

WOMEN IN THE INFORMAL SECTOR IN THE PHILIPPINES: A SITUATIONER

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Workers in the informal sector continue to grow partly because of globalization and the Asian economic crisis. The unabated population increase also put pressure on the limited employment market which inevitably spills over to the informal sector.

The National Statistics Office (NSO) estimates the number of Filipinos who depend on the informal economy to have reached 45 percent of the total employment rate in the country.

However, this figure may be inaccurate as national statistics surveys are unable to provide precise count of informal workers. This is exacerbated by the inconsistent classification of informal activities officially defined as part of the “informal” sector.

Defining Informality

Individual persons categorized to be part of the informal sector are those that remain unemployed but create jobs for themselves, whether they have access to training and credit or not. Employment creation is by necessity and survival not by choice. Their focus is on income generation rather than on job

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generation. Their main aim is not to search for lucrative jobs but just to meet their daily subsistence.

They are mostly found in different economic classifications such as in agriculture, services, and now, even in the manufacturing industries. They include small farmers, municipal coastal fisherfolk, forest dwellers or “kaingeros” and livestock raisers. They are the small entrepreneurs, small miners and construction workers. In the services industry, workers in the informal sector (WIS) are in the transport business such as servicing taxicabs, jeepneys, tricycle and pedicab conveyances. They also include varied kinds of small market and street vendors, variety store owners, barter traders and even household helpers. At present the latter’s classification has been the focus of debates on whether they would be considered informal or employed.

One of the most rapidly increasing informal work is home work sub-contracting. Recruited in the circuits of homeworkers are mostly women who are commissioned to do productive work in their own homes. They are engaged in various low-paying and back-breaking production work in garments, handicraft, shoes and toy manufacturing; food processing; metal craft, leather craft and furniture making.

Majority of those classified as WIS belong to impoverished families, who, because of lack of skills/experiences, training, and education, and access to employment, cannot be easily accommodated in the formal labor market. Women, young workers and other disadvantaged groups gravitate towards informal work more than the adult male workers.

Despite these, the WIS contribute about 45 percent of the country’s gross domestic product (GDP) and gross national product (GNP). Secretary General Romulo Virolo of the National Statistical Coordination Board (NSCB) gave an estimate of those employed in the informal sector to be almost 99 percent

of those in the agriculture, fishery and forestry industries; 75 percent in mining and quarrying; 89 percent in construction and 73 percent in wholesale and retail trade.

Yet, they continue to receive low wages, work under poor conditions and lack adequate social protection from government. The nature of WIS jobs lie beyond the scope and reach of government legislation and regulation. Despite increasing concerns and awareness about humanization of work, there continues a bias against them in terms of policy and legislation to improve their terms and conditions of work.

Characteristics of IS Workers

Based on the 1995 NSO-ILO Urban Informal Sector survey, about 72 percent of informal sector workers in Metro Manila earned less than P10,000 per month. As much as 49 percent or almost half of WIS are females.

In terms of education, around 40 percent of our WIS had elementary education while 35 percent reached secondary levels. More women (44 percent) attained secondary education than the men (25 percent), implying that men were inclined or pressured to earn a living at an early age.

More than half of the enterprises are in retail trade and are family-owned; 17 percent are in personal services and 9 percent in manufacturing.

Most WIS work beyond eight hours and many IS enterprises operate seven days a week. Around 18 percent of IS enterprises have mobile operations. The rest with fixed workplaces (48 percent), often operate within their own homes, attached to or outside of their respective houses.

Very often WIS are also exposed to physical, ergonomic and chemical hazards, illnesses and poor working conditions such as poor housekeeping, improvised electrical installation, awkward

work postures, improper use of tools, inappropriate clothing or inadequate protective gears and insufficient ventilation.

Sub-sectors

These WIS are better known as fixed or ambulant vendors, home-based workers, tricycle and pedicab vendors, small construction workers, and even our own neighborhood sari-sari store owners, or beauticians (beauty parlor workers) etc.

If one has to look into the personal circumstances of the WIS, one will find out that individual WIS are the unemployed, underemployed, out-of-school youth, non-regularly employed housewives and children, marginal workers in depressed communities, specifically in the urban centers.

Today, the WIS are estimated to number 15.6 million or comprising 52 percent of the labor force. The figures on the own-account workers and unpaid family workers do not represent well the other groups of informal sector.

Through the years, the strategic issues of the WIS pertain to their lack of official recognition and visibility; their lack of access to productive resources; and lack of access to social protection. They are so diversified that they lack organizational representation and capability building to be recognized in policy and program developments.

While the informal sector has proven its capacity to contribute significantly to the Philippine economy, its expansion has caused concerns because of the myriad of problems this sector encounters.

Fortunately, substantial work and multi-sectoral efforts have been done and are being undertaken for the promotion and protection of the WIS.

The Department of Labor and Employment (DOLE) took the lead in extending its mantle of protection to the informal workers. Through the cooperation of international bodies like

the International Labour Organisation (ILO) and United Nations Development Program (UNDP), the DOLE with partner government offices and non-governmental organizations (NGOs) have been implementing development programs for WIS.

In 1989, the DOLE and ILO implemented a sub-regional program for homeworkers. This program gave birth to the formation of a national coordination of homebased workers (the Pambansang Tagapag-ugnay ng mga Manggagawa sa Bahay or PATAMABA).

In 1996, the DOLE became the lead champion for the promotion and protection of the informal sector. Until today, we in the Department still champion the concerns of WIS.

Today, the DOLE implements an ILO-UNDP-funded multi-agency cooperation pilot action program designed to look at the three strategic issues confronting the informal workers. Started in 2001 with Undersecretary Lucita S. Lazo, then as TESDA Secretary General at the helm, the pilot program “Creation of an Enabling Environment and Capacity Building for the Growth of the Informal Sector” was launched. This initiative led to a massive effort in awareness raising and advocacy among policy makers and implementers. The need for local government units (LGUs) involvement was underscored with the crackdown of illegal vendors. Workplace insecurity was the main issue of the vendors and its resolution lay in the hands of the local governments.

A series of workshops of Metro Manila LGUs was conducted resulting in respective action plans for the WIS. Moreover, several LGU-WIS desks were created. Monthly meetings are held to discuss the issues confronting the IS and the LGUs actions together with representatives of the National Anti-Poverty Commission (NAPC) —Workers in the Informal Sector (WIS).

Technical Working Groups (TWGs) were also created to address access to productive resources, access to social protection, statistics and definition, capacity building and advocacy. These are participated by partner GOs, NGOs, and socio-civic groups.

Most of these informal sector enterprises operate as single proprietorship. Usually they are family-operated with members receiving no fixed salary. In other words, they are unpaid family workers. Most of the enterprises structures are used as both residence and business purposes. This is especially true for homebased work.

Several gains of the pilot project are:

- Creation of an IS Sub-Committee as part of the NEDA Social Development Committee (NEDA resolution No. 3, S. of 2002);
- Official definition of the informal sector was approved by the National Statistics Coordination Board (NSCB) last November 8, 2002;
- Pilot Project on social protection through daily deposit of nominal amount of SSS premium contribution scheme with the Philippine Savings Bank in the cities of Caloocan, Manila, Pasay, Muntinlupa, and Paranaque;
- Capability building training programs of WIS leaders;
- Pilot informal sector self-organizing in Quezon City;
- Facilitation, negotiation and dialogues with LGUs and the Metropolitan Manila Development Authority (MMDA) in the identification of alternative vending sites;
- Preparatory activities for data collection mechanism to operationalize the approved definition on informal sector through the National Statistics Office (NSO);
- Development of an WIS-Friendly Market Manual;

- Opening of P78 million credit facility by the Development Bank of the Philippines (DBP) for Metro Manila market construction;
- Establishment of models on social development enterprises;
- Approval of a Philippine Country Program.

Taking a look at the gains in Metro Manila, DOLE Secretary Patricia A. Sto. Tomas directed that the IS program be rolled out to all regions of the country. With this directive, all the regional offices of the DOLE are now initially replicating the IS Program with the end in view of mainstreaming and institutionalizing this program from the national government level down to the local government level.