INVISIBLE WOMEN

THE INFORMAL SECTOR
includes labor and jobs that are outside of the formal economic system and not taxed or registered by the government such as:

- Street vendors
- Petty goods and service traders
- Industrial outworkers
- Domestic workers
- Seasonal workers

Women are overrepresented in informal work

89% of women workers in sub-Saharan Africa are informally employed.

The informal sector is a significant part of the economy

- 83% of the labor force in Kenya is informally employed, women account for 86%
- 75% of labor force in Uganda is informally employed, women account for 87%

Vulnerabilities of informal sector work

- Exclusion from government benefits distributed through tax ID
- Increased exposure to crime and theft
- Limited social and labor protections
- High costs and erratic supply of resources
- Difficulty and discrimination accessing financial assistance and loans

General policy responses to covid-19

Containment and Social Protection:
- Travel restrictions nationally and internationally
- Lockdown and curfews
- Social distancing and restrictions on public gatherings
- Restrictions to business operations
- School closures and modified school
- Increased access to hygienic facilities
- Cash transfer to vulnerable households

Monetary and Fiscal:
- Economic stimulus packages
- Deferred or reduced tax rates
- Support for micro, small and medium-sized enterprises
- Expedited payments for certain VAT refund claims

Percentage of gender-sensitive COVID-19 policy responses

- 33% of policy responses
- 61% of policy responses
- 63% of policy responses
- 80% of policy responses

Policy responses to COVID-19 did not specifically address the large informal sector and lacked gender-sensitivity.
Impact on the informal economy

By failing to account for the vulnerabilities of the informal sector, policy measures excluded or actively harmed informal workers. Over representation in informal work and gender norms exacerbated these burdens for women.

Economic exclusion: Lack of tax ID or other required collateral limited workers access to economic stimulus packages.

Disrupted livelihoods: Travel restrictions reduced access to global markets and increased production and supply costs, while lockdowns and curfews decreased the customer base at markets and stalls.

Increased exposure to violence: Lockdowns and curfews trapped some women with their abusers and overall rates of gender-based violence increased.

Diminished health: Economic necessity to engage in public facing work increased workers risk exposure to COVID-19. Workers faced greater mental and physical strain. reduced disposable incomes to facilitate access to health services.

Unpaid care burden: Women faced increased care burden due to school and business closures. Greater time poverty made it difficult to seek COVID-19 benefits or obtain paid employment.

Policy Recommendations

Optimize labor force participation by informal women workers. Uncertainties and insecurities with the informal sector and the dual conflict between paid and unpaid care work call for deliberate mitigation measures. Policies should recognize and champion equitable distribution of care and domestic work among all genders. Frameworks are needed to cushion the informal sector from economic shocks by creating a favorable business environment that promotes growth.

Widen the social protection mechanisms to include informal workers. Social protection measures such as cash transfers play a crucial role in cushioning those rendered jobless during the pandemic. Policy makers should develop and implement gender-responsive social protection systems that safeguard the safety nets for women in the informal economy.

Facilitate access to credit by informal workers and entrepreneurs. Financial institutions should develop products to improve access to unsecured loans and business financing. Financial institutions and women’s economic empowerment actors should intensify capacity-building efforts to strengthen resilience among informal workers through training or mentorship programs covering risk mitigation plans, debt management, and resilience.

Integrate gender analysis in policy formulation in response to shocks and crises. Measures should utilize a multi-level and multi-sector approach to ensure that gender-responsive and human-centered service delivery for individuals is integrated across relevant spheres including health care, social services, education, employment, and justice. Governments should adopt a risk-based approach to gender-based violence prevention to ensure that no crisis response measures increase risk of violence.