

NO CUSHION TO FALL BACK ON: THE IMPACT OF THE GLOBAL RECESSION ON WOMEN IN THE INFORMAL ECONOMY IN FOUR ASIAN COUNTRIES

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I. Introduction

The current global recession has hit hard and few economic actors have been insulated from the shocks. There is significant concern that this downturn could gravely afflict developing countries, effectively destroying the economic progress of recent years. The size and significance of the informal economy in Asia make it a critical point of investigation for understanding the impact of the recession on the real economy in emerging countries of the region. Available figures suggest that the contribution of the informal economy² to Gross Domestic Product (GDP) is 41 per cent for Asia, and in South and South-East Asia informal employment comprises the greatest regional participation of informal workers outside sub-Saharan Africa (ILO 2002).

During crises, many retrenched workers and formal wage earners will engage in informal activities in order to compensate for declining wages and purchasing powers – this is particularly critical in the absence of formal social protection. This paper interrogates the notion of the informal economy as a “cushion” for its formal counterpart during economic downturn, and suggests that the more pressing issue is the reality that informal workers, lacking social and economic protections by definition, have no “cushion” of their own to fall back on. While the informal economy may provide some relief from the shocks of the crisis, this informal safety net is illusory. Employment in the informal economy may rise during economic crises (Lee 1998; Tokman 1992), but this does not necessarily mean that traditional informal workers or new entrants are thriving. In reality, global economic downturn threatens to erode the fragile economic and social position of these workers, who often have slim margins for survival in the best of times. These effects tend to be particularly severe for informally employed women, who are over-represented among low-end segments of the informal economy.

This paper specifically addresses findings on the impacts of the economic crisis on non-agricultural informal workers in four Asian countries – India, Indonesia, Pakistan and Thailand – and within three informal non-agricultural occupational sectors – construction work, home-based work, and waste picking. The paper discusses the specific transmission channels of the crisis to the selected informal sectors, as well as the additional strain of deteriorating working conditions and increased competition from new entrants in the informal economy. The gender-specific consequences of the crisis are discussed in terms of the structure and composition of the informal sector, but also as a

¹ For more information, see the conference website: <http://www.adb.org/Documents/Events/2009/Poverty-Social-Development/default.asp>

² The ‘informal economy’ is a somewhat contested concept. In this paper, the informal economy has a broad definition, and includes both *enterprises* that are not legally regulated as well as *employment relationships* that are not legally regulated or protected. As such, the informal economy comprises of all forms of ‘informal employment’—that is, employment without labour or social protection—both inside and outside informal enterprises, including both self-employment in small unregistered enterprises and wage employment in unprotected jobs.

function of the household and individual level impacts of the crisis, related to shifting responsibility in paid and unpaid work within families. Critically, the crisis is further undermining the already precarious economic and social positions of many informal workers and their families, and driving them further into impoverishment. This situation demands immediate and thoughtful intervention by local, national and international actors positioned to provide assistance, a topic this paper turns to in its conclusion.

II. Research Sample and Methodology

This paper is based on findings from India, Indonesia, Pakistan, and Thailand – countries included in an ongoing, global study³ on the impacts of the crisis on informal workers. This study is being conducted by the Inclusive Cities project and coordinated by Women in Informal Employment: Globalizing and Organizing (WIEGO), with additional funding by the Asian Development Bank for the purposes of expanding the study in Asia and investigating the real on-the-ground effects of the crisis on the informal economy and workers in the region.

Research for this paper was conducted by local and regional partners, specifically member-based organisations (MBOs) of informal workers and technical support organisations that work directly with the working poor. Table 1 below depicts the study's partners, the sector of their work, and the locale where they conducted their research.

Table 1: Study participation by locale and sector

Sector	Partner	Country/City
<i>Construction work</i>	Self-Employed Workers Association	Ahmedabad, India
<i>Home-based work</i>	Homenet South-East Asia (Homenet Thailand and Homenet Indonesia) Homenet South Asia (Homenet Pakistan)	Hat Yai and Bangkok, Thailand; Malang, Indonesia Kasur and Sialkot, Pakistan
<i>Waste picking</i>	Kagad Kach Patra Kashtakari Panchayat (KKPKP)	Pune, India

Data was gathered through focus group discussions, one-on-one interviews with workers, and key informant interviews with MBO staff and organizers of informal workers. A total of 10 focus groups were conducted in Asia, four of which were conducted specifically for this report. Research was conducted between July and September 2009. This paper includes data from 136 informal workers across three occupational sectors: 102 home-based workers, 22 waste pickers, and 12 construction workers. In all sectors, the majority of participants were women, who represented 91 per cent of the total number of interviewees.

III. Gender and the Asian Informal Economy

The informal economy is heterogeneous and complex. Employment in the informal economy includes all remunerative work – both self-employment and wage employment - that is not recognized, regulated, or protected by existing legal or regulatory frameworks and non-remunerative work undertaken in an income-producing enterprise (ILO 2002). In global value chains, production, distribution and employment can fall at different points on a continuum between pure 'formal' relations (i.e., regulated and

³ See Z.E. Horn, "No Cushion to Fall Back On: The Global Economic Crisis and Informal Workers," Inclusive Cities Study, August 2009 (www.inclusivecities.org/pdfs/GEC_Study.pdf).

protected) at one pole and pure ‘informal’ relations (i.e. unregulated and unprotected) at the other, with many intermediate categories in between. Workers can also move across the formal-informal continuum and/or operate simultaneously at different points along it (Chen 2007).

Women tend to be over-represented in the informal economy in Asia, as they are worldwide. There are a higher proportion of women workers than men workers in the informal economy in most countries (UN 2000). In India and Indonesia, the informal sector accounts for nine out of every ten women working outside agriculture are informally employed, and more than half of economically active women are informally employed in Pakistan and Thailand (see Table 2 below).

Table 2: Share of Non-Agricultural Workforce, Female and Male in the Informal Economy and Women’s Share of the Informal Economy⁴

Country	Percentage of non-agricultural labour force that is in the informal economy		Women’s share of the informal economy in the non-agricultural labour force
	Women	Men	
India	91	23	70
Indonesia	88	43	69
Pakistan	61	64	NA
Thailand	54	47	49

There is a significant overlap between being a woman, working in the informal sector, and being poor (Chen 2001). Compared to the male informal workforce, women in the informal sector are more likely to be own account workers (i.e., self-employed working by themselves) and subcontract workers, and are less likely to be employers or paid employees of informal enterprises. These gender-based differences in employment status within the informal economy have implications for relative social and economic vulnerability during crisis, as will be discussed below.

IV. Transmission Channels of the Global Recession to Selected Informal Sectors

The effects of the economic downturn on urban informal sectors in Asia are occurring both in parallel and as a consequence of the effects of the crisis in the formal economy. Informal sectors are being hit by many of the same forces affecting the formal economy: shrinking consumption, dropping demand, and price instability. In addition, although informal markets have some inherent flexibility, their resilience is now being tested to the limit by the impacts of the crisis. Findings suggest that more and more informal workers are competing for fewer customers and for fewer and smaller contracts. This reality is particularly grim given the unemployment projections by the International Labour Organisation, which estimates that the number of formally unemployed persons across South and South-East Asia will have risen by 10 million between 2007 and 2009 (ILO 2009a).

Home-based workers. Over the past few decades, much of the informalisation and feminisation of the labour forces in Asia’s developing countries (Charmes 2001) have been related to the growth of home-based work. Official statistics on home-based work

⁴ Figures for India, Indonesia and Thailand are taken from *The World’s Women 2000: Trends and Statistics* (UN, 2000), Chart 5.13, p.13. Figures for Pakistan are from Khan, S. R., Khattak, S. G., and Kazmi, S., “Hazardous Home Based Sub-contracted Work in Pakistan,” unpublished paper (Florence: UNICEF Innocenti Research Centre, 2001.)

in most countries are extremely limited, and there are few figures on exact the gender composition of this work in various countries, however, most evidence suggests that this work is disproportionately critical source of income for women⁵, who comprise 50-75 per cent of home-based workers where statistics are available (ILO 2002). Home-based workers include the self-employed who are engaged in family businesses or own-account operations, as well as paid workers working under sub-contracting arrangements, both of whom are included in the findings of this paper.

Specific production activities for home-based workers interviewed for this report in Indonesia, Pakistan and Thailand are included below in Table 3. This table also indicates the markets in which the products of these home-based workers are sold. Sub-contracted workers were more likely to be involved in exported-oriented work, while self-employed workers were most likely to sell their goods locally.

Table 3: Home-based work activity, employment structure and market for products

Country	Employment structure/ Product	Export Market	Domestic Market	Regional Local Market
Indonesia	<i>Sub-contracted</i> Badminton racket/shuttlecocks Shoes	√	√ √	√
Thailand	<i>Sub-contracted</i> Car accessories Garment Leather work <i>Self-employed</i> Food processing Garment	√ √ √	√ √ √ √	√ √
Pakistan	<i>Sub-contracted</i> Soccer balls <i>Self-employed</i> Reed mats	√ √	√ √	√ √

Decreased demand within critical global and regional markets during the global economic crisis has serious consequences for *sub-contracted* home-based workers. Asia's tightly integrated supply chain transmitted the external demand shock rapidly - between September 2008 and February 2009, exports fell at an annualized rate of about 70 per cent in emerging Asia (IMF 2009). Lower demand has resulted in lower volumes of contracts. 60 per cent of sub-contracted participants reported that they had received smaller and more infrequent contracts from middlemen in the last six months. Nearly half of sub-contracted home-based workers reported working fewer hours each day (49%) and fewer days per week (44%) than they did six months ago. This in turn had impacted their incomes: 64 per cent of subcontracted home-based workers in this study reported that their incomes had fallen in the previous six months.

Declining income among customers in local markets significantly affected the *self-employed* home-based workers: 84 per cent of these workers reported decreased demand over the last six months, while 75 per cent reported that the volume of their trade has decreased in this same period. However, lower demand or volume of sales did

⁵ For a review of this evidence see Martha Chen, Jennifer Sebstad and Lesley O'Connell, "Counting the Invisible Workforce: The Case of Homebased Workers," *World Development* 27:3 (1999), 603-610.

not translate into decreased work hours among the self-employed. Unlike sub-contracted home-based workers, they do not depend on middlemen to provide them with work orders. Rather, self-employed workers often worked longer hours in order to maintain their profit margins. Thirty-four per cent were working more hours per day, while their days of work per week had remained largely stable. Nevertheless, a huge proportion (84%) of self-employed home-based workers reported that their monthly incomes had fallen during the first half of 2009.

Both self-employed and sub-contracted home-based workers reported increased numbers of workers in their sectors: 34 and 36 per cent of respondents, respectively. According to respondents, women are turning to home-based work in much greater numbers than men, which is consistent with the pre-crisis gender composition of the sector. Yet, not all those seeking such work are finding it. A self-employed home-based worker in Thailand reported, "About twenty women who were laid off from the factories, including a woman with a newborn baby, came to ask me for piece work, but I have no work to give them."⁶ Sub-contracted home-based workers, most of whom are women, are particularly vulnerable. In conditions of excess labour supply, piece-rates (the normal form of payment for these workers) can be driven very low and thus their share in the value chains fall further, even though many such workers are highly skilled. Among sub-contracted workers in the study, nearly 50 per cent reported that the piece rate they receive had fallen in the last six months.

Waste pickers. The recession in industrialised countries has reduced demand for exports from key manufacturing countries, particularly China, and weakened the market for the recyclables used in the production and/or packaging of export goods. This began to influence international pricing dynamics as early as October 2008. In the global study⁷, waste pickers experienced the sharpest decline in demand and selling prices among the sectors investigated. Table 4 depicts the price changes reported by waste pickers in Pune, India, between January and June 2009. The table reveals that the reported prices for waste materials had, on average, dropped 5 to 7 per cent between early and mid-2009 but the prices of plastic milk bags and cardboard dropped by as much as 20 and 16 per cent, respectively.

During crises, economic stress is often shifted down the chain, and losses are transferred disproportionately to informal waste pickers, who typically occupy the bottom rung of local and global supply chains. Waste pickers in Indian cities receive as little as five per cent of the price that industry pays for recyclables, while middlemen pocket the rest (Medina 2005). In addition, within many Asia countries, often a

Table 4: Price changes for different categories of waste materials reported by waste pickers, January-June 2009

Material	Pune, India (Infosys)	Pune, India (University)
Cardboard	-7%	-16%
Office paper	-1%	-12%
Scrap paper	-2%	-4%
Newspaper	-4%	0%
Glass	0%	0%
Plastic		
Blow-moulded	-4%	-10%
Injection	-13%	-2%
PET	-7%	-11%
Ferrous metal	-17%	+7%
Aluminium	-13%	+9%
Plastic bags	0%	-12%
Milk bags - plastic	-20%	-12%
Average Change	-7%	-5%

⁶ Interview with female home-based worker, 16 June 2009, in Bangkok, Thailand.

⁷ The broader, global study conducted by WIEGO and Inclusive Cities (see Part II. Research Sample and Methodology) included waste pickers from Bogotá, Colombia and Santiago, Chile.

clear majority of street and dump pickers are women and children, while men are more likely to be involved in the processing and selling of recovered materials, and are more likely to be middlemen and managers (Furedy 1990.) The relatively low position of women in waste industry supply chains typically makes them even more dependent during hard times - previous studies have also concluded that women are often paid less for the waste materials they sell, and receive less by way of advances or loans from middlemen (Muller and Scheinberg 2003).

As suggested by Furedy, women are able to improve their earnings when they are involved in strong cooperative organizations that intervene with middlemen and traders (Furedy, 1990.) In the global study, the waste pickers in Pune, India, while all women, reported less dramatic price declines than both their male and female counterparts in Latin America. The Pune waste pickers were involved in highly organised waste-recycling schemes, with half selling waste through their own co-operative.⁸ Whether being organized buffered them from the more dramatic price declines reported from other countries remains an empirical question that needs further investigation; however, study results seem to suggest that there was some mitigating effect.

Even still, 77 per cent of the waste pickers in Pune reported a decline in income over the previous six months. Being organized and having their own cooperative did not buffer Pune waste pickers from the decline in waste availability. Participants reported that reduced consumption locally, due to tough economic times, was leaving less waste for pickers to collect. Waste pickers collecting from an IT park⁹ noted that local firms, as a cost-saving measure in response to the recession, had reduced their use of newspapers and print paper - two very valuable waste materials. The co-operative scrap store where these workers sold their material registered an almost 50 per cent drop in the total volume of material they brought for sale.

Construction Workers. Economic downturn and the high cost of building materials in Ahmedabad, India, have curbed construction and development locally. Half of the construction workers interviewed for this study indicated that their volume of work had fallen. Six months ago, they often had 10 to 15 days of work a month, but now had only 5 to 6 days of work in a month. This was the case among men who worked in skilled labour, such as masonry, plumbing, and tile work, as well as women who generally provided unskilled labour such as hauling of cement or staining and sanding (SEWA 2002). Daily earnings, however, have fallen disproportionately. In February 2009, unskilled workers received 100-150 rupees per day for their labour, but now receive 70 to 80 rupees per day. Skilled workers did not report a decline in daily earnings; they received 200-250 rupees per day both in February 2009 and at the time of their interviews in August 2009.

Increased competition within the informal economy has also hurt workers. SEWA estimates that, in Ahmedabad City, India, the decline of key industries (i.e., diamond polishing) due to the economic crisis has increased the number of informal workers and recently retrenched formal workers seeking work in the construction sector by almost 25 per cent. Many of these new entrants are competing for work in unskilled construction

⁸ Pune waste pickers who collect waste from Infosys sell their material to a co-operative scrap store run by their own organisation, KKPKP. Those who service Pune University Campus are under a formal contract between KKPKP/SWACH and the University, and earn a salary, apart from the money they receive through sale of scrap. Scrap is usually accumulated for a week and then sold collectively by the group and the profits are shared equally after deducting expenses.

⁹ An IT (information technology) park is a real-estate cluster of knowledge-based small and medium-sized enterprises.

work, as the barriers to entry are lower. Both men and women are taking up construction work, but women will likely be disproportionately affected: both those who were already doing unskilled construction work and those who are seeking unskilled construction jobs. New male entrants possess a physical advantage and a time advantage; with fewer household duties, men are generally able to arrive earlier at the recruitment corners (*kadiya naka*), where most construction workers gather each day to compete for construction jobs. Additionally, new female construction workers are less likely to have the skills to compete for skilled construction jobs, traditionally the preserve of men, and are forced to compete for unskilled construction jobs, thus becoming further concentrated in this lower paying work.

In sum, research indicates that informal workers are affected by the economic crisis in many of the same ways as formal workers, suffering directly and indirectly from declining demand, shrinking consumption, and volatile prices. Moreover, informal workers face increased competition as more people enter the informal economy and as more jobs are informalised. Women are suffering disproportionately: the impacts and competition are strongest in the poorest paying and lowest barrier-to-entry informal sectors and sub-sectors, where women are already disproportionately represented. Evidence of this increasing economic stress and uncertainty at the bottom of the global economic pyramid in India, Indonesia, Pakistan, and Thailand suggests that the informal economy is hardly a “cushion” during economic downturn, least of all for women.

V. The increasing vulnerability of informal workers and their families

Vulnerability – the probability that a shock will result in a decline in wellbeing (Mehrotra and Biggeri 2002) – is being increased by the economic crisis, particularly for women workers and children in households dependent on income from the informal economy. Vulnerability is largely a function of a household’s assets, which are their endowments of physical and human capital. The foundation of these assets is the stability and diversity of household income. The size and composition of households and lack of diversification of family/household incomes sources reported by participants highlight the importance of the informal workers’ income to their households.

Table 5: Household profile

Sector	Average # earners in the household	Average household size	% households with children	Average # children among households reporting children
Construction workers	2.2	4.0	50%	1.8
Home-based workers	2.7	6.3	75%	2.4
Waste pickers	1.9	5.0	64%	2.6
All	2.5	5.9	71%	2.4

Less than one-third (27%) of female respondents but over half (58%) of male respondents reported that they were the primary income earner in their household. Table 5, above, reveals that there was an average of two income earners in respondents’ households, many of whom worked in the same informal sector as the respondent. The average household size reported by informal workers in the four Asian countries was six individuals. Between two-thirds and three-quarters (71%) of respondents reported that they supported children, and among these households, the average number of children was between two and three. There is evidence that the income-earning burden within

these households may be intensifying as a result of the crisis; 18 per cent of respondents reported that a household member had become unemployed during the previous six months, and 41 per cent reported that the income of one or more household members income had reduced significantly over the same period.

Evidence from earlier economic crises suggest that it is generally up to women to balance the household budget and maintain their families' living standards during a crisis (Moser 1996.) Many working poor women spend the entirety of their incomes on household expenditures. This situation is particularly challenging for women during this current crisis – incomes are stretched particularly thin since food and fuel prices have remained high since the food and fuel crisis of early 2008.¹⁰ In this study, female respondents expressed particular concern about the vulnerability of their children, who do not understand why household expenditures have had to change. This highlights that the role of women as gatekeepers in the inter-generational transfer of poverty is heightened by the crisis.

Food, which is typically allocated a large share of household budget among the poor, is being restricted. Both the quantity and quality of food was being affected – fewer meals are being served, while 'luxury' items such as milk and meat are being cut. While respondents reported having difficulty paying for school fees, few respondents reported removing their children from school altogether. Limited dropout rates arguably reflect the efforts of families, under difficult circumstances, to protect what is perhaps the most important type of investment they can make, namely, their children. Medical expenditure is generally considered a luxury at the best of time. Nevertheless, some home-based workers in Pakistan reported foregoing prescription medicines for cheaper and less effective treatments, such as home remedies for common injuries to their hands. They feared this would impact their long-term earnings, because their fingers are the tools of their trade.

In an effort to keep up with rising expenses, some workers have resorted to borrowing on the informal credit market from neighbourhood storekeepers or local moneylenders. Some waste pickers borrowed from scrap shop owners, while home-based workers in Thailand reported borrowing from moneylenders in order to pay the debts piling up from other moneylenders. In these informal credit markets, workers were being charged extortionate rates, as much as 30 per cent per annum. These interest payments increase financial pressure on informal workers and reduce their earnings over the long term.

Decreased household income is forcing many women – including those already informally employed – to devote more and more of their time to paid work. Women were strongly driven to continue working for the well-being of their families, and their children in particular. Findings from past crises, as well as evidence from the current economic downturn also suggest that women are struggling harder to feed their families, while still having to provide unpaid care and domestic chores (ILO 2009b). For example, in this study more than a quarter (27%) of female home-based workers reported that they were the primary earner in their household, while they carried out childcare duties alongside their home-based production. They also did a disproportionate amount of domestic work such as preparing family meals, cleaning the house, washing clothes, and providing hospitality to guests. Decreased incomes have meant that some women cannot afford

¹⁰ While the origin of these increases precedes the economic crisis, it is important to note that the residual impacts of the food and fuel crises of 2008 are compounding the effects of the economic crisis for many workers. In Indonesia, for example, prices rose 15-25 per cent for sugar, rice and eggs, 50 per cent for gas, and 40 per cent for public transportation over the past 12 months.

the few conveniences that would lighten their load. A woman in Thailand reported that she could no longer buy prepared meals for her family, which had saved her time and energy in the past. This meant she now had to take more time away from her income generation activities to cook.

It is apparent that falling incomes, increased uncertainty and household strain are already taking a toll on the mental health of informal workers, particularly women. Their emotional resources were running low: they reported feeling depressed and exhausted. Much of the depression was linked to feelings of failure and disappointment in providing for their children. Workers were also sensitive to rising levels of insecurity and depression among their family members, which increased their sense of guilt. A number of women reported feeling so over-burdened that they dreamed of fleeing their homes – only the thought of their children kept them from doing so.

VI. Conclusion and Policy Implications

Global recession undermines the precarious livelihoods of the traditional informal workforce and the ability of new entrants to find shelter in the informal economy (Grant 2006). Contrary to a common assumption, there is no cushion in, much less a cushion for, the informal economy. There are only an increasing number of firms and individuals competing for ever-decreasing slices of a shrinking pie. Consequently, this crisis demands immediate and thoughtful public intervention in support of informal workers and their families. Informal workers represent a large and significant share of workers in Asia, especially in developing countries, so providing social and economic protections for these workers along side their formal counterparts is critical in normal times, but particularly during crises. In addition, efforts to support the informal economy must include specific measures to support the most vulnerable informal workers – women and children. An effective crisis-response strategy for informal workers must be informed by the short-, medium- and long-term view.

Emergency relief measures are essential. Cash transfer programs targeted at specific informal sectors must be accompanied by the accelerated dispersal and suspended conditionality of existing cash transfer programs to allow use of funds for supporting livelihoods. Expanded public works earmarked for employment among the poor and vulnerable men and women are another key intervention, such as the National Rural Employment Guarantee Act in India, passed in 2005, which guarantees employment to every rural household in India for at least one hundred days in every financial year. Similar schemes could be implemented on a short-term emergency basis, targeted at specific sectors of informal workers and working poor in hard-hit areas. In the long term, social protection for informal sector workers and their dependants is also critical through specially designed social insurance schemes, through social assistance and through the extension and reform of formal sector social insurance.

Governments must also consider sector-specific rescue plans, to be developed in consultation with informal occupational groups. Specific bailouts or rescue plans would help informal workers maintain existing employment opportunities during the crisis or secure new employment opportunities after the crisis. This does not necessarily require additional spending but reallocation of spending and adjustment of policies. Table 6, below, provides a number of recommendations that should be implemented in sector-specific rescue plans. Breaking the crippling cycle of personal and household debt, aggravated by the crisis, is a priority. At the heart of this issue is the creation of access to low interest loans and a focus on job creation for women, including incentives and skills development for girls and women to facilitate stable and secure employment.

Construction workers	Home-based workers	Waste pickers
<ul style="list-style-type: none"> • Promotion/enforcement of minimum wages for different kinds of construction activities • Enforcement of basic safety standards at work sites • Compensation to workers for on-site accidents • Health and life insurance, (in light of the physically demanding and often dangerous work) • Specialized skills training, particularly for women 	<ul style="list-style-type: none"> • Promotion/enforcement of minimum wages for sub-contracted workers • Access to low interest business loans for self-employed home-based workers • Creation of formal government liaisons, to enhance information and visibility • Technical and marketing assistance to self-employed workers • Provision of childcare facilities and support for education among workers' children, particularly girls 	<ul style="list-style-type: none"> • Domestic price regulations • Provisions of storage and sorting facilities, tools, equipment (i.e., sacks, rakes, transportation vehicles) • Incorporation of waste pickers into solid waste management systems • Investment in research, development and dissemination of sector-specific technologies • Education and training courses concerning new waste processing methods: e-waste, composting, bio-methanation, etc.

Finally, in both the short and medium terms, the barriers to informal activities should also be reduced under the principle of 'Do No Harm'. Laws, rules, and regulations prohibiting or undermining the livelihoods of informal workers, particularly women and working mothers, should be suspended, at least temporarily. Informal workers who have no income earning alternatives must be permitted to make a living and support their families through the crisis. For home-based workers, this could involve suspension of policy biases that favour formal firms and workers over informal firms and workers in access to government contracts for such items as school uniforms and hospital linens. For construction workers and informal waste pickers, this could include cessation of harassment by authorities.

The global economic crisis should also be seen as a global opportunity – to rethink economic models and policies to include the informal economy. The crisis presents a window of opportunity for governments and other actors to institute long-term, meaningful policy reform towards the informal economy. The crisis presents an opportunity to think differently about the informal workforce and reframe the mainstreaming or “formalisation” process as one aimed at increasing earnings and reducing risks for the working poor, not simply registration and taxation of informal enterprises. To ensure that this happens, the working poor in the informal economy need to be *visible* in economic statistics and policies, have a *voice* in economic decision-making, and be seen as having *validity*, or legitimacy, as economic agents and targets of economic policies. Informally employed women can play a particularly important role as agents of change in this respect. Women tend to be the least visible and most vulnerable in the informal economy, and yet, are often the most powerful economic and social agents in their households and communities - their mobilisation and leadership will be critical to improving the lives of many workers and their families across Asia. For this reason, it is critical that greater gender-specific monitoring in the informal economy become a priority for governments and economic and international institutions in the future.

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