools and universities for female students; and (c) measures to encourage [the] private sector, particularly the large corporate firms[,] to increase recruitment of female graduates and placement of more women in management trainee programmes.
299. At least in the next decade or so, a special category of the female workforce, namely the large numbers of war widows, demands the attention of the society and the government. The programmes earmarked for female workforce will be offered to this group of vulnerable women with specifically worked out subsidy arrangements (e.g. subsidised micro-credit facilities) together with available social service packages.
300. The establishment of a social security system will be considered for the benefit of self-employed women. A fund will be set up with contributions from the self-employed women. The social security system will be implemented through this Fund. (Secretariat for Senior Ministers, Democratic Socialist Republic of Sri Lanka, 2012).

## **Mozambique**

Mozambique's National Employment Policy (NEP) (Republic of Mozambique, 2016) was approved in 2016 with an important gender and non-discrimination component embedded in it. The NEP has fully integrated issues of gender equality and non-discrimination on the basis of disabilities or HIV as transversal components with specific measures to be implemented in a wide range of areas. The pillar on development of human

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capital has specific measures to promote innovation and vocational training programmes to enable micro, small and medium-size enterprises (MSMEs) to provide youth and women with opportunities for entrepreneurship development and basic skills in business management. An important objective included in the NEP under the pillar on promoting dignified, productive and sustainable work is to ensure equal wages for equal work, without discrimination based on sex, colour and nationality, and promoting whistle-blowing practices to report cases of discrimination, social exclusion or any case related to breach of law. Furthermore, the pillar on occupational safety and health at the workplace has as an objective to promote such safety and health, and reinforce non-discrimination policies and practices against jobseekers suffering from occupational diseases.

The following measures, in Pillar 2 on the creation of new jobs, are among those that have been adopted for formalization of the informal economy and employment<sup>19</sup>:

Measures in section 5.2.3, on the informal economy, aim to stimulate support for the informal economy by facilitating its transformation into a formal economy, thus promoting more decent and stable jobs. The main lines of action encompass:

- (a) developing an action plan for the informal economy and a legal framework to facilitate its transformation into a formal economy;
- (b) promoting measures that increase access to credit to the informal sector;
- (c) increasing the supply of training on entrepreneurship;
- (d) improving compliance with laws and regulations, including measures to simplify registration procedures; and
- (e) extending social protection to categories of workers in the informal sector who are not currently covered.

In the area of entrepreneurship education measures, in section 5.2.4, it is intended to contribute to the strengthening of the culture of entrepreneurship, especially among young people and women, facilitating their transition from education to the world of work, in order to stimulate innovation and job creation. Main lines of action include:

- (a) strengthening education on entrepreneurship in the National Education System;
- (b) promoting innovation and vocational learning programmes for MSMEs, in particular for young people and women, to provide opportunities for the development of entrepreneurship and basic skills in business management; and
- (c) increasing the capacity of service providers to support MSME development.
- (d) Measures on investments and local content, section 5.2.5, aim to encourage the maximization of employment and vocational training opportunities for communities living in places where economic investment projects are implemented. Main lines of action include:
- (e) ensuring that local content is incorporated into investment projects and applies throughout the value chain, as well as creating more jobs and transferring knowledge to sites;

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<sup>19</sup> The text of the National Employment Policy (NEP) for Mozambique (in Portuguese) is translation by the author.

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- (f) taking measures that encourage foreign investors to include the participation of national investors in their ventures;
  - (g) including in the social dialogue between investors and local communities issues of increasing employability, professional training, development and participation of local MSMEs in the supply chain of large projects;
  - (h) promoting corporate social responsibility in order to contribute to the well-being of the communities that allow companies to operate and profit from their businesses, as well as social investment, social auditing and sustainable initiatives;
  - (i) using corporate social responsibility as a catalyst for additional resources for communities to develop income and job creation initiatives, as well as to stimulate the adoption of more efficient production methods and techniques; and
  - (j) creating incentives for entrepreneurship in auxiliary sectors (industrial and services), which are developed around large investments, to serve the anchor and structuring sectors of the economy, such as energy, telecommunications, transport and infrastructure, thus, more jobs.

Pillar 4 of the policy, on promoting decent, productive and sustainable work, focuses on gender equality and non-discrimination in section 5.4.1 on measures on non-discrimination, inclusion and decent work. In this area, it is intended to promote productive, quality and dignified work, to eliminate practices of social exclusion and discrimination in the workplace and, with particular focus, to ensure the implementation of Sustainable Development Goal 8. The principal lines of action embrace:

- (a) ensuring the observance of workers' fundamental rights;
- (b) enforcing laws, policies and regulations complementing Government action on non-discrimination, inclusion and decent work;
- (c) guaranteeing the right to social protection of workers;
- (d) guaranteeing equal pay for equal work, without discrimination on the basis of sex, color or nationality; and
- (e) promoting the practice of denouncing and reporting cases of discrimination, social exclusion or any case of violation of the law”.

The Mozambique NEP also has an additional section regarding HIV and AIDS, gender, and people living with disabilities in Pillar 8 on cross-cutting issues. In this area, it is intended to ensure the integration of the approaches considering gender, youth, people with disabilities, HIV and AIDS and environment and climate change into sectoral programmes and initiatives aimed at job creation and stability.

In section 5.8.1. on gender, it is intended to reinforce plans and initiatives for the promotion of gender balance in economic and social development programmes and projects. Main lines of action focus on:

- (a) prioritizing education and vocational training in order to contribute to the increase in employment opportunities taking into account gender equity;
- (b) ensuring the elimination of discrimination and sexual harassment in the search for employment and in the workplace;
- (c) stimulating applications for the employment of women, including for those

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professions traditionally regarded as men's.

- (d) In the area of people living with disabilities, section 5.8.2, it is intended to promote measures to facilitate access for people with disabilities to education, vocational training and employment. Main lines of action include:
- (e) improving the scope of measures to combat the exclusion and stigmatization of persons with disabilities;
- (f) promoting measures of differential treatment for persons with disabilities with a view to facilitating their access to education, training and employment;
- (g) creating conditions for hiring people with disabilities, adopting adequate work environments; and
- (h) guaranteeing the professional retraining of people with disabilities resulting from occupational accidents and diseases.

### **5.8.3. HIV and AIDS in the Workplace**

In section 5.8.3, on HIV and AIDS in the workplace, it is intended to promote the non-discrimination against candidates for employment and workers living with HIV and AIDS. Main lines comprise:

- (a) promoting HIV prevention and care for workers in need;
- (b) promoting practices of non-discrimination and non-stigmatization of people living with HIV and AIDS in recruitment and in the workplace; and
- (c) ensure compliance with the law on people with HIV and AIDS.

## **5.3 Conclusion**

This section has reviewed the ILO's rights-based approach to promoting gender equality in the formalization of the informal economy and employment, highlighting three most relevant international labour standards. While Convention No. 177 and Convention No. 189 target specific vulnerable categories of workers among whom the large majority are women, Recommendation No. 204 provides a holistic approach and policy guidance to formalization of the informal economy and employment, including specific attention to more vulnerable categories of informal workers, together with the principles of equal rights and non-discrimination.

The section has also presented two national employment policies in which gender issues and measures for formalization of informal employment have featured significantly. The National Human Resources and Employment Policy for Sri Lanka and the National Employment Policy of Mozambique both have specifically integrated policy measures for enhancing employment opportunities for both women and men, as well as concerning formalization of the informal economy and employment. However, the articulation of policy measures on formalization of informal employment is not necessarily gender inclusive or responsive, although the policy measures stated under the section on gender issues can possibly contribute to formalization of informal employment by promoting formal employment for both women and men equally.





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## 6. Conclusions

The world has made progress in advancing gender equality in the world of work to varying degrees. However, a substantial part of women's work, in particular, in emerging and developing countries is characterized by lower remuneration, higher precariousness, and sub-standard working conditions, as compared to that of men. Although levels of informality in the non-agriculture sectors are slightly lower for women than for men in most of emerging and developing regions, this does not necessarily mean that women have better employment opportunities than men. Women tend to concentrate at the lower end of employment even in the informal economy, particularly as unpaid family workers, or engaged in domestic work, home or home-based work, or survivalist micro-entrepreneurs.

The ILO has been addressing the issue of informal employment during its long history. The concept of the informal sector was initially formulated and propagated by the ILO under the World Employment Programme in the 1970s. Substantial research and policy advisory work was undertaken during the 1970s and the 1980s. During the same period, a special programme focused on women in the rural and informal sectors was also implemented, undertaking innovative research, pilot projects, and capacity-building. A broader concept of the informal economy was adopted in 2002.

The ILO has also established a numerous international standards concerning gender equality and women workers' rights, as well as those which have special bearing on informal workers, especially women, such as the Home Work Convention, 1996 (No. 177) and the Domestic Workers Convention, 2011 (No. 189). Most importantly, a comprehensive instrument, the Transition from the Informal to the Formal Economy Recommendation, 2015 (No. 204), was adopted, including guiding principles on gender equality and non-discrimination and directing specific attention to those who are among the more vulnerable categories of worker.

An increasing number of emerging and developing countries have been engaged in the development and implementation of national employment policies, in which the issues of gender equality and formalization of informal employment have been addressed. Given the persistent gender gaps in the world of work, however, efforts to promote productive and freely chosen employment and decent work for all women and men will need to continue, especially in the context of ILO's initiatives on the future of work and women at work, and also in the context of achieving the Sustainable Development Goals adopted by United Nations General Assembly Resolution 70/1 on Transforming our world: the 2030 Agenda for Sustainable Development (United Nations, 2015). In particular, under Goal 5 – achieve gender equality and empower all women and girls – gender equality will be pursued including in the world of work; and under Goal 8 – Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all – the formalization of informal employment will be promoted for all women and men.



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