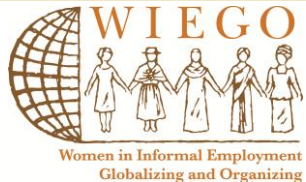


WOMEN'S INFORMAL ENTERPRISES: RISKS & CONSTRAINTS

MARTY CHEN
WIEGO NETWORK
HARVARD KENNEDY SCHOOL



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REMARKS

- **Informal Self-Employed Women:** who are they? what do they do, and where? why are we concerned?
- **Informal Self-Employed: Risks & Constraints** – both common & women-specific
- **Illustrative Cases:** three groups of urban informal self-employed
- **Policy Framework:** sector-specific interventions + systemic changes + enabling conditions

But first a few global facts...

GLOBAL FACTS

- **self-employment** represents a **far higher share of total employment in developing countries (33-50%)** than in developed countries (around 12%)
- **self-employment** is **growing** in most regions
- a **larger share of female workers**, than male workers, is **self-employed**
- **self-employment is heterogeneous**, including:
 - ▣ *by employment status*: employers + own account operators + unpaid contributing family workers
 - ▣ *by employment class*: entrepreneurial non-poor (mainly employers) + working poor (most own account operators and unpaid family workers)
- **women** are **over-represented** among own account operators and unpaid family workers (**the working class**) and **under-represented** among employers (**the entrepreneurial class**)

INFORMAL SELF-EMPLOYED WOMEN: WHO? WHAT? WHERE?

- **Employment Status:**
 - *relatively few employers* who hire others
 - *mainly own-account operators* in single-person or family enterprises
 - *many unpaid contributing workers* in family businesses
- **Sector:**
 - *petty trade and commerce*: especially sale of fresh and cooked food
 - *light manufacturing*: notably textiles, garments, and craft – but also sporting goods & electronic assembly & automobile parts
 - *food and beverage processing*
 - *personal services*: e.g. beauticians
- **Place of Work:**
 - own home
 - small workshops
 - public spaces

INFORMAL SELF-EMPLOYED WOMEN: WHY ARE WE CONCERNED?

1 Women are more likely than men to be self-employed

2 Self-employed women earn less, on average, than self-employed men

3 Earnings from women's self-employment contribute to...

- ▣ **household income & welfare:** especially in female-headed households
- ▣ **gender equality & women's empowerment:** by enhancing women's ability to control their own well-being
- ▣ **economic growth:** given the sheer number of women's informal enterprises across different sectors of the economy

INFORMAL ECONOMY MONITORING STUDY: 10 CITIES & 3 SECTORS & 2 METHODS

- **10 Cities:**
 - Asia: Ahmedabad, Bangkok, Lahore, Pune
 - Africa: Accra, Durban, Nakuru
 - Latin America: Belo Horizonte, Bogota, Lima
- **3 Sectors:**
 - home-based workers (3 Asian cities)
 - street vendors (1 Asian, 3 African, 1 Latin American city)
 - waste pickers (1 Asian, 1 African, 2 Latin American cities)
- **2 Methods:**
 - survey questionnaire
 - focus group tools
- **Research Design**
 - to investigate what is driving change in the urban informal economy
 - to test common assumptions about the informal economy
- **Research Partnership:** in each city
 - member-based organizations of informal workers
 - local research team: 2 qualitative & 2 quantitative researchers
 - WIEGO technical advisors

MACROECONOMIC CONSTRAINTS ON INFORMAL ENTERPRISES

- ❑ **Inflation**
 - ❑ increases costs of supplies/stock
 - ❑ increases cost of transport
 - ❑ reduces ability to accumulate working capital/investment capital
 - ❑ reduces demand

- ❑ **Fluctuations in Demand**
 - ❑ street vendors reported a **vicious cycle**:
 - low demand and slow sales→lack of sufficient capital→insufficient stock→inability to attract or retain customers→even lower demand

- ❑ **Increased Competition**
 - ❑ reduces demand
 - ❑ reduces ability to bargain
 - ❑ reduces ability to set prices

URBAN INFRASTRUCTURE AS RISK OR CONSTRAINT

- **Basic Infrastructure Deficits** – undermine productivity
 - lack of electricity & water
 - home-based workers: home=workplace
 - street vendors: natural or built markets
 - lack of storage facilities
 - street vendors
 - waste pickers: also for sorting & processing recyclables
 - lack of public transport: all 3 groups

- **Large Infrastructure Projects** – disrupt economic activity
 - home-based workers: evictions from homes=workplaces
 - street vendors: evictions from natural markets + relocations of wholesale markets
 - waste pickers: evictions from collection routes or dump sites
 - street vendors & waste pickers: banned from certain streets or areas

URBAN POLICIES & PRACTICES AS RISKS OR CONSTRAINTS

- **Biased Policies or Regulations**– undermine productivity
 - home-based workers:
 - single-use zoning
 - insecure housing tenure
 - street vendors
 - lack of permits or licenses
 - lack of access to public land
 - waste pickers
 - lack of access to waste
 - unable to bid for solid waste management contracts

PLUS all 3 groups – lack of integration in local economic development
- **Abuse of Authority** – disrupts economic activity
 - street vendors: harassment by police and other local authorities
 - demand for bribes
 - arbitrary confiscation of goods
 - waste pickers: harassment by local authorities and the public
 - banned from accessing waste

VALUE CHAIN CONSTRAINTS ON INFORMAL ENTERPRISES

The precise nature of value chain constraints vary significantly by sector but the following dimensions are common across sectors:

- **Unfair Practices**
 - by suppliers
 - by buyers
 - by competitors
 - by moneylenders

- **Inability to Bargain** – due to
 - lack of market knowledge
 - lack of bargaining power
 - tied relationships: e.g. wholesalers sell on credit
 - increased competition

GENDER ANALYSIS OF RISKS & CONSTRAINTS

- # 1 – Most risks & constraints are *common* to both women and men within specific sectors or trades
- # 2 – But some common risks or constraints are *more intense for certain groups* within sectors & *women tend to be over-represented in these groups* = *gender segmentation within the informal workforce*
 - ❑ own account workers (compared to employers)
 - ❑ street vendors who sell perishables (compared to those who sell durables)
 - ❑ waste pickers who work at dump sites (compared to those who work in sorting sheds)
 - ❑ waste pickers who recycle cardboard & plastics (compared to those who recycle metal)
- # 3 – Other risks or constraints are *specific to women as women*
 - ❑ gender norms: division of labor & norms of female modesty
 - ❑ lack of property rights
 - ❑ physical and/or sexual harassment of women

REDUCING RISKS & CONSTRAINTS: A POLICY FRAMEWORK

Pillar I - Sector-Specific Interventions

- **Premise:** risks & constraints are often sector-specific

- **Sector-Specific Interventions:** have significant potential for developing whole sectors of informal enterprises of both women and men. These interventions should include a mix of:
 - financial services, including housing finance
 - business development services
 - backward-and-forward linkages
 - basic infrastructure services
 - public transport services
 - platforms for advocacy & collective bargaining

REDUCING RISKS & CONSTRAINTS: A POLICY FRAMEWORK

Pillar II: Systemic Changes

- ❑ **Premise:** risks & constraints are often systemic
- ❑ **Systemic Changes** are needed in the following areas:
 - ❑ **Economic Policy Biases:** need to reduce the biases and barriers inherent in many economic policies against informal enterprises & integrate informal enterprises into local economic development
 - ❑ **Exclusionary City Policies & Practices:** need to reduce the biases against the urban informal workforce & integrate informal enterprises into urban planning and design
 - ❑ **Gender Norms:** need to empower self-employed women to be able to negotiate the gender norms that constrain their time, physical mobility, and bargaining power (at home and in the marketplace)

REDUCING RISKS & CONSTRAINTS: A POLICY FRAMEWORK

Pillar III: Enabling Conditions

- ❑ **Premise:** The informal self-employed, especially women, need to be enabled to influence policy-makers, negotiate systemic change, and leverage services

- ❑ **Key Enabling Conditions** are:
 - ❑ **Voice:** *organization* into member-based associations & *representation* in policy-making and rule-setting institutions
 - ❑ **Visibility:** through improved labor force and other economic *statistics* & credible *research*
 - ❑ **Validity:** *legal identity* and *official recognition* as economic agents who contribute to the economy

SOURCES FOR FACTS & FIGURES: AVAILABLE ON WWW.WIEGO.ORG

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