Globalization and Securing Worker Rights for Women in Developing Countries

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Abstract

The major paradigms of the development discourse have recently incorporated the language of rights. To move from the rhetoric of human rights to concretely elaborate the content of rights for informal workers, particularly women, in developing countries is the purpose of this paper. Using a rights based approach to development, the paper takes up the issue of gender-enabling worker rights in the context of developing economies that are increasingly open to external influences. A matrix of rights consisting of the right to work, broadly defined, safe work, minimum income and social security are identified as core issues for informal workers. Further, we focus attention on four specific groups of informal workers, self-employed independent producers and service workers, self-employed street vendors, dependent producers such as homeworkers and outworkers and dependent wageworkers. Gender sensitive micro and macro economic and social polices are identified for each of these segments of the informal workers. The access to economic, market and social reproduction needs are to be addressed simultaneously to ensure the basic matrix of rights for women informal workers in developing countries. Each of the needs of the workers have to be viewed as a right and a system of institutions or mechanisms that will help to bring these rights to the center of policy have to be worked out. The claim of women and informal workers for a voice in the macro policy decisions through representation at the local, national and international levels is at the heart of the rights-based approach.

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Globalization has raised controversies regarding who benefits and who suffers in the process. In the words of Rodrik, "globalization is exposing a deep fault line between groups who have skills and mobility to flourish in global markets and those who either don't have these advantages or perceive the expansion of unregulated markets as inimical to social stability and deeply held norms. The result is severe tension between the market and social groups such as workers, pensioners and environmentalists, with governments stuck in the middle" (Rodrik, 1997). This has also exposed fault lines between the formal and informal economy, the North and South countries and workers and employers.

Concomitantly, the question of human rights has taken a prominent place in the development discourse. The focus has, however, been mainly on political and civil rights as opposed to economic and social rights. However in recent years, interest in economic and social rights has been growing, especially with the growing fault lines of global capitalism. A critical issue gap in the literature is how to move from the rhetoric of human rights to elaborate concretely the content of specific rights.

This paper reviews the impact of globalization on the developing economies, workers in the informal economy and the gender implications of the process. Using a rights based approach to development, the paper takes up the issue of gender-enabling worker rights in the context of developing economies that are increasingly open to external influences. The paper is divided into four sections. In section one the changing paradigms of the development discourse are discussed. In the second section the impact of trade on gender and the formulation of the core labour standards as a response to globalization are discussed. In section three, the non-standard forms of work in developed countries and informal work in the developing countries are described. And finally, a framework for the articulation of rights of workers in the informal economy given the context of specific insecurities faced by the groups of informal workers is presented.
1. **Changing Paradigms of Development Discourse: Links Between Rights and Economic Development**

The evolution of development thinking has come full circle. From the original focus on economic development with redistribution of incomes and equity as its goal, mainstream economic thinking moved to a narrow focus on economic growth, mainly gross domestic product, and efficiency. Economic growth was to be achieved by economic restructuring through trade liberalisation, privatisation and stabilisation, which came to be known as 'the Washington Consensus'. The emphasis on adjustment policies under this consensus had relegated the discussion on inequality to the sidelines, notwithstanding a greater concern for poverty in the 1990s. One view was that the best way to tackle poverty is to grow out of it. The other regarded measures to reduce inequality detrimental to growth and therefore not warranted during periods of adjustment when the emphasis was on reviving growth (Van der Hoeven, 2001).

In contrast to the Washington Consensus, United Nations Development Programme (UNDP) presented a new development paradigm questioning the prominent World Bank / IMF strategy of growth in gross national product (GNP) alone as a goal of development. The essential feature of the new paradigm was that **human development** is the ultimate goal of economic development. It proposed, what is now widely accepted, that there is no one-to-one correspondence between material enrichment, GNP per head, and the enrichment of human lives. The human development approach thus implied the dethronement of national product as the primary indicator of the level of development. This report was able to show that there is no automatic link between income growth and human progress. It put people at the center stage of development and emphasised that income is a means to development and not an end in itself. Human development strategy has the advantage of focusing on people with a view to enhance their quality of life and increase their productivity.

A recent Human Development Report has broadened the concept of human development to include human rights since it recognises that a decent standard of living, adequate nutrition, health care and other social and economic achievements are not just development goals. As human rights they are claims to a set of social arrangements, norms, institutions, laws an enabling economic environment that can best secure these rights. This could change the strategy of achieving these goals from merely providing access to facilities, to developing an
institutional and legal framework to help work towards attaining these rights (UNDP, 2000).

The focus on gender division of labor has constituted another challenge to traditional economic theory, and in some ways the Washington Consensus. Feminist economists have called attention to the serious neglect of the non-market sector of the economy. They point to the fact that the dominant economic theory views labor as a non-produced input and thus disregards the role of unpaid labour in social reproduction, and in household and community work. Further, the neglect of the care economy was reflected in the dominance of the male bread-winner model, which has shaped much of social policy in industrialised and developing countries. The second major contribution of Feminist Economists is to conceptualise the role of power and control as a ‘gendered relationship’, which determines the disadvantaged outcomes of women in the labour market and in the household.

The underlying norms on gender roles and responsibilities are also critical in defining the opportunities available for women, and even men, in the course of development. Sen’s entitlement framework points the way in which the fundamental barriers to human development for individual women and men can be overcome. His framework essentially provides a way for analysing the relationship between rights, interpersonal obligations and individual entitlements. Sen basically argues that individuals have preferences for or value different states of being. These “states of being” or functionings can range from relatively elementary states (e.g., being nourished) to complex personal states and activities (e.g., participation and appearing without shame). An individual also has entitlements such as access to education, health, land, work and so on. The concept of capability relates to the ability of a person to achieve different combinations of functionings, various combinations of valuable ‘beings’ and ‘doings’ that are within the person’s reach, reflecting the opportunity or freedom to choose a life that a person values (Vizard, 2001). Thus, Sen’s basic argument is that entitlements are necessary but not sufficient to realise the different aspects of being that individuals prefer and that it is equally important to ensure that there is an enabling environment to exercise rights, or what he calls capability. He has gone further to argue that development then is truly a realisation of rights or “development as freedom”.
In the light of a growing interest in the links between human rights and development, the International Labour Organisation (ILO) has recently come up with a new slogan of “decent work for all” and is making a concerted effort to reorganise the organisation to work to achieve this. “The primary goal of the ILO today is to promote opportunities for women and men to obtain decent and productive work, in conditions of freedom, equity, security and human dignity”. Four strategic objectives have been defined as: the promotion of rights at work; employment; social protection; and social dialogue (ILO, 1999).

The ILO approach clearly focuses on workers. Amartya Sen (2000) has highlighted some of the interesting features of the new ILO vision. Firstly it clearly articulates a goal of promoting opportunity for all workers in all sectors, organised/unorganised, wage/non-wage, self-employed and home workers. Secondly, it is a rights-based formulation and not confined to labor legislation. The evaluative framework begins with acknowledging certain basic rights, whether or not they are legislated, as being part of a decent society. Thirdly, it situates the conditions of work within a broad economic, political and social framework. The lives of working people are influenced by their freedoms as citizens with a voice to influence policies and even social reforms. And finally, it distinguishes the ‘international’ from the ‘global’ approach. While the international approach works through distinct countries, global institutions go beyond international relations. In dealing with the interests and rights of workers there is a need to go beyond international relations.

Dasgupta (1993) aptly summarised two aspects of personhood that have dominated the thinking of social philosophers. “One sees people as capable of deliberations, having the potential capacity to do things. It details agency, choice, independence and self-determination.” It sees us as doing things and leads to the language of rights. “The other views us as a seat of utility or satisfaction, … the extent to which desires are fulfilled by the activities that are undertaken and the relationships that are enjoyed. This sees us residing in the state of beings” and leads to the concern for welfare or happiness.

In reality these theories of rights and welfare/utility are interconnected and are necessary to understand and take the project of development forward. The welfare framework suggests the inputs that go into commodity consumption at an individual level. The form of inputs are social indicators of commodity consumption, food, clothing, shelter. The rights based theories actually capture the background environment, the extent to which the people are able to play an
active and critical role in the choice of the political, legal and economic structure, e.g., the freedom to determine who governs, and what laws are or will be. The sum of inputs and environment constitute the outputs, the social indicators of achievements that reflect the aggregate welfare realised in the society or economy, for example, literacy, infant mortality rate and life expectancy at birth. In reality both these concepts of rights and welfare are the same, being liberties that measure the extent to which an individual has power and control over his own life.

Human rights were first articulated in 1948 with the Universal Declaration of Human Rights. While this declaration proclaimed both political and economic rights, subsequently two separate protocols were drafted dividing rights into civil and political rights and economic, social and cultural rights, The International Covenant on Civil and Political Rights, and The International Covenant on Economic, Social and Cultural Rights. Civil and political rights were thought of as 'negative rights'. In other words, governments should refrain from impinging on these rights but the realisation of these rights required little direct government intervention. In contrast, economic, social and civic rights are 'positive rights' since the government must do more than provide individual entitlements. These were seen as exorbitantly costly requiring massive state-provided welfare. Further, while civil and political rights were seen as precise and possible to implement immediately, economic rights tended to be vague and unenforceable and would be realised progressively. Asymmetry of resource costs explains the powerful hold of negative rights.

A rights-based framework is now being articulated in each of the approaches to development described above. The various elements of the above approaches need to be incorporated in order to articulate a clear strategy for worker rights. The issues of human development and gender are particularly important in the formulation of rights of informal workers to constitute decent work and livelihoods for them in the current context of globalization in the developing countries. In the last section we shall try to formulate such an idea of rights of workers and a strategy to take the approach forward.
2. Trade, Gender and Core Labour Standards

The path of globalization, its sequence and timing has been varied in the many regions of the world. Before the World Bank-IMF induced structural adjustment programmes (SAP) began in many countries, export-oriented manufacturing was the path followed by the first-tier newly industrialising countries in East Asia to achieve unprecedented growth. There is no doubt that this export-oriented path raised incomes and wages, of men and women, over a short time. However, the gender-wage gap and occupational segregation remained large (Razavi, 1999). In the accounts of the determinants of the Asian economic growth, the positive role of exports insofar as they generate domestic access to foreign technology is acknowledged. There is also convergence on the opinion that low wages or income inequality was the major source of the growth. A relatively recent account of the Asian economic growth goes a step further and shows that economies with the widest gender wage gaps grew most rapidly (Seguino, 2000).

Globalization has been aided by the structural adjustment programmes undertaken by countries in Latin America, Africa and Asia since the 1980s. These policies involved increasing the openness to trade with other countries. Feminist Economists since the mid-1980s have argued that the distribution of cost and benefits of the market oriented structural adjustment programs have implications for gender inequalities (Catagay, Elson and Grown, 1995).

**Trade and gender:** One impact of both the export-oriented strategy and SAP has been an increasing feminisation of labor. This was particularly true for countries specialising in commodities with low-skill content and labour-intensive methods of production. The impact has been two fold: an increase in the entry of women into the paid work force and intensification of their unpaid work. Many young women entered into the tradable manufacturing sector in Asia and the Caribbean (Cagatay and Ozler, 1995). The entry into the workforce was due to both the ‘pull and push’ effects. The ‘push’ effect begins with a destruction of the alternative job opportunities for the men, fathers, brothers and husbands. This is followed by the new kind of ‘women’s work’, often with higher wages and longer hours of work, which constitutes the ‘pull’ effect. Even in countries such as Bangladesh with a tradition of gender seclusion of young women, the destruction of alternative livelihoods leads to weakening of the existing gender relations, and reconciles the employment of young women in factories with ‘respectable’ behavior (Feldman, 1992).
This entry into the paid workforce, however, does not change the gender hierarchy, since the sexual division of labour in the household is recreated in the division of labour in the factories. Women are concentrated at the bottom of the occupational hierarchy in dead-end jobs with little security. In Taiwan and South Korea it has been shown that high rates of export oriented industrial growth is compatible with high degree of gender inequality in earnings and employment conditions and opportunities (Elson, 1995).

Since the beginning of the 21st century the world economy has been described as a global, integrated and liberalised economy. There is a two-way relationship between gender inequality and growth, in the context of trade liberalisation and globalization: the impact of growth on gender inequality and vice versa. Cagatay, Grown and Elson (2000) identify four scenarios describing the relationship between the two: a win-win (high growth and low inequality) scenario; a lose-lose (low growth and high inequality) scenario; a win-lose (high growth and high inequality) scenario; and a lose-win (low growth and low inequality) scenario. The results depended on the dimension of gender inequality considered, the structure of the economy and how the interaction between gender inequality and other determinants is being modeled. On gender inequality, if the dimensions were education and health differentials it was a win-win scenario. If it was inequality in the labour market both win-lose and lose-win situations were possible. On the structure of the economy and growth trajectory, if the economy is more open and capital is footloose win-lose scenario may be more likely.

The gender differentiated effects of foreign direct investment (FDI) on export processing zones (EPZ) has been intensively studied. The overall trend of the share of women in the EPZs appeared to peak and then decline. The decline was associated with diversification of the export product mix towards higher value added, more technologically demanding product categories, and with increasing capital intensity of technologies. It appeared that as the jobs and wages improved in quality, women tended to get excluded from them (UN, 1999).

There is mixed evidence of the effects of globalization and trade liberalisation on the gender wage-gap. Trade expansion and liberalisation with FDI flows are likely to affect gender wage gaps in two ways: through differential impact on the demand for female and male labour and through increased ability of businesses to relocate all or part of their production across national borders through the export of capital. The little evidence that exists shows that the latter effect is more
prominent (United Nations, 1999). Women’s wages relative to men’s might be unlikely to rise if women are more heavily concentrated in the industries with ‘footloose’ capital, which is likely to be the case in many developing countries (Standing, 1999a).

**Social reproduction function:** Feminist Economists have argued that as the structural adjustment programs increased pressure on the women to enter the paid labour force, the gender division of labour in the household resulted in increasing the intensification of unpaid labour. The invisible nonmarket economy responds to the economic restructuring by reallocation of its household labour resources. Coping with the increased demand for their labour leaves women little choice other than to increase their work intensity (Floro, 1995). This puts a great strain on the women who have major responsibilities in both the domains of work and the household.

Another important impact of the economic restructuring process has been that the adjustment policies have led to the privatisation of social reproduction, that is, a shift in the reproductive costs from the public sector to the private sector. The virtual absence of social policies along with cuts in the social services have left families/households as the only refuge where the devastating effects of the adjustment are dealt with on a daily basis (Baneria, 1992). The hidden costs of adjustment have been the transfer of the costs from the market to the household, based on women’s ability to absorb the shocks through more work and ‘making do’ (Elson, 1993).

Empirical evidence on the gender impact of the East Asian financial crisis of the mid-1990s noted that the increased volatility of capital flows led to the economic and social impact falling more forcefully on women than on men (Singh and Zammit, 2000; Flora and Dymski, 2000; Lim, 2000). Besides the direct effects of the crisis on women in their capacity as wage earners, they also bear the additional burden of the lengthening hours of work and negative effect on health and education. Lim (2000) offers empirical evidence from Philippines of the increase in labour force participation and working hours of women during the crisis, while men experienced greater idleness. Women were also shown to be the provisioners of the last resort, or *de facto* safety nets in societies, which do not have them.
Floro and Dymski (2000) show that the financial crisis exposes women’s economic vulnerability by reducing their earned incomes, the assets under their control, and their voice in the household decisions, with the end result that they bear a disproportionate share of the adjustment costs. These papers raise the broader issue of who should shoulder the burden of insecurity and risk arising from the financial crisis.

Trade and core labour standards: Globalization through liberalisation of trade affects the countries in the North in three possible ways. The first of these has been examined most extensively in the literature, is the effect on the relative demand for skilled and unskilled workers. This implies an inward shift in the demand curve for low-skilled workers in advanced countries. Early studies used the reigning Heckscher-Ohlin theory of international trade and focused on how much trade reduced the demand for unskilled labour in the developed countries. It found that the effect was small partly because, the bulk of trade takes place with developed countries. Another reason was that in this model the mechanism operates through product prices. Since the latter is difficult to document for the 1980s, the effect is small (Rodrik, 1997).

The second impact of international trade with developing countries was the greater ease with which low skill workers in the advanced countries could be substituted by workers across borders through subcontracting or foreign direct investment (FDI). This implied an increase in the elasticity of demand for workers in advanced countries or a flattening of the demand curve for labour. The impact on labour markets is volatility of earnings and hours of work and decline in bargaining power in the workplace. In an open economy the first impact leads to what has been commonly called the ‘race to the bottom’. Countries in the south compete with each other to lower labour standards and this forces countries in the North to do so as well to prevent footloose capital and employers from deserting them (Rodrik, 1997). The impact on bargaining power is less well studied. All this had led to the third effect of international trade, increase in job insecurity in the 1990s in the North. Farber (1996) found that the rate of job loss in 1991-93 was higher than in the severe recession of early 1980s.

The consequences of the popularly perceived impact of globalization on labour markets in advanced countries has been the demand for ‘fair trade’ and a ‘level playing field’ in international trade. Much of the discussions surrounding the new issues in trade policy are that of core labour standards, environment, competition
policy and corruption. The deregulation of markets and contradictions within the reform policies led to increasing wage inequalities and volatility in labour conditions. With the increasing focus on these issues globalization increases conflict between nations over domestic norms and social institutions that embody them.

The response of the World Bank and of the North countries was favourable to the articulation of core labour standards to be applied to all countries to counter the declining standards. A similar response came from trade unions of the North faced with a decline in jobs in the formal sector and declining union membership. Finally, to the international agencies such as United Nations, ILO and World Trade Organisation (WTO), with their battery of international laws, rights and conventions also, the core labour standards seemed a solution to the negative impact of globalization. Thus, with the backing of all these institutions core labour standards and the talk of a social clause in international trade agreements became a reality.

ILO in its International Labor Conference, June 1998 adopted the Declaration on Fundamental Principles and Rights at Work. The worker's rights referred to as the 'core labor standards' of the ILO included in this document are seven ILO Conventions. These Conventions focus on issues of the right of freedom of association and effective recognition of the right to collective bargaining (Conventions No. 87, 1948 and 98, 1949); elimination of all forms of forced or compulsory labor (No. 29, 1930 and 105); effective abolishing of child labor and minimum age (No 138, 1973 and No. 182, 1999; elimination of discrimination in respect of employment and occupation, equal remuneration (No. 100, 1951 and 111, 1958).

Workers in developing countries and labour standards: Globalization and structural adjustment programs affect both economic and social reproduction functions of the already insecure and vulnerable workers in developing countries. The insecurities faced by these workers in fact require a whole matrix of rights and the core labour standards, as formulated above, do not address these.

Other ILO Conventions such as Home Work Convention, 1996 (No. 177); Indigenous and Tribal People’s convention, 1989 (No. 169); Migrant Workers (Supplementary Provisions) convention, 1975, (No. 143); Rural Workers Organisations Convention, 1975 (No. 141) and the implementation of the provisions of
the following recommendations, Migrant Workers Recommendations 1975 (No. 151); Tenants and Sharecroppers Recommendation, 1968, (No. 132); Promotion of Collective Bargaining Recommendation, 1981 (No. 163), need to be included in the core labour standards in order to address the workers in the developing countries. Further, the self-employed traders and manufacturers are not quite represented in these conventions. The rights of market workers to bargain with local authorities and home-based workers with intermediaries must also be asserted, besides that of employers and employees, and appropriate institutional structures created. These different conventions partly encompass the matrix of rights required to take account of the specific insecurities faced by the informal workers. However, the realisation of these rights actually requires a context specific articulation and voice at the policy level, local, national, regional and international levels.

3. Rise of Informal Work

Globalization and consequent changing economic environment has meant increased competition, introduction of new forms of technology, global production chains, reorganisation of work and some restricted labour mobility. The effects of these processes on labour markets and on gender have not been uniform as depicted in the discussion in the earlier section. One of the consequences of these processes is the creation of a flexible workforce. The efforts of multinational corporations (MNCs) and governments undergoing restructuring have led to the proliferation of irregular forms of employment and increased outsourcing in the informal sector or what has come to be known as the informalisation of the labour force. While MNCs have contributed to this process through quickening of relocation of labour-intensive production processes to low wage-sites in developing countries, at the macro level governments of restructuring countries have implemented a drive to labour market deregulation. This implies elimination of protective regulation and labour market institutions that were seen to impede ‘labour market flexibility’. As a result of these processes the core formal sector jobs with job security, opportunities to advance and social security benefits, decreased in size and proportion. The informal economy, comprising of non-standard form of work, grew both in the developed and developing countries.
Developed countries: Non-standard employment arrangements are significant and even growing in developed countries. It is recognised that a large share of workers in the developed countries work in non-standard work arrangements, including part-time work, temporary work, self-employment and home-based work. In the United States of America, forms of informal employment are increasingly observed in sectors such as electronics and garment manufacturing, where workers from Latin America and Asia are often employed under sweatshop conditions (Christerson and Appelbaum, 1995). Such employment was also observed among non-migrants in New England (Nelson and Smith, 1999).

One of the main forms of informal employment in the developed countries is part-time work. In fifteen countries of the European Union in 1988, overall non-standard arrangements, including part-time work, temporary work and self-employment, represented one-quarter of total employment. By 1998 this proportion rose to nearly 30 percent (ILO, 2002). Estimates for the United States show that 25 percent of the workforce is in non-standard employment. This covers workers employed under part-time, temporary help agency, direct-hire temporary, independent contract and contract firm workers. A second form of informal work is temporary employment including all short-term employment arrangements such as temporary agency workers, workers with fixed-term contract, seasonal workers and persons with training contracts (ILO, 2002).

Self-employment is the third major category of non-standard work in the developed countries. Self-employment is non-standard because it does not entail a wage relationship and therefore does not entail access to wage or payroll-based benefits. Overall in 1997, for all OECD countries, self-employment represented about 12 percent of non-agricultural employment, rising from about 10 percent in 1979 (ILO, 2002).

Developing Countries: According to a preliminary estimate of all regions of the developing world informal employment (outside of agriculture) forms nearly half or more of the total non-agricultural employment. It ranges from 48 percent in North Africa to 51 percent in Latin America, 65 percent in Asia and 72 percent in sub-Saharan Africa (ILO, 2002).

The forms of informal work in the developing world is somewhat different from that found in the developed world. However, the defining characteristic of
informal work is that it involves lack of or unstable contracts and workers consequently do not obtain most of the benefits additional to the wage that are associated with formal employment. One method of classification of work status of informal workers in the developing countries is the following:

Self employed: independent self employed persons

- Employers: owner operators of their own unregistered enterprises who hire at least one worker on a regular basis; and
- Own-account workers: self employed persons who do not hire any paid workers on a regular basis.

Dependent Producers: producers who depend on others for the supply of work, raw-materials or sale of finished goods

- Homeworkers: producers who work at home under sub-contract arrangements, or otherwise depend on manufacturers or merchants for their raw material or sales.
- Out-workers: producers who work on the premises other than their home under sub-contract arrangements or otherwise depend on manufacturers or merchants for their raw material or sales.
- Unpaid family workers: family members, relatives or other members of the household who work without pay in businesses run by other members of the household.

Wage Workers: dependent wage workers who work under one or another of the following arrangements:

- Casual workers: dependent wage workers who do not work on a regular basis for a single employer or enterprise.
- Employees of unregistered enterprises: dependent wage workers who work on a regular basis for a single unregistered enterprise without, typically, a written contract, fixed wages, or worker benefits.
- Employees of registered enterprises: dependent wage workers who work on a regular basis for a single registered enterprise without, typically, a written contract, fixed wages, or worker benefits.
• Domestic workers: dependent wage workers who work for one or more households.

Self-employed workers in the developing countries are engaged in small manufacturing activities, petty trading, transport, services and repair services. The term “home-based worker” is used to refer to the general category of workers who carry out remunerative work within their homes or in the surrounding grounds. It does not refer to either unpaid housework or paid domestic work. Within the general category of home-based workers, there are two basic types of workers: those who work on their own (the self-employed or own account worker) and those who work for others (mainly as industrial outworkers). The term “homeworker” is used to refer to a sub-set of home-based workers: namely, industrial outworkers who carry out paid work from their home. In recent years with the growth of subcontracting, women home-based, mainly homeworkers, are found in manufacturing and assembly line activities such as sewing, packing and manufacturing of small parts of machines such as brass nuts and bolts. Clerical work, such as typing and data processing and professional work such as tax accounting, legal advice, designing and computer programming are also growing as home-based activities. Typically while assembly line manufacturing activities are low-skilled, professional work is relatively high-skilled.

“Around the world, a large and, perhaps, growing share of the informal workforce operates on streets, sidewalks, and public parks, outside any enclosed premise or covered workspace. This includes not only those street vendors who sell goods but also a broader range of street workers who sell services and produce or repair goods, such as: hairdressers or barbers; shoe shiners and shoe repairers; car window cleaners; tailors specialising in mending; bicycle, motorcycle, van, and truck mechanics; furniture makers; metal workers; garbage pickers and waste recyclers; head loaders and cart pullers” (ILO, 2002).

Wage workers constitute the third broad segment of informal workers. They could be attached to registered or unregistered enterprises with varying degrees of security of contract. Or they could be casual workers working for several households, like porters, watchmen, gardeners, domestic servants; or for several employers, like plumbers, masons and other construction workers.
The proportion of such informal workers was always large in Asia and Africa, but with globalization their numbers are growing (ILO, 2002). The precariousness of their economic activities and insecurities arising from it are also increasing over time.

4. **Worker Rights and Macro Policy**

What are the implications of globalization on worker rights? How does the discussion on globalization inform worker rights for informal workers? By pointing to the lacuna in the policy reforms that accompany the globalization process, Feminist Economists have pointed to alternative, gender-aware policies consistent with the goal of human development. The changing paradigms in the development discourse pointed to a possible convergence between social and economic policies in response to the dangers of globalization faced by both North and South countries.

One of the problems faced by globalizing countries is that in the event of an economic crisis the investors, transnational corporations and other business interests are able to bail out. With the result all the risks are downloaded on the poor informal workers and women who bear the ultimate responsibility of social reproduction. Various institutions and national governments have to be brought to book through voice and advocacy. An institutional framework that allows women workers to have a voice in the macro policy decisions can help to focus on what needs to be done urgently in the times of crisis. The IMF needs to address how it’s loans programs creates moral hazard in international financial markets. IMF bailouts have been criticised for insulating the private investors from the effects of bad loans, thus encouraging investors to make risky investment decisions and put entire economies in jeopardy. Similarly the national financial institutions also help to bail out national capital in times of crisis.

Another question is the role of public provisioning in social reproduction. Not just in times of crisis, but at all times the responsibility of providing basic sustenance and care rests with the women. Social reproduction, including care work, is a socially useful function and the rights based approach and voice can help to place this in the center stage of discussion, not just social but economic policy as well. The responsibility of the state to respect, protect and fulfill the rights of citizens can best be illustrated here.
It has been argued that the soundness of macroeconomic policy should be judged from the point of view of social justice. While the rights based approach has become quite prominent in the discourse it has not been translated into any precepts of macroeconomic policy. ‘One way to make a link between economic policies, human rights and social justice is through the concepts of entitlement and entitlement failures’ (Elson and Cagatay, 2000). Sen developed his concept of entitlement failure in a micro economic context, but this can also be extended to the macro economic level. The authors specify three biases, which lead to entitlement failures at the macroeconomic level. Deflationary Bias, when governments undergoing financial liberalisation are forced to adopt policies aimed at maintaining credibility in the financial markets, high interest rates, tight monetary policies and fiscal restraint. These policies prevent governments from effectively dealing with a recession and this has greater negative effects on women. Women in the formal sector tend to lose jobs faster than men and have less access to social safety nets. Besides women also act as the unpaid provisioners of the last resort. Male Breadwinner Bias arises from assuming that the non-market sphere of social reproduction is articulated within the market economy of commodity production through a wage which is paid to the male breadwinner and which largely provides for the cash needs of a set of dependents. It assumes a full time working life with claims for state supported social benefits. The result is the exclusion of women from entitlements particularly when they are intensively involved in the care of children and elders. Commodification Bias occurs when the male-breadwinner model is replaced by the market based individualised entitlements for those who can afford them, private health insurance, hospitals, education, retirement homes and paid care for children and elderly. It is accentuated when the role of state in public provision is being minimised (Elson and Cagatay, 2000).

A reformulation of macroeconomic policy and international trade regimes that puts development first is more likely to be gender sensitive. Focus on development and reduction in poverty that goes beyond the exclusive focus on income and consumption levels to embrace human capabilities can be considered a more rights based approach (Rodrik, 2001).

Gender sensitive macro economic policies should address the issues of economic/ market access of the workers in the informal sector and their social reproduction needs simultaneously. The macro policies to be addressed are macro economic policy, labour market polices and social reproduction policies.
Further, it has to address the three biases in macro policy that were enumerated above. As noted earlier, informal workers are not a homogeneous group of workers. The various components of workers in this economy have varying needs. The macro policy has to keep the specific segments of the informal economy in view in order to devise policies appropriate for them, or at least not to discriminate against them.

What are the rights of informal workers in a developing country that should be the focus of attention? We present below a basic matrix of rights that an informal worker should be entitled to. We further identify specific groups of informal workers and suggest how macro economic and social policies could address these basic rights.

- **The right to work**: The concern about the implications of assuring a right to work where work is considered as a job has bedeviled the debate (Standing, 2002). In the case of informal workers in developing countries a large proportion generate incomes for themselves through self-employment or dependent wage employment. The guarantee of the right to work requires policies that enhance chances for such work. It does not necessarily imply direct government provisioning of ‘jobs’.

- **The right to safe work**: This implies safety at the place of work, not just in terms of non-hazardous work, but safe conditions and occupational health.

- **The right to minimum income**: This right is central to the work and life of informal workers. Without income security no other security is possible or meaningful. It entails polices that focus on productivity, incorporate new technology and upgrade skills. This right requires policies that help enhance access to credit and markets of informal producers and service workers.

- **The right to social security**: Besides the minimum incomes the requirement of the worker for security of health, food, education, shelter, child care and old age are prime concerns and should be part of the basic right of the worker.

What are the implications of globalization on such a matrix of informal worker rights? One of the key issues of a rights approach is who are the ‘claim-makers’ and who are the duty-bearers to whom the claims are made against? The women workers in the informal economy, who are the focus of our attention, belong to the lowest segment in the hierarchy of the labour market. The foreclosure of this
matrix of rights can lead to destitution for much of the informal women workers in developing countries. We focus on the three broad segments of the informal economy, with the additional self-employed category of street vendor, as ‘claim-makers’:

- Self employed: own account/ home-based (independent),
- Self employed: street vendors
- Dependent Producer: Outworker/home workers
- Dependent wage workers.

For each specific right, the ‘duty-bearers’ that should be addressed by each ‘claim-maker’ needs to be identified so that specific policy formulations can be worked out. A matrix of rights and macro policies addressed to them, for each segment of the informal workers is presented in Table 1 and discussed in detail below.

i. The right to work

**Self employed-own account/ home-based (independent):** The right to work for this section is addressed to the governments of the countries so that policies that will enhance the chances of self employed production and service activities are improved. To encourage small enterprises a credit policy with differential rates of interest and special financial institutions to cater to these groups is required. The program of rural credit and self help groups, or micro-finance will facilitate such economic activities.

Macro economic policies have an impact on these workers through aggregate demand for domestic products. It sets the prices of competing imports or imported raw material, price of export goods, and determines the scale and pattern of government procurements (e.g. food grains in India). The Self Employed Women’s Association in India negotiated with government hospitals and prisons to procure fruits, vegetables and eggs and with government offices to contract cleaning services from self-employed enterprises organised into cooperatives (Chen, et.al. 2001).

Policies could encourage the setting up of alternative trading corporation to help credit and market access to traditional handicrafts, small business products, scatter rural products for export etc. This will help the enterprises and workers
with both credit and market access. NGOs and other private organisations could also be the ‘duty-bearers’ to undertake such operations.

Table 1: Gender Sensitive Macro Economic Policy in an Entitlement/Rights Framework

<table>
<thead>
<tr>
<th>Workers in the Informal Economy</th>
<th>Matrix of rights and Macro Policies</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Work</td>
</tr>
<tr>
<td>Self-employed/ Own account workers/ Home-based</td>
<td>Credit Policy Market/demand Policy Input/output prices Alternative Trading Corporations Legal Recognition Trade Associations</td>
</tr>
<tr>
<td>Self Employed: Street Vendor</td>
<td>Credit Policy Urban infrastructure Urban Policy: space Legal Recognition: license/ identity cards</td>
</tr>
<tr>
<td>Dependent Producer: Outworker Homeworker</td>
<td>Credit Policy Subcontract agency Housing Policy Organisation</td>
</tr>
<tr>
<td>Dependent Wage Worker</td>
<td>Investment in Domestic industry Industry Board Organisation</td>
</tr>
</tbody>
</table>

Street Vendors: A large proportion of the urban workers are on the streets engaged in trading and a multiple of other activities such as informal transport. This presents new challenges in urban policy. The ‘duty-bearers’ are often the municipal corporations and local authorities. A range of urban policies and regulatory controls are possible. At a broad level, land policy and zoning, health standards to be maintained by street food traders, regulating, registering and providing licenses to business. All these become very important for the informal enterprises because they affect the legality of their activities and are a source of harassment by the police, urban authorities and the local hoodlums.
Establishment of government and municipal markets would have a positive effect (Chen et.al. 2001).

Dependent Producer-Outworker/home workers: The right to work for outworkers is clearly affected by globalization where there may be an international movement of capital to low wage sites. The ‘duty-bearers’ in this case are the transnational corporations. Besides international sub-contracting a lot of the manufacturing units within the country also engage in sub-contracting out to outworkers and homeworkers, who then constitute the duty bearers. The government of the developing countries also has a duty towards these workers and policies that facilitate such activities and protect the workers would enhance their right to work.

In some developed countries sub-contracting agencies are set-up that keep a record of all subcontracting enterprises, with information of the type of facilities available, skills of workers etc. Such a resource base would be useful to allow for the diffusion of this knowledge and facilitate the linkages between the enterprises wanting to subcontract out. Some form of an agency is also necessary to maintain the records of the outworkers and homeworkers, together with information about their skills and equipment available. These agencies also provide a form of legal recognition of these workers as workers, which is necessary to avail of various facilities such as credit.

Development of rural and urban infrastructure with a specific focus on the needs of the self employed, home-based and homeworkers, including rural roads, telecommunication network, financial institutions, bus and other public transport facilities, for both people and goods, would enhance employment.

Dependent wage workers: Policies intended to increase employment, measured in both the quantity and quality of jobs, depend on increased investment in the domestic economy. Trade liberalisation and encouragement to FDI can help increase jobs in the short run, but they also have the negative impact as discussed earlier. Policies to encourage the domestic industry to grow and encourage traditional activities, e.g. Handicraft Ministries in India, help the workers in informal economy and generate more widespread benefits of growth.
ii. The right to safe work

*Self employed-own account/ home-based (independent)*: The claim makers and duty-bearers of the occupational health and safety in the case of these workers are the same. That is, in the developing country context these workers are responsible for their own health and safety and for that of any employees and family workers employed in their enterprises or homes. This actually amounts to having no rights of safe work. In the context on globalization and privatisation of health and insurance it is possible to argue that such workers who generate their own incomes should be entitled to life and health insurance facilities at reasonable rates. Sector-specific health and insurance schemes addressed to their work situations would be one issue to focus a rights-based formulation on.

*Street Vendors*: In urban areas infrastructure needs of the street vendors such as electric lights, water and sanitation facilities and garbage disposal would also enhance their rights to safe work. Street vendors are faced with specific problems of safety at the place of work, arising out of lack of legal recognition of their economic activity. The ‘duty-bearers’, local governments, could issue license to conduct business, identity cards and also provide specific locations to conduct such activities.

*Dependent Producer-Outworker/home workers*: In the context of globalization the duty-bearers of the right to safe work of the outworkers and homeworkers should be the transnational corporations whose products are manufactured by these workers. Often there is a long chain of subcontractors between the corporations and the ultimate worker. However, increasingly trade unions and federations of homeworkers are trying to place the responsibility for occupational health and safety on these final employers. Product labeling and codes of conduct for transnational corporations are favoured strategies. The impact of such movements on the right to work and living standards of workers in the developing country are, however, debated (Basu, 1999; Lee, 1997).

*Dependent wage workers*: For this section of informal workers the duty-bearer is clearly the employer and in most cases one or multiple employers can be identified. However, fixing the responsibility of occupational health and safety on them is difficult in the developing country context. Legal rights of workers and legal recognition of their status as employees have to be first guaranteed. The legal framework and a rights-based approach to this issue may bear fruit.
overtime with informal associations of workers, NGOs and legal activists playing a role.

iii. The right to minimum income

The notion of Social Income (SI) is extremely helpful in breaking the restricted concept of income as only what comes in the form of a wage, either through self-employment, or through a form of employment in which there is a clear employer-employee relationship. Five possible sources of income as elements of the more comprehensive abstract concept, SI, the individual's social income:

\[ SI = W + CB + EB + SB + PB \]

where W is the money wage, CB is the value of benefits or support provided by the family, kin or the local community, EB is the amount of benefits provided by the enterprise in which the person is working, SB is the value of state benefits provided, in terms of insurance or other transfers, including subsidies paid directly or through firms, and PB is private income benefits, gained through investment, including private social protection (Standing, 1999b: 80). The right to minimum income would include the elements of W and EB, while the right to social security would include the benefits accruing from community, CB, state, SB and private sector, PB.

Self employed-own account/ home-based (independent): The wage W, may be thought of more generally as ‘earnings’ or ‘profits’, as the word ‘wage’ is so closely related to the idea of ‘employment by someone else’. Income insecurity is characteristic of the lives of all informal workers, including those who are highly skilled and well paid. The level of income is determined by the productivity of work, which itself is based on the production technology and skills available to the entrepreneur. The average value of fixed capital used by the informal self-employed worker is often very low, indicating low level and quality of capital equipment and consequently low productivity of the employment.

For many informal workers, this W may come from more than one source (for people working in more than one job); it may be a variable and erratic amount, and in the informal economy, women will have a smaller W than men. The variability of income is a major source of insecurity, particularly for those operating at low levels of capital and consequently incomes. That is, besides low value of W, variability of it is a major issue for informal producers and service
workers. Macro policy to focus on this has to address issues of productivity, technology and skills of these enterprises and workers.

**Dependent producers-homeworkers and outworkers:** The W, wage or income, of dependent producers is also affected by variability of income and irregularity in business. In India, for example, the domestic garment industry is buoyant during the festival seasons and depressed otherwise. The dependent producers in global value chains such as the garment workers producing for top retailers in the United States or the United Kingdom are affected by fluctuating international fashions and business cycles. Homeworkers in the global garment chain in Thailand were severely affected by the financial crash of 1997 (Homenet Thailand, 2002). The ‘duty-bearer’, the governments of developing countries, could regulate the flow of international capital to secure the rights of such workers.

**Dependent wage workers:** The main insecurities faced by wage workers, either casual or working for unregistered enterprises, is often the low level of absolute wages. They face fluctuations in their incomes due to lack of employment or underemployment, dependent on the vagaries of the sector and the local market conditions. In some sub-sectors in India these activities are supposedly covered under the Minimum Wages Act, but the workers are rarely paid the stipulated wages. This alone does not ensure minimum incomes unless a minimum number of days of employment are also stipulated.

In countries with good social security coverage, those in formal employment typically get access to a variety of social benefits through the workplace – occupation-related benefits— EB. Sometimes called ‘the social wage’, and usually covered by labour standards legislation, the package would typically cover paid holiday, sick leave, maternity (and paternity) benefits, workers compensation, and a pension fund. A broader package could include housing loan, loans for children’s education, subsidised purchase of vehicles. There are of course many examples of poor people building their own financial and insurance institutions.

Very few informal workers have any access to EB, or enterprise benefits. Some may get ‘holidays’ in the sense of quiet times on say public holidays (where informal trade and activity depends on formal economic activities, and these close down). Those employed by others may operate under informal rules that
allow time off work, for sickness or for maternity, without being penalised. However, the time off would translate into foregone income.

Informal agreements and exchanges also operate in the sphere of domestic work, where workers may get from their employers such things as second hand clothing, hand-me-down school books, assistance with transport, help with medicines. Informal agricultural work may also come with some benefits, such as a piece of land to grow own crops, graze own stock, or getting allocations of the harvest. However, this EB is not reliable; workers cannot plan around it. In both domestic and agricultural employment, people are locked into subordinate and feudal type of relationships, which are by definition insecure (Unni and Lund, 2002).

iv. The right to social security

The first cut in the event of liberalisation has traditionally been in the social sectors of health and education. These also include the social reproduction policies such as child care, health insurance, old age pensions, elder care and primary schooling. A strong gender focus on development and public awareness of the ill-effects of such cuts are likely to put pressure on the governments to reconsider such cuts. Women would specially benefit from social infrastructures such as sources of drinking water, schooling facilities and health facilities.

The components of social income that can be considered part of right to social security are community benefits, CB, state benefits, SB and private benefits, PB. As regards CB – the benefits coming from family, kin, or community - we know that in poorer families and in poorer communities, the material value of CB is low. The W income from informal work may be the main source of financial support. Unpaid caring work is more often done by women. One component of the CB is the benefits and support from ‘the local community’. Who do we mean by ‘the local community’? More time is spent on this ‘community input’ by women than by men. For ‘social capital’ to be effective, it requires that people expend time and costs on building ‘it’. For a woman working informally, she is likely to expend time and costs on this CB both inside and outside her household (Unni and Lund, 2002).

With regard to state benefits, SB, there has been a withdrawal in both developed and developing countries, from state social provision. We have discussed earlier
as a part of the right to work, how strong state support is important not just in direct provision, but also by regulating the way in which the market operates – by regulating minimum levels of savings for co-operatives to function (which can be a barrier to formation of co-operatives by poorer workers), for example, or by regulating financial institutions. Where government takes a hands-off stance, the market and private institutions will not usually operate in a pro-poor direction. A rights based approach to force the state to perform this duty is necessary in the current context of withdrawal of the state.

With regard to access to schemes of private protection, or PB, the working poor will not usually be able to make contributions to private schemes of social protection. Some are so poor that they are not able to save; others may want to and be able to save, but there are no appropriate and affordable institutions through which to do so. However, the responsibility to protect this right should be harnessed to visualise a social insurance program through the private sector that is inclusive of poor working and non-working women. The duty-bearers are partly the NGOs and other actors in civil society.

The new method of assessing the government budget, called social-audit or people centered budget, can be a useful tool to assess the differential impact on formal/informal, men/women and rich/poor. The method has been used in the Australian gender budget audit and similar attempts have been made in South Africa (Budlender, 2000). This is a form of rights-based approach being used to evaluate the impact of the government policies and also focusing attention on the women in the informal economy.

5. Value Added of Rights Based Approach in the Articulation of Workers Rights

Rights are generally seen as correlative with the obligation and duties of other parties, individuals, groups or governments. Sen (2000) has challenged the view that rights must be rigidly matched up with correlative duties and that rights based claims in the absence of the precise specification of duties is not useful. Such an inflexible characterisation goes against the United Nations Declarations of Human Rights, which suggests that ‘people have some claim on others and on the design of social arrangements regardless of what law happen to be enforced’. Besides specified exact duties of particular agents, there are also
general duties. Even when no clear right-duty is specified, the neglect of imperfect duty can amount to serious moral and political failure. The UNDP (2000) gives the example of male suffrage and how the right for women-suffrage was fought even when there were no laws in their favour. Individuals had imperfect duty towards this right and the task of reforming these unjust practices falls on a group as a whole.

*Claim for a Voice in the Macro Policy Making Dialogue:* Obviously no government would take a stand in favour of the poor and informal workers unless under national and international pressure. It is here that a rights based approach would be useful. The demand has to be inclusion of women and the representatives of workers in the informal economy in the political process and in discussions on the macro policy agenda. Participation of the civil society, NGOs, trade unions in building up institutions that can help to build up momentum towards social dialogue is a first step in this process.

Rights framework thus gives an overarching claim to what can be considered basic and universal human rights. It can be used to claim a voice in the macro-policy decisions. The rights based approach can be used to give the women a voice in the decisions of who to bail out first in a crisis?

There is an active debate about whether rights based approach requires a legal framework within which these rights can be enforced. Of course it would be the ideal solution if this were possible. But over reliance on the law can be counter-productive. There are other means to make the government and society accountable (the following discussion is based on Maxwell, 1999).

*Monitoring:* First, the very act of monitoring the fulfillments of rights acts as a disincentive to back-sliding and helps create a culture of compliance. The work of UN committees on Civil and Political Rights and Economic, Social can Cultural Rights is a case in point. Second, publicity and advocacy help create political structures, policy changes and budget allocations which favour the implementation of rights. Strategies of providing score cards, such as UNICEF’s annual Progress of Nation’s Report or the Human Development Reports are useful. At the national level, NGO campaigns have done a lot to increase awareness of the economic and social rights of workers.
Accountability: Third, there is scope for providing accountability through administrative means, such as specifying service delivery standards and holding public or private agencies responsible if the standards are not met. At the international level the WTO is an example of a rules based approach to setting standards and settling disputes.

Participation: Fourth, a rights-based approach that is a participatory and political process provides a voice to the poor and contributes to their empowerment and more active citizenship. Role of civil society in monitoring the implementation of human rights reinforces the understanding of individuals as rights-holders. This includes the rights to participate actively, freely and meaningfully in the formulation of national human rights and development policies.

A rights based formulation requires voice and representation of workers in the informal economy through their organisations in all institutions where decisions are made that affect their conditions of life and work. This is necessary at all levels, the local, national and international, where decisions are made that affect their rights to work, safe work, minimum income and social security.

6. Conclusion

The major paradigms of the development discourse have recently incorporated the language of rights. To move from the rhetoric of human rights to concretely elaborate the content of rights for informal workers in the specific context of women in developing countries is the purpose of this paper.

We have shown how globalization has led to increasing insecurities for workers in the developing countries. Women informal workers are doubly burdened by their informality in work relationships and by being the 'economic and social provisioners of the last resort'. The impact of globalization on the North countries had led to the formulation of core labour standards and talk of a social clause in international trade. We argue that this formulation of worker rights does not address the impact of globalization and insecurities among informal workers in developing countries.

A matrix of rights consisting of the right to work, broadly defined, safe work, minimum income and social security are identified as core issues for informal
workers. Further, we focus attention on four specific groups of informal workers, self-employed independent producers and service workers, self-employed street vendors, dependent producers such as homeworkers and outworkers and dependent wage workers. Gender sensitive micro and macro economic and social polices are identified for each of these segments of the informal workers. The access to economic, market and social reproduction needs are to be addressed simultaneously to ensure the basic matrix of rights for women informal workers in developing countries. Each of the needs of the workers have to be viewed as a right and a system of institutions or mechanisms that will help to bring these rights to the center of policy have to be worked out.

The rights-based approach is useful in that it focuses attention on the claims of women and informal workers, generally excluded groups, in the social and economic macro policies. In order for this approach to produce the desired results an institutional framework has to be set-up that will ensure voice and representation for women and informal workers in the social dialogue of development. The claim for a voice in the macro policy decisions through representation at the local, national and international levels is at the heart of the rights-based approach.
References


