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**FEMINIZATION OF THE INFORMAL  
SECTOR IN LATIN AMERICA  
AND THE CARIBBEAN?**

**SOCIAL DEVELOPMENT DIVISION  
WOMEN AND DEVELOPMENT UNIT**



**ECONOMIC COMMISSION FOR LATIN AMERICA AND THE CARIBBEAN**

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## I. INTRODUCTION

The sweeping economic and social changes seen in the past three decades have significantly altered the labour market and the role of women. One major change has been the entry of women into the labour market on a massive scale. In the case of Latin America and the Caribbean, however, the increasing participation of women in economic activity has been set against a backdrop of successive economic crises which have reduced employment opportunities. The result has been an increase in employment in low-productivity, easily obtained jobs requiring low skill levels and little or no capital. In other words, it has led to the expansion of a segment of the labour market traditionally referred to as the "informal" sector of the economy, in which there is apparently a very high concentration of women workers.

The 1980s have come to be regarded as a "lost" decade owing to the severity and length of the economic crisis experienced during that period, which caused conditions in most of the countries in the region to deteriorate. During those years poverty increased, and per capita gross domestic product (GDP) shrank by 8% between 1980 and 1989. The effects of the crisis on the population were not evenly distributed, however; it had the greatest impact on lower-income groups, on those members of the labour force who were employed in low-productivity jobs, particularly young and female wage earners. The growth of the informal sector has thus been accompanied by the impoverishment of those who work in it, as is evidenced by research findings that the average incomes of informal-sector workers actually declined during the 1980s.

Even during periods of economic growth, however, the informal sector has expanded in response to the labour market's need for greater flexibility in order to withstand international competition and to cope with technological change and the demands of adjustment policies. Projections indicate that the informal sector will continue to be a factor in Latin America and the Caribbean and that women will continue to move into that sector so long as there is no significant change in those countries' economies and in the opportunities open to the various segments of the labour force.

Concern about the need to reduce poverty in the region, coupled with an awareness of the relationship that seems to exist between poverty and the informal sector, has led to a large number of research projects on the subject, but these studies do not "add up" due to the sector's heterogeneity, the lack of reliable statistical information on it and a failure, in most cases, to break down the information by gender. These shortcomings just make it that much more difficult to prepare thorough analyses of the informal sector that could serve as a basis for the formulation of policies truly capable of reaching women.

Existing studies talk about the "feminization" of the informal sector and about some sort of relationship between poverty and that sector in the countries of the region. Hence, if the object is to reduce poverty, then policies must be designed that will reach the informal sector and the women within it. To make that possible, a fuller analysis is

needed of the true scale of the sector and of the profiles of the people working within it —especially women, among whom poverty is concentrated.

This document attempts to gather together the relevant information in order to determine what is really going on in the informal sector, particularly with respect to its women members. Is the Latin American and Caribbean region's urban informal sector (UIS) really being "feminized"? What is the sector's true size and how much of the sector is made up of women? What traits do women workers in the informal sector exhibit? In which occupations are they found? What lessons can be learned from the most widely used approaches for improving conditions in the sector and/or for women?

This document is intended to serve as a basis for a regional or subregional project that would delve into the subject in greater depth at the country level so as to provide the kind of baseline analyses needed in order to generate effective policy recommendations for reaching the women of the sector. The aims of such a project would fit in with the agenda proposed by the Economic Commission for Latin America and the Caribbean (ECLAC) for changing production patterns within a framework of increasing social equity.

Official sources and some country studies have been used here as a basis for formulating policy recommendations regarding the informal sector which incorporate women as an economic agent while also bearing in mind their dual role in the spheres of production and reproduction. The study is divided into six sections.

The second section focuses on the importance of women as a factor of production and analyses the pattern of their entry into the labour force, the sectors in which they have been absorbed, and the reasons why. The third section reviews the various concepts and definitions of the informal sector and the problems involved in its measurement based on official statistics. The fourth section makes an attempt to gauge the scale and characteristics of the sector in a way which takes gender-related factors into account with a view to answering the question posed at the outset of this research project regarding the possible feminization of the sector.

A brief critical examination of policies and projects aimed at the UIS and women is undertaken in the fifth section. The object of this analysis is to highlight the lessons to be learned from these experiences and to lay the foundations for UIS policy recommendations which incorporate gender as a variable. Those policy recommendations are then set forth in the final section of the study. Mention is also made in that final section of topics that need to be researched in future in order to provide the necessary inputs for the design of programmes and policies that will truly "reach" the UIS —and particularly the women within it— and thus reduce the poverty of their households.

## II. WOMEN AS AN ECONOMIC RESOURCE

During the United Nations Decade for Women (1976-1985), the relationship between the development process and the status of women was the object of a wide-ranging analysis which ultimately gave rise to the following consensus: if the object is to improve the living conditions of the population, then it is essential that the subject of women and development be addressed. At the World Conference to Review and Appraise the Achievements of the United Nations Decade for Women: Equality, Development and Peace (Nairobi, 1985), it was generally agreed that economic development would not, in and of itself, automatically benefit women, and that social policies and welfare-based measures were not adequate solutions but instead needed to be accompanied by economic policies that truly incorporated women. Accordingly, it was proposed that in order to promote the advancement of women, an effort should be made to seek out alternative forms of development based on growth with social equity (Pastizzi-Ferencic, 1989).

It is important to note that the incorporation of women as an "agent" of development is not desirable only for ethical reasons, i.e., as a means of achieving greater social equity, but also for reasons of economic efficiency, which at this point in time is a highly significant consideration. Women constitute a major economic resource and, as such, need to be included as a variable in the region's economic and development policies. Otherwise, the region will never be able to attain what economists refer to as the "economic optimum" with a full utilization of available resources. A rough idea of the size of this "resource" can be gleaned from estimates and projections prepared by the International Labour Organisation (ILO) and the International Research and Training Institute for the Advancement of Women (INSTRAW), according to which there will be 900 million women workers in the world by the year 2000, or, in other words, one female for every two male workers. In the Latin American region, the Inter-American Development Bank (IDB) estimates that the female labour force numbered 40 million women in 1990 and will have grown to 53 million by the year 2000, 22 million of whom will have joined the workforce between 1980 and 2000 (IDB, 1987). However, the employment conditions for most of these women include low productivity, low wages, double workdays, and high rates of unemployment and underemployment.

The foregoing demonstrates that it is simply not feasible to take women into consideration solely in terms of their reproductive role; they constitute a crucial economic resource whose underutilization has serious implications as regards the achievement of development goals with social equity.

Nevertheless, despite general acceptance of the fact that a radical change has occurred with respect to women's participation in the economic activity of the region, their participation is still underestimated because of flaws in the way the relevant surveys are designed. The result is a lack of awareness of the female population's present and potential contributions to production in the region which, in turn, leads policy-makers to overlook women in terms of their roles as agents of production.

In the following pages the problems involved in measuring women's economic activity are briefly discussed, and proposals are made for improving those measurements. Based on the hypothesis that, despite the phenomenon's underestimation, women have in fact joined the workforce on a massive scale and that this trend will continue for a long time to come, the factors that can help account for this phenomenon are then analysed.

## 1. Measuring women's participation in the UIS

An important step towards a full recognition of the economic contribution made by women can be taken by using the definition of production recommended by the fourth Meeting of Experts on National Accounts, which asserted that "production is the creation of goods and services that can be exchanged on the market, are tradable, or are produced using factors of production purchased on the market." In addition to defining this concept, however, an effort also ought to be made to utilize all available information when measuring women's participation in the labour force; this is where our efforts should be concentrated —on utilizing the information that already exists— while we await the methodological progress that will permit us to improve the way in which women's economic activity is measured in official statistics.

The method used to measure occupational status in surveys, based on the traditional concept of the workforce, entails a more severe underestimation of women working in occupations typical of the informal sector than of those working in the formal sector. The informal economic activities included in household surveys largely correspond to the visible informal sector. But in order to measure the female UIS accurately, an analytical system of categorization is needed which will distinguish among UIS subsectors and occupational groups. This would permit the identification of the types of informal activities engaged in by women: micro-enterprises, salaried employment, street vending, etc.

Both censuses and surveys permit fairly accurate measurements of women's participation in the visible informal sector, although surveys offer certain advantages over censuses in this respect by virtue of the fact that they are sample measurements conducted at least once per year and are specifically designed for the study of employment variables.

The measurements obtained from household surveys can be substantially improved by including questions on a few additional variables, such as the size and location of the workplace. Another way of improving such measurements is by using household records, since they permit an analysis of the family unit, which is a fundamental element in research on women's participation in the labour force.

The use of surveys to measure women's participation in the invisible informal sector poses more serious problems. The chief difficulties in this connection are the failure to record the economic activities carried out by women, to calculate the value of their contribution to production and to register household-generated income.

A great many studies have been done on the underestimation of the female UIS due to the problems involved in achieving accurate measurements through surveys and censuses. A summary is provided here of the recommendations made in those studies which are deemed to be the easiest to implement and capable of yielding the greatest benefits in terms of improving the measurement of women's participation in the UIS.

First, much of the information provided by surveys and censuses is not being used efficiently. It is therefore recommended that statistical offices should publish cross-references for a number of variables —including gender— and estimates of informal



employment at the most disaggregated level possible. This would provide up-to-date, reliable information for use in designing policies for the neediest groups within the population. Moreover, such analyses should always take gender, as well as workers' ages, into consideration.

Second, whenever possible, surveys should include a special section of questions directed at people who describe themselves as "inactive", together with a list of those activities traditionally performed by women which are forms of production but are usually regarded as domestic chores; questions should also be introduced into household surveys which will permit the work performed by small businesses to be recorded.

Third, in order to arrive at better analyses of the female UIS, the reliability of figures on income must be improved, since current income measurements do not accurately reflect the incomes of own-account workers, non-monetary income or, in general, UIS income. To this end, it is recommended that income from own-account activities should be studied over a longer reference period, that there should be separate entries for the value of goods produced and sold and for the cost of the inputs needed to make those goods, that the portion of output consumed by the household should be registered, and that income from the principal occupation and income from secondary activities should be recorded separately.

## **2. Explanatory factors for increased participation by women**

The economic, social and cultural changes seen over the past three decades have greatly altered the nature of demographic variables, the labour market and, in particular, the role of women. It would be a very difficult task to list all the factors that have helped bring about the changes observed in the labour market and, especially, in women's participation in economic activity, but there are some factors that have played a particularly important role in this regard.

According to a study conducted by ECLAC (1988), two sets of factors have played a pivotal role in the growing incorporation of women into the economic activity of the Latin American and Caribbean region. The first includes major changes in the population, such as: i) population growth, especially in the cities; ii) internal migration, which, in addition to resulting in a concentration of the population in urban areas, has led to changes in the age and gender structures of the population in both urban and rural areas (owing to the selective nature of these migratory flows, in that most of the migrants have been young adults and women); iii) a notable reduction in fertility rates in most of the countries of the region; iv) increased life expectancy; v) a decrease in average household size; vi) an increase in the number of households headed by women; and vii) cultural and educational changes in relation to working women. The second set of factors are educational and cultural changes. The policies on education implemented by the Governments of the Latin American countries have given women equal access to education and have consequently improved their chances of obtaining better jobs; indeed, it has been observed that the women who enter the labour market and remain in it tend to be more highly qualified and educated. The result has been a substantive change in the educational profile of the population in general and of the economically active population (EAP) in particular, especially women and young people.

There is, however, a third set of factors which should also be mentioned and which is of great significance in low-income households. These factors have to do with poverty and/or a reduction in the income levels of households or heads of household. The steep reduction in real household income seen in most of Latin America as a consequence

of the economic crises of the 1970s and 1980s and of the countries' adjustment policies has forced many women from low-income households to participate in the labour market as a survival strategy (Pollack, 1990). However, most women who become economically active during a recession remain in the labour market during the subsequent period of economic recovery. This is true for almost all women from non-indigent households. Only indigent women withdraw from the labour force once the economy enters into an upswing and the income of the head of household rises. This indicates that it is more difficult for extremely poor women to reconcile their economic activities outside the home with their housework and child-rearing activities. This appears to be the case in a number of different Latin American countries and is brought out very clearly in a study of conditions in Chile (Pollack, 1990). According to the findings of that research project — which divided households into three economic strata: indigent, poor and not poor— women of all income levels increase their participation in economic activity during times of recession, when household income levels decline because the head of household or another family member loses their job or because of a reduction in real income. However, in times of economic recovery, women from poor and from non-poor households remain in the labour market while only women from indigent households withdraw from the workforce.

Owing to the simultaneous action of these factors, the participation of women in the Latin American labour market has been growing at a time when the participation of the population as a whole has been declining. The annual growth rates for the labour force between 1960 and 1970 averaged 3.7 for women and 2.1 for men, while between 1970 and 1980, the rates were 5.1 and 2.5, respectively (ILO, 1986). The drop in the overall participation rate is accounted for by an increase in the countries' educational coverage of young people, who now remain in school longer, and by an expansion of social security coverage, which has led to a reduction in the participation rate for people aged 65 and over. Consequently, between 1960 and 1980 a decrease in the rate of economic activity for men was seen in all the countries of the region, whereas the participation rate for women rose in 15 countries, held steady in two, and fell in three (ECLAC, 1988).

Women's and men's behaviour patterns within the labour market are influenced by different variables. Women's participation in economic activity is influenced by their stage of life, their marital status, how many children they have, their educational level, their household's income level, etc. Two of these factors have been of decisive importance in recent decades: a woman's educational level and the income level or economic stratum to which she belongs (López and Pollack, 1989). Women's behaviour differs depending on their economic stratum, which in turn partially determines their skill level. This fits in with the findings of the above-mentioned ECLAC study (1988), according to which women's participation in the labour market is based on two clearly-differentiated rationales: a rationale of necessity, whereby low-income women have to work, regardless of their current stage of life, educational level, and earning power; and a rationale of choice, applying to higher-income women, who join the labour force not only to obtain gainful employment but also as a means of self-fulfilment. The women in the former group are the most under-represented in population censuses and official statistics because they work in the informal sector of the economy. The women in the latter group, on the other hand, find work in the modern or formal sectors and are therefore counted fairly accurately in censuses.

Despite the increase observed in the labour force's educational level, women are concentrated in lower productivity sectors which require fewer skills and, consequently, pay lower wages. The effects of the recession were not evenly distributed among the population of the region; it had a greater impact on wage earners, on lower-income

groups and, within those segments, on women. Even though women's participation in the workforce has increased, they continue to have higher unemployment rates and lower income levels. In most of the countries of the region, in contrast to what has occurred in industrialized countries, women's incorporation into the labour market has taken place against the backdrop of a series of economic crises which have reduced employment opportunities and heightened the competition for those positions which do become available. The outcome has been that women are being incorporated into low-productivity sectors requiring fewer qualifications, primarily in the informal sector of the economy.

The aim of this study is to review the literature on the informal sector from a gender-based perspective in order to determine, at a fairly detailed level, where working women find employment in the Latin American region, what their characteristics are, and what types of policies could be of assistance to them. Different studies have defined and measured the informal sector in different ways, however, and as a result their conclusions are not always comparable. Accordingly, in the following chapter a review of the literature will be undertaken; this review will focus on the way in which the sector has been conceptualized as well as a number of questions about how it functions.

### III. THE CONCEPT OF THE INFORMAL SECTOR: SOME QUESTIONS

In order to gauge the informal sector's size and characteristics, we must first define what we mean by "informal sector", since its size will depend on the way we define it and our ability to measure it based on the available information. Because of these two constraints, estimates of the sector's size are quite relative. This is all the more so in the case of the female informal sector, since the difficulties involved in measuring it are even greater.

The concept of the informal sector came into use at the start of this century when it was discovered that much of the work performed by both young people and adults was not being picked up by official statistics. This was happening, first of all, because their jobs were not in the formal sector of the economy and, second, because workers were not acquiring the necessary skills within the formal education system. Hence the terms "formal" and "informal" (Goodale, 1989). Then, starting in the early 1970s, the informal sector began to be studied more systematically and to feature more prominently in research papers on the labour market prepared by such organizations as ILO and the Regional Employment Programme for Latin America and the Caribbean (PREALC). Since the concept of the informal sector first came into use, scholars have applied it to a wide array of empirical data; the result has been near total confusion as to the actual nature of the sector (Heyzer, 1981). Even today, there is no consensus regarding the definition or measurement of the sector. At the risk of oversimplifying the question, we can identify three analytical concepts of use in defining the informal sector.

One of the most widely used definitions is based on the idea of surplus manpower. This approach, which is advocated by PREALC, focuses on the characteristics of the labour market by virtue of the fact that it includes "a heterogeneous set of production activities whose main common denominator is that they employ people who could not find employment in the modern sector and must therefore be underemployed, while having relatively little access to other factors of production to complement their labour" (Mezzera, 1988). According to this definition, most of the people employed in the informal sector are there because job opportunities in the formal sector are insufficient. Consequently, many of them have to accept employment in the informal sector or create their own jobs in that sector.

For purposes of measurement, individuals in a number of job categories are regarded as members of the informal sector: non-professional own-account workers, unpaid family workers, and owners and employees of businesses having fewer than five persons. A second interpretation of the UIS focuses on the basic needs of the population and, hence, on the idea of extreme poverty; in this case, the unit of analysis is the family or household. A third concept of the UIS includes a series of production units having certain characteristics which set them apart from the rest of the economy: little liquid capital, unstable market positions, rudimentary technology and accounting/administrative techniques, a small number of workers, etc. This concept

emphasizes the traits of the people working in the sector. Yet another interpretation of the informal sector focuses on the legal status of the relevant organizations (de Soto, 1987).

The foregoing approaches differ in terms of the types of policies they regard as necessary in order to improve the employment conditions and wage levels of informal-sector workers. The first approach places emphasis on determining the factors that influence the growth of the sector and its relationship with the formal sector. The poverty-based approach is concerned with the causes of poverty and ways of reducing it, and therefore concentrates on the study of household survival strategies. The third interpretation focuses on creating greater opportunities for more highly productive employment. Nevertheless, all these concepts are interrelated and refer to a sector characterized by low productivity, low income levels and an absence of legal protection; they differ primarily in the emphasis they place on the various factors that typify the sector or that generate those conditions.

According to the first perspective, the informal sector is made up of small production units that are virtually synonymous with the persons working within them; this generates a strong link between employment and the relevant business enterprise which blurs the distinction between production and employment. Furthermore, legal and institutional aspects are also related to production and employment conditions. The only remaining question relates to the link between poverty and the other interpretations (Wils, 1991).

Once a definition has been chosen, the next problem that arises is how the sector can be measured using official statistics. The data obtained from censuses and official surveys do not permit comprehensive measurements of the sector because the questions they contain on job or employment status have been designed to measure employment in the formal sector. Consequently, official statistics underestimate the size of the informal sector, and the under-counting of women's participation in the labour force is even more marked.

While it may seem difficult to define the UIS and gauge its size, analysing its performance is even more so. There are various theories about the role of the informal sector and how it functions within the labour market. An exhaustive analysis of this topic falls outside the bounds of this study but, by way of illustration, some empirical evidence is cited below concerning the three main questions in this area for which there is no one "right" answer.

### **1. The economic cycle and the UIS**

The first question is whether informal employment is procyclical or non-cyclical in nature. The large number of studies that have been done on the subject lead to the conclusion that no valid generalizations can be drawn. Such employment's procyclical or non-cyclical character is a function of the presence or absence of entry barriers and of the structure or composition of this intrinsically heterogeneous sector. Case studies can be found to support either hypothesis.

A study on informal commerce in Colombia focusing primarily on large and medium-sized cities (Ruiz and Fandiño) has concluded that sales by street vendors increased sharply in the late 1970s, when unemployment rates were low; this runs counter to the view that some informal commercial activities serve as a

refuge for the unemployed. In this case, the proliferation of small businesses in this line of business was a result of the activity's ease of entry.

Another study of four major Colombian cities found that informal economic activity tends to keep pace with the economic cycle during downswings, but that when a critical employment situation is reached, informal employment tends to grow faster than the economy as a whole as it absorbs a portion of the unemployed (Saldarriaga and Londoño).

Another very significant conclusion to be drawn from a series of case studies concerning Venezuela (Carbonetto, 1983) is that there are two types of informal-sector activities linked to the formal sector. Persons working in the informal sector may be employed there on a structural or circumstantial basis. The former are people who have never worked before, and whose behaviour is therefore independent of the economic cycle. The latter engage in easily accessible informal activities during times of economic recession. The various types of informal-sector activities also have different types of links with the formal sector. Some activities are clearly related to the formal sector (itinerant vendors, shoemakers, etc.); others see their sales increase during economic slumps as a result of the decline in the population's purchasing power (e.g., office machinery repairs, automobile repair shops, clothes mending). Then there are informal activities which adapt to the market during recessions (e.g., seamstresses switching from dressmaking to mending). As regards these activities' entry barriers, the occupational spectrum covers the entire range, from very open (circumstantially informal activities) to highly protected lines of business.

A 1984 research project covering Bogotá, Medellín, Cali and the nearby cities of Bucaramanga, Pereira and Santa Marta concluded that, unlike wage-based employment, informal non-wage employment is non-cyclical. The reason for this is the existence or absence of entry barriers to informal activities. Employment in activities having no such barriers is countercyclical and entry is pro-cyclical; street vending exhibits a non-cyclical pattern with a tendency to grow over the long term, while entry varies according to cyclical conditions (Puayana and Zuluaga, 1986).

In Brazil, a study based on direct surveys and secondary sources in the Recife metropolitan area found that between 1970 and 1980 the informal sector expanded by 3.9% while the formal sector grew by 6.1%, which points to the existence of a strong link between the two sectors' rates of growth. During the recession, the informal sector's share of total employment increased, but it is unlikely that its share will shrink by any notable amount during times of economic growth (Brazil, 1985).

In short, the informal sector will display a pro- or non-cyclical pattern depending on its structure, the phase of the economic cycle at a given point in time and the intensity of that phase, and the characteristics of the EAP.

## **2. Migration and the informal sector**

A second question that arises during an analysis of the informal sector is whether migration is a major source of informal-sector workers. The studies conducted on this topic indicate that the answer will not be the same in all cases.

In La Paz, Bolivia, a group of former peasant farmers was found to be engaged in a wide range of occupations and to have swelled the ranks of the informal sector (Albó, 1982). In Santa Cruz, on the other hand, the migrant population is not the main source of the informal sector's growth. Recent migrants have tended to find employment in the governmental and entrepreneurial sectors of the economy and, in the case of women, in

domestic service (which is not necessarily defined as an informal activity), which runs counter to the usual assumptions made about migrants (Casanovas, de Pabón and Ormachea, 1982).

In Colombia, no relationship was found between the migrant population and the informal sector. Most of the workers in informal commercial activities are former migrants who have been in the major cities for a long time now; the majority of these workers are male and have little schooling (Saldarriaga and Londoño).

In Guayaquil, Ecuador, migrants from other provinces of the country have typically solved their employment problem by creating micro-production units, which they operate as part of their survival strategies (Rosero, 1987). In contrast, a study on El Oro Province, conducted in the cities of Machala and Puerto Bolívar using household surveys, showed that migration to these two cities has given rise to a heavy urban concentration of people in low-income groups who perform marginal economic activities. In this case, young children represent a source of income for their households and women are relegated to the services sector (JUNAPLA, 1976).

In Mexico City, the marginal urban population has not been created by migration but rather by the system's inability to promote the development of the agricultural sector (Ruiz de la Peña, 1977). In the city of Monterrey, on the other hand, marginal or informal-sector groups are made up of migrants who have come to the city in search of better employment conditions. The children of those migrants tend to remain in the same socioeconomic stratum as their parents (Quiroga, 1974).

In Venezuela, it was found that in the period 1961-1975, during which extremely high rates of rural-to-urban migration were recorded, the informal sector in the city of Caracas expanded at the same pace as the modern sector; this supports the hypothesis that no link exists between migration and informal-sector employment (World Bank, 1977).

The above studies indicate that in some cases migration is a major cause of informal-sector growth while in others there is no such relationship. The decisive factor is the modern sector's ability to absorb migrants, which in turn depends on the phase of the economic cycle and the migrants' own characteristics.

### **3. Poverty and the informal sector**

A third question relating to the informal sector concerns its relationship with poverty. Some schools of thought assert that, because informal activities require lower skill levels, are of a lower productivity and, hence, pay lower wages than are found in the formal sector, an expansion of the informal sector will lead to increased poverty. Once again, however, existing studies have reached different conclusions in different cases.

The severity and protracted nature of the economic crisis of the 1980s caused most of the countries of the region to slip backwards. In 1989, the region's average per capita GDP was 8% lower than it had been in 1980. In 1980, 33% of the Latin American population was living below the absolute poverty line; by 1985, the figure had climbed to 39% (ECLAC, 1990). The effects of the recession were not evenly distributed among the population, however; it had a greater impact on low-income wage earners, and, within that segment, on women and young people employed in low-productivity, poorly-paid jobs. Women were also saddled with a heavier domestic workload owing to the cuts made in social spending as part of the countries' adjustment programmes. The foregoing suggests that an "invisible" adjustment is being made by the poor women of the region,

inasmuch as the countries' social disinvestment is being counterbalanced by the social fund which these women are "financing" with their various forms of gainful employment and domestic work (UNICEF, 1987).

Earlier, between 1950 and 1980, the region experienced steady growth which expanded its total GDP by a factor of five and doubled its per capita GDP. This was accompanied by a sharp rise in the population and increasing urbanization, which caused the informal sector of the economy to swell. This was a consequence of large-scale internal migratory flows that created labour surpluses in the cities, which in turn led to an expansion of the informal sector, the domestic service sector and underemployment. To round out the picture, the female labour force grew rapidly during this period, and many of its members were absorbed into low-productivity, low-paying economic activities, especially in the informal sector.

The UIS is a cause of concern because, judging from past trends, the sector will probably continue to grow in the future, and it is therefore essential to implement policies to improve conditions for the large numbers of workers within that sector. The sector has continued to expand, or has shrunk by no more than a very small amount, both in times of economic crisis and during periods of economic expansion. It decreased slightly in size during the years of economic growth seen in the 1970s and actually grew by 55% between 1970 and 1980. According to research done by PREALC, this was the case in countries experiencing rapid growth, such as Brazil, Mexico, Panama, Costa Rica, Colombia and Venezuela. In others (Uruguay, Paraguay, Chile and Argentina), the urban informal sector's share of the economy increased. Then, during the recession years of the first half of the 1980s, the expansion of the UIS (by 36% between 1980 and 1985) was coupled with a reduction in average income levels in the sector or, in other words, the impoverishment of UIS households; in 1980, the incomes of between 75% and 80% of the persons employed in the sector put them below the poverty line, and a high percentage of the poor population was working in the UIS (PREALC, 1991).

Why this increase in the size of the UIS even during periods of economic growth? In recent years, a change has been taking place in the employment structure as a result of technological changes and the countries' adjustment policies. An "informalization" of the economy appears to be occurring in response to the need for greater flexibility in the production process in order to withstand international competition. Subcontracting has come into widespread use because it provides a way of achieving the reduction in labour costs needed to attain greater international competitiveness. This entails not only an expansion of the UIS, but also a change in its structure and features. The sector's degree of heterogeneity also changes over time. Yet it is difficult to measure these changes because reliable information is lacking. In some cases, job creation in the modern sector has fallen off while the participation rate among members of poor households, especially women, has climbed (Pollack, 1988).

The case studies reviewed below illustrate how difficult it is to define the relationship between poverty and the informal sector.

In La Paz, Bolivia, the formal-sector population's monetary income is more than 50% higher than the informal-sector population's (Kritz, 1980).

In São Paulo, Brazil, a study on the subject did not find sufficient evidence to support the hypothesis that most unskilled, low-productivity workers in the urban area came from the informal sector. Nor did it find that persons employed in the informal sector received a smaller percentage of total income than those employed in the formal sector, especially in comparison to wage earners engaged in the direct production of goods (Cacciamali, 1985). Field work conducted for another study covering 11 cities in north-eastern Brazil led to the conclusion that formal education is not a prerequisite for



a higher income and that informal education, in the form of years of practical experience, raises income levels more readily (Casimiro, 1981). In contrast, a nationwide and regional study in Brazil found that the informal sector is largest in the least developed regions and that there is a close correlation between years of schooling and informal-sector employment and, hence, income levels (Getulio Vargas Foundation, 1981). A study on itinerant workers in the federal district in 1978 showed that their incomes were higher than the minimum wage, that approximately half of these workers provided more than 80% of their households' incomes and that 90% of them did not wish to switch over to a formal job (Murta, 1978). A study on working women and the informal sector in Brazil found that the women had joined the informal sector because the men's wages were too low to meet their families' basic needs, but these women also continued to perform their domestic chores. Moreover, because they underutilize their workdays in intermittent, unstable activities, these women accept lower wages, thereby further lowering the depressed wage levels observed in the sectors where they are concentrated (Pitanguy and Linhares). Another study on Brazil's informal sector concluded that education and experience play an undeniable role in the acquisition of a higher job status within the informal sector (Souza and Valle, 1981).

In Colombia, even though poverty is concentrated in the informal sector, 40% of the people in that sector have incomes that place them above the poverty line, and the percentage of poor people in the modern sector is considerable as well. The traditional sector does not appear to play the role of a residual structure in the urban economy, but is instead oriented towards the satisfaction of specific needs of that economy and is thus complementary to the urban sector (Bourguignon, 1979). A study on medium-sized cities in Colombia found no evidence to back up the hypothesis that an income differential exists between the urban formal and informal sectors. Most of the difference in incomes was instead accounted for by the workforce's differing educational levels and job experience (Uribe and Forero, 1984).

The above studies indicate that the informal sector's heterogeneity is reflected in the fact that income levels are higher than the formal sector in some informal activities and lower in others. The differences are a function of the human capital associated with those employed in the respective activities. Income differentials are also found within the informal sector and even among own-account workers (Casanovas, 1984).

The heterogeneity of the UIS is one of the main problems that must be dealt with in designing policies for this sector. Differences are found at all levels. The varying characteristics (age, gender, educational level, marital status, experience, access to production resources) of its individual members only add to the diversity created by the wide range of activities or occupations in which they are engaged.

Despite the shortcomings associated with existing definitions and measurements of the sector, from an analytical standpoint there is still no generally accepted alternative. This study will therefore seek to measure the sector's relative significance using the available data in those Latin American countries for which there is enough information to make such an attempt feasible. In any event, it is clear that, because of the heterogeneity of the informal sector, economic policy-making for this sector must produce not one but various different types of policies.

## **IV. THE INFORMAL SECTOR AND ITS FEMINIZATION**

### **1. Gauging the scope of the UIS**

Bearing in mind the heterogeneity of the informal sector and the difficulties this entails in terms of its measurement and policy-making, indicators of its size based on various studies are presented in this section. Most of these studies define the sector in traditional terms, i.e., as that group of people who work in the job categories identified by PREALC and who, in addition, have little access to capital, technology or training. The aim here is not to arrive at an exact measurement of the sector, but rather to form an approximate idea of its relative significance and of how it has evolved in some countries of the region as a basis for constructing a profile of its members for policy-making purposes.

Tables 1 and 2 give estimates of the sector's size in terms of the employed EAP according to data from national censuses and household or special-purpose surveys. In 1989 the UIS accounted for 30% of the Latin American region's EAP. Generally speaking, census information does not provide a basis for measurements of the informal sector as a whole, but it does permit estimates of the size of some of the job categories included within it. According to these figures, participation in the UIS in the eight Latin American countries studied ranged from 11% to 32% in 1980 and from 10% to 45% in 1960.

The sector appears to have grown at an annual rate of 6.7% during the period 1980-1989, which is quite high in comparison to the 2.8% annual growth rate registered for the total labour force of the region and the 3.7% rate recorded for the non-agricultural EAP (PREALC, 1991).

Despite the increase in the UIS as a percentage of the EAP during the past decade, average labour income in the sector fell by 41.1% as compared to a 27.9% reduction in the economy as a whole; thus, informal-sector workers grew poorer.

The question that then arises is whether the UIS is actually becoming "feminized"; this is the focus of the discussion presented in the following section.

### **2. Feminization of the UIS?**

In order to answer this question, we must first make some sort of estimate of how many women are working in the informal sector. In attempting to do so, however, we are faced with the above-mentioned problems regarding the measurement of women's participation in economic activity, especially within the UIS. When the work women perform is linked to the market, it is considered to be productive and is included in official statistics. Most of the work done by women does not take the form of an economic exchange, however, and is therefore not counted.

Past studies indicate that, as a rule, the poorest working women are in fact concentrated in the UIS, and if domestic service is included in that category, then the figure rises to above 70% in most cases. Some experts therefore claim that we are

witnessing the "feminization" of the UIS in Latin America and contend that any policy targeting the UIS should explicitly incorporate the dimension of gender because of this increasing feminization of the informal sector in Latin America (Tokman, 1989). The fact is that, in general, women are concentrated in low-paying jobs, both in the formal and informal sectors. In addition, according to PREALC calculations based on census data, in all the countries except Costa Rica and Honduras, women's participation rate in the UIS has declined in manufacturing and risen in commerce. This trend has not been observed among men; although their participation in the informal manufacturing industry has also decreased, they are moving in greater numbers into personal services and construction.

The percentage of women workers in the sector grew sharply between 1960 and 1980. Data for Brazil, Chile and Costa Rica indicate that in 1980 between 72% and 76% of all UIS workers were women, although the UIS accounts for only one half of all working women. In 1960, 56% of all jobs held by women were in the informal sector in Brazil and Chile, and 47% in Costa Rica. By 1980, the figures for those countries had dropped to around 40% (Tokman, 1989). If one accepts the assumption that women's economic participation is underestimated, then the percentage of women in the UIS must be even higher; the above-mentioned study estimates a level of between 35% and 39% for 1980, in contrast to women's participation in total non-agricultural employment, which was only about 30%.

Table 3 gives estimates for selected cities and countries based on data obtained from household or special-purpose surveys. These figures reflect differing UIS participation rates for women in the various countries and periods. The lowest rate is found in Panama, where just 8.4% of economically active women are employed in the UIS. In Cochabamba, Bolivia, women's UIS participation rate was 64.6%; this high figure can be accounted for by the fact that Cochabamba is a destination point for internal migrants.

The heterogeneity of the UIS is seen not only in its differing sizes and compositions, but also in breakdowns by gender, age and, very significantly, income level. By way of illustration, data are shown for selected countries in which the relevant information is available: Chile, Guatemala, Honduras, Paraguay and Venezuela.

The trend of the economically active population in the UIS in Chile was fairly stable during the period 1985-1990, with no significant changes being seen in male or female participation rates (see tables 4 through 9). The greatest difference between men's and women's positions in the labour market is found in domestic service, which is not regarded as either formal or informal but is instead placed in a separate category. Approximately one fourth of the female EAP works in that sector, which means that only one half of all economically active women work in the formal sector of the Chilean economy, whereas the figure for men is nearly 75% (see table 5). Consequently, over 32% of the people employed in the UIS are women, as compared to just 28% of formal-sector workers (see table 7). These tables also show that a larger proportion of women were unemployed in 1984, when the economy was beginning to recover from the 1982 recession, and that relatively fewer women than men benefited from government employment programmes (see table 6).

### 3. Profile of UIS workers

Two factors that should be borne in mind when analysing the segmentation of the labour force are the characteristics of the workers in question and the differences exhibited by economic stratum. In the case of Chile, both the women and the men in the UIS are less educated and older than their formal-sector counterparts. These traits are particularly

marked among the women, who are even less educated and older than the men in the UIS; About one half of the women employed in the informal sector are over 45 years of age and have no more than an elementary-level education. This clearly sets them apart from women employed in the formal sector, since 70% of the latter have a secondary or higher education and over 80% of them are in the 15-44 year age group (see table 8).

Table 9, which provides an indication of the segmentation of the labour market, does not include wage earners employed in small businesses in the UIS owing to a lack of survey data on that category. Thus, in this case, informal employment includes only non-professional own-account workers and unpaid family workers. The formal sector includes public-sector employment and professional own-account workers; two additional groups are also identified: private-sector employees (regardless of the size of the business enterprise) and domestic service employment. The figures are also broken down into three income strata: indigent, poor and not poor. These strata were defined as follows: households whose per capita incomes were lower than the value of a predetermined shopping basket of staple foods were defined as indigent; households having per capita incomes less than twice the value of that basket were defined as poor; and households with per capita incomes in excess of twice its value were defined as not poor (Pollack, 1990). These data indicate that: i) more workers (both men and women) living in indigent and poor households are employed in the UIS than are workers from non-poor households; ii) domestic service was the largest employment category for women from indigent households (nearly 30%) and the smallest for non-poor women (10%); iii) private employment is the largest employment category for poor and non-poor women, whereas, in the case of men, it is the largest category for all economic strata; iv) the sharpest fluctuations over time were observed in wage labour, which in this case includes part of the UIS (wage earners in small businesses). The conclusions to be drawn from the above are that the UIS is skewed towards the poorer strata of the population in the case of both men and women, and that the economic cycle has a stronger effect on private employment than on the informal sector when the latter is defined as being composed of own-account workers.

The Chilean case study demonstrates the need for a more exhaustive analysis of the people who work in the UIS and for more refined measurements of the sector's size and structure. The types of policy recommendations to be made for this sector will largely be determined by the nature of its structure by job category, gender, age, relationship to the employer, etc.

The greater role played by the UIS in the lowest socioeconomic strata is clearly illustrated by the statistics given in table 10 for Guatemala, Honduras and Paraguay. For both genders, the percentage of persons employed in the UIS in all three of these countries bears a direct relationship to household income levels. Using the same methodology for defining poverty as was used in the Chilean study, in all cases it was found that the percentage of the labour force employed in the UIS is much higher among the indigent than among the poor, and is higher among the poor than among the non-poor. Furthermore, in all the countries, strata and age groups (except for the 15-24 age group and the non-poor of 25 years of age or over in Paraguay), a larger percentage of women are employed in the UIS than men.

Continuing on with the analysis of the data given in table 10, it is interesting to note that the incidence of the UIS by age group differs among men and women. In the three cases concerned, the percentages of women employed in the UIS are very high (99% in Honduras for poor women in the 25-49 age group). For the most part, the largest percentage of UIS employment is found among older (50-64 years) women, while the

highest percentages among men correspond to the oldest age group only in the case of indigents and to the youngest age group among the non-poor. Despite the heavier concentration of older women in the UIS, however, the concentration is marked among all age groups in the cases studied.

The heavy concentration of women heads of household in the UIS in Paraguay is of interest from the standpoint of policy recommendations (see table 11). A total of 62.4% of indigent women heads of household work in the UIS, as compared to 58.1% of all indigent working women. This phenomenon is found in all three economic strata; in fact, the difference is even greater in the highest-income group. One possible explanation is that a large percentage of women working as domestic servants are not heads of household, since it would be much more difficult for women heads of household to reconcile their two roles as producer and reproducer, and they therefore prefer to work in informal activities.

When we analyse the distribution of UIS workers, we see that, in the case of Paraguay (see table 12), young men and women (under 25 years of age) are concentrated in the non-manual and manual worker categories, whereas women aged 25 or over are mainly concentrated in the own-account category (between 70% and 90%, depending on their income level) and men in that age group are distributed evenly among the categories of own-account and manual workers (indigents) or among own-account workers, manual workers and owners (non-poor). These findings indicate that if an informal-sector policy in Paraguay is genuinely intended to reach women, it should be directed towards own-account workers.

The situation in Venezuela during the period 1977-1981 is illustrated in tables 13 through 16. During those five years, the percentage of women in the UIS bordered on 40% (see table 13). As in the case of Paraguay, most women working in the UIS in Venezuela were found to be own-account workers in all years except 1981 (see table 14). At a more disaggregated level, it can be seen in table 15 that most women own-account workers are vendors (nearly 50%), and that the next largest categories are artisans and service workers. In this case, UIS policies targeting women should probably be aimed at street vending.

An analysis of the profile of women working in the UIS in Venezuela shows that they are less educated than the average working woman in urban areas. Whereas 55% of all economically active urban women have a secondary or higher education, the figure drops to 19% for women in the informal sector. In addition, over 30% of the women employed in the UIS work less than 30 hours per week, as compared to just 8% of the total number of women in the labour market. A larger percentage of women own-account workers in the UIS are over 45 years of age (36%) than their counterparts in the formal sector (16%). In terms of policy-making, one of the most important findings shown in table 16 is the high percentage of women heads of household who work in the UIS (36%) as opposed to the urban economy as a whole (18%), as was also seen in the case of Paraguay.

The case studies illustrate how markedly the sector's characteristics vary from one country to another and even from one region to another within a single country. In view of this heterogeneity, baseline analyses need to be as detailed as possible, since information is needed not only on the size of the sector but also on the traits of the people who work in it (gender, age, educational level, job category, etc.). Special-purpose surveys would also be helpful in defining target populations more precisely so that policies will be more effective in reaching them.

In some cases, the women and men of the UIS display similar characteristics but, as a rule, the women are less educated, older, work fewer hours and are concentrated

in own-account activities. In addition, a higher percentage of women heads of household work in the UIS than in the formal sector, which only makes it that much more important to improve conditions in the UIS.

#### 4. Does the feminization of the UIS constitute a problem?

The feminization of the UIS poses a problem in that, apart from the fact that the average income in the UIS is lower than in the formal sector, women in the UIS are concentrated in the lowest-paying activities. Their incomes are usually lower than those of men, and the wage gap is wider in the UIS than in the formal sector. Women's involvement in the informal sector is often associated with unstable economic activities that do not provide full-time employment, generate a low level of income and are typically of low productivity (Goodale, 1989). In general, women in the UIS earn less than the minimum wage and less than men in similar jobs (Tokman, 1989; Goodale, 1989). According to studies conducted in Belo Horizonte, La Paz and ten Colombian cities, women in the UIS earn between 45% and 60% of what men earn; on average, a woman in Colombia's formal sector earns 86% of what a man earns, while in the UIS, the figure is 74% (Tokman, 1989).

A World Bank study (1991) covering 14 Latin American countries indicates that, although there has indeed been an increase in women's participation in the labour force and in their contribution to the countries' GDP and growth, and to income and levels of well-being, there is still a great deal of room for improvement. There are only between three and four women for every ten men in the labour force, and women's average earnings range between one half and one third the level of men's incomes.

These income differentials have various causes. Some of the main ones are the differences between men's and women's occupational distributions and differences between the male and female labour forces in terms of age, educational level, training, access to production resources, etc. Differences in the human capital involved are only part of the reason for the gap observed between men's and women's average wages, however. The major part of that gap is a result of differences in the value that the labour market assigns to those characteristics, and this seems to be determined by the gender of the employee, which is a form of discrimination. The degree of inefficiency which this entails is considerable; indeed, it is estimated that the region's total GDP could be between 5% and 10% greater if male/female employment and wage differentials were eliminated (World Bank, 1991). Furthermore, in view of the fact that male/female differences in income increase as their educational level rises, it is clear that increased education alone will not be enough to narrow the income gap (Pollack, 1992).

Women are over-represented in the UIS, and within the sector they are concentrated in the least stable, lowest-paying occupations, such as vending on an own-account basis and services. As a rule, the majority of women in the informal sector are older heads of household or very young women. In Belo Horizonte, 47% of the women heads of household worked in the UIS, as compared to just 15% of the men (Merrick, 1976).

Discrimination in the UIS by income stratum is an extremely important factor in studies of the sector and is high relevant in terms of policy recommendations. In all the cases analysed, employment in the sector is greatest among members of indigent and poor households. Accordingly, policies designed to combat extreme poverty should include measures aimed at the informal sector and, particularly, women.

Since the indications are that economic growth is not likely to be very rapid, and taking into account existing projections regarding the growth of the labour force, it is fairly certain that the UIS will continue to play an important role in the Latin American and

Caribbean region. The incorporation of women into economic activity is also expected to increase. Therefore, barring significant changes in these economies, most women who are joining the labour force will continue to enter the UIS, where they will work in low-productivity, low-paying jobs, with all the foreseeable implications this has in terms of the extent of poverty in the region. The over-representation of women in the UIS can be accounted for by the difficulties women have in obtaining well-paid jobs in the formal sector, which limits their chances of generating a reasonable income. This is why they seek own-account work; not only is it more accessible, but it also makes it easier for them to reconcile their dual roles. So long as there is no substantive change in these factors, a reversal of this trend is unlikely.

It follows from the above that the informal sector is not decreasing in size and that it constitutes a very significant component of the labour market, especially for low-paying jobs. Policies targeting this sector are therefore essential if poverty is to be reduced. In order to design effective policies and ensure that they reach the people for whom they are intended, however, detailed baseline studies of target groups need to be done, and women are one of those groups.

#### 5. Can a profile of a "typical" UIS woman be constructed?

It is quite difficult to formulate a valid description of a "typical" women in the informal sector. Women employed in the UIS have many different kinds of jobs, with the types varying depending on the country or region involved, the current phase of the economic cycle, etc. It is impossible to talk about "the informal-sector woman" because it is a highly heterogeneous sector composed of countless different sorts of occupations. There are, however, a few job categories in which women are often over-represented, including those of itinerant or street vendors, inbond assembly (*maquiladora*) workers, homeworkers and micro-entrepreneurs (Aranda, 1988).

Women street vendors' characteristics vary from country to country and city to city. In some cases they belong to indigenous ethnic groups and come from rural areas to sell their wares in the urban zones of towns, mid-sized cities or major metropolitan areas. They may sell surplus produce from their own farms, home-cooked meals, poultry, eggs or handicrafts. The Mazahuas and Otomies of Mexico City and rural migrants in Lima are examples. Another type of itinerant vendor is the women who leaves her home for extended periods of time, leaving the children in the care of her eldest daughter. This pattern is seen in areas such as the Sierra, where the husbands are frequently absent because they work as seasonal migrants (Campaña, 1981); in these cases the women act as intermediaries for neighbours and other small producers. Another type of woman street vendor is found in the more established forms of commerce, where women have stands or stalls at open-air markets, sell a larger volume of goods and have some capital. Examples of the latter include the Aymará vendors, the "Chola" in Bolivia and the Tehuanas of Mexico.

Employment in *maquiladoras* is a type of occupation that has arisen as a consequence of the decentralization of production, whereby portions of the production process are being moved from industrialized countries to countries where labour costs are lower. One of the best known examples is that of Mexico, which launched an industrial programme in border zones during the 1960s to staunch the flow of labourers to the United States and create jobs in areas of high unemployment. Under this programme, electronics assembly plants were set up, either as subsidiaries or subcontractors for transnational corporations, in these areas; 75% of the women working in these plants come from other

regions of the country, 50% are their household's only source of income, 43% are single mothers, and one out of every three is the head of her household. They are given temporary contracts and are periodically laid off so that their employers can avoid providing them with the social benefits to which permanent workers are entitled. A piece-work system is used (Aranda, 1988).

Women homeworkers are to domestic industries what assembly workers are to the *maquiladoras*. The aim is to avoid paying the benefits due to permanent workers in the formal sector. The trend towards decentralization is also in evidence in the manufacturing and domestic commercial sectors. These women's homes are their workplace, and they are found in Colombia, Uruguay, Brazil and Chile (Aranda, 1988).

One of the occupational categories with the heaviest concentration of low-income women is that of the micro-entrepreneur, whether in the manufacturing, commercial or services sectors. These micro-entrepreneurs — who may run small stores or find employment as casual workers, or even subcontractors (Berger, 1988)— constitute a significant component of the UIS in Latin America. Many of their activities are an extension of the domestic work they perform and are organized in the home.

All the above-mentioned occupations have some characteristics in common which are shared by men and women alike: a shortage of capital, low level of training, a lack of protection under labour laws, etc. However, women have less of a chance of surmounting these problems because they also must reconcile their productive and reproductive roles. Women employed in the informal sector must overcome numerous obstacles in order to perform their jobs, and these obstacles are all the greater for women with very low incomes. A profile of a "typical" woman in the informal sector should therefore start out with the characteristics of informal-sector workers in general, and then add the difficulties involved in reconciling work outside the home with domestic chores.



## V. POLICIES AND PROJECTS FOR WOMEN: EXPERIENCES AND LESSONS

Women are not only affected by the policies and projects that are geared to their needs; general-scope policies and programmes have an impact on them as well. Because the latter policies are designed to act upon the entire economy, however, they set aside any considerations relating to housework and the work involved in the maintenance of human resources: functions which are performed almost exclusively by women and which influence their participation in the labour market. As noted by Elson (1989), although economic policies are neutral and are not meant to discriminate against women, in the real world their neutrality only goes so far. In a macroeconomic context, the economy is chiefly defined in terms of marketable goods and services. This formal definition excludes housework, child-rearing and much of the work that goes into the development of human resources. Since these functions are performed by women, their exclusion from economic analyses and policies generates a discriminatory bias.

At the start of the United Nations Decade for Women in 1976, programmes were launched to promote the well-being of women. Governments made an effort to ensure that their national development plans included measures designed to encourage participation by women. They have not managed, however, to set into motion consistent plans for the advancement of women. Instead, their efforts have taken the form of isolated attempts to provide assistance through specific policies that have ultimately discriminated against women, although not explicitly.

In the long run, investments in human capital designed to benefit women will help to integrate more women into economic activity under more favourable conditions. Nevertheless, for the time being it is necessary to help the women who are already in the labour market — particularly the poorest among them — to increase their productivity and raise their incomes. This study has indicated that a large percentage of women are own-account workers or micro-entrepreneurs. Thus, one way of improving their incomes is for policy-makers to target micro-enterprises.

In most cases, women's educational level is lower than that of men. Even though most types of formal education are founded upon the principle of equal opportunity, Latin American and Caribbean men's and women's access to education and enrolment rates differ considerably. This sets up a vicious circle: because of their rudimentary levels of training and education, women do not qualify for many jobs, and because of their low wages as compared to men, families are reluctant to invest in their daughters' education. Priority is placed on their sons' education. There is also a problem with respect to the type of education and training received. For the most part, girls are given training in tasks that are actually an extension of their domestic and reproductive tasks, which effectively confines them to the sectors of commerce and services (Goodale, 1989). The implementation of training policies targeting women — or of policies aimed at poor groups which also incorporate gender-related variables — is another of the types of policies which this study recommends as a way of helping to provide greater opportunities for low-income women.

The social effects of the economic crisis and of the ensuing adjustment policies prompted the authorities in almost all Latin American countries to set up special employment programmes. These schemes called for the use of government resources to hire people to construct public works or to provide certain services. The chief aim of such programmes has been to raise the incomes of workers and their families. In addition, the public works and services chosen for this purpose have to be socially productive and be of a type that will benefit the poorest segments of the population. If the explicit objectives of each of these programmes is examined, one arrives at the conclusion that these programmes should have absorbed a large number of women. These plans have not, however, been intended —either implicitly or explicitly— to reach women as a group. On the contrary, most of them have been targeted at unemployed or underemployed heads of household, the majority of whom are men. In many of the cases where this objective was not stated explicitly, however, the majority of those benefiting from such programmes have been unemployed or economically inactive women. As a result, some of these programmes have been judged to be failures because they have not achieved their proposed objective. Indeed, in most of these programmes —with the exception of the Employment Programme for Heads of Household (POJH) in Chile— women and young people have constituted the largest group of beneficiaries.

The following section summarizes some of the lessons to be drawn from four types of programmes relating to working women: employment programmes and social emergency funds, credit for micro-enterprises, income-producing projects and training programmes.

### **1. Employment programmes and social emergency funds**

According to the evaluations carried out to date, emergency or special employment programmes have been successful in creating jobs and generating income for very poor families. The characteristics which these types of programmes have in common can be summed up as follows: i) mass coverage, in that their objective has been to reach the greatest number of participants possible; ii) the target group was made up of the unemployed, although in practice these programmes have also reached underemployed and inactive persons, especially women; iii) the participants' income levels are very unstable, and most of them live in households classified as indigent or poor; iv) the participants' earnings constitute a significant portion of their households' incomes (from 50% to 66% of household income, or even more in cases where more than one member of a household is in the programme); v) wages are generally below the minimum wage in order to allow the programme to reach the greatest possible number of participants and to keep people from switching over into the programme from other jobs; vi) the criterion for project selection has been that they should be as labour-intensive as possible; vii) the programmes' institutional structure differs from country to country; in some cases it has been very simple and makes use of existing public institutions while, in others, new institutions have been created expressly for this purpose (Pollack, 1988; Wurgaft, 1988).

A new stage in the use of such mechanisms to create jobs, distribute income and improve the population's living conditions was reached with the creation of the Emergency Social Welfare Fund (FSE) in Bolivia in late 1986. This institution was founded in an effort to lessen the social cost of the economic adjustment upon which the country had embarked in 1985. Its operational purpose is to mobilize internal and external funds to finance decentralized projects dealing with employment and social services. Between the time of the programme's inauguration and the end of 1990, the Fund took in

approximately US\$ 210 million and disbursed US\$ 181 million; in fact, between 1988 and 1990, it provided 16% of the country's total public investment and 50% of total public investment in health, education, basic services, urban development, housing and multiservice systems (Avila, Campero and Patiño, 1992). During those three years, the FSE financed more housing units than the Ministry of Urban Affairs did, more emergency-room medical facilities than the Ministry of Health, more schools than the Ministry of Education, more miles of roadways than the Ministry of Transportation, more sewerage and drainage systems than the water companies, and more school breakfasts than any other organization (Avila, Campero and Patiño, 1992).

The FSE has been regarded as an innovative –and successful– experiment in social intervention in developing countries; this has prompted many countries to copy it, with some variations in order to adapt it to their needs and available resources. With these types of mechanisms, there is a tendency to replace income distribution-based systems with systems that place more emphasis on the social productivity of the investment and on the creation of permanent jobs by means of measures relating not only to the labour market, but also to social expenditure in education, housing, nutrition and community participation. Thus, the funds of this type now being set up in many countries are broader in scope than special employment programmes are. The objectives of Bolivia's Emergency Social Welfare Fund are as follows: i) to distribute income through labour-intensive projects; ii) to supplement activities designed to boost income by establishing, expanding or upgrading nutritional, health and educational systems; iii) to help arrange for the financing of projects having a social content; and iv) to raise income and forestall higher unemployment by means of small-scale economic, social and production infrastructure projects. In short, the FSE seeks to distribute income by creating jobs and executing projects having a social content (i.e., social and economic infrastructure works).

The amount of funding raised by the FSE and the projects it has completed have been its greatest achievements; its impact in terms of employment has not been of major significance, in that most of the jobs it has managed to create have been temporary rather than permanent.

Why so much interest in the FSE? Because the current tendency in Latin America is to more or less replicate the Bolivian initiative, and these emergency social funds are therefore the types of programmes that need to be analysed with a view to the incorporation of informal-sector women. Considering the amount of money handled by these funds, the political level at which they are created, the interest shown in them by the Governments and the results they have achieved, it is essential that they take gender-related variables into consideration if the countries truly intend to help the women of the UIS.

How has the Bolivian experiment worked in this respect? This is a difficult question to answer with the information currently available. If we break down the FSE's results into number of jobs created, amount of income distributed and number of project beneficiaries, however, the broad outlines of a number of conclusions can be drawn:

i) FSE economic and social infrastructure works and social welfare projects have benefited poor (but not critically poor) men, women and children. Gender-related variables have not been explicitly incorporated into these projects, much less into project selection criteria. Since these projects have been of assistance to poor families, however, they have benefited all members of the household equally.

ii) Gender-related variables have not been incorporated into the job-creation arm of the FSE either. A study (Newman, 1989) based on a survey conducted especially for FSE projects as part of the country's permanent household survey and another research project (Castaños, 1987) both found that, as a result, most FSE workers have been heads of household (an estimated 55%) who are the sole source of income for their families and

that 90% of all FSE workers (heads of household and non-heads of household) have been men.

Table 17 presents a profile, based on the two above-mentioned studies, of persons employed in FSE-financed projects. It may be seen that a large percentage of these people were not unemployed before starting to work with the FSE. Before they began to work on the FSE project, between 29% and 54% of these workers were already employed, mostly in the construction sector; this helps to account for the absence of women.

For the most part, the FSE has financed infrastructure projects (87% of the total); of those projects, 44% have been economic and 43% have been social in nature. The rest of the projects have focused on social welfare (9%) and production activities (4%). The preponderance of infrastructure projects accounts for the relative absence of women participants. When researchers visited project sites (specifically, sewerage-system and self-help housing construction projects), however, a large number of women and even children were frequently observed to be at work. When researchers asked what the women were doing there, the reply was that they were "unpaid family members" and that the "heads of household" were at other jobs or were simply not working.

The FSE production projects covered by the studies, which accounted for only 4% of all FSE-funded projects (i.e., approximately US\$ 9.7 million), consisted of 13 revolving-fund and materials-production projects. Project evaluations indicate that some of the projects ran into difficulties, but one of the successful projects was aimed at the informal sector and provides a basis for policy recommendations concerning future programmes of this type.

Many emergency employment programmes have benefited poor women to some extent, even though they were not designed with that purpose in mind. One interesting example is the emergency employment plan implemented in Panama in late 1977 to reduce the growing rate of unemployment being observed at that time. This programme was one case in which a specific programme had a direct impact on a significant portion of the UIS (Chacón, 1984). In the two years and three months that the plan was in effect, a considerable number of the 23,000 people involved in the plan at the outset and of the 17,000 who were participating in it at the time of its termination were low-income women; many of these women had been housewives or had been inactive, but they joined the labour force when an employment opportunity arose for which no qualifications were required. The beneficiaries' low levels of education, and the fact that, for many of them, the plan apparently offered a way to contribute something to the family group's insufficient income, show that the programme had a direct impact on a sizeable portion of the UIS.

Owing to the organizational problems that arose, the financial burden which the plan placed on the State and, above all, the fact that no comprehensive attempt was made to convert the plan into a productive programme, the plan was abruptly suspended in February 1980. This marked the end of an initiative which, with the proper adjustments, could have had a significant impact on the most underprivileged and poorest sectors of the urban population.

## **2. Credit for micro-enterprises**

Experience has demonstrated that these programmes are not always successful. One necessary element, although it is not in itself sufficient to ensure success, is the provision of credit to micro-enterprises already in existence. World Bank experiences with the

extension of credit to small-scale enterprises and other programmes aimed at women living in extreme poverty have demonstrated that poor women seek loans through informal networks of relatives or lenders. Established banks do not lend money to these groups because of the administrative problems involved in lending small amounts of money to many different people. In addition, women face all the obstacles that usually confront small borrowers, which are only compounded by their lack of education and experience, lack of collateral, etc.

In order to execute a successful micro-enterprise credit programme, the political, economic, legal and cultural context for the programme must first be analysed, since this is ultimately what determines the possibilities of access and chances of success of the women in the target group.

Access to credit may be only one of the problems such women face, and credit support alone will therefore not provide a complete solution. In designing a micro-enterprise credit programme that incorporates women, a series of other aspects need to be taken into consideration (World Bank, 1989; Lycette and White, 1988):

- i) Loans should be small, short-term, and used for production activities;
- ii) The availability of credit to women applicants should be publicized through channels to which women have access, including women's organizations;
- iii) The women in question should be provided with administrative support and training in accounting and management techniques, and bureaucratic requirements should be kept to a minimum;
- iv) Incentives should be provided for the formation of groups that can work together; once established, these groups can apply for joint loans and can furnish collateral security, including joint forms of security;
- v) The credit should be for use in activities in which the women already have experience in preparation for a subsequent changeover into non-traditional activities;
- vi) Whenever possible, such credit programmes should work with existing loan associations that are willing to set up innovative lending schemes in exchange for technical support or partial guarantees;
- vii) Micro-enterprises should receive types of assistance that will help them achieve economies of scale and links should be established with formal and non-formal educational programmes;
- viii) Loan processing charges should be reasonable, various disbursement options should be offered and loan security requirements should be as low as possible.

The above considerations suggest that the setting for each such programme should be carefully examined so that the programme can be tailored to the needs of the target group, which will be different in each country, and adapted to the relevant phase of the economic cycle and to the economic activities concerned.

a) ***Credit for micro-enterprises: the case of Bolivia***

The Bolivian economy's informal sector is very large; in fact, it accounts for an estimated 66% of the EAP. It is therefore particularly important to analyse successful initiatives in this area in order to improve the economic and occupational status of the people in this sector.

The Foundation for the Promotion and Development of Micro-enterprise (PRODEM) was founded in 1987 as a specialized lending agency for the sector; it provides relatively small loans at 3% interest, which is far below the 20% interest rate being charged by banks. Credit is extended to a micro-entrepreneur in his or her capacity as a member of

a group bearing joint and several liability; these groups have to have been in existence for at least one year and are made up of an average of five micro-entrepreneurs who must be neighbours (living no more than three blocks from one another) but may not be relatives. This joint-and-several association acts as the guarantor for the borrower. The only other eligibility requirement is that the borrower must take a technical training course in business management and administration which is given by the Foundation. The purpose of the loan is to provide working capital and to finance fixed investments. The business activities may be in the commercial, production or services sectors.

PRODEM has provided credit to over 10,000 micro-entrepreneurs in the cities of La Paz and El Alto, of whom nearly 80% have been women; the delinquency rate is less than 1%. The period that may elapse before a debtor is declared delinquent is 24 hours.

The overall objective of the PRODEM programme is to provide credit assistance in combination with management assistance or business training. These two types of measures must function in tandem in order for the programme to be successful; if provided separately, these forms of assistance would have little effect on the target group, whose members have never had a bank loan. It is felt that this programme has achieved its objectives, and the micro-entrepreneurs in this programme have been able to make improvements in their workplaces and to administer their enterprises in a businesslike fashion on a profitable basis.

A particularly interesting aspect of this initiative is that, without it having been intended, most of the beneficiaries have been female micro-entrepreneurs, and the programme has made a real improvement in these women's, and their families', situations. The FSE has only provided slightly over 20% of PRODEM's operating capital, but the programme has been so successful that it was to be repeated, starting in 1992, in the cities of Cochabamba and Santa Cruz, where the informal economy is quite extensive.

### **3. Income-producing projects**

Income-producing projects differ from micro-enterprise promotion projects in that their primary objective is to integrate women into market-based production activities. Their target groups are chiefly women outside the market economy (i.e., unemployed) and the aim is to enable them to generate an income.

As noted by Buvinić (Buvinić, 1990), these projects organize women into small income-producing groups; they are trained in some specific activity (sewing or cooking) and are given the necessary resources in order to use that training to produce marketable goods and services. Despite good intentions, most of these projects have ended in failure. Low-income women have been trained and encouraged to start up time-intensive activities, but these activities have had little income-producing potential. Many of these projects have continued to operate, but their production goals have given way to social or welfare-based objectives. The women continue to gather together to pursue social activities and produce goods for use in the home.

There are two lessons to be learned from the experiments of this type which have been examined for this study.

First, the basis upon which organizations were selected to implement these projects was unsound; they were efficient in social and welfare matters, but not in terms of production. Second, the choice of production activities was ill-advised because the market for the resulting products was too small. The problem here was that the organizations in question tried to shift their focus from their usual sphere of activity to income-

producing projects without taking enough time or having sufficient resources to do so properly.

#### 4. Training

Increased access to education and training is not enough in itself to raise the productivity and incomes of working women. Training must be focused on production and income-generating activities, and women's earnings need to be regarded as equal to men's, rather than as secondary incomes.

Thus, training needs to fulfil certain conditions in order to be effective in boosting productivity: it must be vocational in nature, covering administrative and accounting techniques, as well as facilitating the award of loans and their management. Links need to be established with the market, and an enterprise's market position and chances of success need to be determined. Finally, trainees also need to receive instruction in the observance of the laws and regulations applying to the specific activity in question.

Before proceeding to design a training programme, its target group has to be identified. In some instances, illiteracy and insufficient education are a major stumbling block. Often the women in the target group will become discouraged by the difficulty of absorbing the contents of a complex training course. These women's dual roles also limit the amount of time they have available to attend training classes. All these factors should be taken into consideration if training programmes are actually to benefit women from poor households.

The types of training that have had the greatest impact among female micro-entrepreneurs with the capacity to expand their businesses have been instruction in business accounting techniques and assistance tailored to the specific production activity involved (Cressida, 1989). Experience has shown that the opportunity cost of training illiterate women is very high and that it is better to concentrate on training economically active women who are already running a micro-enterprise.

Another factor to be borne in mind is that the constraints affecting women micro-entrepreneurs do not always stem from the way they run their businesses. In many cases, subsectoral studies have identified external obstacles that are hindering the progress of activities in which women are concentrated.

## **VI. CONCLUSIONS AND POLICY RECOMMENDATIONS**

Women's participation in the region's labour market is increasing, but it is marked by low productivity and income; women are primarily moving into the UIS because its operational patterns offer them the chance to obtain an income in a way that allows them to reconcile their occupational and reproductive roles. This situation needs to be handled in a way which will lead to a change in production patterns in combination with greater social equity. Some programmes and projects directed towards women actually have improved certain aspects of their living conditions, but they have usually tended to heighten women's marginality instead (Krawczyk, 1991). This study has found that the UIS or lower-productivity, less skilled jobs are indeed increasing in the region and that women perform many of those jobs. Thus, if we really want to combat poverty, it is essential that we concern ourselves with this sector.

Women working in the UIS constitute a highly diverse group. There are women that have some sort of connection with companies in the formal sector, and there are others who are own-account workers or micro-entrepreneurs. Policies should take into consideration this diversity and the characteristics of their target groups.

The large percentage of the urban labour force that is employed in the UIS, the large number of women within that segment of the workforce, the poverty that exists within it and the fact that broader policies have apparently failed to improve conditions in this sector or to reduce its size all strengthen the argument for policies targeting the UIS. Our analysis suggests that the UIS is complex and heterogenous, and it is therefore no easy task to achieve a significant improvement in conditions for the people working in the sector.

The chief objectives of policies aimed at the UIS and, specifically, at women in the UIS should be to boost the productivity of UIS workers. This is the only way to raise their incomes and reduce the poverty of their households. Since the effects of such programmes and policies will only be seen in the medium and long terms, they need to be supplemented by welfare-based policies to alleviate existing poverty conditions. These should include policies designed to improve health services, nutrition, housing, etc.

While keeping sight of the objective of increased productivity, all policies and programmes should place emphasis on the explicit incorporation of gender-related variables. Otherwise, these policies will not be successful in reaching the women of the sector and, given the large percentage of women working in the UIS, will therefore fail to attain their objective of reducing poverty.

Policies to increase the productivity of the female labour force need not differ from those aimed at the male labour force in the UIS except that they must take into account those characteristics and factors that are specific to women. Certain categories of policies should be mentioned at this point because of their present significance for the Latin American region:



**a) *Incorporation into macroeconomic and sectoral policies***

Gender-related variables should be incorporated into macroeconomic and sectoral policies so that policy-makers can determine how these policies affect women and whether or not they have an impact on the UIS. All policies affect women, but there is particular concern at present about certain target groups or segments of the labour market, and programmes are being implemented in these areas that should incorporate women in an explicit manner.

One such type of programme is the emergency social fund, which, as we saw earlier, is not reaching the women of the UIS. In view of the large amount of funding involved in these programmes and the political determination shown by the Governments to achieve a genuine reduction in poverty, an in-depth analysis should be undertaken of ways in which gender-related variables can be incorporated into these programmes. The idea is not simply to reach women with the welfare-based measures provided for by such funds, as has been done up to now in Bolivia, for example, but also to incorporate them into job-creation and, especially, micro-enterprise promotion programmes.

Another concern of the Governments of the region is the high rate of unemployment among young people, even in countries where unemployment among the population as a whole has ceased to be a problem (Chile). In an effort to rectify this imbalance in the labour market, youth training programmes are being designed and, in some cases, implemented as a means of improving young people's access to production activities. In many instances, a majority of the unemployed among the younger segments of the population are women; even when this is not the case, unemployment rates among young women are high, and they often have to accept very low-productivity, low-paying jobs in the UIS. Women are, as a whole, less educated than men in almost all parts of the region, and they therefore need training if they are to engage in higher-paying economic activities. Thus far, however, these youth training programmes do not appear to have incorporated gender-related variables but instead to have been designed with young men in mind. The times of day when training courses are offered, the places where such programmes are publicized, and even the way in which they are announced are geared to a male target population. The few activities which are offered for women are extensions of their domestic roles (sewing, cooking, etc.), and no research has been done to ascertain what market exists for the goods that their training will prepare them to produce. Once again, women's activities are not thought of in terms of their profitability but are instead regarded as outgrowths of women's inborn talents.

The traditional employment programmes that continue to be conducted in the region should provide for women's participation in activities that will actually enable them to improve their occupational status.

**b) *Access to factors of production***

UIS workers have only limited access to factors of production and markets; therefore, one of the things that needs to be done is to put an end to discrimination against these workers. In order to accomplish that, the first step is to assess the situation so that the barriers faced by UIS workers can be identified with a view to their subsequent elimination. Existing laws and regulations should be revised with a view to providing women with greater access to factors of production (capital, land, technology).

One of the greatest problems for women in the UIS is how to gain access to capital. Studies on the subject have found that small-scale businesses and

micro-enterprises have very limited access to capital through formal credit channels (Liedholm, 1987) despite the fact that credit is felt to be a necessary (albeit not the only) prerequisite for increased productivity and incomes (Lycette and White, 1988).

There are factors that restrict both men's and women's access to credit in the UIS, but some of these factors place a greater constraint on women owing to their specific characteristics. One exhaustive study (Lycette and White, 1988) has classified the factors limiting women's borrowing activity into factors of supply and demand. The supply factors mentioned include loan unit costs, amortization rates and regulatory policies, all of which discourage formal institutional lenders from extending credit in small amounts. Demand factors include loan processing costs, loan security requirements, credit application procedures, and social and cultural constraints. It is true that all these factors affect both men and women in the UIS, and it is therefore necessary to solve these problems for everybody. However, an analysis of the profile of women in the UIS shows that the problems they face are even greater: the amounts of credit needed by women are generally lower than the amounts sought by men due to the different types of activities in which they are engaged; owing to their domestic responsibilities, women do not have the time to complete loan application procedures; women are less able to meet loan security requirements; and there are social and cultural obstacles which make women reluctant to travel or to go to the corresponding institutions to apply for a loan.

Access to land as a factor of production is of most direct concern to rural women. All the countries' agrarian reform laws, with the exception of Cuba's and Nicaragua's, have excluded women from land awards by defining beneficiaries as heads of household, most of whom are men. Housing subsidies that give priority to heads of household have much the same type of effect, since this makes it more unlikely that women will have assets which they can offer as collateral on loan applications. A review of these criteria is needed in order to make it easier for women to gain access to production resources.

Women in the UIS also need access to technology, since an examination of past trends shows that the activities that have in some way been technologically upgraded are those in which men are in the majority.

Access to training as a means of raising productivity has already been mentioned in connection with young women, but this is a matter of great importance for all the women of the UIS. From the cases that have been studied, we can deduce the existence of educational gaps that work to the detriment of the women employed in the UIS. Training should take into account those traits or circumstances that are specific to women and should focus on "profitable" production activities rather than activities that are simply an extension of women's domestic roles. Instruction in accounting and administrative procedures should figure prominently in training courses, since follow-up studies have shown that training in a given production activity is not sufficient in and of itself.

If backstopping is to be provided for women micro-entrepreneurs, then there needs to be a system for evaluating surrounding conditions and assessing the micro-enterprise's needs and potentials. Ongoing evaluations and monitoring should also be performed in order to detect any changes that may occur among the beneficiaries.

It is important for the assisting organization to gradually transfer its tasks over to the beneficiaries themselves (e.g., loan application procedures). These micro-enterprises should be evaluated on the basis of the criteria normally applied to businesses, i.e., the objective should be increased profitability.

Micro-enterprise promotion programmes should not be directed towards women only. According to Buvinić (Buvinić, 1990), the emphasis on extremely poor women

borrowers should be maintained, but efforts should not be made to promote women's programmes as such. Experience has shown that if the programmes are defined as being for women, they may not be given access to major funding, may lack the institutional capacity to implement production programmes and are therefore likely to end up as welfare-based programmes that have a high probability of failure. Instead, Buvinić proposes that the executing agencies for such projects should be integrated organizations that include low-income women; in addition, the loans should be small in size and be granted for a suitable term, loan processing costs should be held to a reasonable level and a minimum of collateral should be required.

In short, it is suggested that, rather than implementing women's projects as such, it is better to incorporate women into large-scale projects while taking into consideration the circumstances and traits specific to women. Accordingly, it is recommended that such programmes should: define a target population that includes both men and women; determine the amounts of credit required; hold collateral requirements to a minimum; establish suitable credit terms and conditions (interest rates, repayment periods, etc.); train participants in activities that will increase their micro-enterprises' profitability; schedule training courses at times that will not interfere with domestic chores; evaluate and monitor the participants' progress; and gradually transfer functions from the assisting organization to the beneficiaries so that they may assume the relevant responsibilities.

**c) *Access to legal status in the UIS***

In this context, the term "access to legal status" refers to the need to simplify regulations and statutes that hinder the legal constitution of informal activities. Many of these activities lack legal status for economic reasons (Tokman, 1989). In many cases, if informal activities were to take on the legal status of businesses, i.e., if they paid taxes and met all legal requirements, they would probably cease to be profitable. Thus, the existence of the UIS must first be accepted, and ways need to be found to simplify the relevant legislation so as to reduce bureaucratic obstacles. Achieving legal status is even more difficult in the case of UIS women because of their lower level of education and because most of them are older women who must find a way of reconciling the two different roles they are called upon to perform.

**d) *Specific policies and programmes***

This category includes policies aimed at the UIS which incorporate gender-related variables. To that end, activities should be selected which employ a large number of people and have the potential for expansion.

In view of women's over-representation among micro-entrepreneurs, micro-enterprise promotion programmes are recommended; these programmes must, however, fulfil certain conditions so that they can be effective in reaching women:

i) Considerations of project profitability should take precedence over welfare based criteria which define women as an agent of reproduction rather than of production;

ii) Programmes should be an integral part of general and sectoral economic policy. For example, if support is to be given to a certain type of production, the assistance should be provided in a way that takes into account the country's overall goals in terms of the sectors it wants to promote;

iii) Projects' operational units should be integrated with their executing agencies and with policy, and the officials in charge of directing and running these projects should be trained to do so; and

iv) A project evaluation and monitoring system needs to be established and a set of social indicators should be used to measure each project's impact.

e) ***Improved information resources***

If policies are to be designed for UIS women, better baseline analyses must first be prepared for each country and, in fact, each zone, since the sector's heterogeneity is so marked that such studies are needed in each case before policies can be defined. To that end, the quality of statistics must be improved in the ways discussed earlier, and existing information and studies need to be put to better use. Only then can suitable policies for various different sets of conditions be designed.

One way of accomplishing this is through cooperation by United Nations bodies in the promotion of national, subregional and regional programmes that use the approaches outlined above; at the governmental level, cooperation should be oriented towards strengthening women's units, providing technical assistance in the area of programme formulation, and backstopping programmes designed to furnish support for women in the UIS and training that will include women.

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## STATISTICAL ANNEX

Table 1  
 PERCENTAGE OF THE LABOUR FORCE EMPLOYED IN THE UIS  
 IN LATIN AMERICA

*(Based on national census data)*

Year	%	
1950	20.0	(10.7)
1960	19.5	( 9.2)
1970	20.1	( 9.5)
1980	20.3	( 8.4)

**Source:** Jaime Mezzera, "Excedente de oferta de trabajo y sector informal urbano", *La mujer en el sector informal: trabajo femenino y microempresas en América Latina*, Marguerite Berger and Mayra Buvinić (eds.) Caracas, Editorial Nueva Sociedad, 1988.

**Note:** The figures given in parentheses refer to employment in domestic service.

Table 2  
 PERCENTAGE OF THE LABOUR FORCE EMPLOYED IN THE UIS  
 IN LATIN AMERICA

*(Based on household survey data)*

Year	%
1980	24.0
1983	26.0
1986	28.0
1989	30.0

**Source:** Ricardo Infante, *Mercado de trabajo y deuda social en los 80*, Investigaciones sobre empleo series, No. 35, Santiago, Chile, PREALC, 1991.

Cuadro 3

PERCENTAGE OF WOMEN EMPLOYED IN THE UIS IN SELECTED  
LATIN AMERICAN COUNTRIES

(Based on household survey data)

		Year	%
Ecuador	(Quito)	1987	33.0
Colombia		1976	21.5
		1980	23.5
		1988	26.1
Bolivia	(Santa Cruz)	1988 *	44.6
	(Cochabamba)	1988 *	64.6
Chile		1985	19.7
		1986	22.1
		1987	22.4
		1988	23.4
		1989	24.0
		1990	22.8
Costa Rica	(San José)	1985	13.4
Panamá		1985	8.4
Paraguay		1990	40.7
Venezuela	(Caracas)	1985	12.2
Brazil	(São Paulo)	1985	14.9

Source: Ecuador and Colombia: PREALC, *Inserción laboral y estratificación socioeconómica de la mujer en el área andina*, Working paper series, No. 358, Santiago, Chile, PREALC, 1991; Bolivia (Santa Cruz and Cochabamba): M. Villarreal, "Informalidad, pobreza y mujer. El caso de Bolivia", Santiago, Chile, PREALC, preliminary version, 1992; Costa Rica (San José) and Brazil (São Paulo): ECLAC, "Mujer y mercado de trabajo urbano en una situación de crisis: análisis y evaluación a partir de dos encuestas de hogares, 1980 y 1984" (LC/G.1546), Santiago, Chile, March 1989; Paraguay: M. Pollack, "Grupos vulnerables del mercado de trabajo. Los casos de Chile y Paraguay", Santiago, Chile, PREALC, 1992, unpublished.

Note: Figures marked with an asterisk were obtained from migration and employment surveys rather than official household surveys.

Table 4

CHILE: PERCENTAGE OF THE LABOUR FORCE EMPLOYED IN THE UIS,  
BY GENDER

Year	Men	Women	Total
1985	22.5 (22.8)	19.7 (42.4)	21.6 (30.1)
1986	25.3 (25.5)	22.1 (45.5)	24.2 (32.7)
1987	25.3 (25.5)	22.4 (45.9)	24.3 (32.7)
1988	23.9 (24.0)	23.4 (47.7)	23.7 (32.4)
1989	23.7 (23.9)	24.0 (45.6)	23.8 (31.6)
1990	24.0 (24.2)	22.8 (44.2)	23.6 (31.6)

Source: PREALC, on the basis of special tabulations of household surveys conducted by the National Institute of Statistics (INE).

Note: The figures given in parentheses include domestic service in UIS employment totals.

Table 5

CHILE: SEGMENTATION OF THE LABOUR MARKET, BY GENDER, 1980-1984

	Men		Women	
	1980	1984	1980	1984
Formal sector	74.2	72.9	53.5	52.6
Informal sector	25.3	26.7	24.3	23.5
Domestic service	0.4	0.3	22.2	23.9

Source: ECLAC, "Mujer y mercado de trabajo urbano en una situación de crisis: análisis y evaluación a partir de dos encuestas de hogares, 1980 y 1984" (LC/G.1546), Santiago, Chile, March 1989.

Table 6

CHILE: SEGMENTATION OF THE URBAN LABOUR MARKET,  
BY GENDER, 1980-1984

	Men		Women	
	1980	1984	1980	1984
Formal sector	61.7	55.3	45.8	40.1
UIS	21.0	20.3	20.8	17.9
Domestic employees	0.3	0.2	19.0	18.2
Unemployed	12.0	15.9	10.7	19.0
Employment programmes	4.9	8.3	3.7	4.8

Source: ECLAC, "Mujer y mercado de trabajo urbano en una situación de crisis: análisis y evaluación a partir de dos encuestas de hogares, 1980 y 1984" (LC/G.1546), Santiago, Chile, March 1989.

Table 7

CHILE: SEGMENTATION OF THE URBAN LABOUR MARKET,  
BY GENDER, 1980-1984

	Formal sector		Informal sector	
	1980	1984	1980	1984
Men	72.2	71.9	66.1	67.7
Women	27.8	28.1	33.9	32.3

Source: ECLAC, "Mujer y mercado de trabajo urbano en una situación de crisis: análisis y evaluación a partir de dos encuestas de hogares, 1980 y 1984" (LC/G.1546), Santiago, Chile, March 1989.

Table 8

CHILE: PROFILES OF FORMAL- AND INFORMAL-SECTOR WORKERS,  
BY GENDER

	1980		1984	
	SF	SIU	SF	SIU
<b>MEN</b>				
<u>Age</u>				
15-24	22.2	15.6	17.3	13.4
25-44	51.8	41.4	56.3	42.0
45 and over	26.0	43.3	26.5	44.2
<u>Education</u>				
Elementary	35.8	45.4	28.9	40.4
Secondary	54.2	49.4	60.5	55.2
Higher	10.0	5.2	10.6	4.4
<b>WOMEN</b>				
<u>Age</u>				
15-24	22.3	8.7	21.4	8.1
25-44	57.9	48.9	59.1	45.8
45 and over	18.6	42.2	19.3	46.3
<u>Education</u>				
Elementary	33.1	49.0	28.2	47.4
Secondary	56.1	48.7	59.6	49.7
Higher	10.8	2.3	12.2	2.9

Source: ECLAC, "Mujer y mercado de trabajo urbano en una situación de crisis: análisis y evaluación a partir de dos encuestas de hogares, 1980 y 1984" (LC/G.1546), Santiago, Chile, March 1989.

Table 9

CHILE (GREATER SANTIAGO): HEADS OF HOUSEHOLD EMPLOYED  
IN THE FORMAL AND INFORMAL SECTORS,  
BY GENDER AND HOUSEHOLD INCOME STRATUM

	1980		1984		1987	
	Men	Women	Men	Women	Men	Women
<b><u>Indigent</u></b>						
Formal sector	10.4	10.8	31.3	20.7	15.1	22.8
UIS	30.2	35.1	25.6	34.5	34.1	26.3
Domestic service	0.5	24.3	0	24.1	0	33.3
Private employment	59.1	29.7	43.1	20.7	50.8	27.5
<b><u>Poor</u></b>						
Formal sector	11.1	8.9	17.0	20.9	13.1	10.7
UIS	25.5	30.4	25.6	16.3	20.9	27.7
Domestic service	0	26.8	0.2	37.2	0	18.5
Private employment	62.9	33.9	57.1	25.6	65.9	43.1
<b><u>Not poor</u></b>						
Formal sector	24.7	22.9	28.1	28.7	26.2	27.6
UIS	22.4	23.8	21.1	22.5	19.2	17.6
Domestic service	0	9.5	4.5	10.4	0	9.9
Private employment	53.0	46.3	50.9	38.3	54.7	45.0

Source: M. Pollack, "Women workers and economic cycle", paper presented at the Conference on Weathering the Economic Crisis: Women's Responses to Recession in Latin America and the Caribbean, Washington, D.C., International Center for Research on Women, 1990.

Table 10

PERCENTAGE OF THE LABOUR FORCE EMPLOYED IN THE UIS,  
BY GENDER, AGE GROUP AND INCOME LEVEL

	Women			Men		
	Indigent	Poor	Not poor	Indigent	Poor	Not poor
<b>Guatemala (1986)</b>						
15-19	0.77	0.77	0.68	0.65	0.53	0.37
20-24	0.73	0.49	0.45	0.59	0.34	0.26
25-49	0.84	0.52	0.34	0.61	0.32	0.23
50-64	0.90	0.90	0.51	0.75	0.53	0.29
Total	0.84	0.59	0.44	0.66	0.39	0.28
<b>Honduras (1986)</b>						
15-19	0.58	0.45	0.64	0.48	0.28	0.59
20-24	0.65	0.30	0.40	0.39	0.31	0.25
25-49	0.85	0.61	0.51	0.48	0.27	0.23
50-64	0.95	0.99	0.91	0.58	0.36	0.36
Total	0.68	0.43	0.53	0.49	0.30	0.27
<b>Paraguay (1990)</b>						
15-24	0.39	0.35	0.17	0.67	0.44	0.44
25 y más	0.65	0.60	0.41	0.66	0.49	0.44

Source: Guatemala and Honduras: A. Uthoff, "Population and development in the Central American Isthmus", *CEPAL Review*, No. 40 (LC/G.1613-P), Santiago, Chile, April 1990; Paraguay: M. Pollack, "Grupos vulnerables del mercado de trabajo. Los casos de Chile y Paraguay", Santiago, Chile, PREALC, 1992, unpublished.



Table 11

PARAGUAY: SEGMENTATION OF THE LABOUR MARKET,  
BY GENDER, 1990

(Percentages)

	Indigent		Poor		Not poor		Total	
	Men	Women	Men	Women	Men	Women	Men	Women
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Formal sector	26.3	16.1	39.1	20.1	47.5	34.8	42.9	29.5
UIS	66.5	58.1	48.5	52.6	44.1	34.1	47.8	40.7
Domestic service	0	25.8	0	23.8	0	26.1	0	25.5
Other	7.3	0	12.4	3.5	8.5	5.1	9.4	4.3
<b>Heads of household - total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Formal sector	27.6	18.6	40.0	35.8	49.3	34.9	43.0	30.6
UIS	64.9	62.4	49.0	52.7	44.6	52.2	49.2	55.3
Domestic service	0	19.0	0	5.7	0	9.6	0	10.8
Other	7.5	0	11.0	5.7	6.1	3.3	7.8	3.3

Source: M. Pollack, "Grupos vulnerables del mercado de trabajo. Los casos de Chile y Paraguay", Santiago, Chile, PREALC, 1992,

Table 12

PARAGUAY: JOB CATEGORIES OF INFORMAL SECTOR WORKERS,  
BY INCOME LEVEL AND AGE GROUP, 1990  
(Percentages)

	Indigent		Poor		Not poor	
	Men	Women	Men	Women	Men	Women
UIS	100.0	100.0	100.0	100.0	100.0	100.0
15-24						
Non-manual workers	7.5	16.7	6.3	62.0	22.0	46.2
Manual workers	64.8	51.5	62.1	13.0	54.6	27.1
Owners	6.9	0	3.0	0	5.5	0
Own-account workers	20.8	32.4	28.6	18.5	13.6	26.7
Unpaid family workers	0	0	0	6.5	4.2	0
UIS	100.0	100.0	100.0	100.0	100.0	100.0
25 and over						
Non-manual workers	4.2	3.0	5.4	8.5	12.1	13.6
Manual workers	48.8	6.1	29.2	7.5	19.5	5.1
Owners	8.0	0	23.1	1.1	34.0	10.4
Own-account workers	39.1	90.9	42.3	82.9	33.9	70.9
Unpaid family workers	0	0	0	0	0.5	0

Source: M. Pollack, "Grupos vulnerables del mercado de trabajo. Los casos de Chile y Paraguay", Santiago, Chile, PREALC, 1992,

Table 13

## VENEZUELA: SEGMENTATION OF THE FEMALE LABOUR FORCE, 1977-1981

	1977	1978	1979	1980	1981
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Formal sector	60.4	61.9	63.2	63.1	58.0
Informal sector	39.6	38.1	36.8	36.9	42.0

Source: Central Office for Planning and Coordination (CORDIPLAN) of Venezuela, "El proceso de participación laboral femenina y políticas de apoyo para la mujer del sector informal urbano", Caracas, 1984.

Table 14

VENEZUELA: JOB DISTRIBUTION AMONG WOMEN IN THE INFORMAL SECTOR,  
1977-1981

(Percentages)

	1977	1978	1979	1980	1981
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Small-business owners	5.6	4.4	4.5	3.3	3.7
Small-business workers (manual and non-manual)	25.1	26.6	26.7	26.5	53.9
Own-account workers	69.3	69.0	68.8	70.2	42.4

Source: CORDIPLAN, "El proceso de participación laboral femenina y políticas de apoyo para la mujer del sector informal urbano", Caracas, 1984.

Table 15

VENEZUELA: WOMEN OWN-ACCOUNT WORKERS IN THE UIS,  
 BY JOB CATEGORY, 1977-1981  
 (Percentages)

	1977	1978	1979	1980	1981
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Office workers	0.2	0.8	0.7	0.7	0.6
Vendors	36.9	41.9	41.4	44.4	46.9
Artisans and workshop workers	37.0	32.5	31.8	31.3	28.2
Service workers	24.1	23.0	24.4	21.5	21.8
Other	2.2	1.8	1.8	2.1	2.6

Source: CORDIPLAN, "El proceso de participación laboral femenina y políticas de apoyo para la mujer del sector informal urbano", Caracas, 1984.

Table 16

VENEZUELA: PROFILE OF THE FEMALE LABOUR FORCE EMPLOYED  
IN THE UIS, 1977 AND 1981

	UIS		Urban EAP	
	1977	1981	1977	1981
<u>Age *</u>				
15-19	0	1.5	0	8.3
20-24	0	7.1	0	18.2
25-34	0	25.4	0	33.6
35-44	0	29.3	0	23.2
45-54	0	20.2	0	11.2
55-64	0	12.1	0	4.3
65 and over	0	4.3	0	1.1
<u>Educational level</u>				
Illiterate	26.0	19.3	9.1	5.6
No schooling	5.7	3.9	2.4	1.5
Elementary	56.2	58.0	43.7	39.0
Secondary	11.8	17.9	36.7	44.0
Higher	0.5	0.8	8.1	9.9
<u>Hours worked</u>				
1-29	34.3	32.0	9.5	8.1
30-40	43.0	44.7	53.3	55.3
41 and over	22.7	23.3	37.2	36.6
<u>Employed, not working</u>				
	0	0	5.4	4.4
<u>Relationship</u>				
Employer	37.3	36.1	18.6	17.9
Wife or companion	44.5	44.2	30.7	29.9
Daughter	8.5	11.1	28.3	32.7
Other kinship	8.1	6.8	11.6	11.1
Not related	1.6	1.8	10.8	8.4

Source: CORDIPLAN, "El proceso de participación laboral femenina y políticas de apoyo para la mujer del sector informal urbano", Caracas, 1984.

\* The data given for age groups are for the year 1982 and correspond to women own-account workers in the UIS rather than to all women UIS workers.

Table 17

PROFILE OF WORKERS EMPLOYED IN PROJECTS FINANCED BY BOLIVIA'S  
EMERGENCY SOCIAL WELFARE FUND  
(Percentages)

	Estudio Castaños	Estudio Newman Jorgensen Pradhan
<b>Age</b>		
20-65		91
Under 40	73	
15-29	48	
<b>Heads of household</b>	55	
Men		90
Married		71
<b>Education</b>		
None	2	6
Basic	40	41
Intermediate	27	24
Secondary		26
Technical		1
University		2
<b>Housing - access to services</b>		
Own dwelling	59	
Electricity	30	
Sanitation service	22	
Sewerage	16	
Drinking water supply network	54	
<b>Families with a single income source</b>		
From FSE	51	62
<b>Families with another income source</b>	49	34
<b>Workers with another job</b>	25	7
<b>Unemployed prior to participation in FSE</b>	44	39
<b>Employed prior to participation in FSE</b>	29	54
Construction		60
Sales		5
Mining		1

Source: G. Avila, F. Campero and J. Patiño, "Un puente sobre la crisis", La Paz, Fondo Social de Emergencia (FSE), 1992.