6 WIEGO research on informal employment

Key methods, variables and findings

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Through our statistical and research work, WIEGO (Women in Informal Employment: Globalizing and Organizing) seeks to inform theoretical, research and policy debates on the informal economy and to provide organisations of informal workers, and their representative leaders, with the necessary evidence to effectively demand the legal and policy reforms they need to secure and enhance their livelihood activities. In addition to generating supportive data and research, WIEGO promotes policy dialogues between informal worker leaders and dominant stakeholders, including governments, corporations and international development agencies.

In so doing, WIEGO's task is to present the necessary information:

- statistical data and research findings on the size and contribution of the informal economy to *attract the attention of policy-makers* and other key stakeholders;
- statistical data and research findings on the composition and characteristics of different segments of the informal workforce to *inform policy-making*;
- documentation and dissemination of good policies and practices which protect and/or promote informal livelihoods to *inspire innovative thinking about policy design*.

This chapter on WIEGO's research work complements the chapters in this volume by Joann Vanek (Chapter 3) and Françoise Carré (Chapter 4) on WIEGO's statistical work. After a brief introduction to WIEGO's approach to field research, the chapter discusses four key variables in the composition of informal employment and illustrates, based on WIEGO field research findings, how these variables intersect with the wider institutional environment to determine outcomes for different segments of informal employment and different groups of informal workers.

WIEGO field research

In addition to analysing statistical data as they become available and analysing/documenting promising policies and practices, WIEGO engages in field research

on different topics of concern to informal workers, including: economic trends; value chain dynamics; urban policies; social protection (including health, occupational health and safety and childcare); laws and regulations; organisation and representation; and technology.

To inform the focus and design of our field research, WIEGO typically undertakes three kinds of background research: (1) consultations with organisations of informal workers to determine what research topics or issues are most important to informal workers; (2) literature reviews to assess what is known and thought about how the research topic relates to informal workers; and (3) institutional mapping to identify key stakeholders and their relationship to/stance on the informal economy and the research topic.

WIEGO's field research on different topics typically involves participatory qualitative tools, a questionnaire survey and key informant interviews. The qualitative component of our research is based primarily on Participatory Informal Economy Appraisal (PIEA) – an innovative method designed to capture systematically the perceptions and understandings of informal workers, in their own words, in a focus group setting.¹ This method was originally designed for a 10-city study carried out in 2012 to interrogate what impacts three sectors of urban informal workers and their livelihoods, how they respond, and which institutions help or hinder. In that study, each city team² conducted 15 focus groups of about five participants each per sector (Chen 2014a; Roever 2014; Dias and Samson 2016). Nine focus group tools – organised around the themes of sector characteristics, driving forces and responses, institutional environment, and contributions of the sector – were used to generate data related to the conceptual framework. These PIEA methods have been adopted for subsequent field studies on health, occupational health and safety, technology and law as they related to informal workers. The results of the focus groups are recorded in reports of about 10–12 pages, immediately after each focus group is conducted. Ideally, the focus group data is then coded to facilitate analysis on different topics.

The design of the questionnaire survey is informed by our background research and, if time allows, by the findings of our qualitative research. The sample for our questionnaire surveys typically includes the focus group participants plus an equal number from a purposive sample. After the quantitative and/or qualitative research is finished, and preliminary findings are specified, we conduct interviews with key informants from organisations of informal workers, government and other stakeholders to help interpret the field research findings.

In addition to these generic field research methods, WIEGO has developed an Informal Economy Budget Analysis (IEBA) methodology which examines how government budgets address the needs and interests of different groups of informal workers and explores what opportunities exist for informal workers (or their representatives) to participate at different stages of the budget process. The IEBA methodology was first developed and tested in South Africa as part of a policy process to address the informal economy in Durban. WIEGO then commissioned an analysis of government budgets from an informal economy perspective in four cities: Belo Horizonte in Brazil, Lahore in Pakistan, Metropolitan

Lima in Peru, and Quezon City in the Philippines. More recently, WIEGO has added the interrogation of government revenue in using the methodology in Accra, Ghana, and Monrovia, Liberia.

Finally, WIEGO is committed to co-producing knowledge with local organisations of informal workers and to featuring the voice and expertise of informal workers in our research reports (Ogando and Harvey 2019). In most of our field research studies, local organisations of informal workers are involved in the design of the research study, helping to set priority topics, identify testable hypotheses and specify appropriate questions, and in the implementation of the research, helping to establish contact with the sample population, conduct the research methods, analyse and interpret the findings. After a field study is completed, the WIEGO research team and the local organisation of informal workers which helped facilitate the research jointly analyse the findings to draw out the policy lessons and messages: both the lessons/messages specific to the different research sites and samples as well as the common lessons/messages across sites and samples (or sub-groups in the sample). These policy lessons and messages are published and disseminated together with the research findings. WIEGO then seeks to ensure all findings and policy lessons/messages are disseminated in user-friendly formats, ideally in local languages, for worker education and policy advocacy by organisations of informal workers.

Key variables

Through both our statistical and research work, WIEGO has found that four variables are key to measuring and understanding the dynamics of different segments of the informal workforce, namely, (1) the branch of economic activity; (2) the status in employment; (3) the place of work; and (cross-cutting these); (4) the sex of the worker. WIEGO has promoted the use of all four variables in the collection, tabulation and analysis of labour force data and in our field research.

Branch of economic activity

The branch of economic activity is defined by the products or services produced by the unit in which a person works or, in the case of own-account workers, the person her/himself. In standard usage in both statistics and economics, there are three main branches of economic activity – agriculture (and related sectors); manufacturing; and services (including trade). To fully understand the informal workforce, it is important to disaggregate “agriculture and related sectors” into agriculture, dairy and livestock production, fishery, hunting and forestry (including collection/processing of non-timber forest products); “manufacturing” into various product lines (e.g., textiles and garments, artisan goods, shoes and sporting goods, electronics and pharmaceuticals, automobiles and planes); and “services” into separate sub-branches, including trade and construction as well as personal and information technology services.

Status in employment

The two key dimensions of status in employment are: (1) the type/degree of *economic risk* involved in the job; and (2) the type/degree of *authority* over the establishment or other workers. Until recently, the International Classification of Status in Employment (ICSE) included four main statuses: employer, employee, own-account worker, and contributing family worker. But in today's globalised and digitalised economy there are increasing numbers of workers who do not fit neatly into one or another of these four statuses: notably, contracted or sub-contracted workers who absorb risks but do not have authority over the establishment or other workers or even the sale of products/services. The well-known new example is the Uber driver; the age-old example is the industrial outworker. With the ILO, as reported by Joann Vanek and Françoise Carré in Chapters 3 and 4, WIEGO promoted the addition of a new status category – “dependent contractor” – which was added to the ICSE by the 20th International Conference of Labour Statisticians in 2018.

Place of work

Historically, labour force surveys did not routinely include a “place of work” question. This is because it was assumed that most workers worked in so-called “standard” workplaces – offices, factories, shops, hotels or restaurants – which belong to the employer. In 1998, at the second meeting of the International Expert Group on Statistics on Informal Employment (the Delhi Group), WIEGO made the case that the “place of work” is a key indicator for identifying and classifying informal workers. Increasingly, national statistical offices are including a “place of work” question in their labour force surveys which asks the respondent whether s/he works in one or more of the following places of work:

- Own dwelling/around own dwelling/structure attached to own dwelling
- Own enterprise/unit/office/shop (but separate from own dwelling)
- Employer's office/shop/factory/fixed site (but not dwelling)
- Employer's dwelling/structure attached to employer's dwelling
- Construction site
- Street or other public space
- Market
- Mobile/on a vehicle
- Door-to-door
- Farm/agricultural field/pasture/forest/fishing site
- No fixed workplace
- Other

In our field research, WIEGO has interrogated the costs, risks and benefits of working in different places of work: including, own home, home of others, streets and markets, dumps or landfills.

Sex and other demographic indicators

To understand the roles and status of women and men within the informal economy, it is critical to disaggregate all statistical data and research findings, including on the three indicators above, by sex. Cross-tabulation by age and education as well as sex would be ideal. Other important demographic indicators, which WIEGO hopes to promote as part of our statistical work and research going forward, as data and resources allow, include whether informal workers are from minority racial, ethnic or caste groups; where they live, notably whether they live in informal settlements; and whether they are urban-rural or cross-border migrants.

Illustrative findings

Over the years, through different research projects, WIEGO and our local research partners have generated significant evidence on the importance of these indicators in both measuring and understanding the composition and characteristics of informal employment.

Segmentation of the informal workforce by status in employment and sex

In 1998, with funding from the World Bank, WIEGO commissioned reviews of the existing literature and statistics on the links between informal employment, poverty and gender (Charmes 1998; Sethuraman 1998). To summarise the research findings and statistical data presented in these reviews, the following graphic (without the poverty risk arrow, Figure 6.1) was developed to illustrate

Figure 6.1 WIEGO model of the informal economy: segmented by status in employment and sex with average earnings and poverty risk.

Source: Chen et al. (2016).

gender segmentation and gender gaps in earnings within the informal economy by status in employment. Over the years, as data and resources have become available, WIEGO has tested the segmentation model captured in this iconic infographic with national data from multiple countries: the model has stood the test of time and space. In 2004, for the 2005 edition of *Progress of the World's Women 2005: Women, Work and Poverty* (Chen et al. 2005), we commissioned an analysis of national data that captured the average earnings and risk of being from a poor household of workers in the different segments (what we call “poverty risk”).

Segmentation of the informal workforce by status in employment and sex: average earnings and risk of being from a poor household

What follows is a summary of some illustrative findings on how these key variables mediate the impact of city policies, laws and services on three groups of urban informal workers: home-based workers, street vendors and waste pickers.

Home-based workers: place of work and status in employment

By definition, home-based workers produce goods and services from in or around their own homes. Home-based workers face several risks associated with their homes doubling as workplaces. First, most live and work in homes which are small (often one or two rooms), which make it difficult to carry out productive work when other members of the household need the same space for other purposes. Second, most of their homes are of poor quality, made of inferior materials, poorly ventilated and subject to flooding or leaks. Third, most do not own their homes-cum-workplaces which discourages them from expanding or improving their homes. Fourth, many live and work in underserved informal settlements with little or no basic infrastructure services, including water, sanitation and electricity. Without secure tenure, either *de facto* or *de jure*, and without basic infrastructure services, home-cum-workplaces are not productive workplaces (Chen 2014a).

There are two basic types of home-based workers: those who work on their own (the self-employed) and those who work for others (mainly as industrial outworkers, called “homeworkers”). It is important to distinguish, conceptually and statistically for policy purposes, between the two categories. Both categories are impacted in the same way by city housing and zoning policies and by city services. But the two categories operate in different ways and with different constraints within markets. Most self-employed produce goods and services for local markets or customers, while homeworkers produce for value chains, either domestic or global. Lead firms in domestic and global value chains tend to download many costs and risks to homeworkers, including the costs of workspace, equipment, energy and supplies and the risk of volatile or uncertain work orders, while paying them very low piece rates.

Informal traders: place of work

In terms of place of work, there are two main groups of informal traders: those who vend on streets or in open-air markets (what organisations of street vendors, the Self-Employed Women's Association (SEWA) and WIEGO call “natural markets”) and those who trade from built markets. Both groups face risks associated with city policies and practices but the type of risks vary significantly between the two groups. Street vendors face harassment, confiscation of goods, and evictions. Market traders face the risk of fires as well as other risks associated with little or no basic infrastructure services – water, sanitation, and electricity. Another key variable among street vendors, with a gendered outcome, is the *type of product* sold: the 2012 study found that those who sell perishables (more often women) are more likely than those who sell durables (more often men) to have their goods confiscated or simply “taken” by the police and local officials (Roever and Chen 2014).

Waste pickers: status in employment and place of work

Most waste pickers are own-account workers or members of cooperatives: a few (more so men than women) are employers; and a few (more so women than men) are employees. Those who work in dumps or landfills face the greatest occupational health risks while those who work in sorting warehouses face the least occupational health risks. Cooperatives of waste pickers have been able to negotiate with city governments for warehouses to sort and store waste and for contracts to collect and recycle waste. Also, waste pickers who are organised, and have ID cards, are less likely than other waste pickers to be harassed by local authorities or the general public.

Conclusion***Key findings: systemic costs and risks***

The key finding of WIEGO's field research is that informal workers face several systemic sources of costs and risks, including

- *dominant narratives* which stigmatise informal workers and their livelihood activities as being non-compliant (i.e., evading registration and taxation); having low productivity (i.e., being a drag on the economy); creating pressure on public space; being associated with “crime and grime”.
- *biased policies and laws* which are often burdensome for or punitive towards informal units, activities and workers, including commercial laws which are biased towards formal firms with hired workers who operate in so-called “standard” workplaces (shops, factories, offices, hotels, restaurants); and sector laws which are also biased towards formal firms and against informal activities; lack of access to *public space* (to pursue their

livelihood activities); lack of access to *public services* at their workplaces (basic infrastructure and transport services); lack of access to *public procurement* (i.e., right to bid for public contracts); *lack of legal recognition and the right to representation* in rule-setting and policy-making processes relating to their livelihoods.

Indicators of power: collective voice and representation

Two key variables, central to WIEGO's research and work more generally, are not often captured in official statistics, namely, whether or not the informal worker is a member of an organisation of informal workers and whether organisations of informal workers have effective representative voice (i.e., are invited to participate in policy-making and rule-setting processes). To illustrate the importance of these variables, consider Belo Horizonte, Brazil, where local organisations of waste pickers have a long-standing formal partnership with the municipal government. In the 2012 multi-city study, by WIEGO and local partners, Belo Horizonte was the city in which the lowest percentage of waste pickers reported the following common problems faced by waste pickers everywhere: lack of access to waste, lack of access/high cost of infrastructure (notably workshops for sorting, storing and processing recyclable waste), unfair regulations, and harassment (Dias 2011a; Dias and Samson 2016).

The way forward

WIEGO remains committed to the co-production of knowledge with organisations of informal workers through our research: to jointly interrogate the real-life problems of different groups of informal workers and the sources of the structural disadvantages and injustices they face; to privilege the voice and expertise of informal workers in our research reports; and to bridge the ground realities of informal workers and mainstream academic and policy debates. We are also committed to building theory inductively from grounded research.

All members of WIEGO's research team have other primary responsibilities at WIEGO, as coordinators and implementers of our programme activities. In other words, all of WIEGO's researchers are activists. We do not separate our research and statistical work from our policy advocacy and movement building work: all are interrelated and mutually reinforcing. We seek to be rigorous in our research and statistics while also empowering informal workers and their organisations.

In addition to co-producing knowledge with organisations of informal workers, WIEGO remains committed to promoting a more appropriate and favourable regulatory environment for informal workers: by increasing the voice of organisations of informal workers in policy dialogues and promoting their perspectives on different policy responses to the informal economy, including different approaches to formalisation. Going forward, WIEGO will draw on the conclusions to this volume and engage with the contributors to this volume, as

well as organisations of informal workers, in setting our future research and policy agenda.

Notes

- 1 The qualitative methodology was developed collaboratively with Caroline Moser, Angélica Acosta and Irene Vance. It is an adaptation of earlier participatory methodologies developed by Robert Chambers and Caroline Moser with others.
- 2 Each city team consisted of two qualitative researchers, two quantitative researchers and a facilitator from a local organisation of informal workers. A member of WIEGO's research team supported each city team through data analysis and report writing.

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