

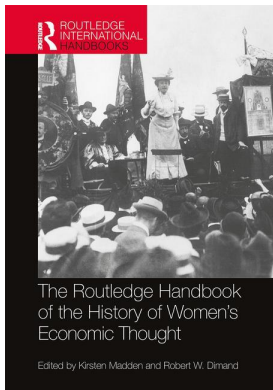
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WOMEN'S EMPLOYMENT IN THE INFORMAL SECTOR IN DEVELOPING COUNTRIES

Contributions of Lourdes Benería and
Martha (Marty) Chen

Farida Chowdhury Khan

Introduction

Women's work can be underpaid, invisible, and is often not strictly considered work. This is particularly true in developing countries where the contribution of women to the economy lies mostly outside that which is formally accounted for in national economic statistics. One promise of economic development is to change that situation for women and induct them into good jobs.

In this chapter, I examine the contribution of two women scholars, Lourdes Benería and Martha (Marty) Chen. Both women make the case that economic development creates a disproportionate number of jobs which continue to be unsafe, invisible, underpaid, located within what is considered the "informal economy," and that such jobs have gone primarily to women. And both women believe that it is important to help women workers who do such jobs by providing them intellectual assistance. Such assistance includes the construction of terminology, of theoretical insight, and of empirical evidence to support the struggle to organize via self-representation, improving working conditions.

Both women contribute to the field of economic development by theorizing, collecting data, and discerning patterns on women in the informal economy. Benería made great strides in the field by connecting the expansion of the informal economy to economic liberalization policies, detailing the nature of work and production linkages in the informal sector, and thereby exposing the high representation of women in this sector of the economy. She finds that, contrary to established thinking, development does not provide decent livelihoods to poor women, who predominate in the informal sector and are unable to escape poverty. She is one of the pioneers bringing feminist approaches to development economics, focusing on women's working and living conditions during the process of market-led development. Chen began her work on the ground with non-governmental organizations (NGOs) and was later involved with other international organizations, such as the International Labor Organization (ILO). Chen's concern with giving poor working women voice and control over their work defined the trajectory of her research. This led to the creation of an international organizational network that supports

the formation of female worker's collectives in the informal sector and the representation of their concerns to policymakers.

Born in Spain in 1937, Lourdes Benería studied in the very first class of economics undergraduates at the University of Barcelona. She grew up in the Pyrenees in what she describes as pre-modern subsistence conditions and says her life changed when she went to New York City to complete her doctoral degree (Olson and Emami, 2002). Benería's initial pursuit was to understand the implications of development on women. She encountered the informal economy while working on structural adjustment and the debt crisis in Latin America, particularly Mexico. Her work there and in other parts of Latin America resulted in the compilation of detailed information on the effect on women and households of informal work and its increase during crisis periods, as well as during periods of neoliberal transition. She is among the first to note how development policies expanded the informal sector and increased risk and vulnerability among urban poor women who worked in this sector (Benería, 1996).

Martha Chen is third generation of a missionary family working in India. Raised with a concern for people, she was accustomed to most work being informal in the hill town of Mussorie. From petty traders to casual labor or domestic workers, Mussorie's barter and cash economy used labor-intensive technology to produce goods and services. Chen witnessed the transition from rural to urban life for many poor women as India developed. Chen's conceptual formulation of the informal sector strengthened as she became involved in organizing women's work through non-governmental agencies in South Asia. Her major contribution is to provide details of the heterogeneity of work in the informal sector. She does this on a global scale through a vast amount of research and experience on the ground. Another significant aspect of her contribution is the organizing of women informal workers around the globe.

As we will see in this chapter, the informal economy is made up of non-regulated production and work, ranging from homeworking to highly competitive firms using simple technologies and drawing on labor that is abundant in supply. Development economists before Benería and Chen focused on the entrepreneurship present in the informal sector as well as its legality. Benería and Chen shift the discussion to put women's employment and work at the center. The work of these two women provides a feminist focus in framing the informal sector in developing countries.

Historically, most production has been done at home, including the working of raw materials for sale or for wages. This last activity came to be called the "putting out" system. Under industrialization, home production took on a new form enabling the expansion of mercantile capitalism (Finkin, 2015, p. 606). Boxer (1982) describes the importance of women and the "family workshop" in the putting out system that supported expansion of fashion in Paris in the 19th century.¹ Moving beyond the home, by the 19th century in Europe the city streets provided varied types of precarious employment for the urban poor; Mayhew (1851) documents the informal economy for 1840s' London. References to the 20th-century economy of the streets from New York to San Juan are dispersed in many reports (see, for example, Whyte, 1943; Lewis, 1966).

The idea of the informal sector entered the economic development literature in the 1960s. The classic dualistic model of economic development laid out by Lewis (1954) postulated a modern (formal) sector of capitalist accumulation, which drew labor from a "traditional sector." He envisioned a transformation of the traditional sector to the modern sector over time, particularly with increasing capital formation, credit creation, and technical progress. However, this did not happen as Lewis envisioned. Instead, an expansion of the modern formal sector stimulated the development of a new urban traditional sector. This prompted a focus on rural urban migration and the creation of employment in this urban traditional sector (Todaro, 1969).

Keith Hart (1973) studied rural urban migration in Accra, Ghana and coined the term “informal” when referring to the income-generating activities of the urban sub-proletariat who had migrated from Northern Ghana.

Chen and Benería’s entry into development economics occurred in the 1970s and their involvement continues even today. It began with an interest in poverty, work, and women and led them to the informal sector. Both of them note that development economists expected this sector to dissolve and merge with the modern sector as development progressed. Contrary to the projections of other development economists, both Chen and Benería find that the informal sector not only persisted, but expanded to include profitable and efficient enterprises as well as marginal activities. While most economists saw the informal and formal sectors as separate spheres with minimal linkages, Benería and Chen provide substantial evidence on the connection and cogeneration between the two sectors.

Women, development, and the informal economy: Lourdes Benería

Early influences on Lourdes Benería

This section examines the early influences on Lourdes Benería’s thinking about women and development and her entry into the world of the informal economy. Benería’s contributions to understanding the informal sector intersect her interest in the conditions of the poor, the care economy, and other questions that have remained primary for her as a feminist economist. Benería has been reflective about her own experiences in introductions of her work (Benería, 2003; Benería and Roldan, 1987) and in her narration about her life (Olson and Emami, 2002). She has situated herself in feminist economics as an academic and, more specifically, within the field of development.

Benería was born in a rural, mountainous area of the Catalan region in Spain. When she was growing up, there was little modern infrastructure, and she describes life resembling that in the Middle Ages. She began to study economics in the 1950s when economics was first provided as a major or course of study at the University of Barcelona (Olson and Emami, 2002). As she studied history, political economy, and international economics, her formative interests in questions that she would pursue later arose. Traveling to study in France, she realized how intellectually liberating it was to leave Franco’s Spain and carried out her graduate studies in New York, first at NYU and then Columbia University. Although Benería found Columbia’s economics program to be far less orthodox than that in Spain, there were many economists whom she “respected but did not feel any affinity with” (ibid., p. 235). She found certain categories within economics, such as the idea of a rational man, somewhat perplexing, having grown up in what she describes as an alternative, pre-capitalist system. She had a background that allowed her to cross and borrow from other disciplines when needed, and she kept inquiry as her foremost concern. Around this time, she married and had children, which made her all the more aware of the different standards for men and women in the professions and workplace (ibid.).

After her doctoral work, she became a professor at Rutgers University and also worked for the ILO on rural women in 1977. During this period, she questioned the nature of paid and unpaid work, and theorized about the concept of work. She identified with the branch of feminism considered to be socialist feminism, with class and gender being the main points of analysis. Her work with the ILO “changed her understanding of the world and the orientation of her work” (Benería, 2003, p. x). Esther Boserup’s book *Women’s Role in Economic Development* (1970) was also influential in the growth of her own approach to development. The field of development had largely ignored women as actors or subjects, and their concerns and interests

were absent in both development discourse and policy. Benería sees the 1970s as a decade of “post-Boserup recovery” – the historical processes called development had affected women and men differently, but much more knowledge and detail was necessary to understand why this was the case (ibid.).

At Rutgers, Benería became associate director of the Institute of Research for Women and then moved to Cornell University in 1987. Throughout this time, she associated with heterodox economists, historians, sociologists, and anthropologists, who all influenced her approach to economics, which was already critical and interdisciplinary. In the 1980s she worked with Martha Rodan on Mexico's growing informal sector (ibid.).

Her entry into academe and international organizations occurred during a time when many changes occurred in development policy. The Washington Consensus² came through in the 1980s, changing the conditions and patterns of development for most countries. This shift was not well received by economists such as Benería, who, as a feminist economist and interested in distributional issues, found that economic changes were not always benefitting those at the bottom rungs of society.

During this time, women economists were virtually absent from economics panels as the development establishment was male dominated.³ Benería has been one of the pioneers in bringing a voice to development that was both a female voice and a champion for the cause of women. To do this, she looked at the developments in feminist economics and brought these ideas to study important trends and patterns in developing countries, and in particular, the informal sector.

Redefining the role of women in development

Benería has written extensively about feminist economic thought, showing how it has contributed to economics as a discipline by challenging various fundamental tenets and assumptions. She says that, although not a feminist economist, Boserup recognized that development has operated differently for men and women. Feminists such as Benería followed this by elaborating a critique of modernization theory: Development had differing impacts on men and women because of the asymmetric gender relations and hierarchical structures that were present (Benería and Sen, 1981, Benería, 1995).

With a feminist lens, Benería examines how economic restructuring has led to the informalization of labor markets. Joining other writers such as Sassen (1988) and Joekes (1987) who were skeptical of the effects of globalization, she notes the beginning of this recent process in burgeoning or expanding industries in developed countries, such as high technology and finance. A decentralization of production – vertical and horizontal – changed how jobs are done and moved labor-intensive processes to low-wage regions. In developed countries, stable employment and attachment to one organization of mostly male workers was replaced with less employment security, benefits, hours, and altered job descriptions, and a feminized workforce. The effect of these processes and reduced unionization altered employment contracts, with workers facing individualized and uncertain employment, often holding unrelated jobs, and shifting from job to job. Also, the shift in the location of employment to developing countries was concomitant with the downsizing of large firms, and more outsourcing and subcontracting to smaller firms. Increased trends in informal work, such as part-time or temporary work in the US and EU, contributed to an expansion of the informal sector in developing countries.

During the decades of neoliberal transition that occurred early in Latin America and later in Asia and Africa, Benería, along with other feminists, narrowed in on the effect of structural adjustment for women (Benería, 1995, 1999). With high debt levels and defaults, austerity programs

had become common in developing countries. The effects of national austerity programs on households and women were important, especially as it was well recognized by then that poverty was high among lone mothers in developing countries. The decline in incomes and rising poverty led to both the intensification of household work and increased women's participation in the labor force (Benería and Feldman, 1992; Benería, 1999).

Benería extends the historical understanding of the circumstances women face in developing economies with the process of development. Boserup's classic work emphasizes women's participation in agriculture during male migration to urban areas, and the design on women's education to absorb them into the formal labor force in towns. These ideas were based on development patterns and policies in the 1950s and 1960s. However, trends altered in the 1980s and 1990s, when women in developing countries were integrated into the workforce more than ever before. Benería notes that the neoliberal development that began by the late 1970s led to women's participation in export-processing zones, followed by the participation of women in the service sector, including pink collar jobs in financial services, data entry, data processing, and extended to the tourist sector, prostitution and related services, as well as to domestic and daycare workers. Some of this work required migration by women, often by themselves. The deregulation and flexibility of time and contracts in labor markets further facilitated the entry of women and subverted the distinction between paid work and unpaid work (Benería, 2001b).

Empirical evidence of women's work in the informal sector of Latin America

Benería's early empirical work (Benería and Roldán, 1987) focused on the nature of subcontracting and homework in Mexico City during 1981–82. This is a seminal study of women's work in the informal economy and still a source of vital information; key findings are laid out in this section.

The Mexico City study considers two different contexts – one being homework in a putting out system and the other in small enterprises or maquilas. Both of these are vertical subcontracting activities done by larger firms that provide inputs for these activities. These maquilas produce for the domestic market, as opposed to the export-oriented activities near the border. Sectors studied were garments, electronics, consumer durables, cosmetics, plastics, and metal. Benería's particular contribution was to lay out various mechanisms by which the formal and informal sectors articulate. She identifies three or four levels of subcontracting, the number of firms increasing at the very bottom level. The last level hired women, often homeworkers. Here, Benería invokes the Babbage Principle (Braverman, 1974) to understand the principles of operation in the informal sector, where a reduction in labor costs is made through a reorganization of the division of labor. Working conditions are found to deteriorate as one moves down the value chain, with larger firms on the top of the hierarchy dictating the terms of production. The most complex of these subcontracting categories might combine legal and illegal operations. For example, a legal store front pays taxes, minimum wages, and other required benefits, and sells a final product which is produced through subcontracting. At the back of the store an oscillating number of women are hired to do a narrowly proscribed task (such as plastic polishing) as a subcontracting activity at wages below minimum without benefits (Benería and Roldán, 1987).

Studying the trends associated with gender in informal work, Benería found that firms with fewer than 100 workers had greater proportions of women, such feminization being complete for homework. The percentage of women increased as it crossed from legal to illegal. More women were hired in assembly, where more concentration, patience, and physical immobility for long periods of time were required. Within the firms, there were fewer women managers

because workers (both men and women, but particularly men) did not take well to women's control of their work. Restructuring of work in these situations involved more supervision by men (*ibid.*).

In each firm, women had the lowest and men the highest ranges of wages. Lower skills and less physical strength were given as reasons. Women usually worked sitting down in crowded spaces and men were usually given larger spaces and more mobility. Lower wages for women were combined with less certain work and part-time and intermittent or on-call work. Based on information collected through surveys of supervisors, Benería notes the artificiality of skill definition – women were considered more dexterous and patient. Firms reported that women who were hired were able to concentrate better, did careful manual work, were more able to follow orders, were reliable, stable and hence more productive, and therefore less troublesome. Socially, their earnings were considered secondary, allowing them to be paid less. The manual dexterity that had been passed down through generations whereby women did sewing, lace-making, arts and crafts were now adapted for assembling and plastic polishing in electronics, garments, cosmetics, metals, and textiles. They were used to domestic work which is tedious, repetitive, done in crowded spaces, increasing their ability to deal with frustration, and making them more committed and persistent. Assembly work requires these traits. They are less restless and able to sit down for longer periods than men. They also did not have high absenteeism, did not partake widely in alcohol use, and were less active in unions. The women were reportedly hired for their beauty, as opposed to strength and efficiency which were noted as traits for which males were hired. Single mothers were said to be among the most reliable workers (*ibid.*).

Women who were surveyed gave several reasons for opting for homework – demands of care and domestic chores, husband's opposition to outside work, lack of alternatives, age, and health. Informal work included domestic piece work, jobbers who use family labor at home as well as those that hire wage labor and operate illegally. They were paid per piece/unit, typically with a weekly deadline, with both time and earnings showing high variation. The work included sewing, sorting, assembly, or simple cutting. Often workers were asked to transport the materials themselves. If things were damaged there was no pay. In one example, an amount of five times the value of the merchandise was deducted from the weekly pay through a completely ad hoc calculation (*ibid.*).

The expansion of the informal sector during crises

Benería returned to Mexico in the late 1980s to learn how households survived a major debt crisis (Benería and Feldman, 1992). It was well known that income distribution had worsened during structural adjustment. The poor had been severely affected and had resorted to working in the informal sector. It was found that both teenagers and women increased their labor force participation significantly in order to cope with the economic hardships. Many teenagers dropped out of school to help generate income for their families. Women had to join the labor force particularly if they were single but even if they were married: two-thirds of her sample began to work to make ends meet. Middle-class women were the only ones able to attain formal sector employment (*ibid.*).

Benería maintains that the 1990s saw an extending and deepening of these processes which began in the 1980s. Studying Bolivia and Ecuador in 2002 (Benería and Floro, 2006), she found that privatization, market deregulation, and economic restructuring had set the grounds for the expansion of the informal sector. In the 1990s both Ecuador and Bolivia faced trade and financial liberalization policies that brought about a pattern of uneven development, increasing both the concentration of wealth and the deterioration of working conditions for the less fortunate.

The informal sector in Ecuador grew substantially at this time. The open unemployment rates increased to 14.4% (women) and 19.6% (men) while poverty rates rose to 52%. In Bolivia, structural adjustment policies adopted in 1985 led to imposing wage freezes, reducing government spending, and shifting the economy toward export-oriented development, as the public tin mines closed. Displaced populations migrated to urban areas, with the expanding informal economy absorbing much more of the labor.

Benería's conclusions from empirical findings

From these cases in Latin America, Benería concludes and theorizes that the expansion and deepening of markets increased the links between the formal and informal sectors, often blurring the distinction between them. A striking finding was that the size of the informal economy has paralleled women's participation in the labor force, both of them growing during the 1980s and the 1990s.

Building on existing studies and her survey work, Benería outlines the basic characteristics of the informal sector (Benería and Roldán, 1987; Benería and Feldman, 1992; Benería, 2001a, 2001b). While previous literature on economic development had focused on production and the nature of enterprises, Benería emphasizes the condition of labor in defining this sector. In doing so, she notes two types of informal activities – those that are directly linked to formal sector firms and those that are survival activities organized at the home or community level (Benería and Roldán, 1987; Benería, 2003). Both these activities involve temporary work, as well as contingent work lacking benefits and legal protection, and not covered by national legislation. These activities registered more growth in Latin America during and in the aftermath of the debt crises, although they were already high in the region. She also notes that contrary to prior thinking in economics, the informal sector does not vanish with development, but persists, often expanding, with linkages to the formal sector (Benería, 2003).

Benería finds that the feminization of the workforce intensified the reliance on the informal sector in the last four decades (Benería, 2003). With more women available to work, the sector was able to persist and expand. In addition, women's primary involvement in domestic work and childcare continues to be a source of vulnerability for them, leaving women with few options but work in this sector. Despite the increased education of women and increased participation in the labor force, the formal sector does not absorb the increased supply of women in the workforce.

In sum, Benería does not see the increased labor force participation of women in developing countries as having improved their welfare. Large numbers of women, some of whom might have received some education, are stuck in precarious jobs in the informal sector and are constrained by their low mobility, lack of alternatives, and by social norms that reduce their ability to bargain regarding their working conditions and earnings. Benería finds that this increases uncertainty and vulnerability in their living conditions. She distinguishes between poverty and vulnerability, detailing the new vulnerabilities that these urban poor find themselves strapped with – urban life fragmenting family support, no access to health services or health insurance, no protection for old age, and living in unsanitary neighborhoods. Benería and Floro (2006) concluded that even when households were not below the poverty line, they had a high level of vulnerability and therefore responded by moving across multiple jobs, all of which were in the informal sector, and had highly volatile earnings.⁴ In all her work on women and the informal sector, Benería calls for a greater universal provisioning and more intervention by the state to address these concerns. Instead of poverty programs, she recommends greater opportunity for work with stable earnings and decent working conditions.

Addressing informal employment: Martha Chen

Martha Chen went to Woodstock school in Mussorie, India and then started at Isabella Thornton College in Lucknow, India, moving to the US to finish her undergraduate studies in English in Connecticut College in 1965. She then spent most of the 1970s and 1980s in Bangladesh and India, working as a field representative of Oxfam and, as discussed in the next section, working with the NGO, Bangladesh Rural Advancement Committee (BRAC). She received her PhD in South Asian Studies from the University of Pennsylvania and worked with the Harvard Institute for International Development, and the Kennedy School of Government, where she continues to hold the position of Lecturer in Public Policy.

Most of Chen's writings are a result of her work with international organizations such as the United Nations and World Bank as well as NGOs. During this time, Chen follows and updates the debates on the informal sector. Like Benería, Chen (2005) notes the dichotomy of informal and formal in the development discourse for over half a century. This duality prevails in the understanding of economy, property rights, social insurance mechanisms, and organizations. And like Benería, Chen recognizes that the globalization of the 1990s contributed to the informalization of the workforce across sectors and countries. Informal firms and small producers lacked the knowledge and technology to compete with formal firms, particularly for export markets, and also faced competition from imported goods in domestic markets (Chen, 2012).

In conceptualizing the informal sector, Chen (2005) recognizes three areas of analysis as necessary. (1) *Segmentation* within the informal economy by employment status, sex and other variables is not understood, including differences in average earnings and risk. (2) The *continuum* of employment relations between formal and informal with many categories in between also needs further analysis.⁵ (3) *Linkages* between units and workers along this continuum need to be better understood, as do the costs and benefits of working within this continuum.

The organization of informal sector workers is the prime motivation for Chen's research on informal sector employment. Chen finds that there is new interest in organizing informal workers arising from two trends – the increasing numbers in this sector and the declining numbers in trade unions. Major questions related to the trajectory of her career are: What should member-based organizations for these workers seek? And are there common points across countries, lessons that can be learned, in addition to specific local solutions? In answering these questions, Chen holds major responsibility for the collection of informal sector statistics. She uses empirical information to provide workers a tool to organizing and seeking better working conditions.

Establishing WIEGO

Chen's queries into women's work began early in the 1970s, when she studied food for work aid programs in Bangladesh and went on to consider new forms of income-generating activities for women. She worked with the United Nations World Food Programme at that time and became a founding member of BRAC, which is now the largest non-governmental development organization. Although she initially focused on craft development with micro-credit loans, Chen's interest lay more in practices and policies that would sustain women's employment and help them organize their economic interests within rural power structures. She went with a team from BRAC to study the Self Employed Women's Association (SEWA) in India. Established in 1972, SEWA is the largest trade union of self-employed workers, a subset of informal workers, in the world. This association with SEWA and Ella Bhatt, the founder of SEWA, began in 1979 and continued as Chen worked on women and work in India.

During the 1990s, activists wanted to collect data on homeworking in the informal sector so as to try to improve their lobbying efforts for appropriate policies. Only Morocco, Japan, and some European countries had any statistics. Chen, Bhatt, and others founded a new organization called WIEGO (Women in Informal Employment: Globalizing and Organizing) in 1997 to bring this about.

WIEGO is a network of organizations in 56 countries and it has been registered as a charity/not for profit in the UK since 2007. WIEGO partners with various national or local informal worker associations – particularly home-based workers, street vendors, and waste pickers. Marty Chen's long experience with informal workers is evident in the many anecdotes that she is able to recount regarding the support that WIEGO provides for informal workers. She relates that while home-based workers are generally harder to organize, such efforts with waste pickers turned out to be easier because of a peculiar history. Compared to other regions in the developing world, Latin American cities modernized early, putting in waste and sanitation systems. With the help of the Jesuits, waste pickers organized around their collective bargaining needs so that future development efforts included their interests (interview, March 10, 2017). The structures they put in place provided a foundation that could be utilized by WIEGO to organize waste pickers in other countries.

WIEGO prepares statistics on the size, composition, wages, and contribution of the informal economy in various countries of the developing world. It also categorizes data on informal employment by gender. In an interview (March 10, 2017), Chen explained that she either does or organizes much of the intellectual work for WIEGO. WIEGO supports informal sector labor organizations through intellectual work, by collecting data, making arguments for favorable policy change, and advocating effectively for the group.

Global statistics on the informal sector

As mentioned above, in her early years, Chen worked with the UN, primarily the ILO, and the World Bank. Over time, Chen's research and writing on the informal sector was done mostly to aid WIEGO with its advocacy and organizing work. A theme of WIEGO is to improve and develop statistics on the informal economy. WIEGO worked closely with ILO, the UN Statistics Division, and the International Expert Group on Informal Sector Statistics, called the Delhi Group.

In her work on the informal sector with ILO in the late 1980s and 1990s, Chen put together a framework to collect statistics on informal workers in both developed and developing countries (Chen et al., 1999; Carr et al., 2000). This is an extremely difficult comparative exercise and relied on surveys carried out in single countries at different points in time that were compiled and extrapolated on a regional basis. Much of the statistical work was done with Jacques Charmes (Chen, interview, March 10, 2017).

Chen notes that in 1991, ICLS (International Conference of Labour Statisticians) adopted an international statistical definition of the informal sector that was put into the 1993 International System of National Accounts. This definition was enterprise based and did not include the many casual workers who were moving in and out of these enterprises. To account for these resources, and provide a fuller picture, Chen advanced an employment-based definition of the informal sector (Carr and Chen, 2002). This definition was arrived at through the close association WIEGO had with ILO STATS.

Expanded definitions put forth in Chen (2012) illustrate that informal employment is a large and heterogeneous category. She first sub-divides informal employment into self-employment and wage employment. Within these broad categories, more homogeneous sub-categories are delineated by status in employment. Informal self-employment is thus categorized into employers in informal enterprises, own-account workers in informal enterprises, contributing family workers (in informal and formal enterprises), and members of informal producers' cooperatives (where these exist).

Informal wage employment consists of employees hired without social protection contributions by formal or informal enterprises or paid domestic workers hired by households. Employees in informal enterprises and casual or day laborers tend to be the largest category in informal wage employment. Status in employment is used to delineate two key aspects of labor contractual arrangements: the allocation of authority over the work process and the outcome of the work done; and the allocation of economic risks involved (Chen, 2012). This employment-centered focus has been accompanied by a significant rethinking of the composition, causes, and consequences of informal employment. The emphasis is on the type and degree of contract and earning risk undertaken by workers as well as the corresponding authority over the establishment and other workers.

Chen also takes care to define what the informal economy is not; it is distinguishable from the formal economy (regular, stable, and protected employment in legally regulated enterprises), criminal economy, and reproductive or care economy. It is both wage and self-employment that is not recognized, regulated, or protected by existing legal or regulatory frameworks (*ibid.*).

Because few countries directly measured employment in informal enterprises and fewer still measured informal employment outside the informal enterprises, a “residual method” was employed to estimate the data. This indirect approach to estimating total informal employment and its major components outside of agriculture is based on existing published statistical data available for many developing countries, such as a population census, labor force surveys or other types of household surveys that cross-classify industrial sectors (agriculture, mining, manufacturing, trade and services) by employment status (employers, own-account workers, family workers, employees) and by sex. Many countries collect such data but often do not tabulate or publish them. As a result, estimates of the informal economy using the first residual method could be made for only 35 countries, of which fewer than 25 had data disaggregated by sex. A second residual method required additional data on employment in the informal enterprises which was derived from special informal sector surveys or mixed (household and enterprise) surveys. Such surveys were available only in India, Kenya, Mexico, Tunisia, and South Africa (ILO, 2002).⁶

Chen's work with WIEGO to capture the informal sector statistically has been a massive undertaking, the details of which are not possible to summarize here. But in the paragraphs that follow, a series of empirically derived observations are presented to give a sense of the types of insights that result from this body of work. The reader is asked to keep in mind that the breadth of the regional and sectoral scope of her work is wide, and in many cases provides an attempt to detail the nature of both the value chain of products and its relation to informal employment in many countries of Asia, Africa, and Latin America.

Chen notes that the link between working in the informal economy and being poor, especially in the lowest return activities, is stronger for women than for men. She calculates the ratio of self-employment to wage employment in this sector. In Kenya or South Africa, wage employment in the informal sector is more common for women whereas in Benin, Indonesia, or North Africa, it is self-employment that is more typical as a source of women's livelihoods. Another interesting finding from the collected data is that women in Kenya and South Africa are the larger shares of workers in this sector. They make up 79% of all informal sector workers in Kenya and 61% in South Africa. She also finds that, all around the world, self-employment is more important as a source of employment in the informal sector for women than it is for men. However, given the higher labor force participation of men, they constitute the larger share of workers in the informal sector. This is true everywhere globally, except in Latin America where women comprise 51% of the self-employed (*ibid.*).

Chen estimates the contribution of the informal economy and notes that much work in developed countries has been rendered semi-formal (temporary, part-time, little benefits

or protection), contributing to at least half of total employment, with variance depending on region and sector. Women's share in part-time employment is about three or four times as high as that of men (Chen, 2012).

Much of this work is updated in a more recent paper by WIEGO (Vanek et al., 2014). Regional estimates of informal employment reported are more robust because these were made with direct estimates by 40 countries and indirect estimates from 80 countries. The extent to which informal employment accounts for non-agricultural work in developing countries can be quite high – 82% in South Asia, 66% in sub-Saharan Africa, 65% in East and Southeast Asia, though only 51% in Latin America. These important findings show major differences in the developing world in terms of the ability to create decent employment. Despite economic growth in Asia, most jobs are those involving no security or benefits.

Considering specific country cases, she finds that in Costa Rica and El Salvador, average earnings for *informal employers* are at least as high as those in *formal employment*. In Ghana and South Africa, earnings of *informal public wage workers* are comparable with *formal private sector employees* because wages are higher in the public sector. In Tunisia, micro-entrepreneurs who hired others were not poor and had four times the legal minimum salary and more than twice the average salary in the formal sector (ibid.).

Organizing informal workers

The collection of evidence supports the need for workers to organize and make a case for better working conditions and pay. This has been the prime motivation for data collection on the unstable, amorphous informal sector.

Support for organizing informal workers through member-based organizations constitutes the primary work of WIEGO and its network organizations. WIEGO attempts to reorient economic policy to focus on creating more and better work by applying the principle of 3-Vs to the working poor – visibility, voice, and validity. This is done by providing evidence locally and across countries as well as grouping the many member-based organizations of informal workers under the single umbrella of WIEGO. Chen's focus is to provide intellectual support through researching experiences elsewhere and models that could be relevant for specific instances (Chen et al., 2013).

Chen (interview, March 10, 2017) gives the example of Thailand and discusses two involvements by WIEGO in that country. WIEGO worked with the National Statistical Office in Thailand to provide technical capacity. It also helped with bringing issues forward but was careful to ensure that local organizations were empowered, keeping WIEGO in the background. WIEGO also worked with home-based workers, bringing together academics and lawyers with local groups to form a collective to negotiate with the state. In the case of Thailand, these efforts yielded the construction of a footbridge in an important location, as well as more transportation options for home-based workers.

She also describes experiences with organizing informal labor in India. In Delhi, WIEGO worked with vendors, for whom the government had passed an enabling legislation in 2010, but which was not followed. It was SEWA in this case that brought together a Town Vending Committee in 2014. This tripartite committee consisted of the government, the private sector, and vendors and the implementation of the national law is now playing out. Street vendor organizations have more power in each ward and local level.⁷

Chen remains preoccupied with strengthening and expanding WIEGO and talks about the new forms of informality that are emerging (interview, March 10, 2017). Some of these are

taking different guises than before and connecting with the new gig economy, such as Uber drivers around the world who are said to be self-employed but unable to determine the manner in which their rates are set. For employees at the lowest ends of the value chain of any sector, such as call workers in information technology, day workers in booming construction industries around the world, head-loaders and informal vans in developing countries that are hired in this manner, the inability to determine pay, hours, or working conditions is routine.

In the interview, Chen also notes that more recently, technology has taken away some informal jobs, such as that of the roving salesperson, in developing countries. She identifies successes by some informal enterprises who have turned their businesses into formal firms. These include a few washer people or *dhobis* who were able to increase the scale of their business and a cheese *wallah* who now has a dairy shop. She alludes to street vendors in Ghana, who now operate even on the highways, underscoring that the highly innovative self-employment sector alters whenever there is a crack to fill to earn a living.

Conclusions

The writings of Benería and Chen trace the advent of the modern informal sector through the dual processes of development and globalization and examine the changes in the nature of work in developing regions. While the body of work of each scholar is broader than their contributions to understanding the informal sector, decades of involvement in development economics with a focus on the poorest female workers led to their converging on informal employment. Benería encountered and exposed scholars to the persistence and expansion of the informal sector through her early work in Latin America and Chen worked with international organizations and with WIEGO to refine and extend this evidence collection to many other parts of the developing world.

Benería's intent was to understand how development affects women, while Chen concerned herself directly with providing the poorest households with occupations that might alleviate their poverty. As a result, Chen has spent most of the last decade organizing workers in unregulated and precarious employment.

Both these authors find that, to understand the new universal trends that global working poor face, it is necessary to gather evidence. Both these scholars amassed quantitative and qualitative information to help us understand the complex nature of production, firms, subcontracting, and work in the contemporary world. They locate women in the center of their studies. They find that the occupations and living condition of women has been determined by the changes brought about through new processes of development.

Benería does a critical theoretical study of the rise of the informal sector, a malaise in the process of development, where work is unregulated and unsafe. She connects this with the evolution of capitalism and the development of nations. In addition, she provides ample empirical substantiation of this phenomenon. She exerts important influence on the manner in which feminist economists understand the process of development.

While both authors have contributed significantly to the empirical study of the expanding informal employment in the world today, Chen has also used the information acquired to rebuild worker organizations across the world in new ways. Despite the reduction in worker organizations in most formal sectors, Chen has persisted in working at the local level to build and strengthen institutions that represent informal workers, and connecting a network of these institutions at the international level. This is a significant achievement in a world of mobile capital, which is able to re-locate where profitable, with a heavily feminized informal workforce serving where needed in the interest of globally integrated firms.

Notes

- 1 Many of the goods were produced in a multitude of small family workshops, which dotted the city; others, particularly ladies' garments, were fabricated for the most part by women workers in their own homes. While this urban industrial homework received considerable attention from social critics, social workers, and legislators some seventy years ago, and the term "sweatshop" readily evokes an image of the bowed seamstress immortalized in Thomas Hood's poem, "Song of the Shirt," it has received little attention from historians.
Boxer, 1982, pp. 401–402
- 2 Together, the IMF, World Bank and the US government provided neo-liberal solutions for developing countries which came to be called the Washington Consensus.
- 3 There are several women such as Alice Amsden, Irma Adelman, Anne Krueger, Nancy Birdsall, and Frances Stewart who were prominent in the field of economic development (Van Der Meulen Rodgers and Cooley, 1999); however, none of these women explicitly made women's issues their focus of study.
- 4 Because of the economic crisis, most households were in debt, and women were burdened with collateralized debt and under the greatest pressure to make debt payments. This was true in both Bolivia and Ecuador (Benería and Floro, 2006).
- 5 This point is also made by Benería and Floro (2006).
- 6 ILO (2002) was written by Chen and her team for the ILO. The second edition of this source is published by ILO and WIEGO.
- 7 It should be noted that all of WIEGO's activities are initiated and directed by Martha Chen. She works closely with partners and guides the intellectual exercises, and carries out many of them herself with collaborators.

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