The Challenge of Informal Work in the Philippines

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The Challenge of Informal Work in the Philippines

The primary goal of the International Labour Organization (ILO) is to promote opportunities for women and men to obtain decent and productive work, in conditions of freedom, equity, security, and human dignity.

It is widely recognised that decent work deficits are prevalent in the informal sector. Over many years, the ILO has been active in improving our understanding and working with you to improve the conditions of work in the informal sector. Currently, the ILO with the support of the United Nations Development Programme (UNDP) is executing a programme formulation project titled "Promotion and Protection of Workers in the Informal Sector in the Philippines." This project has involved a wide range of stakeholders in the design of a comprehensive action programme to address the Decent Work challenges faced by the informal sector workers.

This publication is one of the products of this project. It has been prepared as an advocacy document to strengthen awareness of the issues and concerns of the Philippines' informal sector.

The ILO is committed to continue its involvement with its development partners in the pursuit of decent work for all women and men, and especially those who derive their incomes and livelihoods from the informal sector. In this respect, I extend my appreciation to all those who have worked on this project and in the preparation of this publication.

Werner Blenk
Director
International Labour Organization Manila
In Metro Manila, seat of the national capital, it is estimated that nearly one out of five persons is engaged in an informal activity either as owner-operator or as worker.

Washing jeepney windshields requires little more than a bucket, some water and energy. No police clearance or school diploma needed.

A mother cooks simple meals for sale at a resettlement center to contribute to the family's income.

Photographs by SID BALATAN
MESSAGE

First, my warmest regards to the men and women of United Nations agencies, specially those of the UN Development Programme (UNDP) and of the International Labor Organization (ILO), for the valuable and relentless support they have given our government programs and efforts to push the cause of our informal sector. Together, I believe, we will make meaningful progress that will benefit not only this sector but the nation at large.

Then, let me laud the men and women who are in the informal sector, either because of their choice or because of circumstances. Although sometimes oppressed, sometimes harassed and frequently challenged, they have doggedly pursued their trades as they exude a spirit that deserves emulation. They utilize an approach that, properly fostered and managed, could lead us to greener fields.

Lastly, let me congratulate the people who put together this primer, The Challenge of Informal Work in the Philippines. They are doing our nation a distinct service that will hopefully add to its economic vigor and will lead to better, more productive lives. They are rendering the cause of our national progress a great service.

As many know, we in the Department of Labor and Employment are working to reduce, if not eradicate, our workers’ vulnerability through various initiatives. Lately, we sought to extend our mantle of protection to our informal workers – those thousands of undeserved Filipinos who are unrecognized and unprotected as they seek to earn their livelihood on their own steam. We aim to give them the dignity to carry on with pride so that they can contribute to nation-building as highly-valued members in the industry.

My fervent hope is that this primer will help us achieve our goals so that informal sector will be less susceptible to the vicissitudes of our national circumstances and will ultimately be able to pursue their economic and social goals within the framework of our laws and systems. We really cannot rest until they have attained such status.

In behalf of the Department of Labor and Employment, let me congratulate you, the men and women of ILO and all the others seeking to boost our IS workers. The DOLE shares with all of you the lofty aim of empowering our IS workers for the sake of our nation.

PATRICIA A. STO. TOMAS
Secretary
The DOLE, in collaboration with ILO and various partner agencies, is working to extend protection to informal workers who earn their livelihood on their own steam.

Women sew garments (above) for a sub-contractor who has invested in a few sewing machines. (Below) Neighbourhood folk brainstorm strategies for earning supplemental income for their families.

Photos by SID BALATAN
Introduction

Workers in the informal sector comprise a significant part of the economy today.

Street vendors, home-based retail stores, so-called Jollijeeps (makeshift fastfood stalls/cafeteria-on-jeeps), on-the-prowl car mechanics, even typists, notarial service providers and rubberstamp makers on sidewalks, have become normal sights in the Philippines, so much so that these offbeat occupations/enterprises have gained acceptance as a survival strategy of the poor and underemployed.

Largely as a consequence of globalization and the Asian financial crisis, the Philippines witnessed massive employment dislocation on a scale that left huge numbers of workers at a loss as to how to earn their next day’s keep.

For many, the only resort was to create their own employment.

Today, the specter of still more dislocations in the workplace threatens to channel more workers into the informal sector.

The situation is forcing a reorientation of strategies to support this growing workforce’s role as a positive contributor to the economy.

ILO and the informal sector

Since the 1970s, when it first popularized the term to refer to this mass of unprotected, unrecognized jobs, the International Labour Organization has been working to bring about a better understanding of informal work, as well as an integrated approach to promoting decent work within the sector.

The Philippines is a pilot site for some of ILO’s initiatives, foremost among which is the Interdepartmental Project on the Urban Informal Sector (INTERDEP), aimed at finding ways to (1) improve productivity and (2) improve access to social security and better working conditions, and to extend the coverage of international labour standards to the informal sector.

Another project, Work Improvement and Development of Enterprises (WIDE), implemented in 1997, sought to highlight work conditions and social security considerations, especially in microenterprises, so that quality-of-jobs concerns, often overlooked, could be more tightly incorporated into interventions.

In its work, ILO always seeks to develop the capacity of support institutions to deliver appropriate services to the informal sector. These include local government units, trade unions and self-help associations whose objectives and mandates embody the sector’s interests.
Strategies and Tools against Social Exclusion and Poverty (STEP), a global programme being introduced in the Philippines, focuses on innovative social insurance schemes among those who are not reached by conventional systems, as well as expansion of institutional social protection.

Apart from ILO, there is a wide range of public and private sector initiatives in support of informal workers. The activities range from advocating homeworkers’ protection to providing training and business support services, and implementing social insurance schemes.

Roots of the Informal Economy

The rise informal economy can be traced back to policies which limited job-creating capacities and growth opportunities for small enterprises. These include:

(a) the import substitution strategy pursued since the 1960s, which sought to jumpstart the industrialization process, and

(b) the economic liberalization strategy of the early 1980s, which was accelerated in the 1990s, with the goal of distributing opportunities throughout the economy.

<table>
<thead>
<tr>
<th>TRADE POLICIES</th>
<th>FOREIGN EXCHANGE POLICIES</th>
<th>FISCAL INCENTIVES / INVESTMENT POLICIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>FINANCIAL POLICIES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Assetless, jobless workers</td>
<td>• Few large entrepreneurs benefit from resources;</td>
<td>• Not enough new job opportunities</td>
</tr>
<tr>
<td>crowded in urban centers</td>
<td>small enterprises disadvantaged</td>
<td>created</td>
</tr>
</tbody>
</table>

As it turned out, import substitution bred only a few large industries that were also urban-based and capital-intensive -- a combination which opened limited opportunities for the working population and led to massive unemployment and underemployment among frustrated job seekers. The loss of jobs and declining markets became the seedbed of the informal economy.

Taiwan, it may be noted, shifted from import substitution to export-oriented industrialization in the 1960s, hand-in-hand with currency devaluation, financial restructuring and fiscal reforms. It opened up market competition with positive results on exports and employment.
Also notable is the fact that Taiwan's industrialization was primarily rural-based, leveraging agriculture as a "leading sector." It focused on processed agricultural goods and, later, labour-intensive commodities, adding value to imported raw materials.

The situation in the Philippines under economic liberalization fared no better. The environment of competition in the 1990s was so intense that only those strong enough to survive stood to benefit from the new opportunities offered by global markets.

While large numbers of people found employment in services, not all of these were of the productive nature that directly boosted the economy.

Intense competitive pressures resulted inevitably in closures, downsizing and mergers. The way to survive was through drastically reducing costs — most especially labour costs.

Today, the effects of globalization combine with financial and political drift to spawn precarious employment conditions in the country. In 1998, over a period of only five months, the Philippines recorded 64,859 layoffs immediately following the first rush of the late-1997 crisis. This figure surpassed even that recorded for an entire year, 1997, which was 62,736. For the entire 1998, the Department of Labor and Employment registered a record-busting figure of 150,000 displaced workers.

**Magnitude of the Informal Sector**

Data from a 1995 National Statistics Office (NSO)-ILO survey, called the Urban Informal Sector Survey (UISS), plus another one co-sponsored by ILO in 1987 (updated in 1996) indicated that size of informal sector employment in the Philippines is placed at around 50 percent of total employment.

**Employed persons by Class of Worker (percent of employed)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Own-account workers**</th>
<th>Unpaid family workers**</th>
<th>Total</th>
<th>All Sectors (in thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980</td>
<td>36.9</td>
<td>20.7</td>
<td>57.6</td>
<td>17,154</td>
</tr>
<tr>
<td>1984</td>
<td>39.2</td>
<td>15.9</td>
<td>55.1</td>
<td>19,638</td>
</tr>
<tr>
<td>1989</td>
<td>38.4</td>
<td>15.1</td>
<td>53.5</td>
<td>21,908</td>
</tr>
<tr>
<td>1997</td>
<td>38.0</td>
<td>13.4</td>
<td>52.1</td>
<td>27,715</td>
</tr>
<tr>
<td>1998</td>
<td>37.5</td>
<td>13.5</td>
<td>51.0</td>
<td>27,911</td>
</tr>
<tr>
<td>1999</td>
<td>37.7</td>
<td>14.1</td>
<td>51.7</td>
<td>29,055</td>
</tr>
<tr>
<td>2000</td>
<td>37.4</td>
<td>12.4</td>
<td>49.8</td>
<td>28,285</td>
</tr>
</tbody>
</table>

**Own-account workers** and **unpaid family workers** are used as proxy indicators of the informal sector. **Own-account workers** include "self-employed" and "employers."

In Metro Manila, seat of the national capital, NSO estimated that nearly one out of five persons was engaged in an informal activity either as owner-operator or as worker. The estimate is consistent with labour force survey data in which so-called own-account workers and unpaid family workers in Metro Manila were estimated to be a little over 20 percent.

**Low household incomes.** Despite the important role of informal activities in supplementing household incomes, households remain largely poor. Data from 1997 indicated that approximately 72 percent of households were earning less than ₱10,000 per month, and about four out of 10 households earned less than the official poverty threshold of ₱5,000.

**Gender.** According to NSO, roughly half (or 49 percent) of the informal sector participants were females, a relatively large number of whom were household heads providing the main source of income.

**Educational levels.** Around 40 percent of the informal workers had elementary education only, and another 35 percent reached secondary level. More women attained secondary level education than men (44 percent vs. some 25 percent), implying that males were more inclined or pressured to earn a living at an early age. More males than females managed to enter college, while two-thirds of women had no training at all.

**Geographical origins.** Most of the informal workers had been in the city for many years, with only five percent having migrated from the provinces during the past 10 years.

**Reasons for starting informal activities.** The most frequently cited reason was the potential to earn good income, tending to bolster the observation that one can earn more than the minimum wage through some small business activity if one is hardworking enough.

**Types of activities.** Informal sector workers were found almost as much in trade (19.4 percent) as in manufacturing (19.7 percent). A large proportion could also be found in repair services (10.3 percent).

**Status of employment.** More than half (57.5 percent) were considered “permanent” employees earning a fixed salary, while around 12 percent were paid on piece-rate basis, as 11 percent were paid variable salaries. Among the so-called casual workers, a higher percentage were females. Around 59.3 percent of the jobs were based on oral contract with indefinite duration, while no contracts were executed at all for 23 percent of all arrangements.

**Compensation.** The most common mode of payment was salary, and the reported wages ranged from ₱1,742 to ₱6,000 per month. Average monthly wage for men was ₱2,516 and for women, ₱2,072. These salary rates were almost half the minimum wage rate prevailing at the time.

**Work period.** The average informal sector enterprise operated beyond the normal eight hours daily, with 62.7 percent running beyond the norm, and 11.7 percent extending even beyond 15 hours. The majority (64.7 percent) of the enterprises operated seven days a week.
Poor access to business assistance. Very few of the informal enterprises received any kind of business assistance, notwithstanding the problems that they faced. This confirms the observation that there is “market failure” regarding micro enterprises, as there is a dearth of business assistance suppliers to meet the demand within this sector.

Registration. Over half of the sampled informal activities were registered with some authority. Thus, the exclusion of such activities from key institutions has to do more with their “informality” than their “invisibility.” Furthermore, only less than 15 percent cited license fees as a problem and only 9 percent said it was cheaper to operate without a license.

Inadequate social security and work conditions. Despite problems related to work discomfort, work-related injuries and hospitalization, among others, there is little awareness and appreciation in the informal sector for measures that can protect operators and workers from ailments and contingencies.

Low wages in the informal sector. While the income of informal operators often exceeded minimum wages, their workers earned only half as much. This could be due to the fact that informal activities are generally characterized by low revenue turnover, to begin with, thus possibly underscoring the issue of low productivity.

Gender differences exist. Finally, women were found, in some cases, to work under different conditions as those of men. Perhaps, this is due to their having other family responsibilities, and could, therefore, devote less time than men to economic endeavours. Or, if their motive was simply to supplement rather than earn primary household income, then they did not really have to expend as much time and capital in entrepreneurial activities.

Women started their business with lower initial capital than men. With few exceptions, women earned less income than men, and a higher percentage of casual workers were female. Furthermore, it was found that more females than males were working with no contract (whether oral or written).

Challenges

To a large extent, institutions still bear the skewed legacy favoring larger enterprises in the allocation of resources and privileges. The informal sector is, therefore, ill-covered by institutional arrangements, especially as regards national registries, social protection systems, labour legislation and access to productive resources.

More important, rules and procedures traditionally practised by organized markets and relevant agencies tend to be biased against certain segments of society, as may be gleaned in the following cases:

Census - Enumeration of establishments by official censuses and surveys mainly encompasses enterprises employing 10 or more workers, thus leaving out information about microenterprises, or those with fewer than 10 workers, including homeworkers.
Registry - Government registration procedures in many cases are too cumbersome and difficult for informal sector members, who can ill-afford to leave their businesses for a day or more.

SSS - (1) Enterprises with fewer than five workers are not required to register with the Social Security System. (2) Clear employer-employee relationship should be established for shared contributions, something which may not be formalized in many contractual arrangements. (3) Collection centers may not be accessible from poor communities, where many informal enterprises are based. (4) Lower-cost coverage for more immediate contingencies was not available, until recently when PhilHealth was established.

Labour laws - While the country's labour laws are theoretically meant for the entire labour force, (1) most workers' rights are enforceable only among those with clear and formal employer-employee relationships, and (2) work conditions are monitored only in enterprises with more than five workers.

Banks - Banks more often than not have procedures and paperwork too complicated and daunting, as well as require physical collateral, which many informal sector members do not have.

Training institutions - Conventional training are mostly held in centralized and modern locations, conducted in English, and use pedagogical approaches, all of which may not be suitable to informal sector members who may require on-site training at times or on days when they are not at work, use vernacular language and possible adult learning processes.

Productive inputs - Providers of training, technology, market information, finance and business consultancy, including public agencies, tend to be averse to servicing the needs of microenterprises and the informal sector.

With changing times, people's perceptions of work and enterprise creation are likewise changing. More than ever, new entrants to the labour market prefer running their enterprises over employment, presumably because of the prospects of reaping higher incomes in the long run as against simply earning fixed wages.

For example, the majority of graduates from a skills training program run by Technical Education and Skills Development Authority (TESDA) opted to put up enterprises of their own or considered self-employment using their learned skills, rather than seeking employment. Layoffs, instability of employment in many companies, the dearth of new jobs and inadequate opportunities for strengthening job tenure or anchoring good pay were some factors cited by the graduates.

Statistics Programs and the Informal Sector

In order to institutionalise a statistical collection program on the informal sector, it is necessary to adopt a policy where the so called "underground" economy can be "officially" included or appreciated in the statistical system. Under such a policy, survey instruments have to be redesigned to capture the contribution of informal sector activities
in employment, share in family incomes, types of activities, and overall contribution to the Gross National Product.

The existing survey questionnaires and instruments need to be modified or supplemented in order to include specific entries that could document informal sector related statistics.

Updating local registries periodically, i.e., annually for formal establishments and more frequently, e.g. quarterly, for semi-permanent and ambulant units, would result in an up-to-date listing of economic units. For example, this could serve as a useful tool for tracking attrition and closure of establishments, from which can be gleaned a reflection of the potential turnover trends that may prevail in the ranks of informal workers or enterprises.

**Fragmented framework.** In the Philippines, there is lack of a comprehensive national plan to provide social protection for workers in both the formal and informal economy. At the institutional level, the individual systems tend to operate and develop independent of each other.

A number of factors tend to underscore the low participation of informal sector workers in the formal social security schemes:

- Absence of employer-employee relationship
- Low and unstable incomes
- Lack of awareness of social security rights
- Satisfaction with indigenous social protection schemes
- Complex policies and procedures
- Inappropriate and inadequate benefits and services

Access to social protection is a fundamental human right. Therefore, the government should adequately provide for it. The Philippine Constitution as well as the Labor Code mandates that social protection should encompass all types of workers, formal and informal.

In reality however, workers in the informal economy are effectively beyond the reach of the government, especially in terms of legislation and regulation. This makes extension of social protection to them very difficult. An existing lack of trust in, and appreciation of, the government’s initiatives in this area provides little opportunity for informal economy workers to reap the benefits of social protection.

**Paradigm shift.** As mentioned earlier, a paradigm shift is needed in policies and legislation on the informal sector. This calls for comprehensive review of existing laws and regulations that affect all workers. The review should lead to a reorientation of relevant government agencies with lead roles to play in ensuring that the rights and needs of the informal economy workers will be addressed, most especially in the area of social protection.

Currently, there are three concrete areas where this can be done:

**First:** actively disseminating information on SSS coverage among the self-employed. It is important to disseminate information and knowledge about what SSS can offer to expand its reach.
Second: exploring concrete possibilities that can be implemented on a pilot basis and eventually institutionalized. A key actor would be the participation of cooperatives and community organizations with stable and efficient systems and networks, which can work out viable mechanisms with SSS authorities.

Third: disseminating best practice solutions from community-based schemes so that proven workable mechanisms may be adopted by interested groups.

To achieve maximum impact in providing assistance to the informal sector, interventions should be carried out hand-in-hand with efforts to:

- review and reform macro-economic policies
- strengthen social security and safety nets
- support services and programs for the vulnerable and disadvantaged

### Improving Working Conditions

![Diagram showing the relationship between Work, Health, and Productivity]

Occupational health and safety (OSH) is inextricably linked to productivity and enterprise growth. That is, work becomes productive when performed in a healthful manner. Conversely, productivity, translated into higher enterprise incomes, allows owners to finance improvements in the workplace, thereby promoting healthful work.

The following salient strategies emerge as potential answers to the challenge of promoting OHS in the informal sector:

1) Enforcement of existing laws
2) Training and Education:
3) Research

Since a nation’s workforce is also the backbone of its economy, protecting the health and safety of a large number of its workers also means safeguarding the economic welfare of the country.

As the Philippine’s current economic difficulties continue to push formal workers into the informal economy, the need to protect worker health and safety becomes doubly urgent. By continuing current initiatives and pursuing the options presented here to improve the overall condition of the informal sector, the country’s workforce morale may be maintained and its economic cogs are kept running.

[End]
Workable Strategies For The Informal Sector

The ILO, in partnership with various local stakeholders, has accumulated a large measure of experience in implementing workable strategies covering the informal sector. Many key elements from this wealth of experience can serve as inputs to key institutions such as banks, social security systems, training institutes, and labour monitoring agencies.

The challenge on hand is to highlight the opportunities for institutional development based on approaches that have proven workable in delivering services and protection to informal sector workers.

Many of these innovative strategies, initiated largely by non-government organizations, self-help associations and donor agencies, or as special programmes of government, can be sustained only if they are integrated within the framework of private institutions and public support structures. Otherwise, the benefits that they offer would remain short-lived and localized in scope.

Social Protection

In the Philippines, even though a comprehensive national plan to provide social protection for workers in both the formal and informal economy has long been in place, some individual systems at the institutional level tend to operate and develop independent of each other.

A number of factors underscore the low participation rate of informal sector workers in the formal social security schemes:

- Absence of employer-employee relationship
- Low and unstable incomes
- Lack of awareness of social security rights
- Satisfaction with indigenous social protection schemes
- Complex policies and procedures
- Inappropriate and inadequate benefits and services

While the Philippine Constitution and the Labour Code state that social protection should encompass all types of workers, in reality workers in the informal economy find themselves effectively beyond the reach of the government, especially in terms of legislation and regulation. Thus, in practical terms insulating them from fully enjoying the benefits of social protection.

Social Security and Philhealth

Insurance should be enhanced for workers in the formal sector as a protection against a range of contingencies and uncertainties. Many developed and industrialized
societies even provide additional social assistance to those who are unable to provide for their own basic needs.

In 1995, the Social Security System (SSS) extended its membership to the informal sector under its self-employed and voluntary membership scheme, covering household help, individual farmers, fishermen and other small entrepreneurs who may join the scheme as voluntary members.

Presently, the SSS collects and administers the funds for all of the above except for medical benefits, which have been turned over to the Philippine Health Insurance Corporation (Philhealth).

Philhealth, in turn, provides an opportunity for informal sector operators and workers to pay contributions to Philhealth through two programs: the Individually Paying Program (IPP) and the Indigent Program.

IPP focuses on the self-employed and informally employed. Persons who earn incomes below P3,500 are required to pay a monthly contribution of P75. This amount entitles the members and their dependents to limited coverage for room and board, laboratory tests, medicines and doctor’s fees when confined in a hospital. Benefits depend on certain conditions such as type of illness (classified as “ordinary”, “intensive”, “catastrophic”); type of hospital, (“primary”; “secondary”; “tertiary”), and the type of medical services received (e.g. with surgery or simple confinement).

The Indigent Program enroll the poorest 25 percent of the population with the consent and partnership of the various local government units that provide counterpart contribution, together with the national government. The benefits are similar to the IPP. Under the so-called Unified Benefit Package, all members of Philhealth, whether formally employed, individually paying or indigent, receive the same range of hospitalization benefits.

Paradigm Shift

A paradigm shift in policies and legislation can help ensure that the rights and needs of the informal economy workers will be addressed, most especially in the area of social protection.

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- Awareness-raising
- Enforcement of existing laws
- Training and education
- Research

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Access to Productive Resources

Productive resources include capital and raw materials -- tangible resources leveraged to boost enterprise operations.

Boosting productivity requires easier access by those in the informal sector to such productive resources and support services as:

- Information on appropriate technology
- Quality materials, tools and equipment available at fair price
- Skilled workers
- Appropriate work premises, and
- Consulting services improving productivity and quality

Human resources, also referred to as human capital, covers skills and competence of people who add value to an enterprise.

Technology refers to the intangible input that is embodied in the way production is organized and conducted, and by the mix of skills, tools and equipment employed.

Market and marketing information is an intangible resource which determines whether the output being produced reaches its intended users and is converted into revenue and income.
Financial Services pertain to inputs provided by intermediaries, such as credit and savings facilities, which affect an enterprise’s ability to preserve incomes, build assets, and expand operations.

Some suggestions for improving access to productive resources include: promoting service clusters or associations; business-delivery strategies, not welfare; recruitment of qualified staff and training of current staff; establishment and professionalization of informal sector associations; more effective organization of production; and interventions that are demand-led or those that fully involve target beneficiaries at all stages.

Swisscontact-Philippines (SC-Phil), for one, promotes the development of so-called services centres (SC), which are owned and managed by the member entrepreneurs and which serve the members' business development needs. The facilitation services and new skills development activities fostered by these SCs are developed with the collaboration of industry associations, self-help groups (SHGs), or chamber organizations, eventually leading to the development of private sector consultants and business practitioners who could be tapped to deliver specialized business services.

To expand informal sector access to productive resources, the following points may be considered:

- National government agencies and local governments must help promote private-led business development consultant (BDC) services through linking of service providers with SMEs and continuing collaboration with BDCs
- Private associations such as Chambers of Commerce and Industry should advocate and promote business development consulting among its members
- Donor agencies should support sustainable schemes by supporting market development efforts and avoiding grants that tend to distort the market.

To sum up, effective policies and institutions engender an economic structure that embraces the entire spectrum of the productive workforce, covering both the formal and informal sectors. The government’s resources can be harnessed to dovetail with those of non-government and other private initiatives to promote broader economic participation by all, within an inclusive process of development.

Clear Vision, Political Will, Multisectoral Consensus

It cannot be overemphasized that the objective of boosting the informal sector can be achieved with the help of a clear vision and lasting political will based on multisectoral consensus – all directed toward achieving parity and enhancing the distribution of the benefits of growth to all the members of the productive sector.

It is essential, therefore, to develop the capacity of the informal sector members to provide for their own needs. The challenge is great, but so is the reward for meeting this challenge.

Success in solving the problems of the informal sector – mostly arising from deeply embedded differences in the distribution of power and resources in society – will open the door for the productive citizenry to fully participate in the economic, political, social, cultural and spiritual life of the country.