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Toward A Reconceptualization of Women's Economic Activities: The Informal Sector in Urban Mexico

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How economic development affects women is increasingly drawing the attention of scholars. Their answers have varied from the argument that the capitalist mode of production and development in general, based on modernization theories, create the arena for women's economic and social participation,¹ to the argument that the expansion of capitalism, in fact, worsens conditions for working women.² Not mutually exclusive, these arguments put forth the contradictions of contemporary society and of the role of women within it.

In order to gauge the impact of capitalist relations on the lives of women in developing countries, we need to understand the nature of women's work. However, this very topic is in grave need of reconceptualization and revision. Much of women's work, for example, exists in the informal sector and remains officially invisible. The contradictions between women's crucial role in the economy and their concentration in occupations of low remuneration, which are often not included in the census, raise numerous issues. This essay focuses on a key factor central to the issue—the conceptualization and measurement of women's economic activities.

The Nature of Women's Work in Developing Countries

To understand the specific employment situation of women in developing countries, one must consider at least three analytically separate dimensions: (1) the supply constraints, (2) conditions of the

labor market, and (3) economic policies pertaining to women. Supply constraints are linked to the composition of the household—the position of women within the household, the sexual division of labor, and the relationship between domestic and market production. General labor market conditions prevalent in developing capitalist countries today imply, in most cases, a relatively abundant supply of labor, a relatively low absorption capacity in the more dynamic and productive sectors of the economy, high rates of underemployment, and low-wage work. In the case of women, explicit and implicit employment policies include discriminatory practices and sex segregation of occupations.

As a case in point, in the last several decades Mexico has experienced rapid urbanization. Consequently, a large supply of urban-based labor cannot be incorporated into Mexico's increasingly capital-intensive industries. The result has been the development of a highly heterogeneous labor force and the systematic exclusion of women from certain occupational opportunities. Industry has proven to be an important implement of economic growth and change in Mexico. However, very few of the advantages of industrialization are shared equally across gender lines.

One consequence of this pattern of industrialization in Mexico is the proliferation of informal jobs, that is, noncontractual, minimum-wage level, and intermittent employment (i.e., cottage industry).³ Although difficult to specify, informal activities in developing capitalist economies, such as Mexico's, must be understood as an integral part of the total pattern of employment in a given country. With regard to women's work in developing countries, an understanding of informal labor activity is essential, because women create the bulk of labor within these most precarious areas of employment.

Whether temporary or permanent, informal activities are usually taken when formal jobs are unavailable.⁴ However, the dividing line between formal and informal jobs is very tenuous, especially in regard to women's work. On one hand, formal employment implies a long-term, full-time contractual, stable job. For example, textiles and food processing, which have traditionally employed women, are Mexican industries that offer formal employment. Yet, according to the Mexican census, this criterion does not apply to other types of employment, including paid domestic work and small craft production. These jobs are considered informal if they are carried out on

an irregular basis regardless of the amount of hours put into production or if they are the primary source of income for the household. These incongruities point to a genuine need to reconceptualize women's formal and informal economic activities.

Even in the informal sector, differences in modes of productive activities—such as regular wage labor, labor in small enterprises, casual wage labor, and self-employment—suggest a multitude of work situations and imply a probable continuum of modes and organizations of production throughout the entire urban economy. It is consequently apparent that just within the informal sector (leaving aside formal employment), there are significant variations in employment patterns, working conditions, and wages of women workers which need to be addressed further.

Participation in the Labor Force—An Issue of Contention

In the late 1970s, women officially represented 20 percent of the Mexican labor force. Anyone with an inkling of what is occurring in Mexico would know that it is absurd to believe that 80 percent of the women are economically inactive. The low figure reflects, in large part, the inadequate conceptualization and operationalization of women's labor, particularly in the informal labor sector, as outlined above. It is unfortunately true that many women engaged in intermittent, precarious economic activities are considered "economically inactive,"⁵ when in fact they are active and are creating products, providing services, and thus generating revenue.

Moreover, the Mexican census shows much higher rates of unemployment among women than among men. Again, this is not as much an indication of women's economic inactivity as of their intermittent-type jobs, which are often not officially counted as employment by the census.

In most cases, neither part-time work outside the home nor work for a family enterprise is included in the national census. Since the Mexican census only records women's primary activity, which is assumed to be domestic work, especially if the woman is not head of the household, the frequent and in many cases constant involvement of women in the informal labor sector fails to appear in official statistics.

Studies by Lourdes Arizpe, Susan Eckstein, Lisa Peattie, Janice Perlman, and Saul Trejo Reyes (among others) found "economic inactivity" practically nonexistent in the poverty areas of urban Latin America.⁶ Just about everyone who is physically able works. Economically active women accounted for higher employment rates in these studies than in the official statistics of their respective governments. This is partly explained by the different approaches used to characterize work in a family enterprise and work women bring home (e.g., washing or making clothes). Whereas the censuses do not include these and other informal types of occupations in employment statistics, these studies do.

These considerations overwhelmingly imply the need to revise what is meant by "economically active" and to redefine "economically inactive." Because of such inadequate theoretical constructs, there are great difficulties and ambiguities in the measurement of women's economic activity.

While the formal/informal sector dichotomy, widely used in the literature on developing nations, presents serious problems of demarcation, it also allows for potential insights when empirically measuring labor market activity. The distinction between informal and formal work can be useful in highlighting certain important features of women's employment. If these concepts are defined broadly enough to distinguish between regularity/irregularity and security/insecurity of employment, they would be useful in revealing sharp differences in levels of earnings. Such a distinction is important when empirically measuring labor force activity.

Inequality and the Sexual Division of Labor

Another issue of concern is the persistent sexual division of labor. Regardless of whether work is in the formal or informal sector, women more often than not perform tasks which are extensions of their domestic work. In virtually all contemporary societies, men tend to appropriate the governing, more socially important positions, while women are assigned to or voluntarily occupy menial positions. This general tendency for sexual division within labor raises important questions for research.

In general, tasks reserved for women in the wage labor market are

often analogous to women's responsibilities in the household.⁷ In Mexico, women primarily work in industry related to clothing manufacturing and food production. These two industries include one-third and one-fifth, respectively, of women in this sector of the work force.

During the mid-seventies, studies in Mexico City by IMES (Instituto Mexicano de Estudios Sociales) and a group of social workers indicated that 23 percent of the men interviewed accepted the fact that their wives could work, but only in the following occupations: 40 percent as a dressmaker; 31.4 percent as a servant; 8.5 percent as a factory worker; and 6 percent as a nurse.

Needless to say, in the division of labor there exist class inequalities as well as inequalities along gender lines. The official statistics are alarming. In regard, for instance, to minimum wages, 18.1 percent of active males earn less than the legal minimum wage in Mexico City; the corresponding figure for women is 35.6 percent.⁸

In addition to being occupationally relegated to domestic-type jobs, women by and large acquire employment as unskilled workers. In Mexico, the 1971 statistics indicate that of the unskilled workers in the service sector, 71.8 percent were women, who also comprise 40.2 percent of the stallholders.⁹ Excluded from relatively secure areas of work, women occupy employment categories which correspond to the lowest income groups. Of the stallholders, 50.8 percent of the men earned less than the official minimum wage, while the comparable statistic on women stallholders was 80 percent. In the service sector, 41.2 percent of the men and 92.3 percent of the women earned less than the minimum wage. While this is an extremely depressed state of affairs for all concerned, the economic status of women indicated by these statistics is most startling.

In much of the literature on women it is assumed that women's economic role remains primarily within the household and only secondarily in the public realm. This relationship between family status and labor market participation is taken for granted.

Some literature exists on the relationship between female labor force participation and fertility in Mexico. With varying methods of measurement and consequently different findings, Stanley K. Smith, Maria Davidson, and Alvan Zarate,¹⁰ among others, illustrate that empirical evidence on female labor force participation is extremely contradictory. Some of the writers argue that having a family does not preclude women from productive undertakings, while others

argue the opposite.¹¹ The theoretical debate on the interplay between productive and reproductive activities continues.

For example, women who are heads of household are more likely to be employed than women who are not. They are also more likely to be found in the informal sector, where they are paid the lowest wages. This tendency to pay women wages below the value of labor power is justified on the assumption that a woman is at least partially dependent on the wages a man earns. This situation is, in turn, responsible for the plight of single women with families to support. Thus, these female-headed households deserve considerable attention in view of their increasing numbers and their poverty level. The study of women's activities, as determined by their position in the household, requires a characterization of the variety of households according to their position in the class structure, taking into account changes over time.

Class and Age Division of Labor in the Informal Sector

In addition to sexual divisions in labor, hierarchical socioeconomic structures separate women and their interests from other women. The informal activities of women in the cities of Mexico cover a wide range of tasks—from private tutors in foreign languages to dishwashers.¹² However, a definite stratification of such informal tasks exists, which differentiates at least two clearly defined social groups: middle-class women who enjoy educational and social advantages and working-class women with few such advantages. The lower-class women in urban Mexico carry out their activities primarily in their own homes, in other women's homes, or in the streets.

Some women provide part-time or full-time household services, such as washing and mending clothes, preparing food, looking after other people's children, and so forth. Because caring for the children and home is generally assumed to be the "natural" supreme purpose of a woman's existence, paid domestic work is not conceptualized as a job, but merely the extension of her responsibilities.

In the cities of Mexico, and most likely in those of other Latin American countries, women's participation in formal employment declines with age while, conversely, informal activities increase with age. Thus, women who need to work but who cannot find jobs

compensate for their unemployment by taking up informal activities. Young working-class women can sometimes find a factory job or employment in small entrepreneurial enterprises. However, middle-aged and elderly women tend to go into low-compensation employment. Data which indicate that the highest rate of female participation in economic activity is found in the age groups fifteen to twenty-nine years reflect the census's inability to acknowledge informal economic activities.¹³ I recognize child-bearing and child-rearing as potential causes of nonparticipation in the labor force. Nonetheless, given the economic conditions of the majority of Mexican people, the underrecording of women's participation in the informal labor force is a serious oversight.

Alternative Approaches to Measuring Women's Economic Activities

A multitude of problems confront analyses of women's work in the informal sector. Census categories do not cover the variety of work included in this area. Some activities are never declared, others are not included in census questionnaires, and others overlap with various types of formal work. Perhaps research efforts in this area should proceed on the assumption that everyone has some socially determined activity (time-use survey).¹⁴ An approximation of the time devoted to each of the possible activities and of the changes in time allocation along the life cycle would give a better picture of the social division of labor and would elucidate the various forms of "invisible" labor. Time-use surveys allow for a more valid and inclusive approach to the study of labor supply, especially in regard to women and children.

By following this path, however, another important issue emerges, namely, the degree to which human potential is socially utilized. This issue has usually been discussed in relation to labor productivity or unemployment and "disguised unemployment."¹⁵ Development of criteria for defining these concepts poses a difficult problem; that is, in order to arrive at a proper measurement there must also be some standard of "full employment." However, thus far, it has not been possible to arrive at a widely agreed upon definition for full employment. At the minimum "employment" should be seen as part of a broader concept, "economic activity." It would include

occupations in the informal sectors, cottage industries, low-paying service jobs, and unpaid work in a family enterprise.

Conclusion

Economic development itself is problematic to evaluate. It is certainly no panacea to assure improvement of living and working standards, either for women or for men. High underemployment rates and poverty are widespread phenomena in many countries, but overall economic growth does not assure that these conditions will change. The recognition of women's economic value will more likely result from social/political movements and struggles carried out at specific historical conjunctures. Nonetheless, discussion of the participation of women in the labor force, or even of their contribution to growth and development, cannot be isolated from the issues of exploitation and poverty.

Issues I have raised are first, the substantial disregard of women's economic activities, especially those outside the realm of formal labor. Second, working-class, single heads of household and older women fall within the most neglected areas of official statistics. Third, given the neglect of the economic participation of women in the informal sector, there remains the need to examine and redefine terms and concepts which identify the parameters of labor force activities. Science and technology are generally assumed to be the answer to material deprivation. Yet, without simultaneously considering the social and economic inequalities in society, or without paying attention to women's work (over one-half of society's resources) and potential, there is little promise of social development. At a minimum, we must point out and acknowledge the existing conceptual and data-gathering limitations and shortcomings. This is a necessary beginning for an adequate scientific investigation into the impact of capitalist expansion on women in developing countries.

Implicit theories and methods of measurement of employment are intrinsically entrenched politically. The manner in which terms are defined and concepts are developed is linked to the existing socioeconomic interpretation and rationalization; these terms and concepts as assumptions are more than merely sociological in nature,

but very much political in their practical implementation and application. Specifically, the worsening conditions of workers in the informal sector are made invisible by the data-gathering procedures. This occurs while these very workers are simultaneously experiencing exploitation by the economic system which minimizes their plight in the official statistics.

NOTES

1. Mary Elmendorf, "Mexico: The Many Worlds of Women," in *Women: Roles and Status in Eight Countries*, ed. J.Z. Giele and A.C. Smock (New York: John Wiley and Sons, 1977); Orlandina de Oliveira, *Absorción de Obra a la Estructura Ocupacional de la Ciudad de México* (Mexico City: El Colegio de México, 1976); M. Young and P. Willmott, *The Symmetrical Family* (Harmondsworth: Penguin, 1975).

2. Alonso Aguilar, "Capitalismo Monopolista de Estado: Subdesarrollo y Crisis," *Estrategia* 2 (July, 1976):30-52; José A. Alonso, "The Domestic Clothing Workers in the Mexican Metropolis and Their Relation to Dependent Capitalism," in *Women, Men, and the International Division of Labor*, ed. J. Nash and M.P. Fernandez-Kelly (Albany: State University of New York Press, 1983), pp. 161-172; Alejandro Alvarez and Elena Sandoval, "Desarrollo Industrial y Clase Obrera en México," *Cuadernos Políticos* 4 (1975):70-83.

3. ILO characterizes the informal labor sector in the following manner: (1) ease of access and flexibility in the creating of new employment; (2) operation outside of social and labor legislation; (3) low productivity, small-scale production, rudimentary technology; (4) low salaries, low income (OIT-PREALC, *La Mujer y Empleo en América Latina* [Geneva, 1976], p. 16).

4. Formal employment signifies high enough wages to live above subsistence level, security of continuous employment, and those positions included in the national and international censuses.

5. "Economically inactive" refers to those individuals not officially considered part of the wage-labor force or producing for the market.

6. Lourdes Arizpe, "Women in the Informal Labor Sector: The Case of Mexico City," *Signs* 3/1 (1977):25-37; Susan Eckstein, "The Political Economy of Lower Class Areas in Mexico City: Societal Constraints on Local Business Prospects," and Lisa Peattie, "'Tertiarization' and Urban Poverty in Latin America," both in *Latin American Urban Research* 5, ed. W. Cornelius and F. Trueblood (Beverly Hills: Sage, 1975); Janice Perlman, *Myth of Marginality* (Berkeley: University of California Press, 1976); Saúl Trejo Reyes, "Desempleo y Subocupación en México," *Comercio Exterior* 22/5 (1972): 411-416; and his *Industrialización y Empleo en México* (México: Fondo de Cultura Económica, 1973).

7. Ester Boserup (ed.), *Women's Role in Economic Development* (New York: St. Martin's Press, 1980); Dorothy E. Smith, "Women, the Family and Corporate Capitalism," in *Women in Canada*, ed. M.L. Stephenson (Toronto: Newpress, 1973), and her "Women's Perspective as Radical Critique of Sociology," *Sociological Inquiry* 44/1 (1974); Heidi Hartman, "Capitalism, Patriarchy, and Job Segregation by Sex," and Margery Davis, "Women's Place Is at the Typewriter: The Feminization of the Clerical Labor Force," both in *Capitalism, Patriarchy, and the Case for Socialist Feminism*, ed. Z.R. Eisenstein (London: Verso Editions, 1980); Bonnie Fox (ed.), *Hidden in the Household: Women's Domestic Labour Under Capitalism* (Toronto: Women's Press, 1980).

8. Arizpe, "Women in the Informal Labor Sector," p. 30.

9. Stallholders are essentially street vendors.

10. Stanley K. Smith, "Women's Fertility, and Competing Time Use in Mexico City," *Research in Population Economics* 3 (1981):167-187; Maria Davidson, "A Comparative Study of Fertility in Mexico City and Caracas," *Social Biology* 20 (1973):460-472; Alvan O. Zarate, "Differential Fertility in Monterrey, Mexico: Prelude To Transition?" *Milbank Memorial Fund Quarterly* 45 (1967):93-108.

11. See Smith's work in regard to conflicting views on this issue.

12. Arizpe, "Women in the Informal Labor Sector."

13. Gloria Gonzalez Salazar, "Participation of Women in the Mexican Labor Force," in *Sex and Class in Latin America: Women's Perspectives on Politics, Economics and the Family in the Third World*, ed. J. Nash and H.I. Safa (Mass: Bergin and Garvey Publishers, Inc., 1980), p. 186.

14. This method allows for a wide spectrum of activities in that individuals are asked what it is they do in the course of the day. No one is asked to make a judgment as to whether an activity is within the realm of legitimate work or not (Guy Standing, *Labour Force Participation and Development* [Geneva: International Labour Office, 1978]).

15. "Disguised unemployment" refers to those who may seem unemployed, who are considered "economically inactive." The types of employment they encounter are not within the formal structure of the labor market.