

Gender and the Informal Sector:

What do we know?

What can public policy do?

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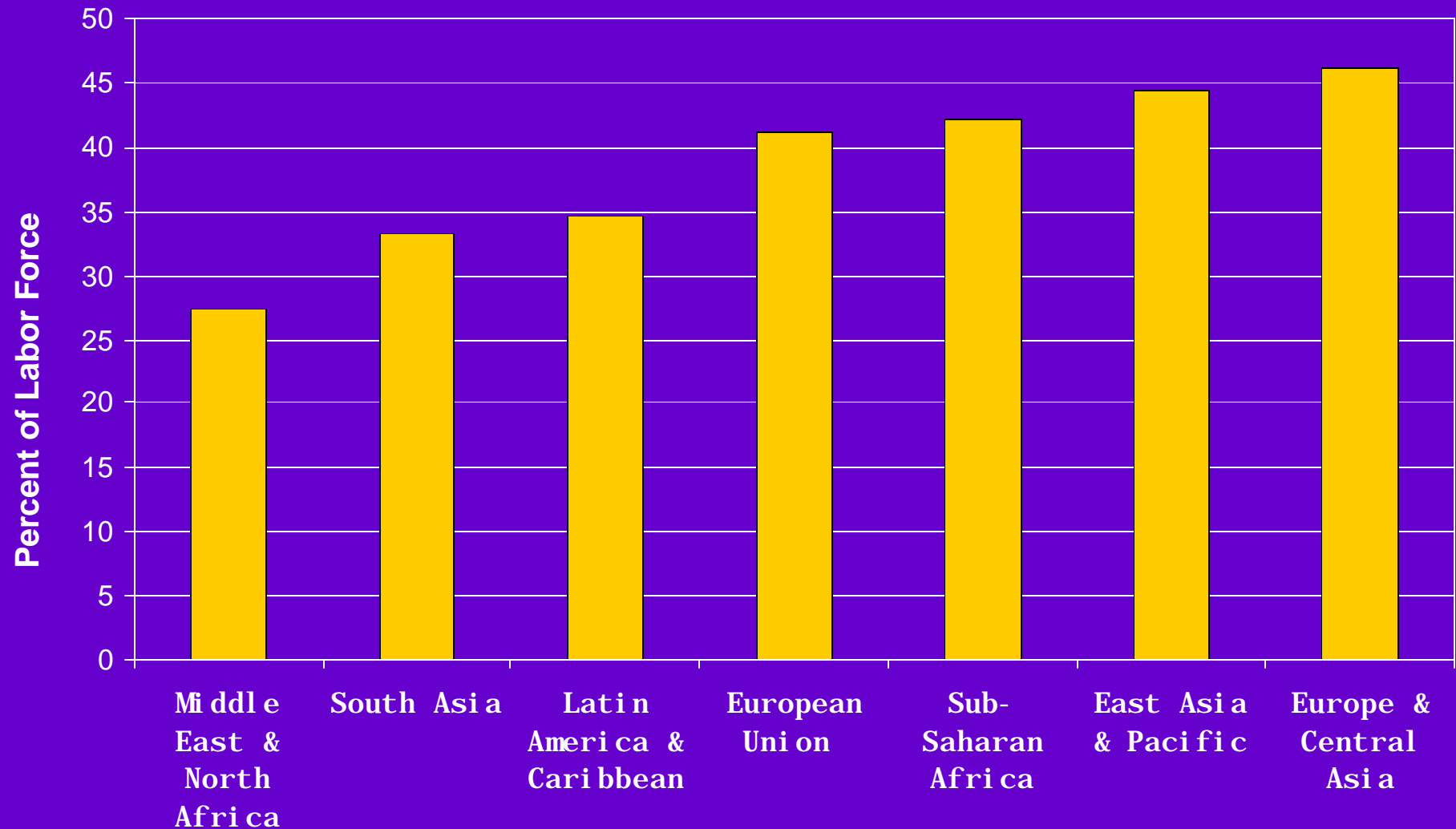
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Gender Dimensions of the Labor Market:

Overview

Women as a share of the labor force, 1999



Data Source: World Development Indicators, 2001

Sector of Employment, by Gender 1990*

	Agriculture		Industry		Services	
	(% of economically active population)					
	Female	Male	Female	Male	Female	Male
Eastern Europe & Central Asia*	26.3	25.8	31.0	43.5	42.7	30.5
Middle East & North Africa	54.2	27.8	11.7	26.0	34.7	46.6
Sub-Saharan Africa	68.5	57.7	4.8	13.6	26.8	28.7
Latin America & Caribbean	7.9	24.2	16.8	30.3	73.7	43.7
European Union	7.6	8.9	18.6	38.8	73.6	52.2

* 1980 for Eastern Europe & Central Asia

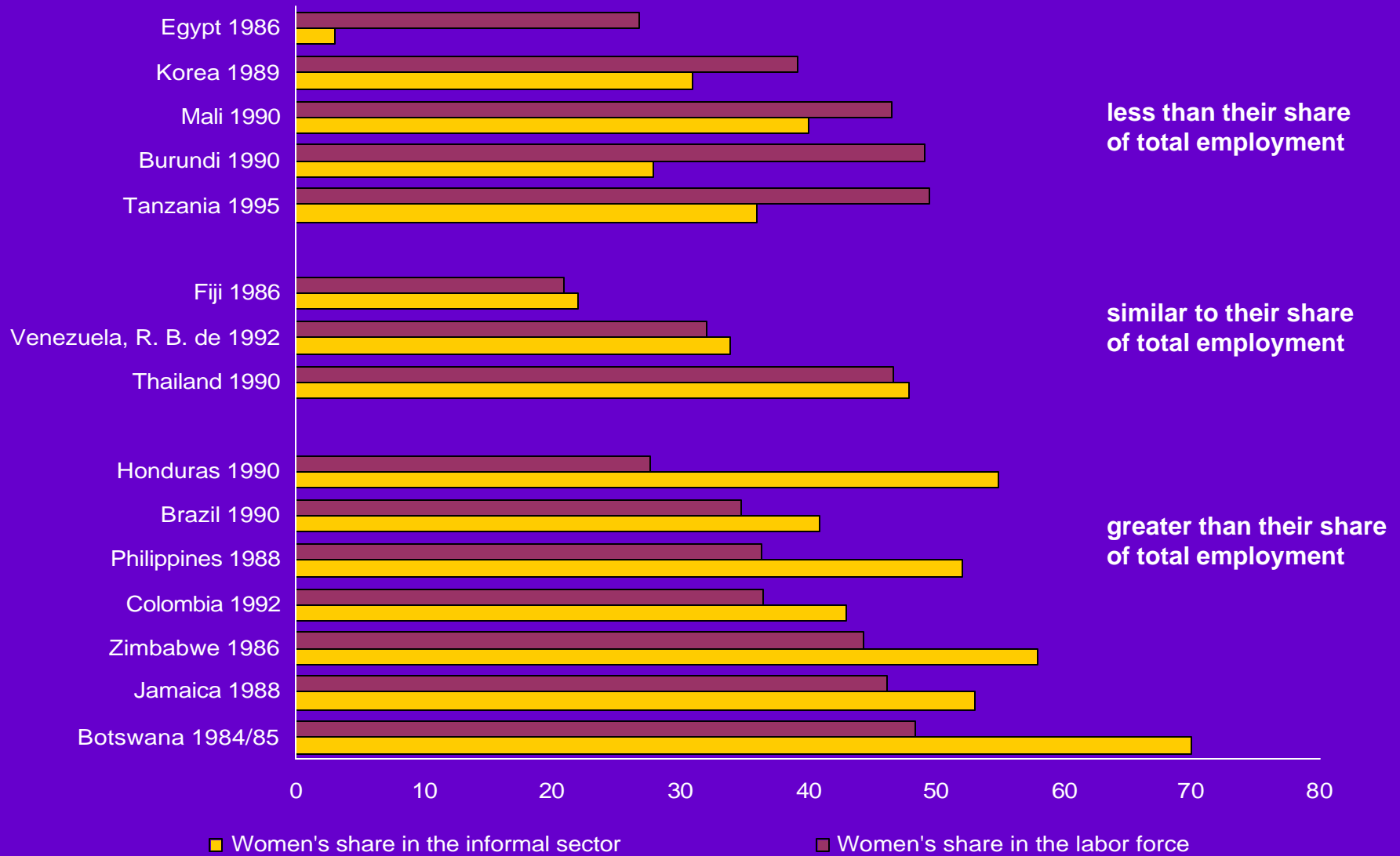
Informal Workforce in Developing Regions

(as a % of labor force)

	Latin America & Caribbean	Africa	Asia
Non - agricultural employment	57%	78%	45 - 85%
Urban employment	40%	61%	40 - 60%
New jobs	83%	93%	NA

Data Source: Chen, Jhabvala, and Lund, 2001.

Women's Presence in the Informal Labor Market Varies across Countries



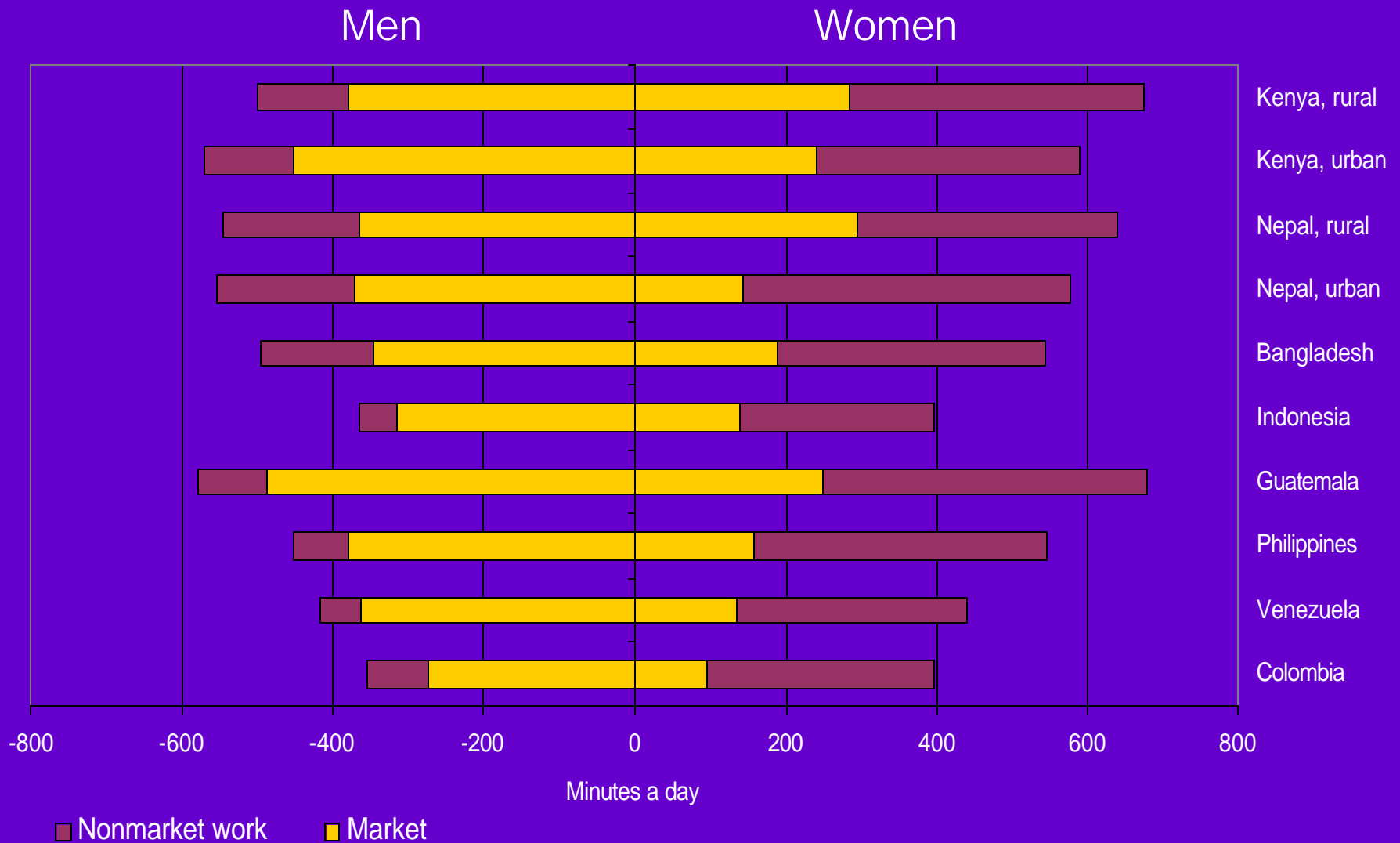
Data Source: Engendering Development, 2001

Women Work Longer Hours than Men



Data Source: Engendering Development, 2001

Men Work More in the Market, Women More in the Home



Risks and Opportunities of Informal Sector Employment

Risks:

- ◆ Inequalities in returns to informal enterprises may reflect broader gender inequalities to in access to/control of productive resources
- ◆ Lower earnings associated with forms of informal employment, e.g., home-based work (but do these differentials earnings reflect cost differentials, preference for working in-home?)
- ◆ Less secure labor relations; casualization of employment
- ◆ Concerns over working conditions (e.g., health, safety issues)

Opportunities:

- ◆ Informal sector provides flexibility in the face of household-based responsibilities & constraints, with respect to location of work, working hours, etc.
- ◆ Informal sector provides “social insurance” mechanism for households during economic shocks
- ◆ As a micro-entrepreneur sector, the informal sector has provided a vehicle to reduce gender gaps in earnings (e.g., Ghana, Uganda)

Policy Approaches to Improving Gender Outcomes in the Informal Sector

Policy measures that improve the business climate in the informal sector help both women and men, but may help women more (e.g., Ukraine) ...

But, in general ...

Taking gender considerations into account in the design of policies can promote greater gender equality ...

... as well as enhance policy effectiveness

In the informal sector, some of the most effective interventions lie outside the labor market, e.g, by:

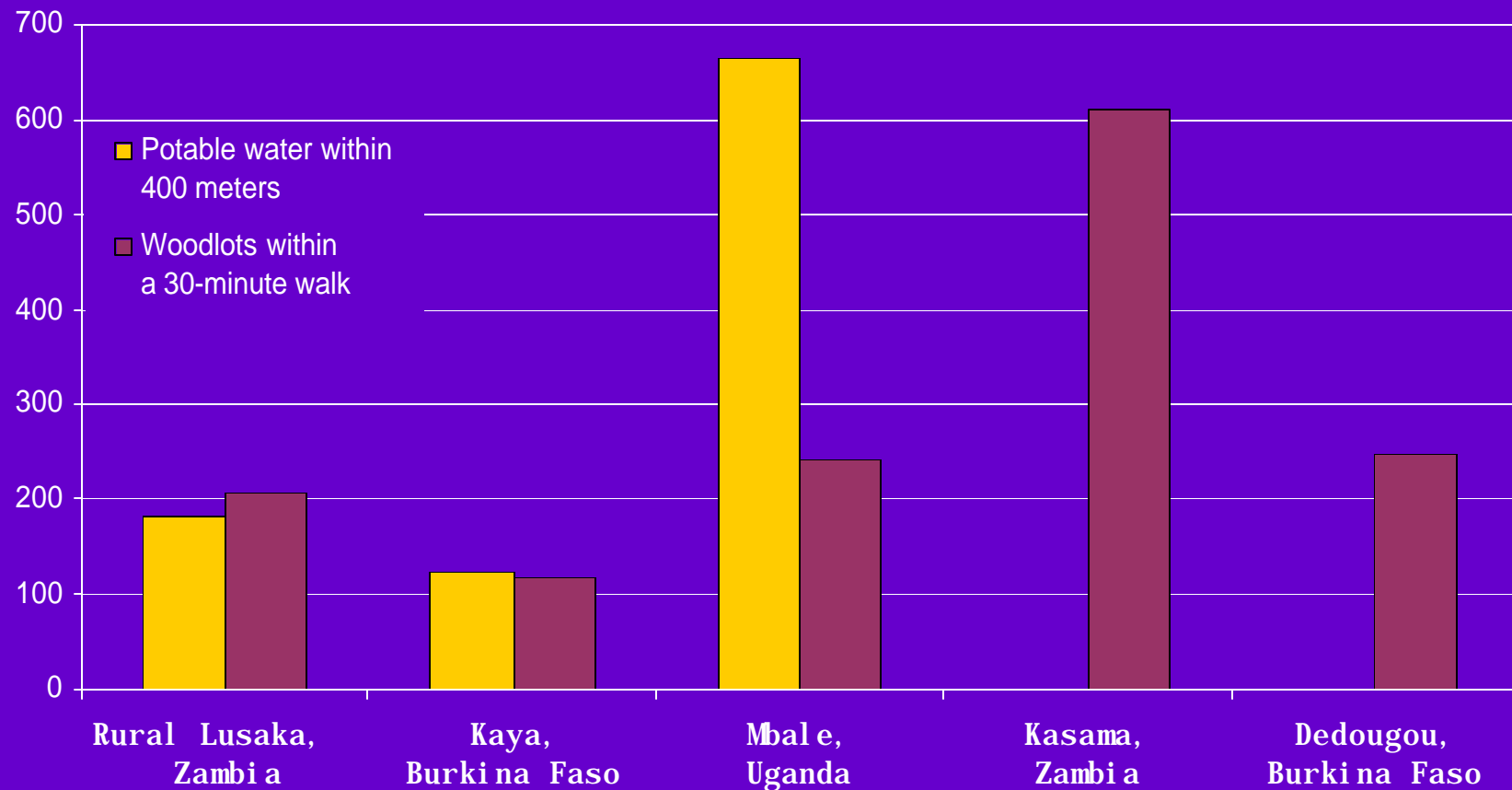
- ◆ Increasing returns to female informal sector employment/enterprise
- ◆ Addressing gender-specific constraints to economic participation
- ◆ Accounting for gender differences in economic risk

For example:

- ◆ Improving access to productive assets, e.g., financial services, machinery, other inputs
- ◆ Strengthening land rights
- ◆ Investments in time-saving technology (e.g., water, fuel infrastructure)
- ◆ Child care

Investments in Water and Fuel Supply Can Significantly Reduce Time on Collection Activities

Hours **Average potential time savings per household per year**

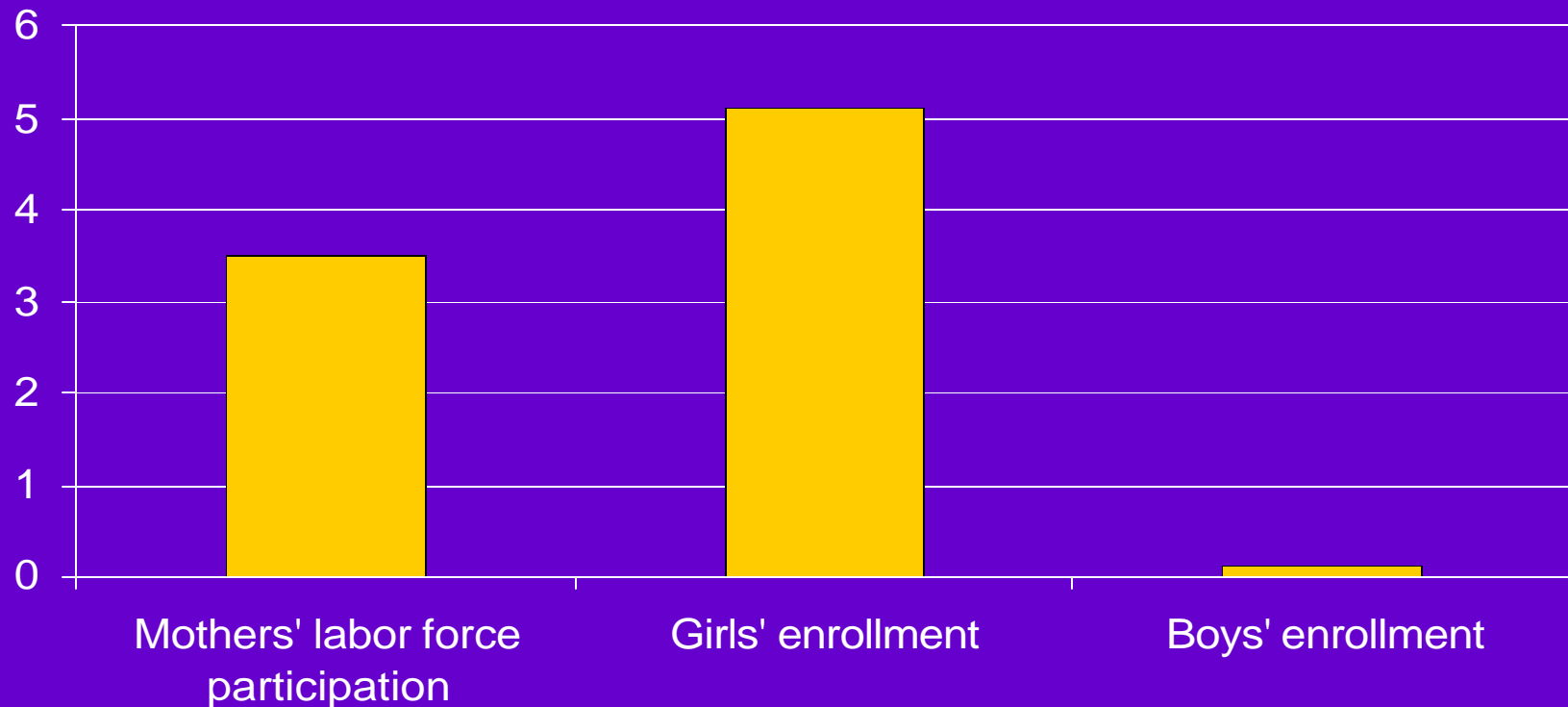


Data Source: Barwell, 1996

Low-cost child care means more women in the labor market ... and more girls in school

Increase in mothers' labor force participation and children's school enrollment in Kenya due to a 10% decline in the price of child care

Percent



Data Source: Lokshin, Glinskaya, and Garcia, 2000

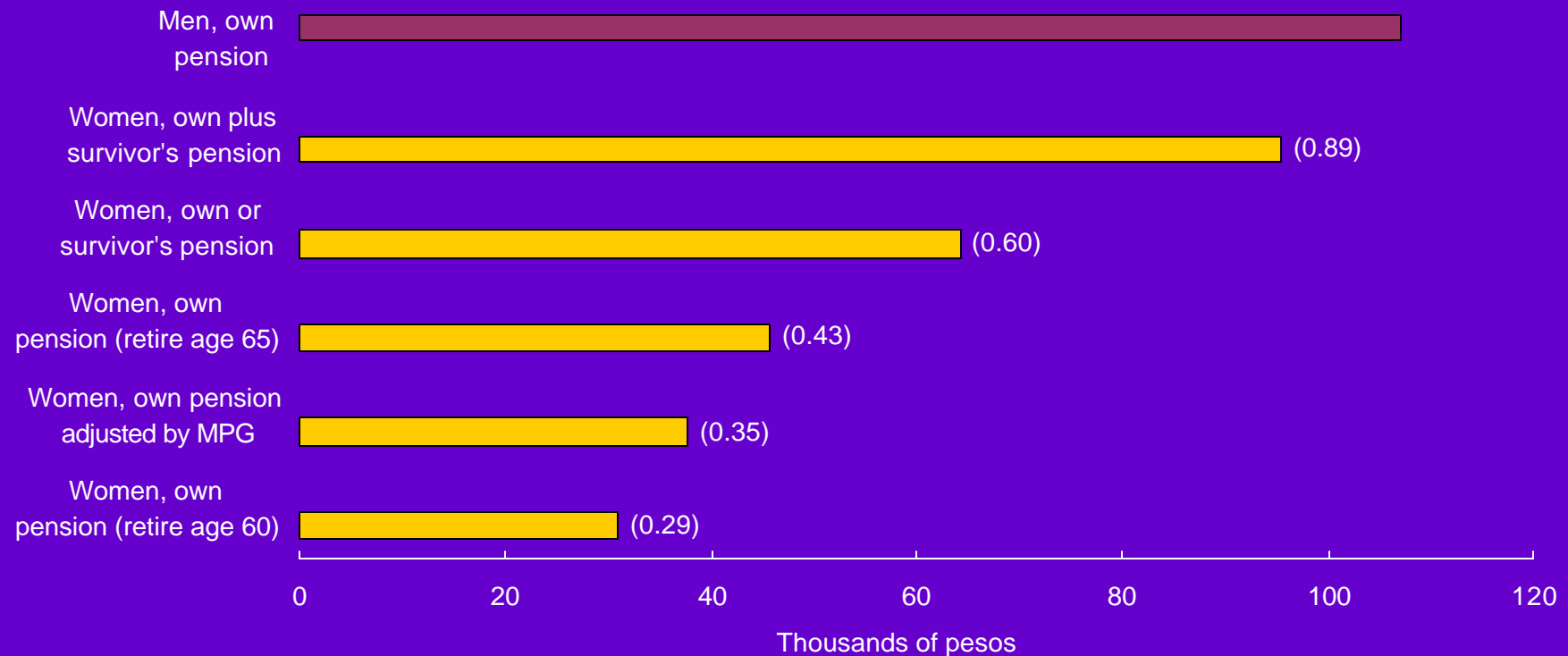
Men and women faces different economic risks

- ◆ Gender differences in labor force placement mean that women and men will often face different economic shocks
- ◆ Gender differences in education and control economic assets mean that women and men have different capacities to cope with economic shocks
- ◆ Evidence from Sub-Saharan Africa suggests that households do not pool risk as a unit, which has implications for the design of social protection.

Social protection programs that take account of gender differences in risk and vulnerability, placement in the labor force, and patterns of resource allocations within households can better protect both women and men.

Pension Design Affects the Relative Benefits to Elderly Women and Men

Pension income gap between workers with incomplete primary education
(female to male ratio in parentheses)



Data Source: Adapted from Cox-Edwards, 2000.