

Informal and precarious work: Persistent inequalities exacerbated by the global pandemic

Damian Grimshaw

Professor of Employment Studies & Associate Dean, King's College London

Global economic crises are never neutral for equalities in society and the coronavirus pandemic is no exception. The terrible human and economic consequences of the virus amplified and aggravated inequalities in ways that, if not effectively addressed, risk entrenching the unequal imbalances in our societies as economies recover from deep recessions. These dynamic and challenging forces of change played out in the world of work and, in doing so, they illuminated the raft of intersecting inequalities among types of work and groups of workers, exposing those in the most vulnerable circumstances to the risks of ill health, poverty, hunger and insecurity.¹

Workers engaged in informal and precarious work were especially harmed by the crisis. Informal employment is an enduring reality for around three in five workers worldwide; it is the regular form of work in developing and emerging economies and is also rising in many developed countries. Lack of basic protections of sickness benefits, paid leave or even healthcare, as well as low and irregular earnings and no employment protection, means that informally employed workers quickly fell into poverty or suffered ill health during the crisis.² As a result, the aggravated precarious status of the estimated 2 billion people around the world in informal work has been a key factor, if not *the* key factor, in reversing the past progress on global poverty, global hunger and global health goals.

Understood as a fundamental marker of inequality, it is time to recognise that informal and precarious work diminishes the socio-economic resilience of countries to respond and adapt to external economic shocks. This is why it is so important to bring an understanding of informal and precarious work to the centre of our SDG policy recommendations for inclusive and sustainable development, the purpose of this short briefing note.

1. Tracking informal and precarious work

The ILO's international standardised measure of informal work combines an enterprise and jobs-based approach. It defines informal work as involving: work in the informal economy (unregistered enterprises and/or making no social security protections); informal work in the formal economy (non-declared jobs, earnings below social protection thresholds, or non-compliance with law); and informal work in households (contributing family workers).³ It is found in all sectors of the global economy, is often highly precarious (with low and insecure income, few employment rights and weak or no social protection) and displays strong interlinkages with the formal sector. It also encompasses a variety of employment forms. These include own-account workers (self-employed persons without paid employees), contributing family workers and casual wage earners in the informal economy, and workers with diverse contractual arrangements in the formal economy, including the digital economy.⁴

Across the world, the ILO estimates that 2 billion workers are in informal work. This represents a majority of the global workforce, 61 per cent.⁵ Its prevalence by country is strongly differentiated, marked by a far higher share of employment in developing and emerging economies (70 per cent) than in developed economies (18 per cent) (Figure 1). In most developing and emerging economies,

¹ ILO (2021) *Inequalities and the World of Work*. High level discussion paper for the International Labour Conference 109th Session, 2021. https://www.ilo.org/ilc/ILCSessions/109/reports/reports-to-the-conference/WCMS_792123/lang-en/index.htm.

² ILO (2020) Covid-19 crisis and the informal economy, *ILO Brief* May 2020; WIEGO (2020) *Informal Workers in the Covid-19 Crisis: A Global Picture of Sudden Impact and Long-term Risk*, wiego.org.

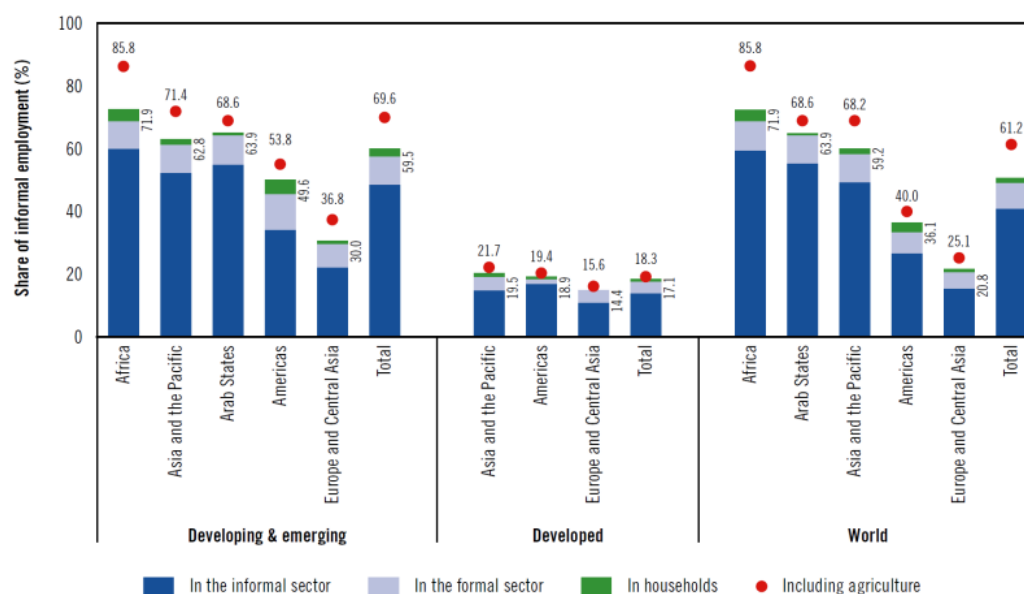
³ ILO (2018) *Women and Men in the Informal Economy: A Statistical Picture*, Geneva: ILO.

⁴ For India, for example, informal work can be found among street vendors, domestic workers, daily-wage construction workers, small-scale entrepreneurs, piece-workers and artisans, as well as middle-class professionals running businesses from their homes – see Unni, J. and Rani, U. (2003) Social protection for informal workers in India: Insecurities, instruments and institutional mechanisms, *Development and Change* 34(1): 127-161.

⁵ The ILO's international estimate covers available data for 119 countries, representing over 90 per cent of the world's workforce (ILO, 2018: Appendix A.3).

therefore, informality is the predominant reality of work. Indeed, it characterises the work of more than nine in ten workers in many countries, including most countries in Central, Eastern and Western Africa, as well as several populous countries in South-Eastern and Southern Asia (such as Cambodia, Bangladesh and India, among others).⁶

Figure 1. Informal employment as a percentage of total employment, by region and by type of informal employment (2016 data)



Source: ILO (2018: Figure 5 Panel C).

There is a negative relationship between a country's share of informal employment and its average income level, as well as its level of human development.⁷ Moreover, this relationship holds whether or not agricultural employment is included or excluded (Figure 1). Nevertheless, the relationship with a country's average income level is not straightforward. Figure 2 shows that there is considerable overlap in the share of informal work by country income group (here, excluding agricultural employment to emphasise the point). For example, several upper-middle income countries exhibit high informality rates that are in fact comparable to low-income countries (above 60 per cent in upper-middle income countries Botswana, Iraq, Namibia and Paraguay). Moreover, informal employment is quite prevalent in many high income countries; it accounts for more than a quarter of non-agricultural employment in Greece, Poland and Spain and, overall, averages 18 per cent of non-agricultural employment in the developed world (Figure 1).

The key problem of informal work is its precarious nature. For the bulk of workers undertaking informal work, precarity means low and irregular earnings, insecure work and a lack of protections to employment rights or social benefits (such as sick pay, maternity leave, unemployment benefits, pensions among others).

Importantly, the character of precarious work is not exclusive to informal employment. In many developed and developing countries, recent years have witnessed a rise in precarious work in formal employment as employers and states have purposefully acted and regulated for more flexible labour regimes.⁸ On the one hand, governments have reduced regulatory protections (such as employment protection, welfare benefits and freedom of association rights). On the other hand, they have promoted (or neglected to adequately regulate) diverse non-standard forms of employment, including

⁶ ILO (2018: Table B.1).

⁷ ILO (2018: Figures 17, 18)

⁸ Hammer, A. (2019) Comparative capitalism and emerging economies: formal-informal economy inter-lockages and implications for institutional analysis. *Review of International Political Economy*, 26(2): 337-360.

fixed-term and temporary agency work, casual and seasonal work, part-time and irregular zero hours contracts, as well as dependent self-employment.⁹ New research also identifies employers as sometimes willing and able to avoid existing employment protections, whether in a context of representation gaps (absent or weakened collective bargaining coverage and/or trade union influence in the workplace) or by pressing for the ‘informal renegotiation’ of workplace rules, destabilising prevailing employment standards.¹⁰

Figure 2. Informal employment as a percentage of non-agricultural employment by sex and country income group



Source: ILO (2019: Figure 1.3).¹¹

These changes have accelerated informal and precarious work as growing areas of the formal economy slip beyond regulatory optics, or become increasingly co-dependent with the informal economy. This raises new challenges for strengthening compliance and extending legal coverage within and between countries, as well as for trade unions’ role in extending solidarity.¹² Indeed, growing informality and precarity in developed countries has sparked some scholars to argue that the new norm in global capitalism is insecurity, overturning our ideas about the inevitability of development and change towards higher incomes, human development and wellbeing.¹³

2. Informal work and inequalities

Informal and precarious work is a key reason for high levels of inequality within and between countries. Informality covers a wide range of situations and types of work, but all share one important characteristic: they are not recognized or sufficiently protected under the relevant legal and regulatory frameworks and are therefore more vulnerable to external shocks and economic cycles than formal employment, as we have witnessed during the Covid-19 pandemic (see below).¹⁴

Limited protection means few labour rights or coverage by collective bargaining, leading to poor working conditions including earnings below the daily or weekly minimum wage.¹⁵ For most, it is usually associated with low productivity, higher exposure to health and safety risks without

⁹ Grimshaw, D., Johnson, M., Rubery, J. and Keizer, A. (2016) *Reducing Precarious Work: Protective Gaps and the Role of Social Dialogue in Europe*, Report for the European Commission (DG Employment, Social Affairs and Equal Opportunities).

¹⁰ Wagner, I. (2015) Rule enactment in a pan-European labour market, *British Journal of Industrial Relations*, 53(4): 692-710. See, also: Jaehrling, K. and Méhaut, P. (2013) Varieties of institutional avoidance: Employers’ strategies in low-waged service sector occupations in France and Germany, *Socio-Economic Review*, 11(4): 687-710; Rubery, J. et al. (2018) Challenges and contradictions in the ‘normalising’ of precarious work, *Work, Employment and Society*, 32(3): 509-527.

¹¹ ILO (2019) *Time to Act for SDG 8: Integrating Decent Work, Sustained Growth and Environmental Integrity*, Geneva: ILO.

¹² A positive example is the EU’s 2022 draft directive on corporate sustainability due diligence, which targets corporate behaviour in global supply chains, to end child labour and exploitation of workers (https://ec.europa.eu/commission/presscorner/detail/en/ip_22_1145).

¹³ Breman, J. and Van der Linden, M. (2014) Informalizing the economy, *Development and Change*, 45(5): 920-940.

¹⁴ ILO (2002) *Decent Work and the Informal Economy*, Report VI, International Labour Conference, 90th Session.

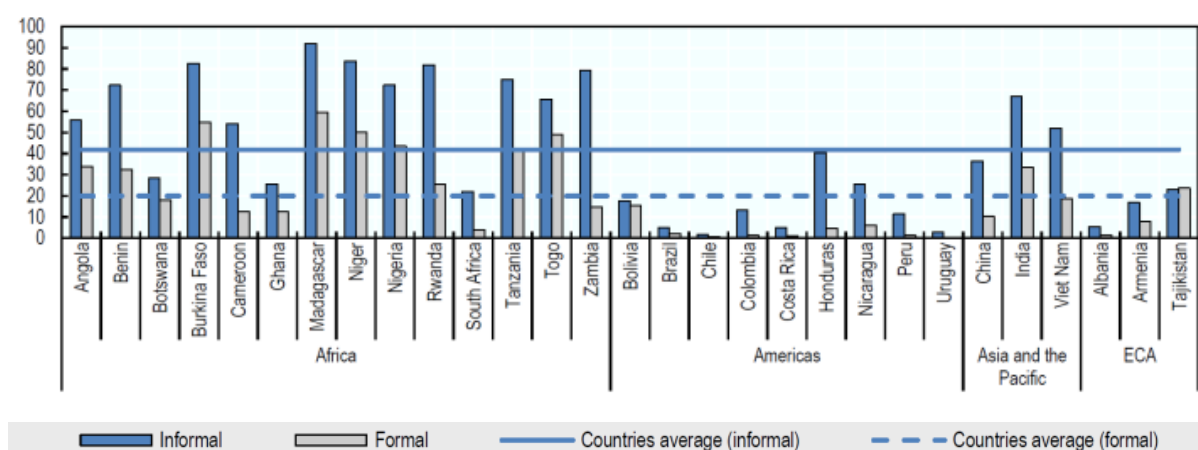
¹⁵ ILO (2021) *Global Wage Report 2020-21: Wages and Minimum Wages in the Time of Covid-19*, Geneva: ILO.

appropriate social protection, lack of trade union representation, poor access to training and retraining, and income insecurity, often leading to extreme poverty. In addition, informal and precarious workers often face limited rights to legal ownership of key assets (such as land, home and enterprise). This hinders their ability to expand their horizons and improve living standards by accumulating income and capital. It also exposes them to the predatory behaviour of unscrupulous financial lenders and a long-lasting, vicious cycle of indecent forms of work.¹⁶

Global analysis by the ILO provides concrete evidence of multiple interlinking inequalities associated with informal employment, in particular:

In-work poverty. Households working informally experience a high risk of in-work poverty due to low earnings and limited social protection. Informal workers (whether wage or non-wage workers) are twice as likely as formal workers to be poor: in the selected 29 developing and emerging countries with available data, Figure 3 shows that the share of the working poor is on average approximately 20 per cent for formal workers but rises to 42 per cent for informal workers (US\$3.10 PPP). In several countries in Africa, the incidence of poverty among informal workers surpasses 70 percent and is thus a general feature of life for the majority of people.

Figure 3. The percentage share of working poor in formal and informal work (\$US3.10 per day, PPP)



Source: OECD/ILO (2019: Figure 3.1A) *Tackling Vulnerability in the Informal Economy*, Development Centre Studies, OECD.

Working time. Workers in informal employment are more likely than those in formal employment to work very short hours and also more likely to work excessive hours (weekly thresholds of 20 and 48 hours, respectively). Generally this is because these are the only available options rather than the result of individual choice.¹⁷ Very short hours are associated with problems of under-employment, poverty and precarity, while excessive hours present serious health and safety risks. The region of Africa registers the largest inequalities for short hours working; informal workers are five times more likely than formal workers to work less than 20 hours per week (18 and 3 per cent). Europe and Central Asia show the largest inequalities for excessive hours working (28 and 15 per cent, respectively), but the highest overall incidence is Asia and the Pacific (52 per cent for informal workers and 43 per cent for formal workers).¹⁸

Freedom of association. Workers in informal employment should enjoy the same rights to freedom of association and collective bargaining as formally employed workers.¹⁹ However, the evidence points to major inequalities in formal representation, reflecting a combination of limited scope of labour legislation, non-compliance with the law and individual worker opportunity and

¹⁶ Natarajan, N., Brickell, K. and Parsons, L. (2021) Diffuse drivers of modern slavery: From microfinance to unfree labour in Cambodia. *Development and Change*, 52(2): 241-264.

¹⁷ ILO (2018: pp. 61-65).

¹⁸ ILO (2018: Figures 33.A, 35.A).

¹⁹ This is in line with the ILO's Transition from the Informal to the Formal Economy Recommendation, 2015 (No. 204, para. 16); https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:R204.

choice. ILO data estimate that union membership amounts to 17 per cent of all wage earners globally but just 2 per cent of own-account workers; inequalities in representation are largest in the sub-regions of Western Africa and Southern Asia.²⁰ Workers may be hesitant to join a union despite its benefits because of a more tenuous attachment to the workplace or a fear of retaliation from their employer. Where unions have a presence, research suggests they can help put pressure on employers to enforce standards in the formal and informal economies, including in businesses integrated in global supply chains.²¹

3. Informal workers and inequalities

Jobs do not exist independently of the people who occupy them.²² This means that the precarious status of informal work is as much a reflection of the unequal social status of the people doing the work as it is the economic function of informal work in the wider national and global economy. Inequalities are therefore likely to be shouldered by those segments of society in a relatively disadvantaged position; intersectional inequalities typically reflect societal relations of gender, ethnicity, caste, religion, race, disability and indigenous/tribal status.

Gender. While there are roughly similar shares of men and women in informal employment around the world, women are more exposed to informal employment in low and lower-middle income countries where inequalities are greatest. Women are also more likely than men to work in the more precarious and unsafe forms of informal employment – especially as domestic workers, home-based workers or contributing family workers.²³ While earnings are a lot lower than in formal work, the gender earnings gap among informal workers is nevertheless wider than among formal workers (29 and 21 per cent, respectively²⁴), producing a double income penalty for women; combined with the higher share of women than men in short hours work, this largely explains the higher poverty rate among women than men in most developing countries.²⁵ Violence and harassment, as well as health and safety hazards, also have a detrimental impact on women’s employment participation and the quality of work, especially affecting informally employed women in care work and domestic work.²⁶

Disabilities. Persons with disabilities experience lower rates of employment (36 percent on average compared to 60 percent for persons without disabilities) - as low as 25 percent in Northern Africa - which considerably hinders labour income opportunities. Even where employed, persons with disabilities are over-represented in the informal sector and in precarious work. They are also less likely than able-bodied persons to be covered by collective bargaining.²⁷

Indigenous peoples. Indigenous peoples are more likely to work in the informal economy than the non-indigenous population – 86 and 66 per cent, respectively – with high dependency on work such as street vendors and domestic work, as well as informal and precarious work in formal enterprises such as construction and mining.²⁸ This is one factor explaining their higher incidence of extreme poverty: they account for 9 per cent of the global population but almost 19 per cent

²⁰ ILO (2022: Table 4.2 and Figure 4.4) *Social Dialogue Report: Collective Bargaining for an Inclusive, Sustainable and Resilient Recovery*, Geneva: ILO.

²¹ See Berliner, D. et al. (2015) *Labor Standards in International Supply Chains: Aligning Rights and Incentives*. Northampton, MA: Edward Elgar; Chattaraj, S. (2016) *Organising the unorganised: Union membership and earnings in India’s informal economy*. BSG-WP-2016/015 Working Paper Series, University of Oxford.

²² This is a key axiom of research in the fields of feminist economics and labour market segmentation (see J. Rubery (1978) Structured labour markets, worker organisation and low pay, *Cambridge Journal of Economics*, 2(1): 17-36; D. Grimshaw et al. (2017) A new labour market segmentation approach for analysing inequalities, in D. Grimshaw et al. (eds.) *Making Work More Equal*, Manchester University Press).

²³ ILO (2018: 21).

²⁴ ILO (2021: Figure 13).

²⁵ ILO (2018: Figures 24.A and 33).

²⁶ Theodore, N., Gutelius, B. and Burnham, L. (2019) Workplace health and safety hazards faced by informally employed domestic workers in the United States. *Workplace Health and Safety*, 67(1): 9-17; Mayer, J. F. (2021) Resistance to chronic violence in informal workplaces: The strategies of domestic workers in Brazil (2003–2018), *Bulletin of Latin American Research*, 40(3): 385-400.

²⁷ UN (2018: pp.152-156) *Disability and Development Report*, UN Department of Economic and Social Affairs.

²⁸ All data from ILO (2020) *Implementing the ILO Indigenous and Tribal Peoples Convention No. 169*, Geneva: ILO; see, also, Dhir, R.K. (2015) *Indigenous peoples in the world of work in Asia and the Pacific*, Geneva, ILO.

of the extreme poor. Part of the reason for their higher shares of informal and precarious work is discrimination, in work and in education, as well as non-recognition of traditional skills (albeit with some recent interest in the knowledge held by indigenous and tribal peoples that can mitigate climate change). Despite urban migration in many countries, precarious work continues to characterise indigenous peoples' experience, cross-cutting with gender inequalities.

4. Covid-19 and the reinforcing and aggravating of inequalities

Looking across multiple forms of disadvantage in the labour market – from informal and precarious work through to discrimination because of one's disability, skin colour or gender – the global pandemic has aggravated every single inequality and division in a vicious cycle of negative feedback loops. The inequalities described above mean that people who depend on informal and precarious work for their livelihoods, in developed and developing countries, have been at the centre of these negative feedback loops thanks to inadequate shelter and protection from the dangers posed by the global pandemic. The research to date suggest that the calamitous rise in global impoverishment, hunger and illness during the last two years occurred in large part as the result of the exposed situation of workers and families reliant on informal and precarious work.

We already knew that informal and precarious work exposes workers to higher **health and safety risks** due to their concentration in dirty and hazardous industries and poorly regulated workplaces.²⁹ During the pandemic, the feminised, largely informal domestic workforce were exposed to the virus in clients' homes and many worked longer shifts with the extra demands for cleaning, cooking and disinfecting when entire families were at home all day. It is worth emphasising the scale of workforce at risk: around one in three women are domestic workers in the Arab States and one in four in Latin America, for example.³⁰ Migrant domestic workers faced additional risks of exploitation in countries that retain elements of the *kafala* system, including Bahrain, Qatar, Kuwait and Lebanon.³¹ Also, street vendors working in crowded public spaces faced a very high risk of contagion and limited access to clean water for sanitation,³² while waste pickers were highly exposed because they handle materials, including medical waste, that may be contaminated.³³ These informal workers have been providing essential services and were more visible during the pandemic, yet were still expected to take huge risks in the absence of decent protections.

The decision by people in informal and precarious work to continue working despite the health risks is driven by **lack of social protection**, covering rights to paid sickness leave, pensions, unemployment benefits and, in many countries, limited healthcare.³⁴ The same is true for many informal enterprises and self employed with limited savings and who were often not eligible for short-term Covid-19 financial assistance.³⁵ Evidence for the United States shows that while nine in ten high paid earners could access paid sick leave in 2020, less than half of low paid earners could.³⁶ In the gig economy, drivers typically did not have the option to cancel trips if passengers were not wearing masks,³⁷ yet

²⁹ OECD/ILO (2019) Foreword, in *Tackling Vulnerability in the Informal Economy*, Paris: OECD.

³⁰ ILO (2016) Social protection for domestic workers: Key policy trends and statistics. *Social Protection Policy Papers*, Geneva: ILO.

³¹ Lebanon promised in early 2020 to include migrant domestic workers in a new standard unified labour contract, an important first step towards abolishing the *kafala* system, but suspended its implementation in October 2020 (<https://www.amnesty.org/en/latest/news/2020/10/lebanon-blow-to-migrant-domestic-worker-rights/>).

³² WIEGO (2020) https://www.wiego.org/sites/default/files/resources/file/Impact_on_livelihoods_COVID-19_final_EN_1.pdf.

³³ For personal accounts of waste-pickers, see <https://www.wiego.org/waste-pickers-essential-service-providers-high-risk>.

³⁴ On pre-Covid exclusions from social protection: Roever, S. and Skinner, C. (2016) Street vendors and cities. *Environment and Urbanization*, 28(2): 359-374; Martinez, L. and Rivera-Acevedo, J. (2018) Debt portfolios of the poor: The case of street vendors in Cali, Colombia. *Sustainable Cities and Society*, 41: 120-125.

³⁵ Apedo-Amah, M.C. et al. (2020) Unmasking the impact of COVID-19 on businesses, *World Bank Policy Research Working Paper*, 9434.

³⁶ <https://www.epi.org/blog/lack-of-paid-sick-days-and-large-numbers-of-uninsured-increase-risks-of-spreading-the-coronavirus/>.

³⁷ Several countries, including Italy and Spain, tried to redress this by requiring platform companies to provide workers with protective gear and recognising their employee status for sickness and health benefits.

gig economy workers are still more often than not excluded from sickness benefits and health insurance.³⁸

People in informal and precarious work were also more likely to suffer **income losses** than formally employed workers as a result of government lockdown measures and the ensuing recession. In South Asia, where more than three in four workers are informal, small businesses and informal workers suffered the worst collapse of incomes and jobs.³⁹ Evidence for Latin America and the Caribbean similarly shows that the higher the share of informality in the country, the greater the reported loss of livelihoods whether caused by a lost job or a closed business.⁴⁰

For some workers, the greater vulnerability was in part caused by their work in high-contact, urban services work most affected by containment measures. In India, the abrupt and complete lockdown on 24 March 2020 closed informal markets and vending sites (except food carts), eliminating at a stroke the incomes of an estimated nine out of every ten street vendors⁴¹ and sparking a humanitarian food security crisis. Not only were informal workers in India less likely to remain employed than formal workers in the month after the March 2020 lockdown, there was a collapse in both formal and informal wage work, with many moving instead into self employment because of limited social protection.⁴² Informal home-based workers, who produce goods and services for domestic and global supply chains, also lost contracts for work from clients as markets collapsed; many of these workers were unable to collect payments from previous completed orders.

Equally striking, evidence for the world's workforce shows that it has systematically been **the poorest and lowest earning workers who were most likely to lose employment and income**. In Latin America and the Caribbean, poorer working households were far more likely to report job losses than richer households - seven in ten compared to around one in seven; a similar result also holds for business closures.⁴³ In the United States, compared to Americans who earned more than US\$150,000, those earning \$US50,000 or less were more than twice as likely to say they or a family member lost jobs amidst the crisis.⁴⁴ Part of the explanation is that the non-essential sectors that were closed under lockdown measures mostly involved low-paying activities with a preponderance of precarious forms of work and businesses (bars, restaurants, hotels, leisure and hairdressing).⁴⁵

Reflecting their over-representation in informal and precarious work, **young people, ethnic minorities and indigenous people were more likely than other groups to experience job losses**. The adverse shock of unemployment is long lasting and this 'Covid-19 cohort' of vulnerable groups of workers face a high risk of being severely penalised (or 'scarred') in their future earnings and work opportunities.

Overall, the major consequence of job and income losses is that informal workers are significantly more likely than formal workers to have become **more deeply impoverished or to have fallen into poverty** from a position of low/middle household income. Lack of social protection and limited or no savings means these workers often had no recourse to alternative income sources. At the start of the pandemic, the World Bank already warned countries in South Asia '[to] anticipate a massive increase in the number of poor, while the income of many of the already poor falls further below the poverty

³⁸ A global survey in 2020 covering 191 platform companies found only half offered some form of sick pay for workers and even then with strict eligibility criteria (FairWork. 2020 *The Gig Economy and Covid-19*, The Fairwork Project.

³⁹ World Bank (2020) Beaten or broken? Informality and COVID-19. *South Asia Economic Focus*.

⁴⁰ Bottan, N., Hoffmann, B. and Vera-Cossio, D. (2020) The unequal impact of the coronavirus pandemic: Evidence from seventeen developing countries, *PLoS one*, 15(10): figure 2.

⁴¹ Mukhtarova, T. (2020) COVID-19 and the informal sector: What it means for women now and in the future. *Policy Brief*, Georgetown Institute for Women, Peace and Security; Evidence from a survey of women street vendors in Delhi suggests 97 per cent experienced a 'severe impact' of lockdown on their income (ISST 2020 *Impact of COVID-19 national lockdown on women street vendors in Delhi*. Institute of Social Studies Trust).

⁴² World Bank (2020) p. 73.

⁴³ Bottan, N., Vera-Cossio, D. and Hoffmann, B. (2020) The unequal impact of the coronavirus pandemic, *IADB Discussion Paper*, IDB-DP-785.

⁴⁴ <https://www.pewsocialtrends.org/2020/09/24/economic-fallout-from-covid-19-continues-to-hit-lower-income-americans-the-hardest/>.

⁴⁵ For Europe see Fana, M. et al. (2020) The Covid confinement measures and EU labour markets, *JRC Technical Reports*, JRC120578; for LAC see Lustig, N. et al. (2020) The impact of COVID-19 lockdowns and expanded social assistance on inequality, poverty and mobility in Argentina, Brazil, Colombia and Mexico, *Center for Economic Policy Research Covid Economics*, 46.

line.⁴⁶ Worldwide, the share of informal workers in relative poverty is projected to double (from 26 to 59 per cent), while in low and lower-middle income countries to escalate up to 74 per cent, assuming no recourse to alternative income sources.⁴⁷ The disruption of the global pandemic, combined with new and ongoing international conflicts and climate change, means that trends to end poverty are widely expected to have reversed since 2020.

5. Making labour markets more inclusive post-Covid-19

The inequalities, discrimination and disadvantage experienced by people in informal and precarious work worsened during the global pandemic. In light of the research evidence, a transformative approach to building a more inclusive world of work is needed for reasons of social justice and economic efficiency. Policy interventions ought to focus on protecting those in the many different kinds of informal and precarious work, while also enabling supported transitions to formal employment. This challenge is central to achieving SDG 8. Moreover, progress on SDG 8 is essential to achieving the other SDGs, especially on poverty (SDG 1), gender and country-wide inequalities (SDGs 5 and 10) and strong institutions (SDG 16).⁴⁸ Critical policy interventions are to:

- **Extend and invest in social protection.** While some businesses and governments extended protections during the pandemic, many types of informal and precarious work were excluded, and some of the extended protections have now been abandoned.⁴⁹ Numerous research studies highlight the way social protection is both a ‘productive’ and ‘protective’ component of successful and fulfilling societies⁵⁰. Moreover, the need for a more inclusive approach has been highlighted by the pandemic. With the universal right to sick leave, people whose livelihoods depend on income from informal and precarious work would have been able to self-isolate and lessened the risk of falling into poverty. A universal right to a decent pension would have enabled older workers who were most at risk of dying from Covid-19 to stay safe at home. And with the right to unemployment benefits, all workers would be protected against long-term ‘scarring’ effects and also included in job/income replacement schemes designed to protect workers’ earnings during the pandemic.
- **Invest in the care economy.** Women’s choice of work is strongly shaped by unequal gender norms in developed and developing countries, which mean women must perform the bulk of paid and unpaid care work. For many, this explains why they work informally as contributing family workers, as home-based textile workers or in irregular, short hours part-time jobs. Therefore, increased investment in making care services affordable (for children, older persons and other dependants) would give women the resources to make better employment choices, as well as creating new formal employment in the care sector.
- **Promote social dialogue and make it more inclusive.** Collective bargaining constitutes an essential corrective mechanism in otherwise imbalanced labour markets. This is especially the case for people in informal and precarious work where contractors, middlemen, gangmasters or employers enjoy greater power in setting employment conditions. Therefore: all workers should have the right to freedom of association and the right to collective bargaining; representative bodies (employers’ associations and trade unions) should have adequate resources; the government should not foster a climate of fear and discrimination against trade unions; and civil society organisations (including cooperative groups) seeking to empower specific collectives of informal and precarious workers should be supported.
- **Promote and enforce a living monthly income for all workers.** The right to a minimum wage must be extended to all workers and problems of employer non-compliance need to be

⁴⁶ World Bank (2020) p.78.

⁴⁷ ILO Monitor (2020: Figure 4) COVID-19 and the world of work. Third edition.

⁴⁸ ILO (2019) *Time to Act for SDG 8*, Geneva: ILO.

⁴⁹ ILO (2020) Extending social protection to informal workers in the COVID-19 crisis, *ILO brief: Social Protection Spotlight*.

⁵⁰ Dølvik, J. E. (2016) Welfare as a productive factor: Scandinavian approaches to growth and social policy reform. *Oslo: Fafo*; Hemerijck, A. (2011). The social investment imperative beyond the financial crisis. *Growth, well-being and social policy in Europe: trade-off or synergy*, 11-19.

addressed. This should be done by addressing the very different kinds of informal work so that policy is well targeted and effective. An adequate level must meet independent estimates of the income required to meet a decent living standard above the household poverty threshold. And enforcement requires labour inspections, awareness-raising public campaigns and the enabling of workers to protect their rights through collective action.

- **Give all workers the right to decent working time.** A major challenge for people in informal and precarious work seeking a decent income is the irregularity caused by unpredictable working hours. These may be too low to generate adequate income, too high and thereby causing problems for health and wellbeing, or too irregular and unpredictable. Policy interventions should therefore grant workers greater ‘sovereignty’ over working time⁵¹ so that they can exercise more choice and control. While policy should place statutory minimum and maximum weekly hours limits, social dialogue should foster suitable working-time schedules that meet both worker and employer/contractor needs.

⁵¹ As called for in ILO (2019) *Work for a Brighter Future*, ILO Global Commission on the Future of Work.