



# Evaluation Summaries

## Evaluation: The informal economy, poverty and employment: An integrated approach

### Quick Facts

**Countries:** Cambodia, Mongolia, Thailand

**Mid-Term Evaluation:** December 2005

**Mode of Evaluation:** Independent

**Technical Area:** Employment

**Evaluation Management:** Asia

**Evaluation Team:** Mei Zegers

**Project Start:** February 2004

**Project End:** March 2006

**Project Code:** RAS/03/51/UKM

**Donor:** United Kingdom (US\$ 1,900,000)

**Keywords:** informal economy, productivity and market access, social protection, OSH, association building

### Background & Context

**Project Background:** Cambodia, Mongolia, and Thailand are each countries with a large informal economy (IE) visible on every street corner but also found behind closed doors. The ILO carried out a project on decent work in the informal economy, to alleviate poverty, and increase employment. The Informal Economy project focused on developing a supportive enabling environment at macro and meso levels and the piloting of direct actions to strengthen representation and voice of IE workers and improve their labour and living standards.

The development objective was to reduce poverty through improving the quantity and quality of decent work opportunities for women and men in informal economy. The immediate objectives (IO) were:

- IO1: To create greater awareness and enhance capacity of ILO constituents and key stakeholders to formulate, implement, monitor and evaluate policies, programmes and projects for the informal economy
- IO2: To foster enabling environment and enhance capacity of informal economy workers and employers to move towards decent, productive work through realization of their rights, voice and representation
- IO3: To increase earnings of beneficiaries in replicable pilot projects for higher productivity and market access through activities that enhance representation and voice outlined in Objective 2.
- IO4: To identify and implement concrete measures to improve the social protection of informal economy workers and employers through representative organisations
- IO5: To facilitate replication of lessons learnt and good practices from pilot projects, as part of the ILO's global programme on the informal economy

**Evaluation Context:** The evaluation concentrated on assessing the project achievements in reaching its objectives, analysing lessons learned and gaps, and making recommendations. Recommendations focussed on identifying areas of improvement to address some overall concerns that were identified during the evaluation.

The evaluation was combined with a participative future oriented analysis of interviews and documents. The methodology

used in the evaluation consisted of a literature review, analysis of documents prepared by the project, and interviews with representatives of project stakeholders and project staff. Interviewees included individuals and groups from government at national and local levels, trade unions, employers' groups, NGOs, associations, and IE workers.

## Main Findings & Conclusions

The project is unique because the project immediate objectives were the same but uniquely adapted to each of the countries. It is extremely complex because there are many issues, many methods, and many people involved in three different countries

The project has contributed to increasing attention to the needs of the IE at decision making level in the project countries. The project staff used a wide range of methods to push the issues forward including networking to lay the foundation for representation and voice by IE workers. Trade unions, employers groups, NGOs, and associations were targets and active partners at the same time. Working directly on IE issues succeeded in raising awareness of partners. In some locations IE workers themselves have already started directly voicing their concerns. Examples include Thai and Cambodian handicrafts workers and Mongolian market vendors.

Work with partners concentrated on policy and legal framework development, increasing the knowledge base, training specialists on Occupational Safety and Health (OSH) and business management, increasing productivity and marketing, and other activities. The project succeeded in opening many avenues to improving the situation of IE workers in each of the project countries. The context in the countries, especially in Cambodia and Mongolia, posed many challenges and much work remains to be done. In Cambodia emphasis in the future will need to be placed on strengthening the enabling environment while building on the Direct Action programmes that have been initiated. In Mongolia work on strengthening the enabling environment can continue but more emphasis

is needed to ensure that the full impact of the Training of Trainers (TOT) and other actions on OSH, business development, organising, and rights be felt across the country. In Thailand trade unions form an excellent resource for continuing to reach and organise IE workers. Ways to ensure sustainability of other actions initiated through the project need to be explored.

The project was very well managed, especially taking the complexity of the project, the small budget, and the fact that it was carried out in three very different countries into account. The project was very effective in creating synergies with other partners including within the ILO and with other agencies. The project built on technical competence that was already available in the countries and sought expertise elsewhere where necessary. The project was able to lay a solid foundation for additional work on the IE sector through a recommended second phase of this project.

In conclusion, the project has contributed to building a road towards better conditions for IE workers. However, that road still needs to be more travelled to reach its final destination.

## Recommendations & Lessons Learned

**Recommendations:** The evaluator gave following recommendations:

New Phase Planning: A new phase can continue to focus on the key areas of the past project but with different emphasis depending on the experience and other realities in each country: awareness raising, policy and legal framework, representation and governance, productivity and market access, occupational safety and health, social protection, knowledge sharing.

The project needs to finalise the identification of committed current and potential partners in all three countries. The roles of these partners should be clearly defined as soon as confirmation of a new phase is received so that the project will not lose time during start-up

Strengthening the Enabling Environment: Although progress has been made a great deal more needs to be done with regard to ensuring

OSH and labour protection by developing legal frameworks and their application but also for policy development. Cambodia needs particular support in this area. Additionally, the awareness raising campaigns have to be extended to cover more individuals. A potential second phase of the project should try and expand work in each country to include other Ministries which are important for IE.

Representation, Voice: The financial cost of organizing events where IE workers can present their issues in a public forum is high but events of this kind could be useful in improving opportunities for representation and voice. To reduce costs they can be held within regions of the country. In the future emphasis on improving representation and direct role of IE workers in issues that concern them will be required will need to be continued and increased.

Productivity and Marketing: Capacities of local designers for handicrafts need to be strengthened, particularly educated artists who can use internet and other international resources. Additionally, marketing channels for handicrafts need to be explored with specific buyers. Furthermore, it would be useful to determine the potential of handicrafts producer groups to reach levels where they can autonomously design new products and sell to the export market prior to planning interventions. Groups with potential can be provided with special assistance to develop such skills. Other groups can be assisted by designers and marketing specialists who provide the groups with sample designs and orders. Where local designers and marketing specialists to assist such groups do not exist, support could be provided such as in Cambodia with the Artisan Association of Cambodia (AAC). Assistance with product development in the future will need to be more closely linked with development of local designers.

**Lessons Learned:** It is possible to develop effective methods for addressing IE workers issues in countries with vastly different

situations within the same project if well coordinated.

Direct Action programmes can be used as sources for raising awareness by putting a human face on IE workers. For this reason, it is effective to include Government, trade union, and Employers groups in carrying out Direct Actions.

Direct Action programmes on IE that are well targeted and adapted to the specific situation of each IE group can result in replicable models in other parts of each of the project countries.

Existing ILO tools such as Start and improve your business (SIYB), GET Ahead, WISH, WIND, Small Business Association manual, Trade Union Manual, HIV-AIDS toolkit have been very well received in the countries despite the diversity of the situation.

Creativity in finding solutions to the problems of IE workers is useful. Where insufficient labour and health inspectors exist alternative strategies to improve OSH for IE workers were identified. Integration of OSH in the activities of Primary Health Care Units and agriculture extension workers was a successful experiment.

Knowledge sharing within and between countries leads to greater understanding of the issues and improved approaches on the IE.

Organisation Development with member based associations can be effective particularly where training and mentoring are combined.