

EVIDENCE REVIEW OF COVID-19 AND WOMEN'S INFORMAL EMPLOYMENT: A CALL TO SUPPORT THE MOST VULNERABLE FIRST IN THE ECONOMIC RECOVERY

EXECUTIVE SUMMARY



BILL & MELINDA
GATES foundation



Executive summary

More than a year has elapsed since COVID-19 plunged the world into uncertainty. Month after month, cascades of reports continue to expose the pandemic's devastating and widespread impact on women's livelihoods. Women the world over have been impacted, **yet women in informal employment, with little to no social and labour protections, have been disproportionately ravaged.**

In low- and lower-middle income countries, informal employment is the norm for women. In Africa and India, roughly 90 percent of employed women are informal workers. According to one India study, in the wake of COVID-19, 83 percent of women informal workers faced a severe income drop, with half relying on grants for food security. Similarly, an April 2020 survey covering 12 cities around the world conducted by Women in Informal Employment: Globalizing and Organizing (WIEGO), a global network focused on women in informal employment, found that during the peak COVID-19 lockdown period in each city, women informal workers' earnings, on average, were only about 20 percent of their pre-COVID-19 levels (compared with men who were earning about 25 percent of their pre-pandemic earnings). The same analysis revealed high shares of informal workers drawing down savings, borrowing money, and selling off assets. Additionally, in a study conducted by the Self-Employed Women's Association (SEWA) Bharat across 12 Indian states in April 2020, a month after the pandemic and associated lockdown restrictions began, 78 percent of respondent women informal workers across sectors reported a depletion of their savings. But women in informal employment are far from a homogenous group and their unique circumstances are incredibly varied. Occupation, work location, employment status, and social hierarchies all play a role in shaping the unique risks, vulnerabilities, and opportunities they face, both during the pandemic and beyond.

Emerging evidence indicates that women workers in informal employment have been hit

harder by the impacts of COVID-19, and have rebounded more slowly, than male workers. A study in Ghana, for example, found that, among informal garment enterprise owners, while both men and women experienced large drops in monthly profits, hourly profits, and weekly hours during the 2020 spring peak of COVID-19, men were experiencing a steeper post-shock increase across all three core outcomes analysed as of July 2020. Moreover, a follow-up analysis in the same global multi-city WIEGO study finds that, by mid-2020, women in the informal economy had recouped only around 50 percent of their pre-COVID-19 earnings, while men had recouped 70 percent. One reason may be that women in informal employment confront a host of additional and compounded constraints and vulnerabilities that impact their recovery, including differential unpaid care and domestic work, occupational segregation, limited access to capital, greater fears of violence and theft, and the threat of sexual violence.

We know that an increase in a woman's share of household income can strengthen her bargaining power inside and outside the home. In the same way, **the decline of paid work for women risks negatively impacting not only basic economic security but also women's ability to influence decisions at the individual, household, and community level.** Already in precarious conditions prior to the pandemic, women in informal employment are now more vulnerable than ever to devastating setbacks to their livelihoods, their autonomy, and their ability to meaningfully shape the communities around them.

Informal employment is not a safety net or a stepping stone to formal employment. It is a potential engine for post-COVID-19 economic growth. Buoyed by smart policies, the informal economy can help buffer communities from economic shocks, reduce unemployment distress, become a source of dignified work, and act as a vehicle for ground-up prosperity. Smart policy begins with addressing gaps in the accurate measurement of women's work and women ➤

Executive summary (continued)

➤ workers in informal employment and acknowledging the variations among women's experiences. It also recognises the importance of monitoring saving and credit behaviours and outcomes to assess threats to income and asset security. Downward spirals in these metrics present a real risk to the economic recovery and future livelihoods of women informal workers.

Around the world, and especially in low- and lower-middle income countries, informal work fuels the livelihoods of families, communities, and societies and uplifts both the informal and the formal economy. Yet women informal workers remain largely invisible and neglected in the policymaking processes. **As governments chart their paths to economic recovery, they must prioritise the most vulnerable first.** Focusing on women workers in informal employment and designing policies that improve their quality of life, recognise their contributions, and support dignified work is a key step in laying the groundwork for future economic growth and an equal distribution of the prosperity that follows.

Key actions for policymakers

Cross-cutting measures that combine social and labour protections for all women in informal employment:

- Account for women informal workers as part of the economy and prioritise reaching them in government relief schemes.
- Extend short-term cash grants, food relief, and other social protection measures for informal workers that specifically target women.
- Expand the social security system to include women informal workers, providing them with access to health insurance, pensions, and old age homes.
- Recognise trade unions, cooperatives, and other forms of women's collectives that represent women informal workers and provide critical moral and material support particularly in times of crisis.
- Invest in infrastructure that supports the

childcare and domestic work needs of women workers in diverse employment situations.

- Design and implement measures to protect women informal workers from gender-based violence.

Policies for women informal wage workers:

- Establish labour market policies addressing wages, employer-worker relations, insurance, and workers' ability to negotiate.
 - » Determine minimum wage rates across informal wage employment categories for hourly, daily, monthly, and piece-rate work.
 - » Institutionalise relations between employers, contractors, and informal workers; require transparency in hiring and firing decisions.
 - » Mandate the provision of accident and liability insurance.
 - » Create a three-way negotiating forum involving all stakeholders across government, employers, and informal workers.
- Ensure public works programmes focus on women informal wage workers and create reliable, stable jobs for these workers.
- Enforce labour protections and support policies for migrant wage workers.
- Provide skills training for women wage workers in the use of technology in their fields to enable their digital inclusion.
- Hold global brands accountable for all wage workers in their supply chains.

Policies for women-run informal enterprises (self-employed workers, microenterprise-operators, and contributing family workers) that must be combined with the cross-cutting policy measures:

- Recognise and incorporate informal enterprises into government programmes and deploy a combination of grants, subsidies, and loans to provide access to working capital. ➤

Executive summary (continued)

- ➤ Deploy new methods and measures of evaluating businesses for affordable financing support, taking into account the characteristics of informal enterprises and incorporating design features that allow women to retain greater control over their capital.
 - Increase government procurement from women-led collective enterprises and ease entry barriers while building enterprise support systems to increase the profitability of women-run informal enterprises.
 - Leverage the power of psychology-based skill-building programmes to boost entrepreneurship and enterprise outcomes, which have been especially promising among women running informal enterprises.
 - Support the adoption of digital technology among women-run informal enterprises. ●
-

Cover Images:

(Top): A woman works in a plastic recycling plant in the Hoa Loi Commune, Tra Vinh Province, Vietnam.
Photo credit: Quinn Ryan Mattingly

(Bottom left): Sanju Devi and her husband, Vijay Kumar Choudhary, at their ironing shop in a suburb of Delhi, India.
Photo credit: Prashant Panjari

(Bottom right): Two women sell fresh vegetables in the streets of Kangemi, Nairobi.
Photo credit: Riccardo Gangale