

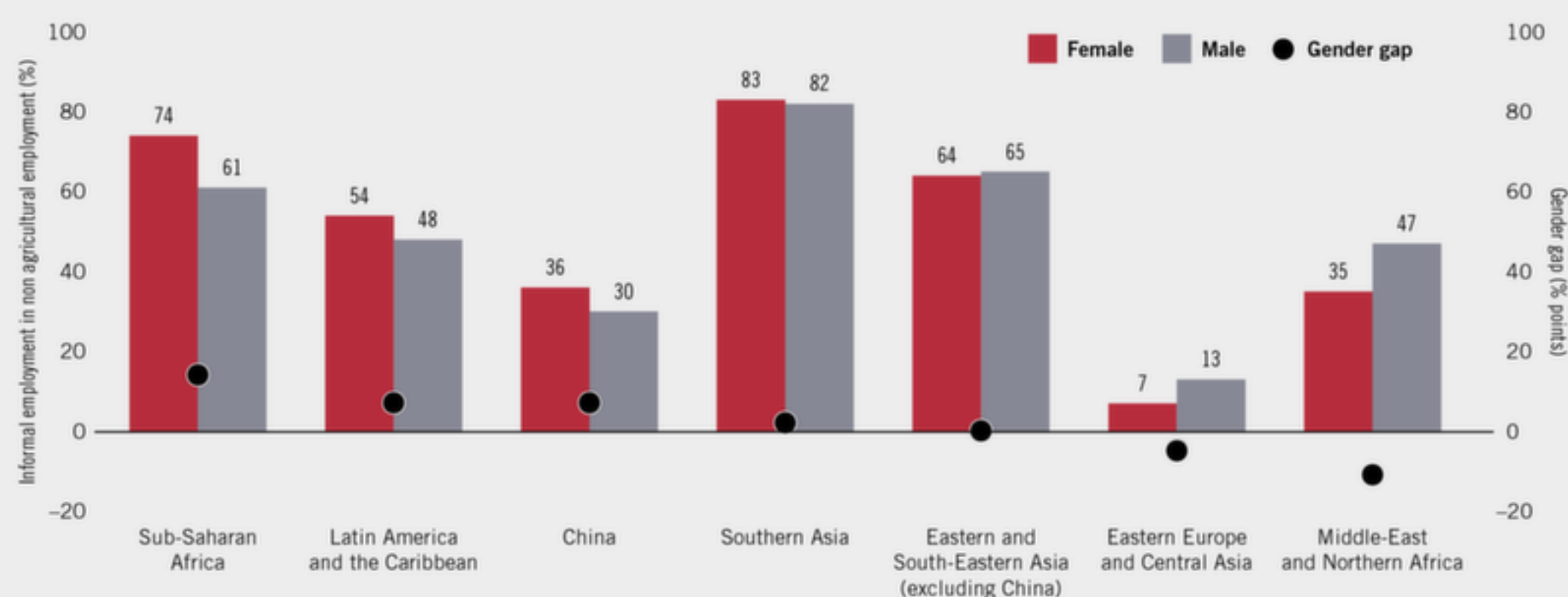
D. Higher proportion of women in informal employment

The new Transition from the Informal to the Formal Economy Recommendation, 2015 (No. 204) acknowledges that most people enter the informal economy, which is characterized by low productivity and low pay, not by choice but impelled by the lack of opportunities in the formal economy and an absence of other means of livelihood. Informal employment constitutes more than one half of non-agricultural employment in most regions of the developing world (figure 4).⁶

In three out of six regions, informal employment is a greater source of non-agricultural employment for women than for men (sub-Saharan Africa, Latin America and the Caribbean and Southern Asia). Women remain overrepresented as contributing family workers or in occupations (such as domestic workers) that are more likely to be in informal work arrangements, preventing their access to social protection (Burnham and Nik, 2012; Vanek et al., 2014; UN Women and ITUC, 2013). In Latin America, the situation differs across countries, with the share of non-agricultural informal employment ranging from 36.4 per cent in Brazil to levels above 70 per cent in Honduras and Guatemala (ILO, 2013a). In all circumstances, however, informality disproportionately affects women, young people and households at the bottom of the income distribution chain (ILO, 2016). In sub-Saharan Africa, where the gender gap is the highest, the percentage of women in informal employment is higher than that of men in all countries for which data were available. Informal employment, as a share of total non-agricultural employment, ranges from 33 per cent in South Africa to 82 per cent in Mali (ILO, 2013a). In the Middle East and Northern Africa⁷ and in Eastern Europe and Central Asia⁸ informal employment is a greater source of employment for men than for women.

Figure 4

Informal employment as a percentage of non-agricultural employment by sex (latest year available)



Note: This figure is reproduced from Vanek et al., 2014: the regional groupings differ from those in the ILO official regional classification. The regional estimates of employment in the informal economy combine direct estimates from survey data (40 countries) with indirect estimates for those countries lacking direct estimates (80 countries). The estimates for urban China are based on six cities: Fuzhou, Guangzhou, Shanghai, Shenyang, Wuhan, and Xi-an. Since the data for China only cover six cities in the country, they are not comparable in terms of geographical coverage to the national data used to prepare the regional estimates. The gender gap is measured as the difference between the proportion of women and men in informal employment outside agriculture. Source: Vanek et al., 2014.

6. Informal employment represents 82 per cent of total non-agricultural employment in Southern Asia, 66 per cent in Sub-Saharan Africa, 65 per cent in Eastern and South-Eastern Asia and 51 per cent in Latin America. In the Middle East and Northern Africa, informal employment is 45 per cent that of non-agricultural employment. Eastern Europe and Central Asia have the lowest level – at 10 per cent – which reflects the legacy of a centrally planned economy where informal activities were considered illegal and even forbidden. Estimates for China, which are based on six cities, show that 33 per cent of non-agricultural employment is informal (Vanek et al., 2014).

7. In the Middle East and Northern Africa, 47 per cent of men and 35 per cent of women workers are in informal employment. In the two regions women's employment-to-population ratio is much lower than men's. Women have much less access to any kind of employment when compared to men. The subgroup of women who are able to enter non-agricultural employment may have better access to formal jobs.

8. Unlike in other regions, in Eastern Europe and Central Asia, the percentages of informal employment and informal sector employment are systematically higher for men than for women in the few countries for which data were available (ILO, 2013a). Among the possible factors are the percentages of women in wage and salaried employment and of women employed in the public sector that exceed that of men (ILO, 2013a; UNIFEM, 2006).