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Gender Dimensions of Informal Work A Challenge for Enlarging Europe

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“In the year 2001, 49.7 % of female employment was informal, while for men this figure was 43.8 %. Inside the informal economy, in turn, women were concentrated in the most unstable, unprotected and precarious categories, therefore, their insertion conditions were even lower than those of males.”
(The new ILO Recommendation 195, 2002)

Informal work affects almost every society and becomes a common issue of concern. It is not only a comparatively new form of labour activity – it is to a considerable degree a reflection of the formal, ‘visible’ side of the labour world, being at the same time gender and age, time and space specific. Many types of informal work and sectors are ‘engendered’ in the same way as they are in the ‘visible’, formal side of the labour market. The main features of both male and female informal workers are their insecurity and vulnerability, as well as their higher poverty risk compared with ‘formal’ workers. Most people working informally, and especially women, are deprived of secure work, benefits, protection, representation or voice. This essay argues that informal work gives a relative comfort today and here, but it deprives informal workers, mostly women, of a decent tomorrow – both at national and cross-national perspectives.

1 The issue

In the context of new employment and unemployment, the International Confederation of Free Trade Unions (ICFTU) points out that 25 % of the world’s working population are active in the informal economy and generate 35 % of global GDP (ICFTU 2004). The organization of “Women in Informal Employment Globalizing and Organizing” (WIEGO), however, argues that official statistics most probably underestimate the size and economic contribution of informal activities (WIEGO 2004).

Research and analyses up to now (even though not sufficient) show that the informal sector is a focal socio-economic point and neither researchers nor politicians should ignore it from their agendas. At least because:

- Informal activities are *not a temporary or residual phenomenon*. Contrary to some predictions, the informal economy is growing rapidly in almost every corner of the globe, including not only developing and transition countries (ILO 2002b). It has already been recognised that undeclared work affects all Member States of the European Union and is, therefore, one of the issues of common concern in the employment field (EC 1998).
- The informal economy is a *highly dynamic* and at the same time stable (as an existent) phenomenon: especially when the share of the informal sector exceeds the critical level of 40 %-50 % of GDP, its influence on the economic and social life becomes so tangible that the contradiction between formal and informal spheres of activity rises from secondary to primary importance.
- The informal economy *affects both men and women*, but gender dimensions depend very much on economic growth and the socio-cultural environment. The informal sector is generally a larger source of work for women than for men in the developing world. In most European countries, however, be it western or eastern ones, women participate less in the informal sector than men do.
- Global transformations in the post-socialist societies put people into a new, unknown and stressful coordinate system and completely changed *employment situation in Central and Eastern Europe (CEE)*. Full employment for both men and women has become history, unemployment has emerged as a new phenomenon, informal work of different types has become an inseparable part of the changing labour market involving the significant share of the *'losers'*.
- Dramatic hardships in CEE provoke a huge *emigration wave towards the Western labour market* – both towards formal but to a much larger extend informal work. The processes of EU enlargement create new informal work conditions and have significantly changed the labour structure of whole Europe. Since the last decade, it has become *'normal'* practice for women from CEE, even highly educated ones, to be informal care workers, waitresses or cleaners in Western Europe, and for men, even with

university diplomas, to work informally in the construction and transport sectors.

2 Background

In the early 1970s, the International Labour Organization (ILO) first introduced the concept of the 'informal sector' to describe the kinds of work that were not recognised, recorded, protected or regulated by the public authorities (ILO 1972). The main idea taking shape was that outside the 'visible', organised, 'formal' sector of work there was another less visible sector (in terms of formal structures), where people engaged in a variety of activities to sustain themselves. The first ILO concept took informal work mainly as a 'failure', not like it is now, as an 'opportunity' or as an 'alternative chance'.

In 1991, the 78th Session of the International Labor Conference discussed again the 'dilemma of the informal sector', stressing that a comprehensive and multifaceted strategy should attack the underlying causes of informal work, not just its symptoms (ILO 1991).

Over 15 years later, the 'dilemma' still is a challenge – even much larger in magnitude and complexity (WIEGO 2000). As the ILO points out at the beginning of the new millennium, increasingly diverse groups of workers and enterprises in both rural and urban areas work informally – i.e. they are not recognised or protected under the legal and regulatory frameworks, they are unable to enforce contracts or have no security of property rights (ILO 2002a). The main and the most important feature that defines them is their high level of vulnerability.

For over three decades, the concept of informal work has been questioned but nevertheless persists. As Carr and Chen (2001) argue, the informal sector as a whole accounts for a significant share of employment and output and, therefore, cannot be dismissed or disregarded. For them, it is now clear that the informal sector is here to stay and needs to be better understood.

3 The 'Colourful' Definitions

The theoretical overview on the issue identifies a variety of terms, referring to the economy outside the official one: *parallel, underground, second, unofficial, shadow, informal, unregulated, undeclared, alternative, hidden, con-*

cealed, etc. As Renoy et al. (2004) point out as well, a wide array of ‘colourful’ names has been used to describe this phenomenon: *moonlight*, *gray*, *black economy* are a few examples. Many of these names differ in elements of description they use (work, activities, paid labour, etc.), or in the distinguishing criteria (fiscal, statistical, legal) applied.

The ILO from the very beginning uses the term “informal”, while the European Commission (EC) has introduced the concept “undeclared labour”, related to economy, work, employment, activities, income. The ILO defines *informal economy* as “comprising informal employment (without secure contracts, worker benefits, or social protection), both inside and outside informal enterprises” (ILO 2002b). Most informal workers – including both self-employed and wage workers – are deprived of secure work, worker benefits, social protection, representation or voice (ILO 2002b).

The EC uses the term *undeclared work*, defining it as “productive activities that are lawful as regards their nature, but not declared to the public authorities, taking into account differences in the regulatory systems of Member States” (EC 1998). As Renoy et al. (2004) state, this definition reveals the very nature of the phenomenon – i.e. indicates that the fact that informal work is not observed or registered strongly coincides with its underground nature and with the production of households for own final use, or in the OECD terminology, for the non-observed economy. In addition, this definition excludes criminal activities and work that does not have to be declared.

A similar approach is used by Pfau-Effinger’s (2003) team developing the EU project on ‘Formal and Informal Work in Europe (FIWE)’. They define *informal work* as “production of goods or services which take place outside formal employment, i.e. in the black or grey parts of the economy, in the civil society or in the family. It can be paid or unpaid” (Pfau-Effinger 2003).

Here in this report, we use the term *informal work* in the ILO context and as a synonym of *undeclared work* in the EC context – to indicate the conceptual whole of informality covering both production relationships and employment relationships. In our definition, *informal work* includes work that is not prohibited by law

and is not deemed criminal under the law, but deviates from the law or simply does not come within the purview of a statute, as neither do the operations in concealing such activities. This applies to work activities which in one way or another support or improve the quality of life of the people performing them. This includes both income generating and non-income generating work (i.e. subsistence farming). Non-income generating informal work also refers to the production of commodities for personal consumption, exchange of goods and services, unvalued care for children as well as for ill, elderly or disabled people (Dimova, Radeva 2005).

In the light of the above said, we find that ‘colouring’ the informal sector and applying terms such as ‘gray’ or ‘black’ is rather inappropriate, as each palette is characterised by a variety of nuances and it is difficult to identify the correspondence between form and shade. In my opinion informal work is organically tied to regulated economic activities, and that its size and manifestation depend largely on the state and development of the official (i.e. formal) economy. We also take into account the fact that working informally is a kind of reaction by people who feel burdened by the taxation and social security systems and prefer to seek a solution on their own, working ‘on the side’.

4 What is ‘visible’ and what is not in the Labour Market

Statistics indicate that since 1999 the share of the inactive population in the total population aged 15 to 64 has dropped from 31.6 % to 29.8 % in the EU area (Hardarson 2006). This is mainly due to the increase in women’s participation in the labour force – the share of inactive women has dropped from 40.5 % to 37.5 %, while the share of men outside the labour force has remained stable – 22.6 % to 22.2 %.

In all Member States, women still are more likely than men to be outside the labour force (Hardarson 2006). In 2005, in the Nordic and Baltic countries, as well as in Slovenia the difference was about 9 %, while in Cyprus, Luxembourg, Ireland, Spain, Italy, and Greece the difference was more than 20 %. In Malta, the gender difference was the greatest with 42 %.

In the last years, the participation of women in the formal labour market has in-

creased, but women are still employed to a less degree than men are. The dynamics of gender balance in employment has also changed. The trend in the EU area is towards a decreasing gender employment gap, especially in its western parts – Spain, Ireland, Italy, Luxembourg, the Netherlands, etc. However, in some new Member States – Czech Republic, Lithuania, Slovenia, Slovakia, and Romania – the changes are just the opposite (see Table 1).

Table 1: Dynamics of employment rates (women and men aged 15-64) in EU Member States (2000 and 2005) (in %)

Countries	Women		Men		Gender gap (W – M)	
	2000	2005	2000	2005	2000	2005
Austria	59.6	62	77.3	75.4	17.7	13.4
Belgium	51.5	53.8	69.5	68.3	18	14.5
Czech Republic	56.9	56.3	73.2	73.3	16.3	17
Cyprus	53.5	56.4	78.7	79.2	25.2	20.8
Denmark	71.6	71.9	80.8	79.8	9.2	7.9
Estonia	56.9	62.1	64.3	67	7.4	4.9
Finland	64.2	66.5	70.1	70.3	5.9	3.8
France	55.2	57.6	69.2	68.8	14	11.2
Germany	58.1	59.6	72.9	71.2	14.8	11.6
Greece	41.7	46.1	71.5	74.2	29.8	28.1
Hungary	49.7	51	63.1	63.1	13.4	12.1
Ireland	53.9	36.3	76.3	76.9	22.4	18.6
Italy	39.6	45.3	68	69.9	28.4	24.6
Latvia	53.8	59.3	61.5	67.6	7.7	6.3
Lithuania	57.7	59.4	60.5	66.1	2.8	6.7
Luxembourg	50.1	53.7	75	73.3	24.9	19.6
Malta	33.1	33.7	75	73.8	41.9	40.1
Netherlands	63.5	66.4	82.1	79.9	18.6	13.5
Poland	48.9	46.8	61.2	58.9	12.3	12.1
Portugal	60.5	61.7	76.5	73.4	16	11.7
Slovakia	51.5	50.9	62.2	64.6	10.7	13.7
Slovenia	58.4	61.3	67.2	70.4	8.8	9.1
Spain	41.3	51.2	71.2	75.2	29.9	24
Sweden	70.9	70.4	75.1	74.4	4.2	4
United Kingdom	64.7	65.9	77.8	77.6	13.1	11.7
Bulgaria	46.3	51.7	54.7	60	8.4	8.3
Romania	57.5	51.5	68.6	63.7	11.1	12.2

Source: Eurostat, Labour Force Survey (LFS), annual average

Gender dimensions of the unemployment dynamics also indicate a decreasing gender gap, but the picture is quite varied (see Table 2 next page). In most countries, there are more unemployed women than men. In some, however, both old and new members, less women are unemployed than men, and this is a stable gender distribution – Estonia, Ireland, Latvia, Sweden, United Kingdom, Bulgaria, Romania. There is a third group of countries, all post-socialist, where in 2000 male unemployment dominated, while five years later the number of unemployed females is higher (although not much) than that of males – Lithuania, Hungary, Slovakia.

The above data are related to the ‘visible’ part of the labour market, to the formal, official, declared economy sectors. Very often statistics and analyses stop here, at the visible part of the employment picture. However, this is not the real panorama of the labour market since the figures do not take into account the informal, undeclared work activities, which account for a quite impressive share of GDP.

Renoy et al. (2004) indicate in their study that in most northern old Member States the estimated shares of undeclared work (% of GDP) are comparatively small – 2 % in the Netherlands, 2 % in the UK, 4 % in Finland, 5 % in Denmark. In south ‘western’ Europe, however, the shares are 8-10 times higher – 20 % of GDP in Greece, 17 % in Italy. North-South dimensions indicate that informal work is more widespread in the southern parts of Europe than in northern and central ones. At East-West perspectives, undeclared work is ‘more Eastern’ (and in particular much more ‘South Eastern’) than ‘Western’.

In post-socialist countries, mainly because of the hardships, concomitant global transformations as well as the high social cost of the transition towards a free market economy, a significant bulk of new employment has been in the informal economy (ILO 2002b). One of the major peculiarities of post-socialist Europe is that informal work has got *national* as well as *cross-national dimensions*. Unlike Western countries, men and women from CEE work informally both in their own countries and outside their national borders – as immigrants. Renoy et al. (2004) identify three distinct groups of CEE countries, regarding the scale and dy-

namics of undeclared work: (1) a low level (8-13 % of GDP) and decreasing share: Czech Republic, Estonia, and Slovakia; (2) a medium level (14-23 % of GDP) and decreasing share: Poland, Slovenia, Hungary, Lithuania, and Latvia; (3) a high level (21-22 % of GDP) and increasing share: Bulgaria and Romania.

Table 2: Unemployment rates (women and men aged 15 and over) in EU Member States (2000 and 2005) (in %)

Countries	Women		Men		Gender gap (W - M)	
	2000	2005	2000	2005	2000	2005
Austria	4.3	5.5	3.1	4.9	1.2	0.6
Belgium	8.5	9.5	5.6	7.6	2.9	1.9
Czech Republic	10.3	9.8	7.3	6.5	3	3.3
Cyprus	7.2	6.5	3.2	4.3	4	2.2
Denmark	4.8	5.3	3.9	4.4	0.9	0.9
Estonia	11.6	7.1	13.8	8.8	-2	-1.7
Finland	10.6	8.6	9.1	8.2	1.5	0.4
France	10.9	10.9	7.6	9	3.3	1.9
Germany	8.7	10.3	6	8.9	2.7	1.4
Greece	17.2	15.3	7.5	6.1	9.7	9.2
Hungary	5.6	7.4	7	7	-1.4	0.4
Ireland	4.2	4	4.3	4.6	-0.1	-0.6
Italy	13.6	10.1	7.8	6.2	5.8	3.9
Latvia	12.9	8.7	14.4	9.1	-1.5	-0.4
Lithuania	14.1	8.3	18.6	8.2	-4.5	0.1
Luxembourg	3.1	5.9	1.8	3.5	1.3	2.4
Malta	7.4	9	6.4	6.5	1	2.5
Netherlands	3.6	5.1	2.2	4.4	1.4	0.7
Poland	18.1	19.1	14.4	16.6	3.7	2.5
Portugal	4.9	8.7	3.2	6.7	1.7	2
Slovakia	18.6	17.2	18.9	15.5	-0.3	1.7
Slovenia	7	7	6.5	6.1	0.5	0.9
Spain	16	12.2	7.9	7	8.1	5.2
Sweden	5.3	7.7	5.9	7.9	-0.6	-0.2
United Kingdom	4.8	4.3	5.8	5.1	-1	-0.8
Bulgaria	16.2	9.8	16.7	10.3	-0.5	-0.5
Romania	6.3	7.6	7.2	8.3	-0.9	-0.7

Source: Eurostat, Labour Force Survey (LFS), annual average.

In general, informal work in the post-socialist countries is concentrated in the same sectors as

in the EU. Among the most interesting characteristics of undeclared work in the CEE countries, Renoy et al. (2004) mention

- the importance of the retail and hotel / restaurant sectors;
- the presence of a subsistence economy with a focus on agriculture;
- the relatively high importance of professional services;
- the relatively low incidence of informal work in manufacturing.

In addition, their research indicates that for many of these countries the practice of 'envelope wages', i.e. 'money under the table', is so widespread that under-reporting income becomes as important as non-reporting income. In many of these countries, corruption and interconnection with legal business should also be taken into consideration.

A significant role in Southern Europe, and in particular in South-Eastern countries is played by the so-called 'subsistence economy' or 'jar economy'. In Bulgaria, Greece, Macedonia, but also in some regions of Spain, Portugal, and Italy, 'household plots'¹ are a traditional part of the national culture and lifestyle. Work activities in subsistence farming (most often backyards, gardens, small peaces of land) are usually undeclared and non-paid and both male and female are involved.

5 A Touch of the Bulgarian Case

There are no universal, common causes for the existence and development of informal work – because it is a time and location specific phenomenon and can differ in the context of time and space (Pfau-Effinger 2003). Also the main 'drivers' that bring about informal economies vary cross-nationally. Apart from economic reasons, like poverty risk, trust in the institutions plays a very important role. Moreover, the impact of culture and traditions on that matter should not be ignored. Most often, informal work is influenced by economic, social, political and cultural factors but, overall, the informal economy is a function of the state of the formal economy.

In our research on women in the informal economy in Bulgaria, we point out three major reasons for women's participation in the infor-

mal economy, which we believe are valid also for men and can be applied cross-nationally (see Dimova, Radeva 2005):

- *Economic constraints / lack of alternatives* – women need income (main and / or additional) to satisfy their families' and / or personal needs, trying to lead a decent life.
- *Mistrust in the institutions* – women choose informal over formal employment because they prefer immediate benefits (not taxed income) over future promises (social security benefits, pensions) they are not sure the state will be able to provide.
- *Socio-cultural norms and traditions* – women follow cultural norms and traditions of working 'on the side' established in the community.

It is important to note that these reasons are not completely distinct and can reinforce or complement each other in explaining informal work motivation. Our *main finding*, based on analysis of the purposefully collected qualitative data, is that both women and men work informally mostly for economic reasons. They engage in informal work either because their formal sources of income are insufficient or because they cannot access appropriate employment in the formal economy – informal work is a way to maintain a decent standard of living and fight against the risk of poverty. We conclude that informal activities are an important poverty alleviation strategy for many individuals and households. In the face of stagnating growth and rising unemployment, informal work could be considered as an opportunity rather than a failure. Comparable results have been found also by other colleagues (Chen et al. 2005).

During the years of global transformations in CEE, economic constraints have reached such widespread proportions that, for some countries, involvement in informal activities and receiving undeclared income has turned into a social norm, an inseparable part of people's lifestyle and philosophy of daily life. The following statement from our research is just one example for this:

“Yes, this is strictly a matter of constraint. Women have no choice whatsoever. They graduate from high school. And even if they were to graduate from an economics secondary school, there's nothing they can do, they

can't find a job. And most of these young women enter the restaurant, trade or other such businesses as informal workers. They start working in small cafes and restaurants without a guaranteed labour contract; they are paid cash 'under the table'. Moreover, they work a full 8-hour working day; they also work shifts, including night shift. And they go on working in this way for years.” (Woman, university professor, 50 years old, big city)

We also discovered in our research, that with the possible exception of some managerial jobs, the entire occupational classification list may be represented on both the formal (visible) and informal (invisible) scale. Priorities have changed over the years, but engaging in informal activities has become a new labour tradition for both men and women. In many countries in transition, it spreads over all socio-demographic categories and covers almost the entire range of occupations.

At international perspectives, many people, mostly young males and females, have emigrated looking for better living and working conditions. The hardship situation and the lack of visible perspectives for improvement could be defined as the general reasons for high real and potential emigration from CEE. Being immigrants in Western countries, many women join the informal care sector, while men usually accept informal work in construction. For them it is a chance, an alternative labour strategy, a countermeasure to the risk of poverty. As one of our respondents indicated:

“We are willing to work in the grey market and we do it. This is an opportunity for us to make both ends meet. I see this as a chance. If the survival of your family depends on this, emigration and working in the grey economy is an opportunity for that. A job without contract is not secure, but there is no security anywhere. I could not say whether it is something good or bad – this is just our chance to keep a more or less normal living standard.” (Unemployed father of two children, 35, big city)

6 Engendering informal work?

Activities in the informal labour market are very gender and age, as well as time and space specific. Therefore, it would be wrong to classify informal work as purely 'female' or 'male'. The extent to which the informal sector is 'female' or 'male' varies geographically and

in time. Overall, in most European countries, both Western and Eastern, old and new Member States, men are more active in the informal sector than women.

In his research, Pedersen (2003) finds that in Denmark, almost three times more men than women carry out undeclared work (29.4% males compared to 11.5% females). In Germany, Sweden, and the UK, male participation is generally twice as high: 14.5 % and 6.5 % respectively in Germany; 15.4 % and 7 % in Sweden; 10.3 % and 5.4 % in the UK (see Table 3).

Table 3: Proportion of the population aged 18 to 74 carrying out undeclared work by sex, occupation and age group (in %)

Country Category	Den- mark (2001)	Nor- way (1998/ 2002)	Sweden (1997/ 1998)	Ger- many (2001)	Great Britain (2000)
Men	29.4	23.8	15.4	14.5	10.4
Women	11.5	10.7	7.0	6.5	5.4
18-19	42.0	22.2	24.6	16.6	(3.9)
20-29	26.8	23.9	17.1	19.1	13.0
30-39	24.5	20.3	17.4	13.2	13.2
40-49	22.1	16.9	12.1	10.0	7.8
50-59	15.9	12.8	(4.5)	7.4	(3.9)
60-69	11.5	9.3	(3.7)	5.6	(1.5)
70-74	(6.1)	(6.0)	(2.6)	(1.0)	(0.6)
Self-employed	27.8	33.3	17.5	12.1	(13.5)
Employees	18.2	13.8	7.2	7.1	9.5
Skilled workers	29.2	41.8	15.8	19.2	12.5
Unskilled workers	28.6	20.3	13.4	8.2	(5.6)
Unemployed	(9.9)	(21.7)	(10.6)	20.7	(9.2)
Pensioners	9.5	(5.9)	(3.3)	4.2	(1.1)
Students	25.2	18.7	23.5	27.3	30.6
Other	./.	12.5	(7.8)	8.7	(3.7)
Total	20.3	17.3	11.1	10.4	7.8

Source: Pedersen 2003. Figures between brackets mean that there are (too) few observations.

In new Member States, male informal workers also dominate over female counterparts, but the gender differences are not so large. In Bulgaria, for example, 44.5 % of all men aged 15+ are thought to be engaged in informal work, compared to 37 % of women (NSI 2003).

It should be noted, that women informal workers from the CEE countries sometimes are the only breadwinners within their households. This applies to many female immigrants, who live apart from their families in order to contribute (or in many cases – to be the main or the only contributors) to the family budget. In

these circumstances, it is not surprising that Polish, Romanian, and Bulgarian women are willing to accept ‘any job’ in the UK, Germany, Spain, Greece, and Italy, and many of them work informally in the least prestigious, unpopular and unskilled sectors. On one side, they ‘absorb’ lowest, unattractive, ‘dirty’ occupations. On the other side, however, these informal workers (especially when their number is critically high) affect the whole labour market in the EU area, disrupt its structure and become a common concern.

In many countries outside Europe, women’s possibilities to enter the formal sector are much more limited than men’s, and the informal sector is often their only option (Bullock 1994). In the Middle East and North Africa, 42 % of women workers are in the informal sector. In the developing world, the share exceeds 60 % (outside agriculture). For example, in sub-Saharan Africa, 84 % of women workers are informally employed compared to 63 % of men; in Latin America the ratio is 58 % females against 48 % males; in Asia 73 % and 70 % respectively (Hardarson 2006).

The informal labour market in many ways reflects the formal labour market’s conjuncture. As Pfau-Effinger (2003) indicates, the gender segregation of informal work is closely linked to the structures of the gender division of labour in the formal economy. The major gender issues of the formal market can also be found in the informal one – i.e. gender wage gap, occupational segregations, ‘glass roof’ phenomenon, social dumping, manifest or hidden discrimination towards female workers, etc. It could be argued that many types of undeclared work and sectors of the informal economy are ‘gendered’ in the same way as they are in the ‘visible’, formal side of the labour market.

When joining the informal sector, women usually rely on the skills and experiences they already have – mainly in the areas of food processing and trading, sewing, domestic and personal services. That is why women are mostly found in sectors with lots of ‘female tasks’ – in personal services, the care economy, the trade, hotel and restaurant branch, catering, health care, education, commercial cleaning. Male informal workers are usually found in transport and construction. Construction, in particular, is the sector with the highest inci-

dence of informal work for men. In agriculture, however, men and women participate equally.

The working conditions of women informal workers are, overall, less favourable than those of men. Women are engaged in less autonomous jobs, earn less and, as Renoy et al. (2004) state, tend to take the informal jobs for economic necessity, rather than for earning some extra cash 'on the side', like men usually do. In spite of the fact that women participate in the informal sector mostly because of economic constraints, they are found in the lowest-paid and most highly exploited categories of work: in small enterprises, as outworkers, in the simplest types of self-employment, as unpaid family workers, in domestic work.

Workers in the informal economy, especially women, face a higher poverty risk than workers in the formal economy (Chen 2005). They are often over-worked, under-paid and under-protected; they also have limited time for their families and suffer higher work-family conflict, they have less opportunities to improve their skills and are less competitive at the labour market. ILO analyses point out that a much higher percentage of people working in the informal relative to the formal economy are poor, and a larger share of women compared to men working in the informal economy are poor (ILO 2002a).

Informal workers themselves, both men and women, consider undeclared work as a means of securing main or additional income, i.e. earning some extra cash 'on the side', which in many cases is of vital importance to households. They do not consider such income to be 'illegal', since it comes as a result of their real labour input. In other words, the undeclared income is perceived as the monetary expression of their own labour expended, and they believe that they deserve it. A statement serves as an illustration:

"I do not think that I'm doing something illegal or wrong selling the things I have done myself. I've been working for so long now, and I've always paid my taxes. So has my husband. I'm retired now – so, whatever I can make on the side, being what I am, should go to my family and me so we can lead a decent life. Because it's more than obvious that we cannot live decently on our pensions. The work I myself can do and do, i.e. with my own two hands and sell – I don't

think there should be any talk about levying taxes on it." (Retired female teacher, 62 years old, big city, married)

Compared to men, women are more affected by the negative impacts of informal work. They usually take less favourable positions, earn less and work longer in less attractive jobs. On the other hand, employers prefer women for such jobs, because they are more compliant, do not strictly pursue their rights, and put up with the conditions they have to work under more easily than men do.

7 Instead of Conclusion

As Pfau-Effinger argues, informal work causes serious problems for European societies, but at the same time it should be considered that in many cases it also serves as an alternative solution for problems that are not solved adequately by the official institutions and the labour market (Pfau-Effinger 2003). There are also views that informal work 'absorbs' unemployment and contributes significantly to poverty reduction (Chen 2005).

This contradictory nature of informal work provokes public suspicion of '*formalising informality*', i.e. raises public concern that the informal economy exists as a result of a 'silent agreement' between the state, employers and workers. In terms of the state, the informal economy absorbs the unemployed and thus reduces unemployment rates, the budget can sustain the cost of social payments, and the at-risk-of-poverty rate decreases (especially when poverty is measured by consumption). Employers, on their side, are in favour of undeclared income because this way they can make larger profits. To the workers, undeclared incomes are 'a breath of air' and a way to cope with the hardships and maintain a more or less decent standard of living. Therefore, at least for the time being, the informal economy in many countries and especially in new Member States can be perceived as a 'necessary evil'.

We discovered in our research (Dimova 2003) that the syndrome of the '*Four Ps*' (Payment, Pensions, Poverty, Perspectiveness) faced by people during the transformation processes, more dramatically and painfully affects women than men. Women, at the same time, proved themselves to be more flexible,

more adaptive, and more combinative compared to men. Women also behave more actively and practically than men in the changing situation – they are more willing to improve their skills, to completely change their occupation in order to better meet the new labour market requirements. For women, similar to male informal workers, informality (both nationally and cross-nationally) is a chance to lead a more or less decent life.

However, it should be taken into consideration that, overall, informal work provides women and men with real or illusionary opportunities to survive and maintain a decent standard of living here and now, while at the same time, it limits their horizon and deprives them of the ability to seek perspectives. Informal work offers a relatively comfortable ‘today’, but it deprives informal workers, and especially women, of the prospects and a secure ‘tomorrow’. For better understanding of the dynamics of gender balance of informal work, however, there is a strong need for in-depth panel research and for long-time comparative cross-national analyses.

Note

- 1) ‘Household plots’ are small private family farms, where people grow fruits and vegetables, or breed livestock mainly for their own consumption. A relatively trifling part of the production is sold on the market.

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