

Urban Policies Colloquium
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**URBANIZATION AND
INFORMALIZATION:
A GLOBAL PICTURE**

Marty Chen
Harvard University
WIEGO

REMARKS IN THREE PARTS

- **Recent Trends**
 - urbanization
 - informalization
- **The Urban Informal Workforce**
 - composition
 - common problems
- **The Way Forward?**
 - inclusion and development
 - regulation and containment
 - exclusion and marginalization

RECENT TRENDS

- **Urbanization**

- share of global population in urban areas
 - 30 years ago <40%
 - 30 years hence >60%
 - today 50%
- mega cities (> million population)
 - 20 years ago 245
 - today 375

- **Informalization**

- share of non-farm workforce in informal employment
 - 50% - North Africa and Latin America
 - >70% - Asia and Sub-Saharan Africa
- share of urban population in slums or squatter settlements
 - 75% - developing countries
 - 33% - world

THE URBAN INFORMAL ECONOMY

- significant, heterogeneous, and expanding - in both developing and developed countries
- significant overlap with being poor – average incomes quite low
- gender segmentation and gaps: i.e., women typically over-represented, particularly in low-return activities
- contributes significantly to economic growth

THE URBAN INFORMAL WORKFORCE: MAJOR OCCUPATIONAL GROUPS

- street vendors
- transport workers
- waste pickers
- construction workers
- home-based producers

AHMEDABAD CITY, INDIA

Distribution of Total Workforce by Gender and Place of Work*

	Male	Female
Within Homes	8.6	69.6
Own Home	7.6	51.6
Employer's Home	1.0	18.0
On Streets	22.7	5.2
At Construction Sites	5.0	2.6
At Factories/Offices/Shops	58.1	21.8
Own	8.3	2.6**
Employer's	49.8	19.2
At Other Locations	5.6	0.9
Total	100%	100%

Source: SEWA–GIDR Survey [Unni, 2000, Table 4.7]

Notes: * This table does not include the 1.3% of the total workforce that is engaged in agricultural activities [including livestock rearing] in Ahmedabad city.

** All women who work in “own shop” are unpaid family helpers.

THE URBAN INFORMAL WORKFORCE: COMMON CONCERNS

- **recognition as workers, registration of enterprises**
 - uncertain legal status
 - cumbersome bureaucratic procedures
 - lack of legal or social protection
- **place of work**
 - uncertain tenure
 - poor infrastructure
 - few services
- **assets and skills**
 - few assets other than own labour
 - lack of legal rights to assets
 - fierce competition for urban public space
 - limited access to technical or business skills training
- **market access and competitiveness**
 - highly competitive markets
 - limited access + bargaining power
- **commercial or employment relationships**
 - unregulated or unenforceable contracts
 - unfavourable terms of doing business

POLICY FRAMEWORK FOR THE URBAN INFORMAL ECONOMY

Key areas of urban policies:

- regulation of public space
- framework for legalizing private property
- provision of infrastructure and services:
 - roads, transport, and communication
 - water, electricity, and sanitation
 - marketing and export promotion
- regulation of commercial transactions
- regulation of employment relations

“WORLD CLASS CITIES” AND THE URBAN INFORMAL ECONOMY: THE WAY FORWARD?

- inclusion and development
- regulation and containment
- exclusion and marginalization