



INFORMAL WORKERS IN FOCUS: STREET VENDORS



Around the world, a large and perhaps growing share of the informal workforce operates on city streets, on sidewalks, and in other public spaces, selling everything from fresh produce to electronic equipment. Broadly defined, street vendors include all those selling goods or services in public spaces. While not all street vendors work without licences or legal protection, the majority do.

Most street vending businesses are one-person operations that use unpaid family labor on an as-needed basis. Some sell from the comfort of covered stalls; others simply squat on the ground beside a basket or blanket displaying their merchandise. In the developing world, millions of poor people who cannot afford to buy from retail stores depend on the affordable goods that street vendors provide.

Statistics On Street Vendors

It is difficult to estimate the number of people employed as street vendors, due to their high mobility and the marked seasonal variation in their work.

In one study of ten developing countries, employment in street vending as a share of total non-agricultural employment was found to range from two to nine percent.¹ Brazil and Mexico were estimated to each have over one million street vendors, and India, more than three million.² Recent research that goes beyond official labour force statistics suggests that India has closer to ten million street vendors.³

In another study of nine African and Asian countries, street vending accounted for 73 to 99 percent of total employment in trade, and for 50 to 90 percent of total GDP from trade.⁴

Women In Street Vending

Street vending is one of the largest categories of informal work employing women. The low costs of entry and flexible hours make street vending an attractive option for poor women; for many, it is the only option they have.

Women account for the majority of street vendors in many countries, especially in Africa, Southeast Asia, and Latin America. In Benin, for example, 92 percent of informal traders are women.⁵ Although men form the majority of street vendors in North African, Middle Eastern, and South Asian countries where social norms restrict women's mobility outside the home,⁶ these male vendors often sell goods prepared by women at home, especially in the food trade.⁷

Compared to men, female street vendors are more likely to operate in insecure or illegal spaces, trade in less lucrative goods, generate a lower volume of trade, and work as commission agents or employees of other vendors. As a result, they tend to earn less than male vendors.⁸





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Hazards of Selling In Public Places

Like all informal workers, informal street vendors lack legal status, representation, and voice. With a few notable exceptions, they earn low incomes, usually close to the poverty level.⁹

Furthermore, they experience several problems specific to their trade:

- Difficulty finding secure spaces to sell from
- Harassment, demands for bribes, evictions from selling places, arrest, and confiscation of goods by authorities, who often see street vendors as a nuisance or obstruction to other commerce and to traffic
- Lack of services and infrastructure, such as water, electricity, waste removal, latrines, shelter, storage space, and financial services
- High risk for diseases transmitted by vermin, lead poisoning and respiratory problems from vehicle fumes, and musculoskeletal problems associated with static posture and other ergonomic hazards

Organizing Among Street Vendors

As with other informal workers, the ability of street vendors to improve their lives and working conditions rests on their ability to organize.

Street vendors' organizations across the world have had some success in defending the rights of members, securing access to services, and influencing public policy. The National Association of Street Vendors of India, for example, was instrumental in persuading the Indian government to adopt a supportive national policy on street vendors.

At the international level, important educational, research, advocacy, and capacity-building work is being done by StreetNet International, a global alliance of more than 25 street vendors' organizations.

Despite these positive developments, though, the vast majority of street vendors remain isolated, unprotected, and unorganized. There is an enormous need to build and strengthen all forms of street vendors' organizations, and to link them through national, regional and international networks.

¹ International Labour Organization. 2002. *Women and Men in the Informal Economy: A Statistical Picture*. Geneva: ILO. p. 52

² Ibid.

³ Bhowmik, Sharit K. 2005. "Street Vendors in Asia: A Review." *Economic and Political Weekly*, May 28-June 4, 2005. p. 2256

⁴ International Labour Organization, p. 53

⁵ Ibid.

⁶ Ibid.

⁷ Cohen, Monique, with Mihir Bhatt and Pat Horn. 2000. "Women Street Vendors: The Road to Recognition." *SEEDS*, No. 20. p. 4

⁸ International Labour Organization, p. 51

⁹ Cohen, p. 4

HOW WE HELP

The **Self-Employed Women's Association** seeks to promote full employment and self-reliance of working poor women in the informal economy by organizing them into trade groups and cooperatives; building local institutions to provide services of various kinds; and advocating for appropriate and supportive changes in the wider policy environment.

The **WIEGO** network seeks to improve the status of the working poor in the informal economy, especially women, in the informal economy through increased organization and representation; improved statistics and research; more inclusive policy processes; and more equitable trade, labour, urban planning, and social protection policies.

Realizing Rights: The Ethical Globalization Initiative seeks to enhance and extend human rights policy and practice, and through its promotion of the right to decent work and equitable trade policy aims to increase national and international accountability for realizing economic and social rights.



INFORMAL WORKERS IN FOCUS: WASTE COLLECTORS



Waste collectors form a small but vital part of the informal economy. These workers – men, women, and children – make a living collecting, sorting, recycling, and selling the valuable materials thrown away by others. In nearly every city of the developing world, thousands can be found collecting household waste from the curbside, commercial and industrial waste from dumpsters, and litter from the streets, as well as canals and other urban waterways. Others live and work in municipal dumps – as many as 20,000 people in Calcutta, 12,000 in Manila, and 15,000 in Mexico City.¹

THE BENEFITS OF INFORMAL WASTE COLLECTION

Informal waste collectors perform an essential role in the economies and societies of developing countries. The benefits created by informal waste collection include:

- **Contribution to public health and sanitation.** In the fast-growing cities of the developing world, informal waste collection is the only way that waste gets removed from the many neighborhoods not served by municipal authorities. Third World municipalities only collect between 50 and 80 percent of the refuse generated in their cities.²
- **Employment and a source of income for poor people.** The World Bank estimates that one percent of the urban population in developing countries earns a living through waste collection and/or recycling;³ in the poorest countries, up to two percent do so.⁴ A significant number are women, and, in some cases, children.
- **Provision of inexpensive recycled materials to industry.** This reduces the need for expensive imports. The Mexican paper industry, for example, depends on wastepaper to meet about 74 percent of its fiber needs, and buys cardboard collected by Mexico's cartoneros at less than one-seventh the price it would pay for market pulp from the U.S.⁵
- **Reduction in municipal expenses.** Waste collectors reduce the amount of waste that needs to be collected, transported and disposed of with public funds—in Indonesia, for example, by one-third. And in Bangkok, Jakarta, Kanpur, Karachi, and Manila, informal waste collectors save each city at least US\$23 million a year in costs for waste management and raw material imports.⁶
- **Contribution to environmental sustainability.** In many cities, informal recycling is the only kind of recycling that occurs at all. It decreases the amount of virgin materials used by industry, thereby conserving natural resources and energy while reducing air and water pollution. It also reduces the amount of land that needs to be devoted to dumps and landfills.



HOSTILE SOCIETIES, HAZARDOUS WORK

Despite the considerable economic and social benefits they produce, waste collectors usually operate in hostile social environments. Public authorities often treat them as nuisances, embarrassments, or even criminals. They tend to have low social status and face public scorn, harassment, and, occasionally, violence.

Waste collectors are also vulnerable to exploitation by the middlemen who buy recovered waste material from them before selling it to industry. Waste collectors in some Colombian, Indian,



and Mexican cities can receive as low as 5% of the price industry pays for recyclables; middlemen pocket the rest.⁷ Accordingly, waste collectors generally have low incomes, and often live in deplorable conditions, lacking access to water, sanitation, and other basic infrastructure.

As a result of their poor living conditions and the nature of their work, waste collectors face tremendous health and safety risks, including:

- Exposure to the elements (extreme temperatures, wind, rain, and sun)
- Exposure to dangerous waste, including toxic substances such as lead and asbestos, as well as blood, fecal matter, animal carcasses, broken glass, needles, and sharp metal objects
- Exposure to diseases transmitted by vermin, flies, and mosquitoes
- Back and limb pain, skin irritation and rashes, and specific high risk of tuberculosis, bronchitis, asthma, pneumonia, dysentery, and parasites

It comes as no surprise, then, that high infant mortality rates and low life expectancies are common in waste collector communities. In Mexico City, for example, where overall life expectancy is 69 years, dumpsite waste collectors live for an average of 39 years.⁸ The community of waste collectors in Port Said, Egypt, has an infant mortality rate of one in three.⁹

ORGANIZING AMONG WASTE COLLECTORS

The good news is that, when organized, waste collectors can and do raise their income, their social standing, and their self-esteem. There is a growing organization of waste collectors into trade unions, cooperatives, and associations, especially in Latin America, and to a lesser extent in Asia.

Workers' cooperatives in several Latin American cities have successfully cut middlemen out of the recycling chain, raised members' incomes dramatically (sometimes well above the minimum wage), secured social services like medical care, and contracted with municipalities to provide waste management services.

In some countries, national alliances have been formed. However, organizations have had little opportunity to interact or come together globally, and the vast majority of waste collectors remain unorganized, unrepresented, and unprotected. Much work still needs to be done to strengthen and support waste collectors' organizations worldwide.

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¹ Medina, Martin. 2005. "Waste Picker Cooperatives in Developing Countries." Paper prepared for WIEGO/Cornell/SEWA Conference on Membership-Based Organizations of the Poor, Ahmedabad, India, January 2005. p. 12

² Ibid., p. 2

³ WIEGO. "Informal Recycling Around the World: Waste Collectors."
http://www.wiego.org/occupational_groups/waste_collectors/index.php.

⁴ Medina, p. 2

⁵ Ibid., p. 14

⁶ WIEGO.

⁷ Medina, p. 10

⁸ WIEGO. "Informal Recycling Around the World: Waste Collectors."
http://www.wiego.org/occupational_groups/waste_collectors/index.php

⁹ Ibid.

HOW WE HELP

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INFORMAL WORKERS IN FOCUS: HOME-BASED WORKERS



Of the many categories of informal workers, home-based workers typically have the least security and lowest earnings. Home-based work is a growing global phenomenon, with over 100 million people¹ working from their homes, in countries both rich and poor. The vast majority are women, who often face the double burden of performing both paid market work and unpaid care-giving work in their homes.

There are two types of home-based workers: **homeworkers** (also known as industrial outworkers), who carry out work for firms or their intermediaries, typically on a piece-rate basis, and **self-employed** or **own account** home-based workers, who independently produce and sell market-oriented goods or services in their homes.

Home-based work exists in a wide range of sectors, including personal services such as shoe repair and childcare, clerical services such as data processing and invoicing, handicraft production, and manufacturing—especially of textiles, garments, electronics, and other consumer goods.

With the rise of complex global chains of production over the past half-century, home-based work has grown exponentially. The growth of homework in manufacturing especially can be linked to the logic of global competition that pushed the bulk of manufacturing first from developed to developing countries, and then out from the factories into workers' homes, as employers cut costs by passing off responsibility for rent, electricity, equipment, and other production costs onto workers.

| Home-Based Workers in Fourteen Developing Countries | | | |
|---|------------------------------|---------------------------------|---------------------|
| Country | Number of home-based workers | % of non-agricultural workforce | Women as % of total |
| Homeworkers Only | | | |
| Chile (1997) | 79,740 | 2 | 82 |
| Philippines (1993-5) | 2,025,017 | 14 | 79 |
| Thailand (1999) | 311,790 | 2 | 80 |
| Self-Employed Only | | | |
| Brazil (1995) | 2,700,00 | 5 | 79 |
| Costa Rica (1997) | 48,565 | 5 | 45 |
| Morocco (1982) | 128,237 | 4 | 79 |
| Peru (1993) | 128,700 | 5 | 35 |
| Both categories | | | |
| Benin (1992) | 595,544 | 66 | 74 |
| Guatemala (2000) | 721,506 | 26 | 77 |
| India (1999-2000) | 23,496,800 | 17 | 44 |
| Kenya (1999) | 777,100 | 15 | 35 |
| Mexico (1995) | 5,358,331 | 17 | 43 |
| Tunisia (1997) | 211,336 | 11 | 38 |
| Venezuela (1997) | 1,385,241 | 18 | 63 |

Table Source: International Labour Organization. 2002. *Women and Men in the Informal Economy: A Statistical Picture*. Geneva: ILO. p. 47

Statistics On Home-based Workers

Home-based work is one of the most invisible and difficult to count types of informal employment, and few countries actually collect statistics on home-based work. The available estimates suggest that, in most developing countries, more than 10 percent of the non-agricultural workforce is home-based,² and between 25 and 60 percent of garment and textile workers are home-based.³ Home-based work appears to be less common in developed regions: in one study of European countries, four to five percent of the total workforce spent the majority of their working hours at home.⁴

Of the world's estimated 100 million home-based workers, more than half are found in South Asia, and 80 percent of these are women.⁵ Women are found in particularly high concentration in the homeworker category.

Insecurity and Exploitation

Home-based work is generally a low-return activity, and industrial outworkers have the lowest average income of all categories of informal workers.⁶ Typically paid on a piece-rate basis, they usually receive less than 10% of the final sale price of what they produce.⁷ Their earnings often fall below the minimum wage—even in developed countries.⁸

INFORMAL WORKERS IN FOCUS

HOME-BASED WORKERS



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Homeworkers have very little income security, as work orders can be suddenly cancelled, finished goods rejected by contractors, or payment delayed for months on end. The companies that employ them can also easily shift their production to other regions. Many self-employed home-based workers are just as vulnerable and dependent as homeworkers, often buying materials on credit from and selling finished products to a single merchant.

Like all informal workers, home-based workers are rarely protected by labor and safety regulations, have limited access to social insurance, benefits, or financial services, and lack representative voice.

Organizing Among Home-based Workers

Isolated and often entangled within complex chains of contractors and subcontractors, home-based workers face significant challenges in organizing themselves collectively. Despite this, home-based workers' organizations in several countries have achieved important victories, including coverage by minimum wage laws and access to social security and health care programs.

In 1996, the International Labour Organization called on all countries to develop policies to improve the conditions of homeworkers with its adoption of Convention #177 on Home Work. So far, only five countries—Albania, Finland, Ireland, the Netherlands, and Argentina—have ratified the convention.

"It is difficult to conceive of a meaningful strategy to fight poverty without substantially improving the living and working conditions of homeworkers. Homework is where the poor are, millions of them. Those who want to "make poverty history" would be well advised to use as a point of leverage those standards, like the Home Work Convention, which are specifically designed to address the problems of the poor, and particularly of poor women, who make up the vast majority of homeworkers."

- Dan Gallin, Global Labour Institute⁹

¹ Sinha, Shalini. 2006. "Rights of Home Based Workers". New Delhi: National Human Rights Commission. p. 10

² International Labour Organization. 2002. *Women and Men in the Informal Economy: A Statistical Picture*. Geneva: ILO. p. 48

³ Chen, Martha, Jennefer Sebstad and Lesley O'Connell. 1999. "Counting the Invisible Workforce: The Case of Home-based Workers". *World Development*, Vol. 27 No. 3. p. 606

⁴ *Ibid.*, p. 49

⁵ Sinha, p. 10

⁶ Chen, Martha, Joann Vaneck, Frances Lund, James Heintz with Renana Jhabvala and Chris Bonner. 2005. *Progress of the World's Women 2005: Women, Work and Poverty*. New York: UNIFEM. p. 54

⁷ Chen, Martha, Joann Vaneck, and Marilyn Carr. 2004. *Mainstreaming Informal Employment and Gender in Poverty Reduction: A Handbook for Policy-Makers and Other Stakeholders*. London: The Commonwealth Secretariat. p. 95

⁸ Jhabvala, Renana and Jane Tate. 1996. "Out of the Shadows: Homebased Workers Organize for International Recognition." *SEEDS*, No. 18. p. 8

⁹ From speech "The ILO Home Work Convention - Ten Years Later" at SEWA-UNIFEM Policy Conference on Home Based Workers of South Asia. January 18 – 20, 2007, New Delhi.

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