

Chapter 5. Addressing the gender dimension of informality

Globally, men are more exposed to informality than women, but the share of women in informal employment exceeds that of men in a majority of countries (Chapter 1). Across countries, however, risks and vulnerabilities associated with the informal economy (Chapter 3) disproportionately affect women. This chapter provides updated evidence on gender disparities in key informal employment outcomes, such as employment status and wage levels. It then examines the role of gender-based constraints in employment outcomes and access to social protection. Last, it reviews gender-sensitive approaches that have been instrumental in empowering women in the informal economy in a number of countries, with a view to identify priority areas for policy makers. It is evident that the vulnerability challenge in the informal economy needs to be addressed through a gender lens. In particular, gender-sensitive risk management instruments are critically needed to ensure that current attempts to extend social protection to informal economy workers do not leave women behind.

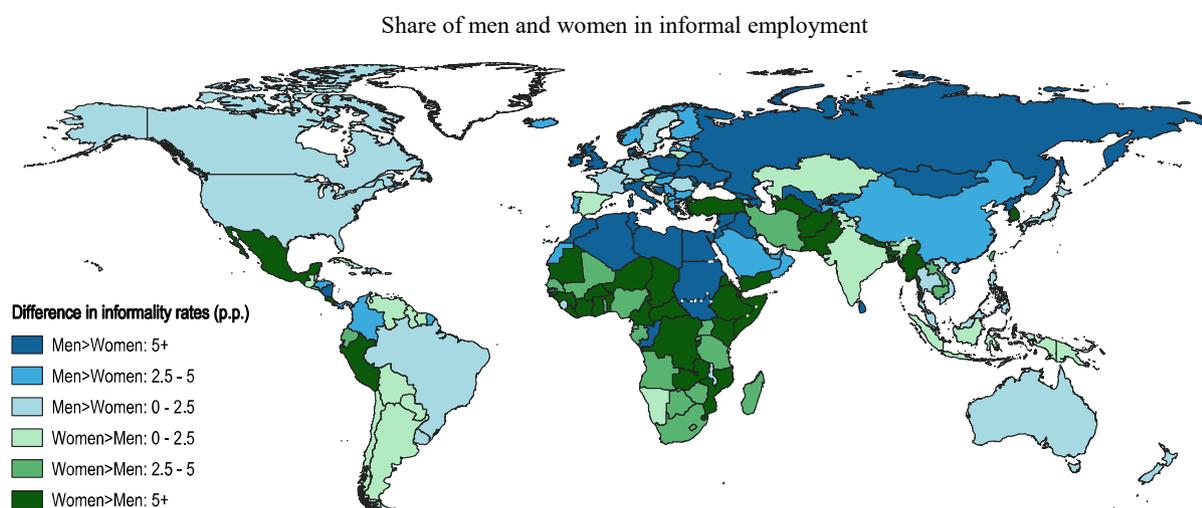
Informality exposes men and women differently

Informality can be quite different for men and women, for many reasons. The incidence of informal employment by gender varies across countries, reflecting existing gender gaps in employment rates. Over the past 27 years, the gender employment gap has shrunk by less than 2 percentage points, it remains large and continues to widen in emerging countries, where it stands at 30.0 percentage points in 2018 (ILO, 2018^[1]; ILO, 2019^[2]). Women's employment rates are particularly low in, northern Africa, the Arab States and southern Asia (ILO, 2016^[3]; ILO, 2019^[2]). Risks and vulnerabilities in the informal economy also vary by gender.

More men work in the informal economy, but women are most exposed in a majority of countries

Informal employment is a greater source of employment for men than women: 63% vs. 58%. However, informal employment is more common among women than men in sub-Saharan Africa, Latin America, southern Asia and, more generally, in low- and lower-middle-income countries (Figure 1.4). Up to 92% of all employed women in low-income countries are in informal employment, compared with 87% of men; in lower-middle-income countries, the proportions are 83% and 85% (ILO, 2018^[4]). The share of women in informal employment exceeds the share of men in a majority of countries (55%) (Figure 5.1). Women are more exposed in above 90% of sub-Saharan African countries, 89% of South Asian countries and almost 75% of Latin American countries. The highest gender gaps occur in Gambia, Liberia, the Democratic Republic of Congo, Zambia; in Turkey, the gap exceeds ten percentage points. Men are more likely to be in informal employment in all countries in North Africa and Eastern Europe and in more than two-thirds of countries in the Arab States and northern, southern and western Europe. In Iraq and Jordan, the proportion of men in informal employment is 20 percentage points more than the proportion of women. In Poland, Slovakia and the Russian Federation, the gap is between six and ten percentage points to the disadvantage of men.

Figure 5.1. Women are over-represented in the informal workforce in a majority of countries



Notes: Total employment including agriculture. p.p. = percentage points.

Source: ILO (2018^[5]), *Women and Men in the Informal Economy: A Statistical Picture*, www.ilo.org/global/publications/books/WCMS_626831/lang--en/index.htm.

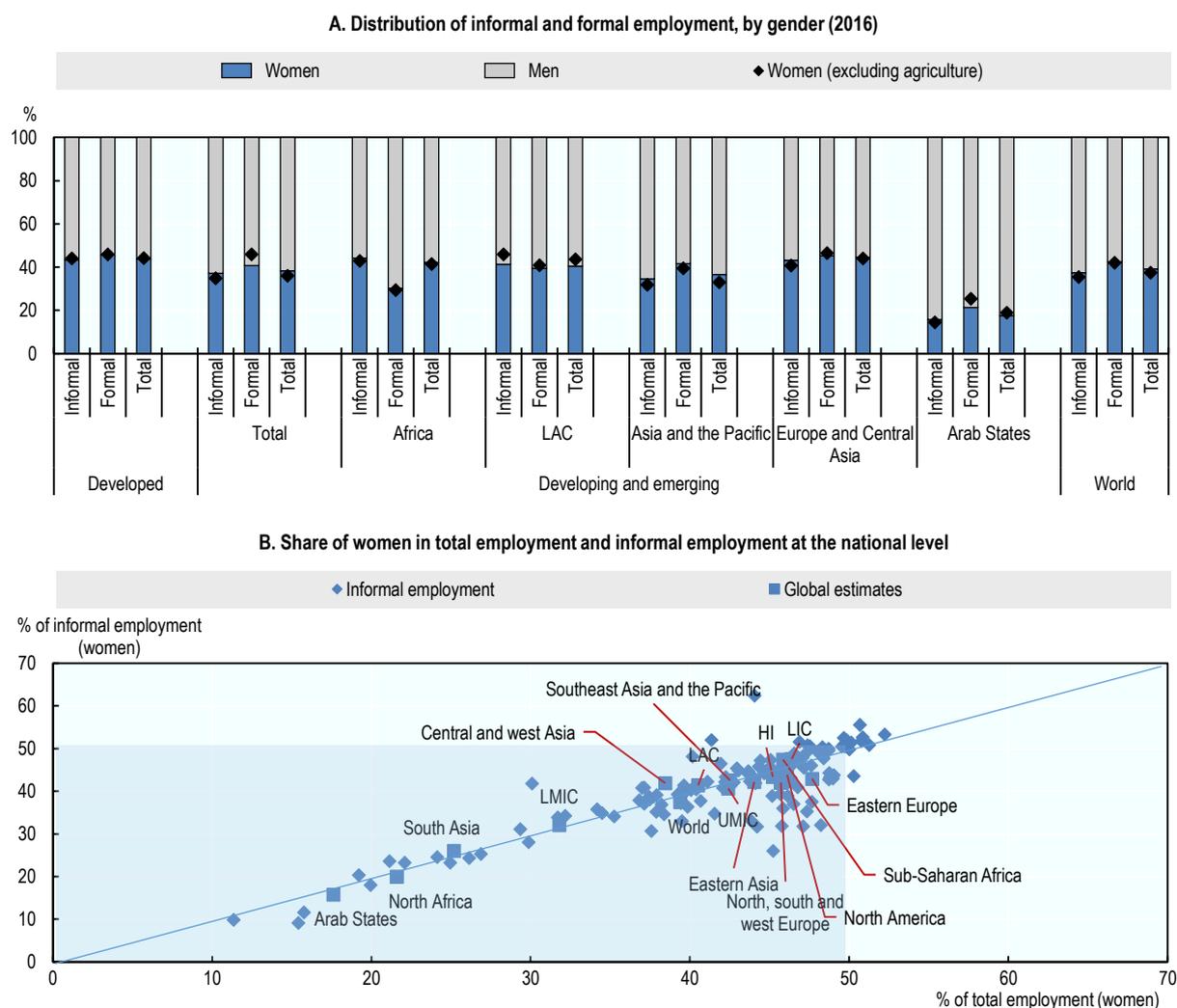
Out of the 2 billion workers in informal employment, 740 million are women (37.5% of all workers informally employed), ranging from 15.8% in the Arab States and 44.2% in Africa (Figure 5.2A) to 48.0% in low-income countries and above 50.0% in countries including Burundi, Myanmar or Zambia. The higher share of men in the informal workforce is primarily explained by their general over-representation in the workforce (Figure 5.2B).

The gender gap in the employment-to-population ratio remains significant and stable in most developing regions. According to International Labour Organization (ILO) data, in 2018, the world ratio was 45.3% for women and almost 71.4% for men (ILO, 2018^[6]). The gender gap is most significant in northern Africa, the Arab States and southern Asia, but significant differences are also found in Latin America. Men constitute a larger share of total employment in 95% of all countries. The few exceptions primarily concern low-income countries and countries in sub-Saharan Africa and South Asia.

Men also make up the majority of workers in informal employment in 87% of all countries and 63% of low-income countries. Among countries with at least 50% of women in informal employment, Burundi, Malawi, Rwanda and Togo show higher employment-to-population ratios for women and higher shares of informal employment in total employment for women. In other countries, such as Benin, the Democratic Republic of Congo, Ghana, the Lao People's Democratic Republic, Liberia, Myanmar, Nepal, Uganda, Zambia and Zimbabwe, significantly higher shares of women in informal employment overcompensate for the slightly lower employment-to-population ratios, resulting in more women than men in informal employment.

The agriculture sector is an important source of informal employment, particularly in low- and lower-middle-income countries, which may affect the gender distribution of workers in informal employment. Women's contribution to the informal workforce excluding agriculture reveals mixed patterns across countries and regions. In Latin America and the Caribbean, women represent 45.9% of total informal employment when excluding agriculture, compared to 41.4% when total informal employment is considered (Figure 5.2A). This is particularly true in some Central American countries, such as El Salvador, Honduras and Nicaragua, where women constitute a more important part of informal employment (around 50%) when agriculture is excluded. The same pattern holds for certain African countries, such as Benin, Burkina Faso, Madagascar and Niger, but not for the region as a whole. The opposite pattern is true for some African countries and other regions, particularly in Asia and the Pacific and Europe and Central Asia. Women's contribution to the informal workforce decreases by more than ten percentage points, compared with their representation in total employment, in Albania, Egypt, Nepal, Pakistan, Rwanda, Turkey and Zambia, highlighting an over-representation of women in the agriculture sector.

Figure 5.2. The gender distribution of workers in informal and formal employment varies across regions



Notes: Shading represents the limits within which women represent below 50% of total employment (x-axis) and below 50% of informal employment (y-axis). LMIC = lower middle-income countries. UMIC = upper middle-income countries. HIC = high-income countries. LIC = low-income countries.

Source: ILO (2018^[5]), *Women and Men in the Informal Economy: A Statistical Picture*, www.ilo.org/global/publications/books/WCMS_626831/lang--en/index.htm.

Women are more often found in the lower parts of the informal employment hierarchy

Across most regions, women are more often found working in the most vulnerable segments of the informal economy, for instance as domestic workers, home-based workers engaged on a piece rate basis in the lower tiers of global supply chains¹ or in the contemporary form of digital home-based work (Berg, 2016^[7]), or contributing family workers. An estimated 75% of domestic workers, mostly women, are in informal wage employment. They face specific issues associated with working in private homes, which are often not considered workplaces but private arrangements outside the scope of state regulations and off-limits to labour inspectors (ILO, 2016^[8]). Workers on crowd working

platforms are subject to many of the same labour exploitation concerns common in industrial home work. Similarly, to workers in the lower tiers of global supply chains, most operate in the informal economy, where the most serious decent work deficits can be observed, including non-compliance with fundamental labour principles and workers' rights. They are not covered by labour protections, have little control over when they work or their working conditions, and have limited options for recourse for unfair treatment (Berg, 2016^[7]; ILO, 2018^[9]).

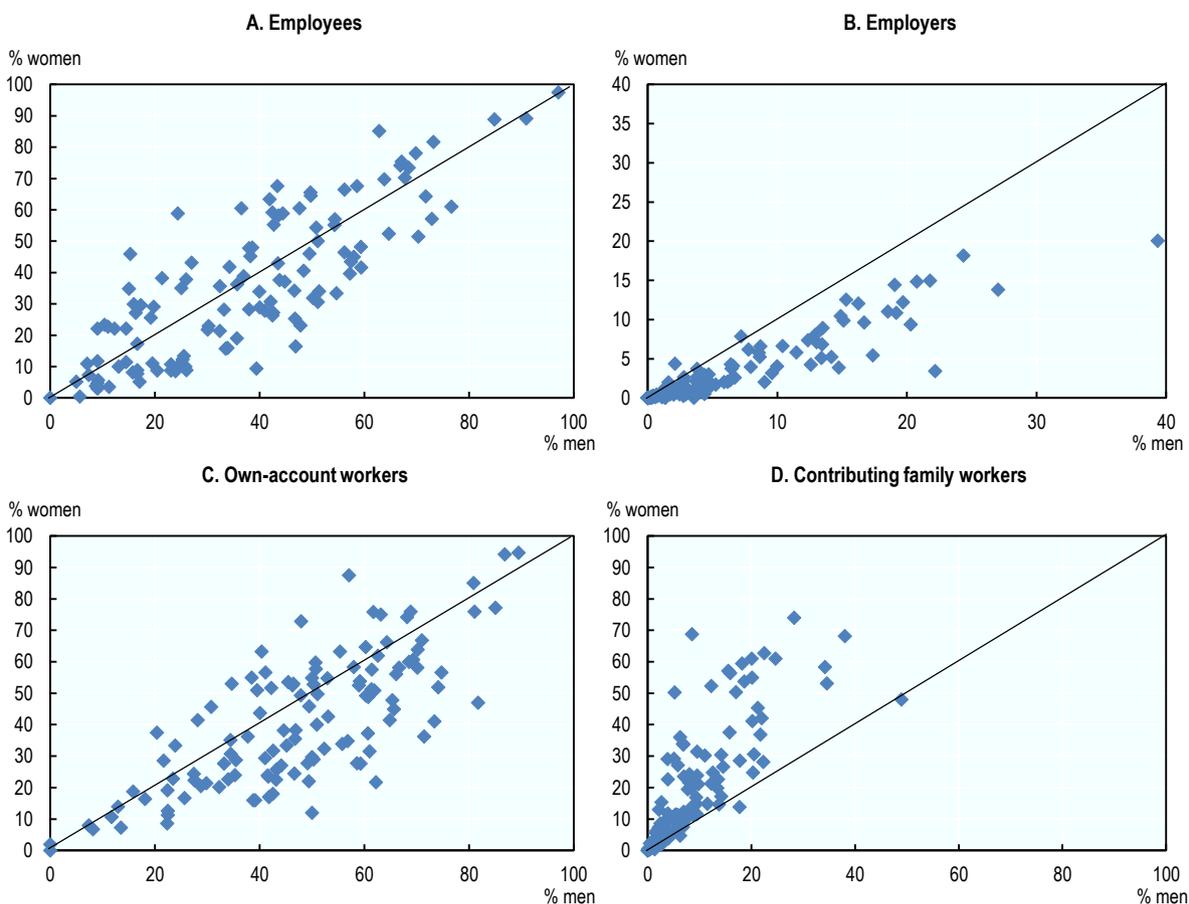
Analysis carried out by Women in Informal Employment: Globalizing and Organizing (WIEGO) on the interactions between type of informal work, level of earnings and risk of poverty finds a hierarchy of earnings and gender segmentation across employment types. Informal employers are at the top, with the highest earnings and lowest poverty risk, followed by own-account workers, employees, other informal wage workers, industrial outworkers/home-based workers and, at the bottom, unpaid contributing family workers (Chen, 2012^[10]; Chen et al., 2005^[11])

Women in informal employment are over-represented in the most vulnerable employment category of contributing family workers and under-represented among employers and, to some extent, employees and own-account workers (Figures 5.3A, 5.3B, 5.3C, 5.3D). Moreover, the proportion of contributing family workers is more than three times higher among women than men in informal employment: 28.1% vs. 8.7% on average. This concerns above 30% of women in informal employment in low- and lower-middle-income countries and close to one out of three women in informal employment in developing and emerging countries in Asia and the Pacific (Figure 5.3E). For these workers, the transition to formality first requires access to better working and living conditions, including access to social protection, followed by the transition to another status. By contrast, the proportion of employees tends to be lower among women in most regions in the developing world, with the exception of Latin America and the Caribbean. There, as in Africa and Asia, a significant share are domestic workers.

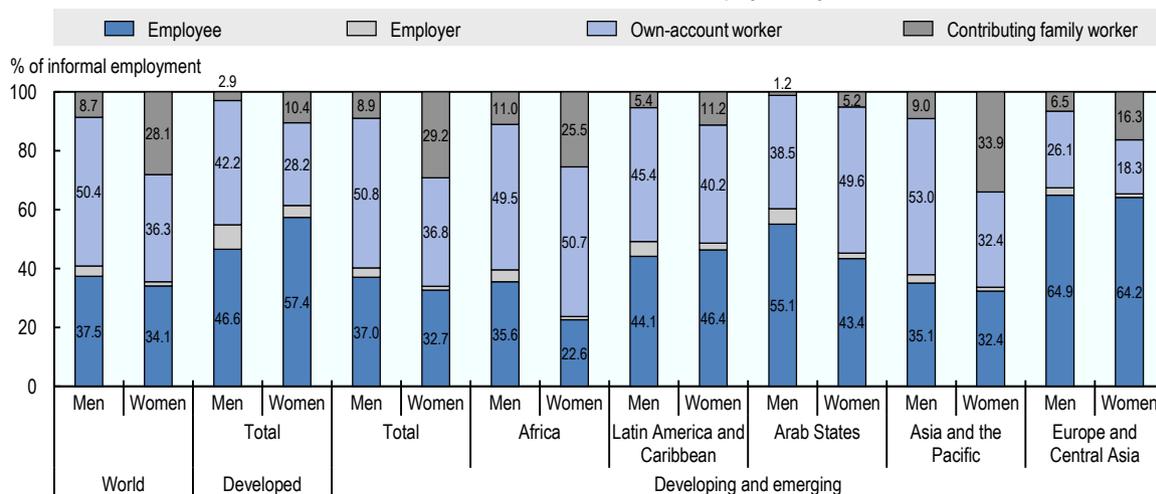
These results are in line with previous analyses showing that men are more likely to be in top-tier informal employment (e.g. employers), while women are more likely to be at the bottom (Jütting and de Laiglesia, 2009^[12]; Chen, 2012^[10]).

Figure 5.3. Women are over-represented in the most vulnerable employment categories

Distribution of women and men in informal employment, by status in employment



E. Distribution of women and men in informal employment by status



Notes: Distribution of women and men by employment status as a share of informal employment including agriculture.

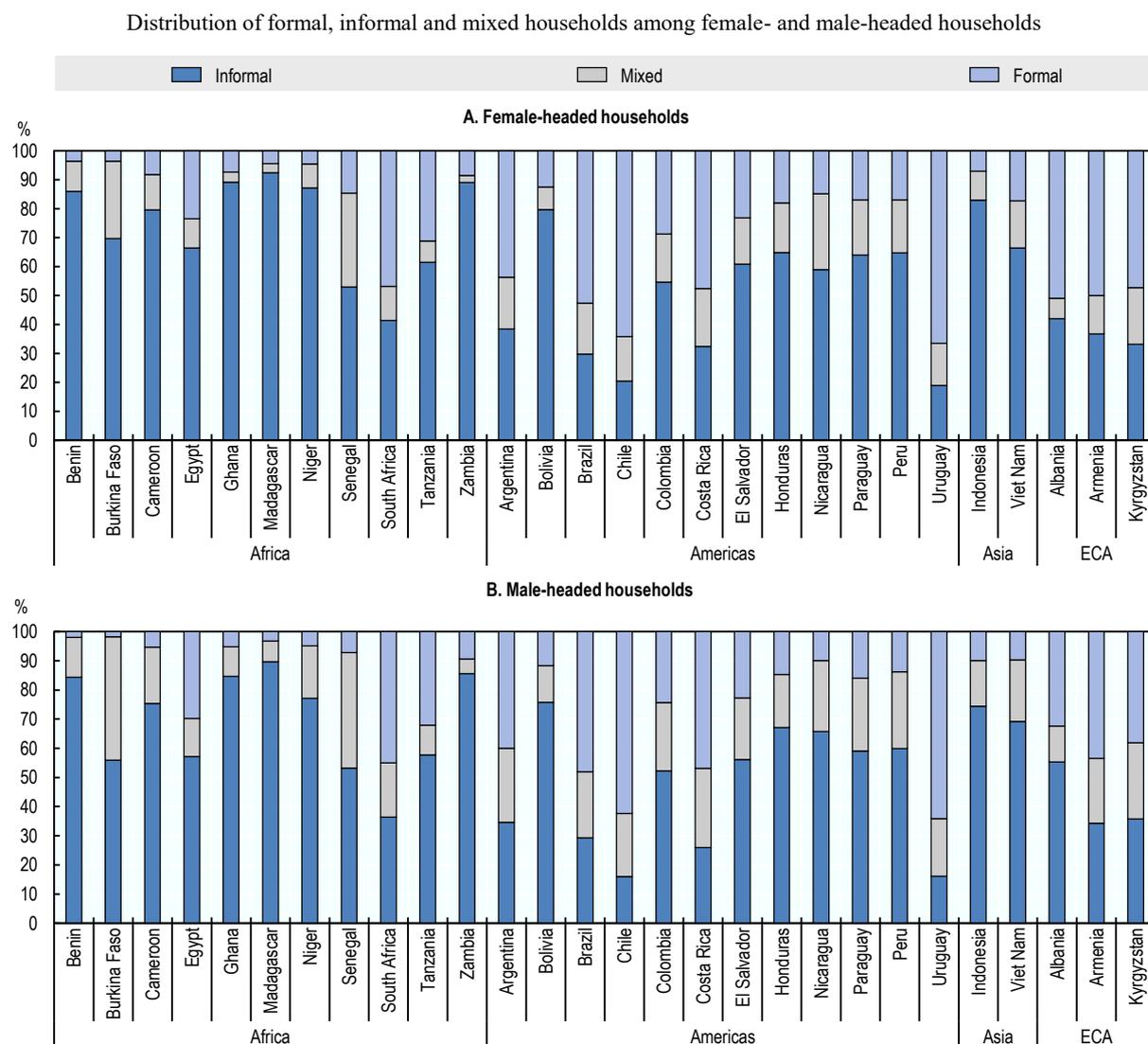
Source: ILO (2018^[5]), *Women and Men in the Informal Economy: A Statistical Picture*, www.ilo.org/global/publications/books/WCMS_626831/lang--en/index.htm.

Female-headed households are less likely to be mixed

Women's high exposure to low-quality informal jobs may also make female-headed households more vulnerable and more likely to be fully or partly informal than male-headed households. However, in 14 of 27 countries in the Organisation for Economic Co-operation and Development (OECD) Key Indicators of Informality based on Individuals and their Household (KIIbIH), female-headed households are more likely to be formal (Figure 5.4). The share of formal female-headed households is higher in all European and Asian countries. In most African countries, the share of formal households is very low, with little variation by gender. However, in South Africa and the United Republic of Tanzania, the share of formal households is higher for male-headed households. In Latin America, the pattern is more diverse, with a higher share of mixed (formal and informal workers) female-headed households than in Africa, particularly in Argentina, Bolivia and Nicaragua.

Overall, female-headed households are less likely than male-headed-households to be mixed. That they are more likely to be either fully formal or fully informal may reflect their greater likelihood of having fewer working-age members. In many countries, women are not usually considered heads of households unless no adult male lives permanently in the household. However, female-headed households are not a homogeneous group, and the reason they are headed by a woman plays a role. For example, households headed by widows and abandoned mothers are more likely to be poor and vulnerable to risks than households headed by women with husbands who emigrated and send remittances (Jütting and de Laiglesia, 2009_[12]).

Figure 5.4. Female-headed households are more likely to be fully formal in about half of countries in the KIIBIH



Source: OECD (2019), *Key Indicators of Informality based on Individuals and their Household* (database).

There are important gender disparities in informal employment outcomes

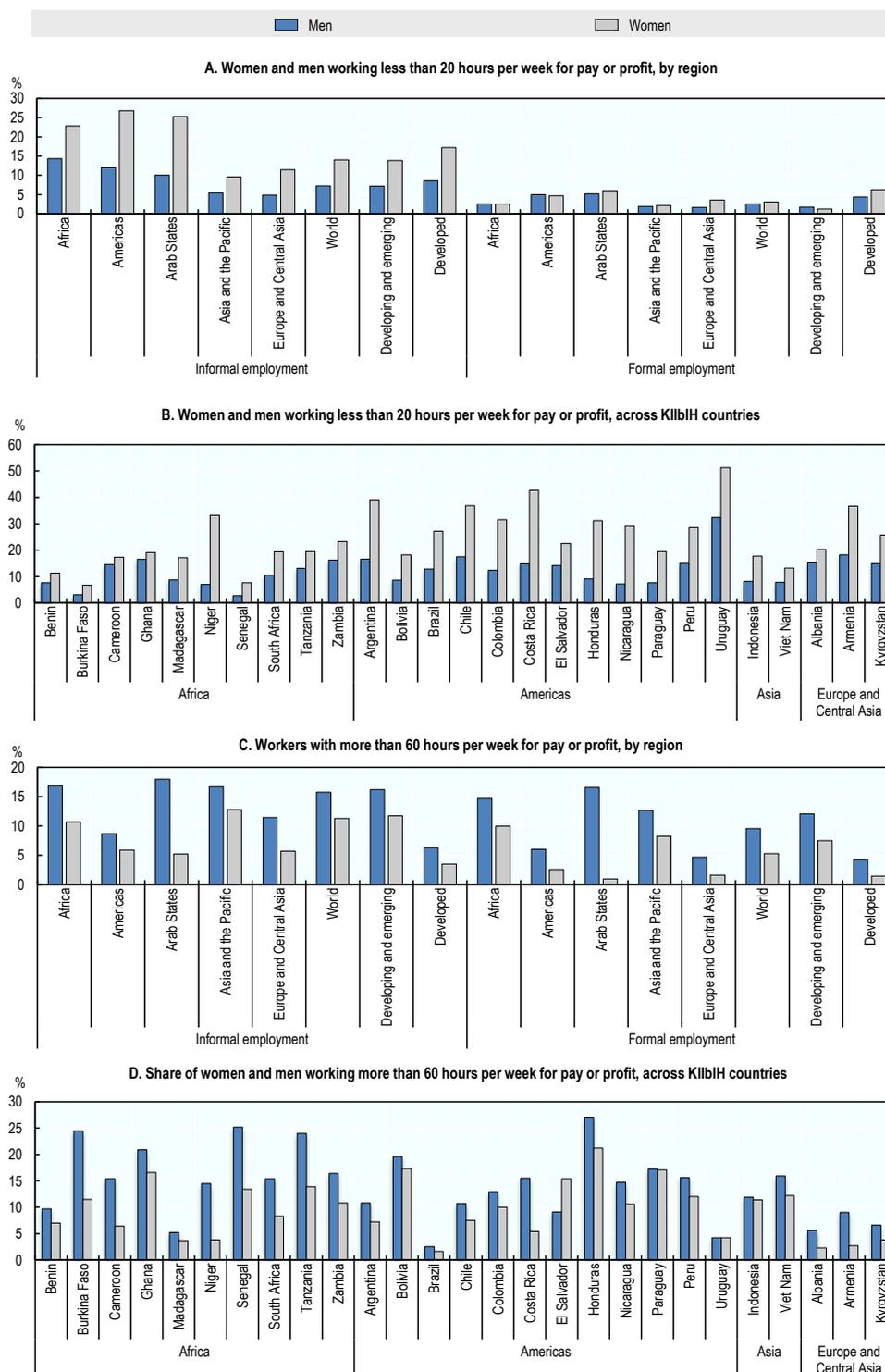
The increase in women's labour force participation worldwide has shifted focus from participation to their employment characteristics and outcomes. Women's over-representation in lower parts of the informal employment hierarchy affects outcomes.

Ability or availability to find full-time work is one measure. Women are more likely than men to work part time and for very limited hours (fewer than 20 hours per week for pay or profit), which has implications for their ability to access social protection and increases the risk of working poverty. According to ILO global estimates, workers in informal employment are more likely than workers in formal employment to work very short or excessive hours. Women working very short hours in informal employment are most vulnerable. Above 14.0% of all women in informal employment work fewer than

20 hours per week for pay or profit, compared with 7.3% of men in informal employment and 3.1% of women in formal employment. The proportion reaches 20% of women informally employed in Africa, the Americas and the Arab States (Figures 5.5A and 5.5C for ILO estimates and Figures 5.5B and 5.5D for the subset of countries in the KIIBIH). At the same time, fewer women are exposed to excessive hours of paid work (Figure 5.5C, 5.5D). These statistics, however, do not account for unpaid care work in the household, which falls disproportionately to women. Women perform the majority of unpaid care work worldwide: 76.2% of total hours contributed (ILO, 2018^[13]). In no country do men and women provide an equal share; globally, women contribute two to ten times more (Ferrant, Pesando and Nowacka, 2014^[14]; ILO, 2018^[13]). Across the world, 606 million working age women (21.7%) perform unpaid care work on a full-time basis, compared to 41 million men (1.5%) (ILO, 2019^[2]). In Egypt, 37% of working women and 5% of working men work for their families without pay (Sholkamy, 2017^[15]). Domestic work and care responsibilities result in significant time poverty for women, making participation in remunerated work outside of the household a challenge.

Figure 5.5. Women in informal employment are more exposed to short hours of paid work; men are more exposed to excessive hours of paid work

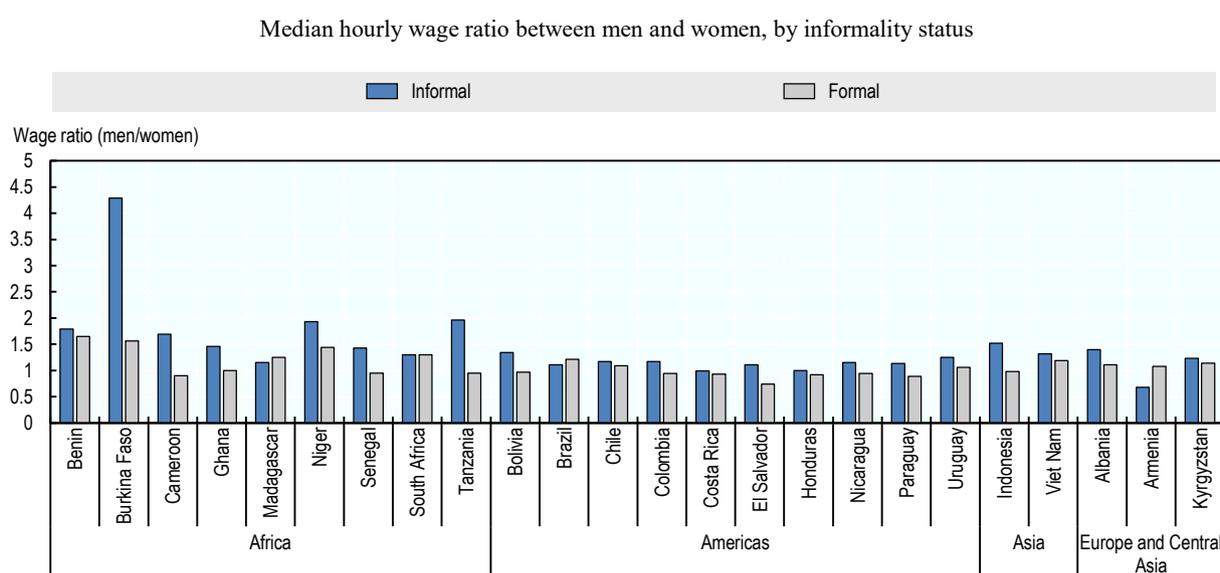
Share of working women and men by time-intensity of employment



Source: ILO (2018^[5]), *Women and Men in the Informal Economy: A Statistical Picture*, www.ilo.org/global/publications/books/WCMS_626831/lang--en/index.htm.

Gender pay gaps are another dimension of gender disparity in informal employment outcomes. Women in informal wage employment generally face a double penalty: on average, informal wage workers are paid lower wages than formal workers, and women are paid lower wages than men. As women tend to be over-represented in the lower end of the informal occupational spectrum, gender wage gaps may also be larger in the informal than in the formal economy. In most of the 19 developing and emerging countries for which data are available, women earn a lower hourly wage than men (Figure 5.6). Moreover, with the exception of Kyrgyzstan, the gender ratio is more pronounced in the informal economy. Overall, this indicates a larger gender gap in earnings for women in the informal than in the formal workforce.

Figure 5.6. The gender wage gap is more pronounced among informal economy workers in most countries



Note: AP = Asia and the Pacific. The gender wage ratio is defined as the unadjusted median hourly wage ratio between men and women in full-time employment (35 hours or more per week).

Source: OECD (2019), *Key Indicators of Informality based on Individuals and their Household* (database).

Several factors affect the gender pattern of informal employment outcomes

A combination of factors influences women's over-representation in low-paid, less-secure informal jobs. Vulnerabilities and barriers may be directly linked to gender or exacerbated by gender inequalities and discrimination. Three broad categories of factors affect high levels of informality among women and their concentration in low-quality informal jobs (Ulrichs, 2016^[16]; Kabeer, 2008^[17]).

Gender-specific constraints are norms and practices that apply to men and women based on gender. They are linked to socially constructed norms of women as caregivers and men as breadwinners. As seen, unpaid household work typically falls disproportionately on women, which affects the type of remunerated jobs they can take on and often leads to participation in informal employment (Alfers, 2015^[18]; Samman, Presler-Marchall and Jones, 2016^[19]). Women who are the main person responsible for unpaid care and have remunerated work outside of the household face a double burden. Gender-specific

constraints on women moving freely outside of the home concentrates their representation in home- and family-based occupations (Ulrichs, 2016^[16]).

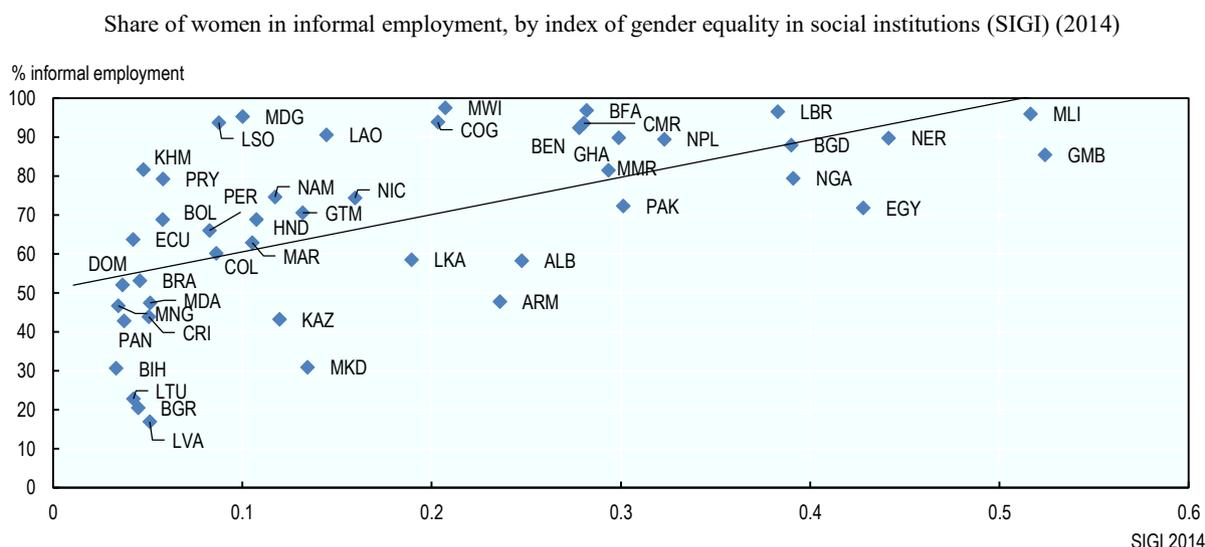
Gender-intensified inequalities refer to inequalities among household members, based on caste, class, ethnicity or religion, which can affect resource allocation and access to information, education or economic resources and exacerbate gender inequalities. Informal and formal institutions often grant women limited rights to land and access to credit, which limits their range of economic participation and influences decisions to participate in formal or informal employment: limited access to land, credit and networks often makes informal employment the only option (Jütting and de Laiglesia, 2009^[12]).

Imposed forms of gender disadvantages are biases, preconceptions and misinformation that can affect gender inequalities in the labour market through the design and implementation of policy based on stereotypes and reinforced gender inequalities.

In many cases, these constraints interact and jointly lead to gender segregations in the labour market. Women from poorer households may be particularly affected if they have to choose between a wage job, which pays more but is hard to balance with domestic duties and restrictions on mobility, and self-employment, which pays less but has more flexibility (Jütting and de Laiglesia, 2009^[12]). Absence of social policies (e.g. for child care systems and maternity benefits) also forces women into more flexible employment, which is often informal and with less pay and security. These patterns are exacerbated during economic downturns, when social services are cut.

The OECD Development Centre's Social Institutions and Gender Index (SIGI) measures discrimination against women in social institutions across countries in five dimensions. One dimension measures discrimination in women's rights to access and make decisions over natural and economic resources. It includes measures of discriminatory practices related to land and non-land assets and access to financial services. There is a positive correlation between the share of women in informal employment and the SIGI, controlling for a number of other macroeconomic and institutional factors (Figure 5.7): women are more likely to be in informal employment in contexts of greater institutional discrimination.

Figure 5.7. The share of women in informal employment is higher in countries where social institutions are more discriminatory



Notes: The OECD Development Centre Social Institutions and Gender Index (SIGI) measures five dimensions of discrimination against women in social institutions across 160 countries: discriminatory family code, restricted physical integrity, son bias, restricted resources and assets, and restricted civil liberties. 0 = no inequality; 1 = complete inequality. Controls include GDP per capita (2011 PPP), composition of GDP, geography, infant mortality rate, life expectancy, education, ILO estimates of labour productivity, 2017 Ease of doing business index, number of start-up procedures, share of youth (aged 15-24) and KOF Economic Globalization Index.

Sources: ILO (2018_[20]) and OECD (2014_[21]), *2014 Social Institutions and Gender Index (SIGI)* (dataset), www.genderindex.org/2014-results/.

Addressing gender-related risks and vulnerabilities in the informal economy is critical

Women's needs in the informal economy are often neglected in the design and implementation of formalisation and social protection strategies. Social protection policies are seldom gender neutral. Existing systems often assume full-time employment without interruption over the work life, whereas women may experience more frequent interruptions in employment, longer periods devoted to caring for others, lower labour market participation, more part-time work and lower earnings. The extension of social protection to the informal economy should take into account the gender-specific risks and vulnerabilities presented in this chapter.

This section looks at social protection policies and programmes – both non-contributory, tax-financed schemes (including social assistance) and contributory schemes (including social insurance) – from a gender perspective and considers how gender can be mainstreamed into the design and implementation of social protection policy.

Social assistance can ensure basic protection for women but can reinforce traditional gender roles

Extending social protection to informal workers has included an expansion of non-contributory social assistance schemes in the form of cash grants, which have become widespread in Africa, Asia and Latin America (Alfers, Lund and Moussié, 2017_[22]).

Social assistance, including cash transfers and benefits related to maternity and children, and social pensions can address gender-specific constraints in the labour market and society in general. Investing in such programmes is important for child health and education and can increase women's income security and labour force participation.

Cash transfer programmes have contributed to improving the lives of vulnerable women and children, often making women the main recipient. Programmes like Brazil's Bolsa Família have had positive impacts on women's labour force participation and led to fewer women leaving employment (Soares, Ribas and Osório, 2010^[23]; Bastagli et al., 2016^[24]).

However, conditional cash transfer programmes have also attracted criticism for 1) not acknowledging women in their role as workers but instead reinforcing the traditional gender role of caregiver responsible for complying with conditionalities; 2) increasing the opportunity costs of participating in the labour market; and 3) exposing women to greater insecurity if they have to travel long distances to reach collection points or health facilities (Ulrichs, 2016^[16]; Fultz and Francis, 2013^[25]). There is also a concern that expansion of cash transfer schemes comes at the expense of financing and delivering social services and infrastructure: in some Latin American countries, spending on cash transfer programmes has increased more than spending on education, health care and housing (Alfers, Lund and Moussié, 2017^[22]). Cash transfers are more effective in responding to the needs of women as both workers and mothers if coupled with complementary interventions, such as child care support for working parents and enhanced access to the labour market through job training (Thakur, 2009^[26]).

Social insurance programmes for informal workers need to address women's needs and work patterns

Contributory social insurance programmes are an important protection for women against social risks, such as unemployment, old age, maternity and ill health. However, in low- and middle-income countries, they cover a limited share of the population, which is typically part of the formal workforce.

As social insurance schemes tend to reflect gender inequalities in the labour market, coverage of women is usually lower than that of men (Holmes and Scott, 2016^[27]). However, public social insurance pensions often include equalising elements that promote gender equality, such as minimum pensions or care credits, which is usually not the case for other forms of contributory provision, such as private pensions or individual savings schemes (ILO, 2016^[28]; ILO, 2017^[29]).

Barriers to access for women are related to 1) eligibility, as women are over-represented in the most vulnerable forms of informal employment (contributing family workers and domestic workers, often part time, with very short hours and lower earnings) and therefore more likely to be outside the scope of legal coverage or to meet eligibility conditions; and 2) capacity to contribute, as women earn lower wages on average and have more work interruptions due to maternity and care work. However, some countries, including Brazil, Mongolia and South Africa, have extended social insurance coverage to informal women workers through, for instance, the inclusion of maternity provisions for domestic workers (ILO, 2016^[28]).

Women live longer than men but often lack entitlement to pensions. Pension coverage remains limited and unequally distributed in many low- and middle-income countries (ILO, 2016^[28]; ILO, 2017^[29]). This gender gap reflects differences in three main areas

(ILO, 2016^[28]; 2017^[29]): demographics, labour market patterns and pension system design.

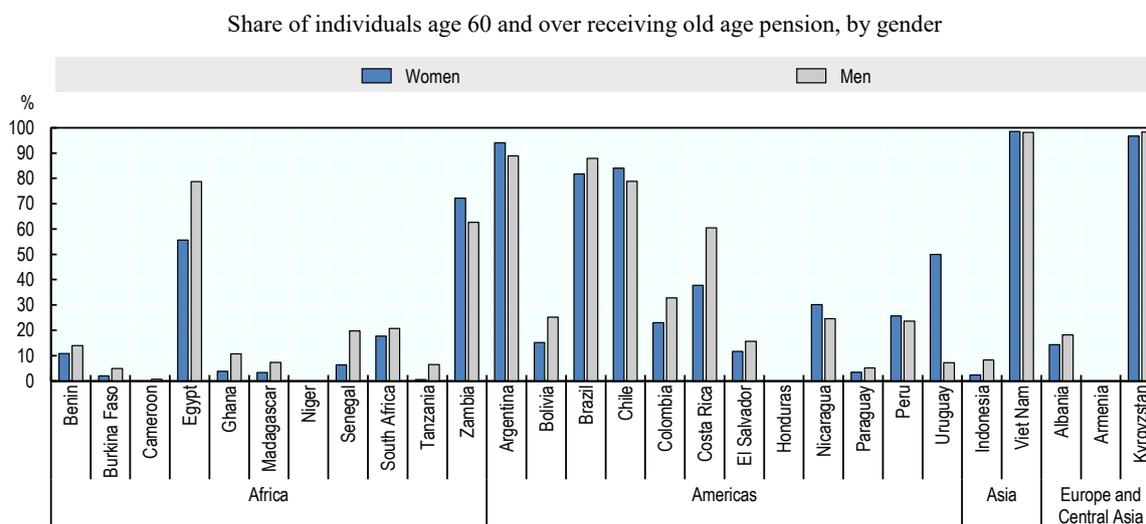
Women tend to live longer than men, increasing the share of women in old age and stretching their pension benefits over more years (World Bank, 2017^[30]). Longer life expectancy also implies greater likelihood of being widowed, making women without a pension and lacking access to survivors' pension benefits or non-contributory pensions particularly vulnerable (Arza, 2015^[31]).

Gender gaps in labour market participation and outcomes also affect pension coverage. Lower participation and more part-time work affect women's access to and levels of benefits. Women tend to have shorter careers than men, either because they start later, interrupt employment to have children or stop working earlier to take care of older relatives, which itself reduces expected pension income. In addition, women generally earn less than men (Figure 5.6), which reduces pension contributions, and are more likely to be in informal employment (Figure 5.2), which does not offer pension benefits (ILO, 2017^[29]; ILO, 2018^[32]).

Furthermore, pension system design may reflect, minimise or magnify labour market gender inequalities. The availability of social pensions or minimum pension guarantees, eligibility conditions, minimum years of contributions (vesting period), adequacy of pension levels and provisions for widows and divorcees affect gender equality in pensions. Another important aspect is the link between benefits, contributions and earnings; pension formulas that closely reflect earnings and contributory histories without compensations for invisible unpaid work (e.g. through care credits) tend to benefit men more than women (Arza, 2015^[31]).

Globally, 68% of the older population (aged 60 and older) receives a pension (ILO, 2017^[29]). The share of individuals with access to pensions varies greatly across countries in the KIIbIH. The highest shares of beneficiaries of both genders are in Europe, Asia, Argentina, Chile and South Africa (Figure 5.8). Men are more likely to receive pensions than women in 12 of 22 countries. Women are more likely to receive them in seven countries, six of which are in Latin America, including Bolivia, Brazil, Chile and Peru. Countries that achieve close to universal pension coverage, such as Armenia or South Africa, usually do so through a combination of contributory and non-contributory schemes (ILO, 2017^[29]). However, as non-contributory benefit levels are often low, social insurance pensions play an important role in ensuring adequate benefits.

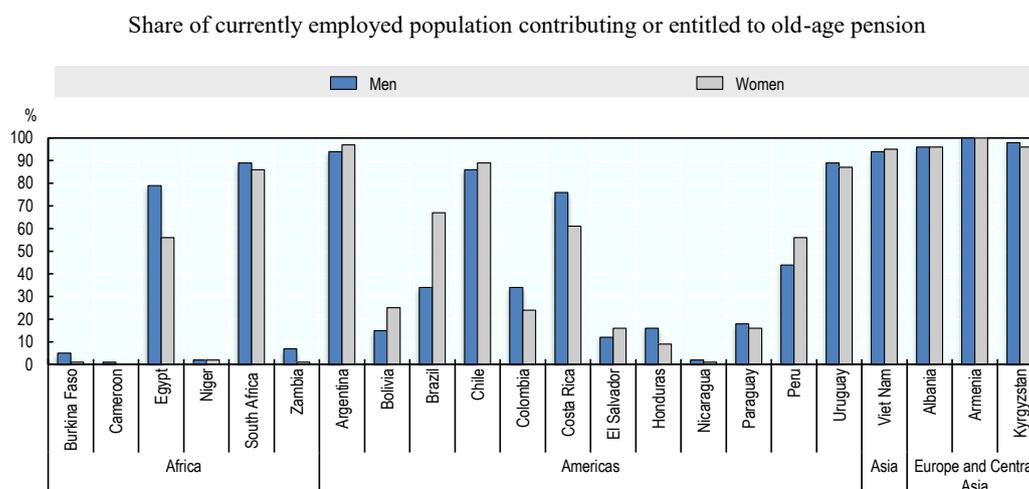
Figure 5.8. Men are more likely than women to receive pensions in about half of countries in the KIIBIH



Source: OECD (2019), Key Indicators of Informality based on Individuals and their Household (database).

Pension outcomes are determined by current contributions. Globally, 34.5% of the labour force contributes to pension insurance (ILO, 2017^[29]), but the share contributing to old-age pensions varies substantially across countries and regions (Figure 5.9). In some Latin American countries (Argentina, Brazil, Chile, Costa Rica and Uruguay), a majority of the employed population contributes, whereas below 5% does in Benin, Burkina Faso, Honduras and Niger. In general, in countries with high pension coverage, women are also well covered.

Figure 5.9. Pension coverage among the employed population varies across countries and regions



Note: Data on pension coverage not available for Benin, Ghana, Madagascar, Senegal, and U.R. Tanzania.
Source: OECD (2019), Key Indicators of Informality based on Individuals and their Household (database).

Lack of maternity benefits make women in the informal economy particularly vulnerable. Maternity benefits are intended to protect women from economic losses, gender inequalities and health risks related to maternity. The high level of income insecurity among women in the informal economy makes it challenging to reduce work time in paid and unpaid work before and after childbirth. Many therefore work far into their pregnancies or resume work soon after childbirth, exposing them to significant health risks (ILO, 2016^[28]). According to the 2000 ILO Maternity Protection Convention (No. 183), member states must provide at least 14 weeks of maternity leave, and part of the costs should be covered by public funds or social protection systems. However, only 28% of women in employment worldwide are effectively protected by cash benefits in the event of maternity (ILO, 2017^[29]). Most informal workers do not have access to maternity benefits, although they are particularly vulnerable to the risks of income insecurity and ill health. Moreover, without maternity protection, women in formal employment may be forced to shift into lower-paid and more insecure informal employment. Although such a shift is often considered temporary, women with children are likely to remain in informal employment for longer periods (ILO, 2016^[28]).

Extension of pension and maternity coverage has protected women in the informal economy

Several countries in Latin America have extended pension coverage and improved pension levels in recent decades. Chile introduced a pension reform in 2008 to close the gender gap for women through top-ups for workers with low contributions and the introduction of child care credits (equivalent to 18 months of contribution on minimum wage). Women in other countries are far worse off. In Indonesia, for instance, women are significantly less likely than men to receive old-age pensions (Box 5.1).

Studies show additional positive effects of pension coverage for women. In South Africa, the introduction of social pensions improved the self-reported health status of older women. Old-age pensions have also been shown to increase school attendance, particularly among girls, which can have implications for gender inequalities across the lifecycle and over time.

Box 5.1. The gender pension gap in Indonesia

The population of eastern Asia and the Pacific is ageing the fastest of any region in history (World Bank, 2017^[30]). This means a shrinking working-age population and greater pressure to design pension systems that can ensure adequate pension coverage and cope with the demographic challenges.

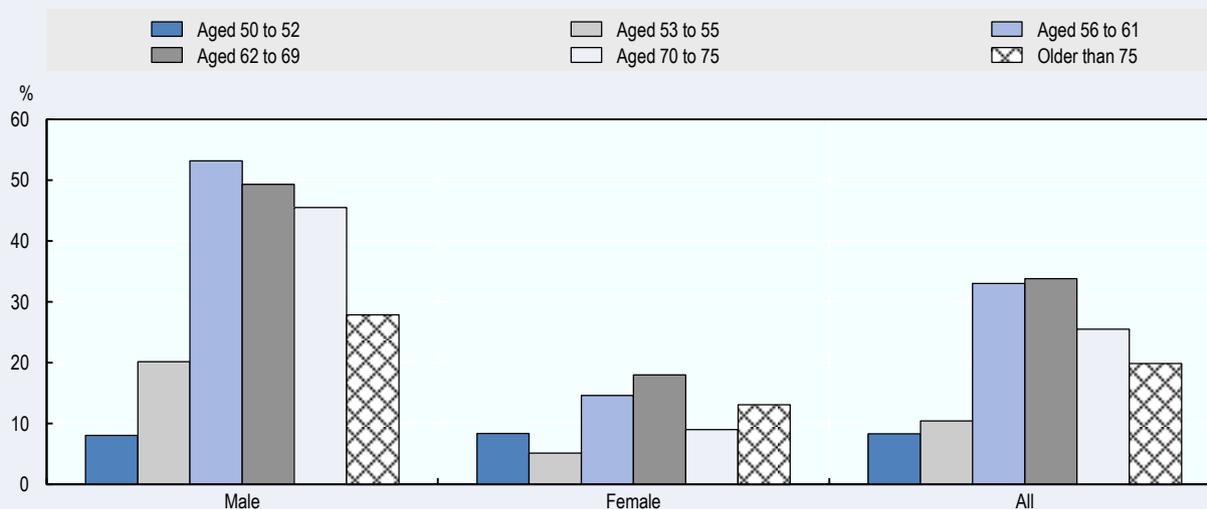
Indonesia has a defined contribution pension system with low coverage, particularly of older women. The vesting period, the minimum number of years of contribution required to qualify for pension benefits, is 15 years, and the programme includes a maternity benefit. However, periods of maternity are not counted as employment when computing pension levels, contrary to most developed OECD countries (World Bank, 2017^[30]).

A study comparing pension systems in eight East Asian countries shows significant diversity (World Bank, 2017^[30]). Countries offering the most equal pension policy for men and women are China, Mongolia and Thailand. Indonesia has the lowest ranking.

This is in line with results from an OECD study on social protection in Indonesia, which shows that elderly women are subject to gender pension gap and therefore much more vulnerable to poverty in old age (OECD, 2019^[33]). The share of elderly women receiving pensions in Indonesia is lower than that of men in all age groups but those aged 50-52, with the largest difference among those aged 56-61 (Figure 5.10).

Figure 5.10. Men are more likely to receive pensions than women in Indonesia

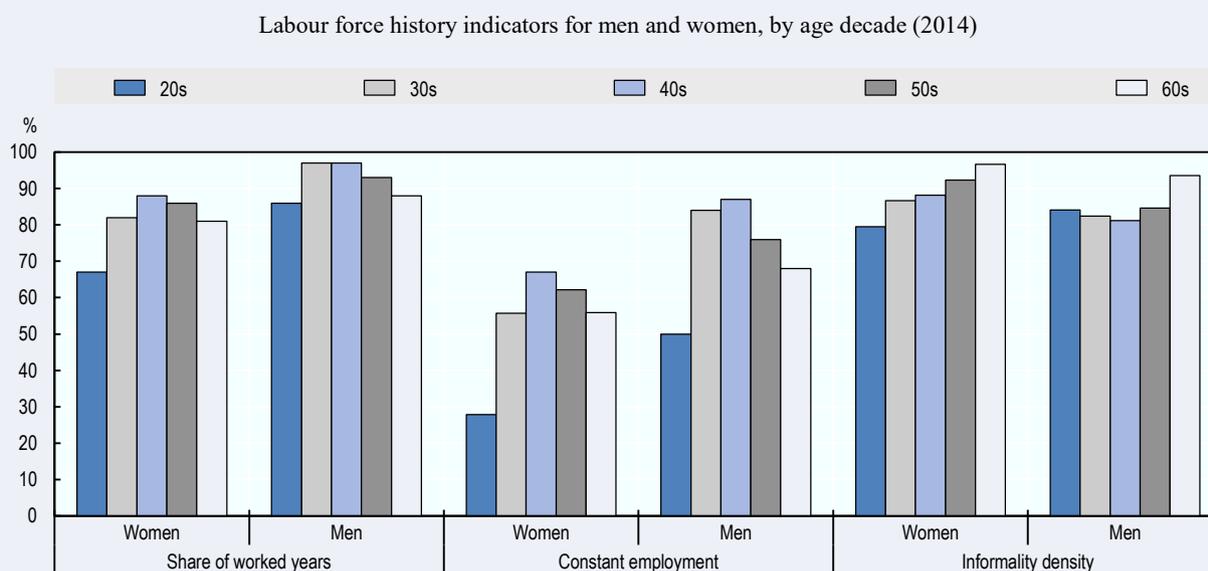
Share of women and men receiving pensions, by age group (2014)



Source: OECD (2019^[33]), *Social Protection System Review of Indonesia*, OECD Publishing, Paris.

Gender differences in labour market patterns largely explain the difference in pension benefits in old age. Employment histories reveal that women work fewer years, have shorter periods of consecutive employment and are more likely to be in informal employment (Figure 5.11).

Figure 5.11. Women in Indonesia work fewer years, have more employment interruptions and are more likely to be in informal employment than men



Source: OECD (2019^[33]), *Social Protection System Review of Indonesia*, OECD Publishing, Paris.

The case of Indonesia illustrates how inequalities in the labour market, combined with pension policies that do not take women's vulnerabilities into account, can create a large gender pension gap.

An increasing number of countries, notably in Latin America, have made efforts to comply with the ILO Maternity Protection Convention and to extend maternity benefits to informal workers. Brazil's focus on improving social insurance for domestic workers, including 120 days of paid maternity leave, have significantly increased the share of covered workers, from 18% in 1993 to 30% in 2007 (Holmes and Jones, 2010^[34]).

South Africa's Unemployment Insurance Fund (UIF) provides short-term benefits in the event of unemployment, illness, maternity and adoption. The programme has been extended to domestic and seasonal workers, thus extending protection to informal workers in general and vulnerable working-age women in particular (IPC-IG, 2017^[35]). Benefits are paid for up to 17 weeks and cover up to 60% of workers' previous earnings (ILO, 2016^[28]).

Much remains to be done to extend social protection to women workers in the informal economy

Designing social protection systems adapted to the needs of both women and men requires a better understanding of the barriers faced by women in informal employment over the lifecycle. Social protection system design can either mitigate or reinforce gender inequalities. To address gender constraints faced by women in general and women in informal employment in particular, gender needs to be mainstreamed into all aspects of design and implementation of social protection strategies and programmes. In addition, links to other policy areas need to be considered, including to the provision of quality

care services, promotion of equitable sharing of unpaid care work and improvement of working conditions in the care sector (ILO, 2018^[13]).

Informal networks can play a role in facilitating access to social protection. Promoting women's voices and participation, including in collective decision making associations, such as trade unions and work councils, also contributes to women's empowerment (Jütting and de Laiglesia, 2009^[12]). Belonging to such associations is important for women workers, particularly those self-employed in the informal economy, to gain recognition for their work (Thakur, 2009^[26]). The Self Employed Women's Association (SEWA) for women in informal employment in India is one association created in response (Thakur, 2009^[26]). SEWA offers a wide range of services, including child care provision and health insurance, and facilitates access to government benefits and services. Initiatives to facilitate access to quality child care services for informal workers also contribute to women's economic empowerment, especially where public child care is not provided or inadequate (Alfers, 2015^[18]; Moussié, 2016^[36]). Such initiatives can inform policy makers about the needs and gaps in access to social protection and should be taken into account in the design of social protection policies, systems and programmes.

Box 5.2. Strengthening self-employed women's rights: The case of SEWA in India

The Self Employed Women's Association (SEWA) was established in 1972 to address vulnerabilities of self-employed women in India. It combines trade union negotiating strategies with co-operative formation and provision of support services.

The association strives to strengthen access to full employment, which provides work, income, food and social security (health care, child care and shelter). Many activities focus on health, with child-care services, disaster management institutions and the SEWA Bank responding to concerns, such as health costs and loan defaults. SEWA has also introduced a maternity benefit that includes a grant and some antenatal and nutritional care at time of birth.

SEWA created is an integrated insurance scheme, VIMO SEWA, with three components: life insurance; asset insurance; and health insurance. The scheme was introduced in response to members' high health spending and to ill health being the main reason for loan default in the savings scheme (Thakur, 2009^[26]).

Notes

¹ Women in Informal Employment: Globalizing and Organizing studies in Bangladesh, India, Nepal and Pakistan show that home-based work is a major source of employment for women in India, Pakistan and Nepal. In Nepal, nearly 50% of women workers (non-agricultural) are home based, compared with 22% of men (Raveendran and Vanek, 2013^[39]; Akhtar and Vanek, 2013^[37]; Raveendran, Sudarshan and Vanek, 2013^[38]; Mahmud, 2014^[40]).

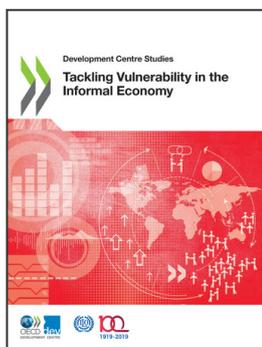
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