

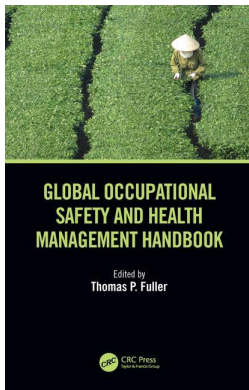
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## **Global Occupational Safety and Health Management Handbook**

Thomas P. Fuller

### **Occupational Health and Informal Work**

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# 17 Occupational Health and Informal Work

*Marianne Levitsky*  
Workplace Health Without Borders

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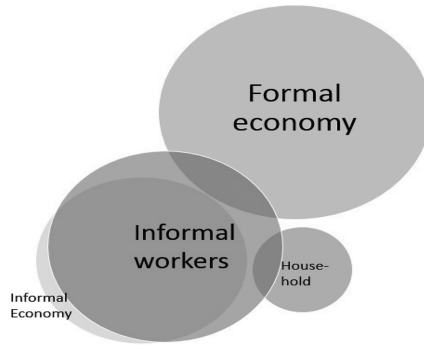
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## 17.1 INTRODUCTION

According to the International Labor Organization (ILO), more than 60% of the world’s employed population earn their livelihood in the informal economy. Informal workers generally lack the protections that may be afforded those in the formal economy: access to social security programs, workers’ compensation, government regulation, and sick/holiday time and pay. This has profound implications for occupational health and safety (OHS). In a recent report on the informal economy (ILO, 2018), the ILO states that “informality has a harmful effect on workers’ rights, including fundamental principles and rights at work, social protection, decent working conditions and the rule of law.”

## 17.2 DEFINITION OF INFORMAL WORK

The “informal economy” has a different meaning than “informal work” or “informal employment.” “Informal economy” refers to an economic sector at the enterprise level, whereas “informal work” and “informal employment” refer to individual jobs. Everyone who works in the informal economy does informal work, but the converse is not true: some informal workers work in the formal economy.



**FIGURE 17.1** Overlap of informal work with formal/informal economies.

The ILO definition of the informal economy (ILO, 2018) encompasses enterprises that

- Produce goods only for household use.
- Are not registered with government institutions or programs.
- Do not have formal bookkeeping systems.
- Have employees, if any, who do not pay into social pension or insurance programs.
- Have fewer than six workers, or do not have a fixed location.

Workers in informal employment include those who own and/or work in an informal enterprise, as described above. Other workers considered to work in informal employment (even if they work for a formal enterprise) are those who do not pay into social insurance programs or do not have paid vacation and sick leave. Types of informal workers include domestic workers, waste pickers, casual day laborers, street vendors, and workers in cottage (home-based) industries.

Figure 17.1, while not to scale, illustrates the concept that informal workers are mainly those who work in the informal economy but also include some who work for a household and some who work in the formal economy. A visual depiction of formal and informal economy relationships is shown in Figure 17.1.

### 17.3 THE GLOBAL DIMENSIONS OF INFORMAL WORK

While more than 60% of the world's workforce is in informal work (50% if agriculture is excluded), the informal economy is not equally distributed. Figure 17.2 [Panel A reproduced from the ILO report (ILO, 2018)] shows the global distribution of work in the informal economy (including agriculture), ranging from less than 20% in developed countries like the United States to more than 90% in some parts of Africa. Figure 17.3 (Panel C from the ILO report) shows the different components of informal work by region.

Panel A. Including agriculture<sup>9</sup>

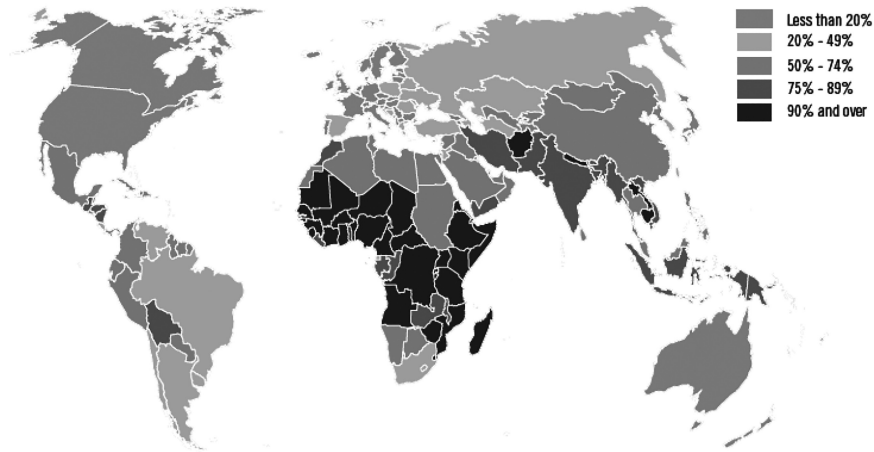


FIGURE 17.2 The global distribution of work in the informal economy. [International Labour Organization (ILO). Women and men in the informal economy. 2018. 156 pp. ISBN 978-92-2-131581-0 (web pdf), www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/publication/wcms\_626831.pdf.]

Panel C. Components of informal employment as a percentage of total employment: the informal sector, formal sector and household sector (percentages, 2016)

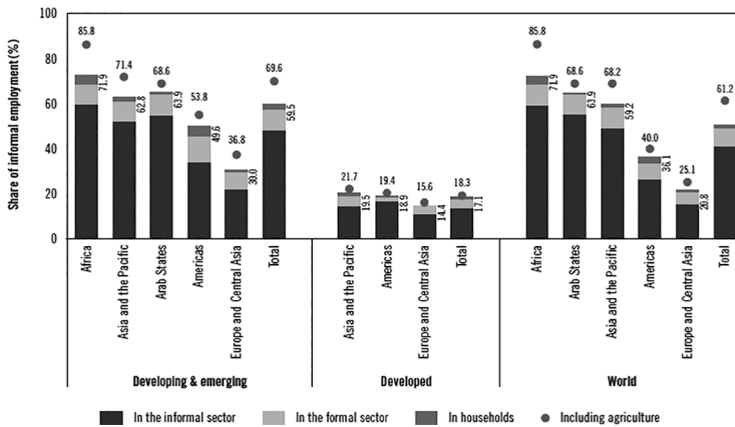


FIGURE 17.3 Components of informal work by region. [International Labour Organization (ILO). Women and men in the informal economy. 2018. 156 pp. ISBN 978-92-2-131581-0 (web pdf).]

Not only does informal work account for most of the world’s workforce, but in developing countries, it may account for the majority of economic activities. It has been estimated that informal work in developing countries may contribute up to 60% of the gross domestic product (DCPP, 2007).

## 17.4 HEALTH AND SAFETY AND ADVERSE IMPACTS OF INFORMAL WORK

As stated by the ILO (2018),

Although not everyone in the informal economy is poor and there is also poverty in the formal economy, ample empirical research has shown that workers in the informal economy face a higher risk of poverty than those in the formal economy, while informal economic units face lower productivity and income. Indeed, most people enter the informal economy not by choice but as a consequence of a lack of opportunities in the formal economy and in the absence of any other means of earning a living.

According to the ILO, “the 2 billion women and men who make their living in the informal economy are deprived of decent working conditions.”

The nature of informal work makes it very difficult to obtain reliable overall data on the health and safety of informal workers. As observed in a report on a South African seminar on informal work, “it is still very difficult to collect reliable epidemiological data, which means that the health risks that informal workers face often remain invisible to policy makers” (London, 2018).

However, various studies conducted in the past two decades, reported by Lund and Marriott (Lund, 2011), cite the following estimates of the dimensions of hazardous conditions faced by informal workers:

- Exposures to dangerous chemicals with no protection, ranging from 6% of casual laborers and wage workers in Gujarat, India, to 74% of workers in Indonesia.
- High percentages of workers reporting that their general working conditions are unsafe, including nearly 50% of all wage workers in Bangladesh, 30% of workers in Russia, 24% of workers in Argentina, and 17% of workers in Chile and Brazil.
- In Tanzania, 40% of all workers but 80% of casual agricultural workers reported unsafe conditions.
- In Bangladesh, 16% of rural workers had suffered a work-related injury that required them to miss a week of work.
- A survey of 1585 informal workers in rural and urban Zimbabwe found similar occupational injury and mortality rates to those found in the formal economy, but higher rates of occupational illness.

While hazards faced by informal workers are similar to those encountered in the formal economy, their effects on informal workers are exacerbated by factors related to the nature of informal work. These factors include the following:

- Absence of workers’ compensation, health insurance, or other forms of social protection to support workers incapacitated by injury or illness
- Lack of access to health care to treat injury or illness
- Lack of health and safety resources, including knowledge and expertise to assess and control hazards, and lack of control equipment such as ventilation and personal protective equipment

- No access to government regulatory and enforcement regimes. As noted by the ILO, “OSH [Occupational Safety and Health] legislation often does not apply to [informal] workplaces or, if it does, it is not effectively implemented and enforced. Individual workers do not have access to sound OSH advice and training, and are often exposed to risks to their safety and health without adequate protection” (ILO, 2011)

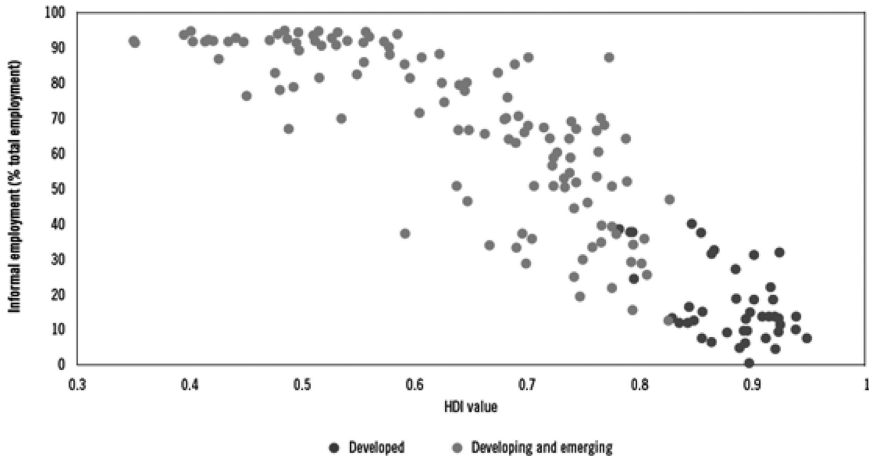
Surveys by the ILO conducted early this century found that the burden of the costs of occupational injury and illness fell on the informal workers themselves and their households (ILO, 2004). These surveys found that

- The majority of workers in Bangladesh, Brazil, Chile, China, India, Indonesia, Moldova, Pakistan, the Philippines, Tanzania, and Ukraine themselves bear the costs of work-related injuries or illness.
- Workers in Africa are among the least likely to have insurance against accidents or injury at work.
- In Gujarat, India, 93% of workers had no insurance against wage-work risks. Where employers do pay the medical costs of work accidents, payment only covers 22% of work injury costs for male workers and only 7% of such costs for women.
- Sixty percent of workers in Hungary are entitled to employer-provided medical services for work injuries and illness but more than 20% never actually receive such services.

Predictably, the ILO also found that in the absence of workers’ compensation or health insurance, workers continue to work if at all possible, despite injury and illness. As noted by Lund and Marriott (Lund, 2011), “if workers do not take time off to recover or to seek necessary health care, their illness or condition is likely to deteriorate, possibly causing more long-term productivity declines or more long-term absenteeism in the future. Workers who continue to work while unwell and infectious also increase the risk of occupational illness for other workers with whom they come into contact.”

The negative correlation of informal work with well-being is demonstrated by the ILO in Figure 17.4 [Figure 17 from the ILO report (ILO, 2018)]. As described by the ILO, “a measure of social development is the Human Development Index (HDI), which combines the indicators of long and healthy lives, knowledge, and a decent standard of living. Comparing national data on informal employment as a share of total employment with HDI values shows that countries with higher informality also have a lower HDI value.”

Low occupational health standards in the informal economy can have spillover effects in the formal sector, as observed by a participant in the South African seminar on informal work. As cited in the seminar report, this participant “argued that the political and economic forces that have resulted in the trend towards sub-contracting, outsourcing and the casualisation of labour ... have also led to the undermining of OHS regulation, so that it is not only the informal economy that now suffers from a lack of appropriate regulation and standards” (London, 2018).



**FIGURE 17.4** Relationship between informal employment and HDI values. [International Labour Organization (ILO). *Women and men in the informal economy*. 2018. 156 pp.]

## 17.5 EXAMPLES OF HAZARDS IN INFORMAL WORK

The hazards of informal work are similar to those often encountered in the formal sector, though as noted, these are often exacerbated by lack of knowledge and resources to ensure adequate assessment and control. There is considerable research literature on specific health and safety hazards in informal work. Examples include the following:

- A report on Zanzibar seaweed farmers documented numerous health and safety problems, including rashes and eye irritation from seawater contact, stings by poisonous fish, and ergonomic issues resulting from heavy physical demands (WIEGO, 2011).
- A study of informal construction workers in Pakistan revealed that both employers and workers lack knowledge of OHS laws/standards, resulting in the absence of safe work practices and nonreporting of injuries (Ahmed, 2018).
- A number of studies reported on the health of agate processors in India (NIOSH, 2015; Chaudhury, 2012), who usually work from their homes and have high rates of silicosis and tuberculosis due to silica exposure from processing gemstones.

## 17.6 THE GROWING GLOBAL INFORMATION GRID ECONOMY

While international development agencies have concentrated on the problems of informal work in developing economies, the growth of the Global Information Grid (GIG) has given rise to a “gig economy,” which results in similar problems in more developed countries. While Figure 17.3 indicates that the percent of informal work

in developed countries is less than 20%, the growth of companies like Uber suggests that this percent is growing.

In her 2018 book *Gigged*, Sarah Kessler (2018a) says that “20% to 30% of the working-age population in the United States and European Union had engaged in freelance work. Add part-time work to the mix, and some estimates put the percentage of the US workforce that did not have a full-time job as high as 40%.” Articles by Kessler and others illustrate how gig workers lack the social and workplace protections that are often enjoyed by workers in the formal economy. Citing the example of Pablo Avendano, a bicycle courier killed on the job, Thomas Fox Parry (2018) points out that “in this gig economy, liability for work injuries, including death, falls on the worker and their family.”

An article by Kessler (2018b) describes the “crazy hacks” that a Canadian woman used to earn a living when her husband lost his job. Kessler documents the experiences of this woman who managed to support her family by sourcing work on Mechanical Turk, Amazon’s online crowdsourcing marketplace. As described by Kessler,

No matter where Milland was in her house, if she heard the alarm go off, she would run to her computer. There were thousands of other Mechanical Turk workers competing with each other to grab the high-paying work, which was assigned to whoever could claim it first. Milland would sleep in her office so that she could listen for the alarm to go off at night without waking her husband. When she spotted good tasks, often through her alarm system, she used an automated tool to keep her queue full with the maximum 25 tasks that could be assigned to her at one time, and then worked furiously to finish them and grab more before they were snatched by other people.

Unsurprisingly, this woman developed ergonomic injuries due to this work. Kessler notes that

There is no paid sick leave in the GIG economy. And among US workers who rely on sites like Mechanical Turk for their entire income, almost 40 percent don’t have health insurance. Milland lived in Canada, with universal health care, but she couldn’t afford the break. She wore a wrist brace and an elbow brace and kept on clicking.

## 17.7 ADDRESSING THE PROBLEMS OF INFORMAL WORK

The ILO has stated that in view of the dimensions and consequences of informal work, “transition from the informal to the formal economy is of strategic significance for hundreds of millions of workers and economic units around the world that are working and producing in precarious and vulnerable conditions.” Therefore, it concludes, “there is an urgent need to tackle informality” (ILO, 2018).

Addressing problems of the informal economy has been identified as crucial to Sustainable Development Goal #8, (UN, 2016) to promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all. (Sustainable Development Goals, or SDGs, are global priority-setting goals established by the United Nations in 2015.)

A target set under this goal (Target #8.3) is to “Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship,



creativity and innovation, and encourage the formalization and growth of micro-, small-, and medium-sized enterprises, including through access to financial services.” Complementing this SDG, in 2015 the International Labour Conference adopted Recommendation No. 204, Recommendation Concerning the Transition from the Informal to the Formal Economy (International Labour Conference, 2015). This recommendation sets out a wide-ranging agenda for countries to promote the transition from informal to formal enterprises, and ensure decent work for those currently employed in the informal economy. Among the recommendations is that nations should “promote and extend occupational safety and health protection to employers and workers in the informal economy.”

While the ILO emphasizes transition out of informal work as its highest priority in addressing these problems, efforts are also being made to improve the health of informal workers by extending occupational health services. In a 2014 workshop on Health Coverage and Occupational Health and Safety for the Informal Workforce in Developing Countries, participants from Asia, South America, and Africa reported on a variety of initiatives to offer health services to informal workers (Taylor, 2016).

Other efforts have been strongly promoted by Women in Informal Employment: Globalizing and Organizing (WIEGO), a network focusing on conditions of women in informal work. A section of their website (WIEGO, 2018) focuses on OHS, documenting experiences of informal workers and efforts to improve their health. For example, WIEGO has worked with informal street vendors in Accra, Ghana, to advocate for a variety of protections against health and safety hazards, including the following:

- Better waste disposal systems to avoid clogged drains and gutters, which lead to often intolerable smells and disease vectors that can cause food poisoning and diarrhea
- Improved cooking equipment and access to fire extinguishers
- Better lighting and security measures to prevent traders from being preyed upon by criminals (Cities Alliance, 2014)

Other examples of successful advocacy cited by WIEGO include the following:

- The provision of safety equipment to rag pickers in Pune, India
- The Self-Employed Women’s Association (SEWA) in India, which has worked with local designers to develop equipment with better ergonomic features for waste workers, garment workers, and bakers in the informal sector (WIEGO, 2013)
- The provision of seaweed farmers with protective equipment, such as boots, gloves, and hats, by the companies to which they sell (WIEGO, 2011)

In citing this last example, WIEGO’s report notes that “one of the most practical ways to start extending OHS to these seaweed farmers may be to put pressure on the end sellers and consumers to enforce health and safety standards through ethical trade initiatives.”

In a 2014 paper, Valentina Forastieri of the ILO called for a variety of measures aimed at integrating OHS of informal workers with general OHS services and data gathering (Forastieri, 2014). “In designing or strengthening national OSH policies and programmes,” she states, “promoting safe and healthy working conditions should aim not only at the formal but also at the informal economy.” She goes on to call for “a self-sustainable health insurance scheme and a referral system for the extension of occupational health services using the existing public health structure and a community health approach to prevent and control injuries and communicable, endemic and occupational diseases.”

## 17.8 CONCLUSIONS

Protecting the health of informal workers will require the involvement of institutions that have not traditionally carried lead responsibilities for OHS. As noted by Forastieri, these include the existing public health infrastructure and community groups, which could be enlisted to provide occupational health services that in a formal economy may be provided by employers, unions, regulatory agencies, and workers’ compensation systems. As pointed out by WIEGO, traders (the buyers and sellers of the products of informal workers) could be motivated to provide protective measures for their suppliers, fulfilling responsibilities that employers in the formal sector would be expected to meet. Through ethical trade initiatives, consumers are in a position to pressure such traders to protect the health and safety of their suppliers.

Addressing the occupational safety and health problems of informal work is critical to overall social and public health. This is not only because informal workers account for the majority of the global workforce but also because poor working conditions in the informal sector can have spillover effects by driving down standards in the entire economy. The growth of outsourcing and the gig economy threatens to counteract international efforts to transition economies from the informal to formal sectors. Improving global health and well-being for everyone will therefore depend to a great extent on affording to informal workers the health and safety protections and social supports enjoyed in the world’s formal workers in the most advanced industries and economies.

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