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**THE URBAN INFORMAL ECONOMY:
A SUPPORTIVE POLICY FRAMEWORK**

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WIEGO

REMARKS IN THREE PARTS

- **Recent Trends**
 - urbanization
 - Informalization
- **The Urban Informal Workforce**
 - composition
 - common problems
- **Policy Framework for Urban Informal Economy**

RECENT TRENDS

- **Urbanization**

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

- **Informalization**

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

THE URBAN INFORMAL WORKFORCE: MAJOR OCCUPATIONAL GROUPS

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

AHMEDABAD, CITY

Distribution of Total Workforce by Gender and Place of Work*

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

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

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

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

THE URBAN INFORMAL WORKFORCE: COMMON CONCERNS

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

POLICY FRAMEWORK FOR THE URBAN INFORMAL ECONOMY

Key areas of urban policies:

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