

Participation of Women in Informal Economy: A Case Study of Rawalpindi



Submitted by:

Bukhat Rawan

Supervised by:

Dr. Faiz Ur Rehman

Co-supervised by:

Dr. Ghulam Samad

SCHOOL OF PUBLIC POLICY

PAKISTAN INSTITUTE OF DEVELOPMENT ECONOMICS

ISLAMABAD

2021



CERTIFICATE

This is to certify that this thesis entitled: “**Participation of Women in Informal Economy: A Case Study of District Rawalpindi**” submitted by **Mr. Bukhat Rawan** accepted in its present form by the School of Public Policy, Pakistan Institute of Development Economics (PIDE), Islamabad as satisfying the requirements for partial fulfillment of the degree in Master of Philosophy in Public Policy.

Supervisor:

Dr. Faiz ur Rehman,
Assistant Professor,
School of Economics, Quaid-e-Azam University,
(QAU) Islamabad.

External Examiner:

Dr. Anwar Shah
Assistant Professor,
School of Economics, Quaid-e-Azam
University, (QAU) Islamabad.

Head,
PIDE School of Public Policy:

Dr. Iftikhar Ahmad,
Assistant Professor/HOD
Pakistan Institute of Development Economics,
(PIDE) Islamabad.

Co-Supervisor:

Dr. Ghulam Samad,
Research Economist,
Pakistan Institute of Development Economics,
(PIDE) Islamabad.

Declaration

I hereby solemnly declare that all the literature presented in the following dissertation is entirely based on research work carried out in defense of my thesis topic. This publication is pioneer in its context and has neither similarity to any previously submitted thesis nor any copied material in this context from any source except where due reference is clearly mentioned. All of the published data is a result of my own effort, research and analysis with support of my supervisor.

Bukhat Rawan

DEDICATION

This achievement is dedicated to my Parents for supporting me all the way, without whom none of my success would be possible.

Acknowledgement

First, I would like to thank ALLAH ALMIGHTY, the most gracious and the most merciful, for making me able to complete this task. Without HIS blessings, completion of this task would not have been possible.

I would like to express my gratitude to thesis Supervisor Dr. Faiz ur Rehman. Throughout this research he helped me and encouraged me to do best work. Without his guidance and insightful comments, I would never be able to achieve this milestone of my academic life. His patience was exceptional throughout this phase.

I would also like to thank the females who were involved in the survey of this research project. Without their passionate participation and input, the validation survey could not have been successfully conducted.

Finally, I must express my very profound gratitude to my family and friends, for providing me with unfailing support and continuous encouragement throughout the process of research and writing this thesis. I hereby acknowledge the contribution of all the honorable teachers whom I happened to learn throughout my academic career. This accomplishment would not have been possible without them. Thank you.

List of Tables

Table 1: Labor force Participation 2017-18.....	4
Table 2: Demographic data.....	25
Table 3: Family size of Respondents.....	27
Table 4: employment status of respondents.....	28
Table 5: Monthly income.....	28
Table 6: Family's Monthly Income.....	29
Table 7: Family's Monthly Expenditure.....	30
Table 8: responsibility of economic decisions.....	30
Table 9: reasons for choosing informal sector.....	30
Table 10: time of joining informal sector.....	31
Table 11: choice of working in another sector.....	32
Table 12: utilization of skills.....	32
Table 13: reaction of family on work.....	33
Table 14: advantage of informal sector.....	33
Table 15: biggest issue of informal work.....	34
Table 16: improvement in social status.....	35
Table 17: freedom of choice.....	35
Table 18: informal sector better option than formal.....	36
Table 19: switching to formal sector.....	36
Table 20: future expectation.....	37
Table 21: cross tab between occupation and education.....	39
Table 22: Cross tabulation between Education and options of choosing other sectors	40
Table 23: cross tabulation between education and skill utilization in informal sector	41
Table 24: cross tab between monthly income of respondents and their families.....	42
Table 25: cross tab between education and income of respondents.....	43

List of figures

Figure 1: Labor Force Participation Rate for Female by ILO.....	2
Figure 2: Female labor force participation rate 2017-18.....	3
Figure 3: new occupation groups.....	26
Figure 6: cross tabulation between income and occupation.....	38

Abstract

Women within developing economies often have choice of getting involved in informal economy in order to overcome various challenges and barriers to formal workforce participation. The present study is focusing on the participation of female in informal economy in Pakistan. The data has been taken through interviews. An exploratory survey was conducted to get demographic data, and information about the push factors, advantages, disadvantages, opportunities and threats to women's working in informal sector. A combination of snowball and purposive sampling is used. Descriptive statistics was used to analyze the interview data along with some thematic based questions. The study has tried to explore the push factors determining the entry and stay of female workers in the informal economy. The results shows that necessity, preference of their own and lack of opportunities in formal sector are necessary and key for the entry and stay of entrepreneurs. Along with this the attractive factors of the informal economy and unattractive factors of the formal economy e.g. degree of excessive regulations emerged as essential push factors. The results revealed that informal sector female workers tend to be both necessity and opportunity driven. They are contributing a handsome amount to their family income and got involved in this sector based on their own choice. Job insecurity is cited as big challenge that they want to be fixed by government.

Table of Contents

DEDICATION.....	iii
List of Tables.....	v
List of figures.....	v
Abstract.....	vi
Chapter 1 INTRODUCTION.....	1
Labor force participation rate.....	2
1.1 Background.....	5
1.2 Problem Statement.....	7
1.3 Objectives.....	8
1.4 Research Questions.....	8
1.5 Significance of Study.....	8
1.6 Research Gap.....	9
1.7 Organization of Study.....	9
Chapter 2: LITERATURE REVIEW.....	10
2.1 Informal Economy.....	10
2.2 Informal Sector and Women.....	11
2.3 Women in Pakistani Context.....	14
2.4 Reasons for joining informal sector.....	15
Individual-level factors.....	16
2.5 Benefits of informal work.....	17
2.6 Disadvantages of informal sector.....	18
Chapter 3 DATA AND METHODOLOGY.....	20
3.1 Introduction.....	20
Area of Study.....	20
Data Collection Instrument.....	20
Sampling Technique of Interviews.....	21
4.5.2. Sample Size of Interviews.....	22
Data Analysis technique.....	22
Chapter 4.....	24
Results and discussion.....	24
4.1 Demographic Profile.....	24
Family size of Respondents.....	27
Employment status of Respondents.....	27
Monthly income of respondents.....	28

Monthly income of Family.....	29
Family's Monthly Expenditure.....	29
Cross tabulation.....	38
Qualitative analysis:.....	44
Future expectation from this sector:.....	44
Socio-Economic Development:.....	45
Chapter 5.....	49
Conclusion and Recommendations.....	49
Conclusion.....	49
Policy Recommendations.....	51
REFERENCES.....	53
Appendix.....	60

Chapter 1

INTRODUCTION

In recent years, the structural changes in the world economy resulted in restructuring of labor markets. Formal and classic blue collar jobs have gradually left their places to informal jobs. This also affected economic activities of women and their place in employment. The importance of women's informal employment in Pakistan is emphasized in this study and the policies and strategies that can be used to solve their problems are discussed. The purpose of this research is to determine the factors which push women towards informal work and their position in the informal sector in Pakistan

In Pakistan mostly women work primarily in agriculture sector and inside the homes. Their participation in formal sector or outside home is very low. As large proportion are in informal employment, much of their work goes undercounted in surveys and their contribution is not recorded as work. According to data of world bank, female labor force participation rate in Pakistan is extremely low and it is under 30 from last several years. The graph below is taken from World Bank source. It shows the female participation from 1995 to 2019.

**Labor force participation rate, female (% of female population ages 15+)
(modeled ILO estimate) - Pakistan**

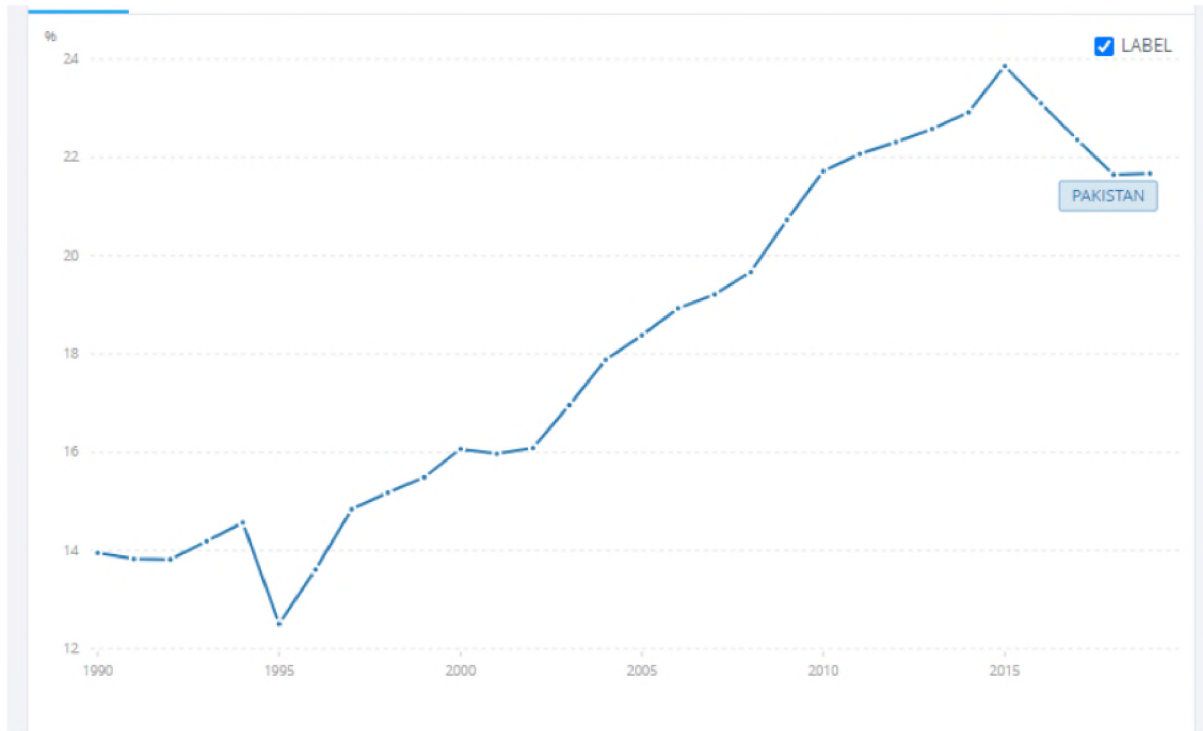


Figure 1: Labor Force Participation Rate for Female by ILO

Source: <https://data.worldbank.org/indicator/SL.TLF.CACT.FE.ZS?locations=PK>

Labor force participation rate

The female labor force participation rate (FLFP) is the percentage of the female population 15 and older age who are taking part in economic activities or are economically active. Vision 2025, which serves as development road map for Pakistan, targets to achieve high level in female labor force participation (FLFP). It sets to get increase from its current value of 25% to 45% by 2025. According to study by IMF titled “Women in the Labour Force: The Role of Fiscal Policies” shows that there is 2% increase in FLFP in last decade. However it remain lies below 30%

because women do not have same opportunities to participate in economic activities as available to men. Though gender gap in labor force participation decreased but still the average of female participation is very low than males.

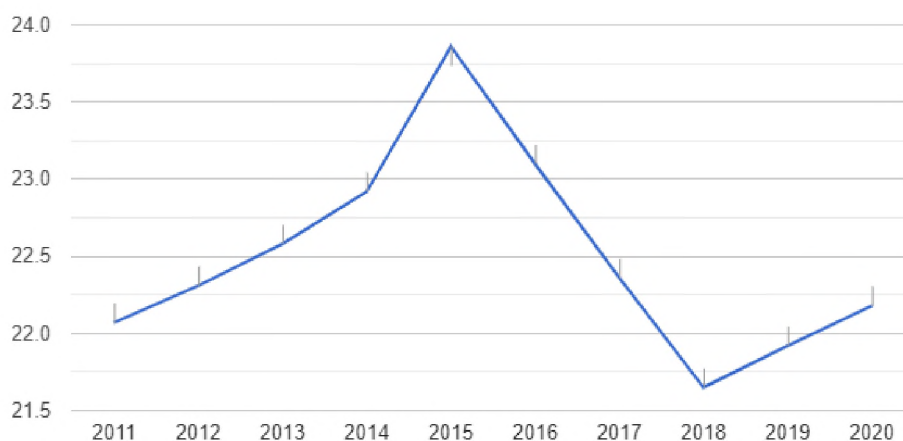


Figure 2: Female labor force participation rate 2017-18

If look at the data by Pakistan Beureu of Statistics, labour force participation rates and un-employment rates by age, sex and area for 2017-18 are as under:

Table 1: LAbor force Participation 2017-18

	Total (10 years and above)	Male	Female
All Areas of Pakistan	44.28	67.99	20.14
Punjab	47.89	69.93	26.50
Sindh	42.27	68.47	12.11
KP	35.42	61.06	11.34
Baluchistan	38.98	63.81	7.90

This shows that female participation is highest in Punjab with 26.50% while it is lowest in Balochistan with only 7.90% respectively.

According to UNWOMEN 2018¹, the economic empowerment of women is central to realizing gender equality and women's rights. It includes their ability to take part in existing markets, access to resources, access to work, control over their lives, increased voice and meaningful involvement of them in economic decisions at household as well as all levels of institutions. It led the women into income equality, increase in productivity, economic diversification as well as many other positive development outcomes thus resulted in economic development (IMF, 2018). Lombard (2007) and Midgley (1999) agree that social development aims at removing barrier to economic participation such as gender and racial discrimination. Thus, it improves people's social rights by expanding, creating and promoting an environment conducive to economic participation and development. Thus, we can say that social development is associated with empowerment. This study will check what type of changes occur after they get involved in informal sector and what type of empowerment they get.

1.1 Background

Defining informal economy is a challenging task. Though many scholars agreed on two common points; informal economy is not connected to large formal economy and it is not regulated by state institutions (Robinson, 1998). Informal sector includes those enterprises that lack structure, these are unregistered and

¹ <http://www.unwomen.org/en/what-we-do/economic-empowerment/facts-and-figures?fbclid=IwAR2uWL1LNtbO-AKrE9IbVp16oArE-2-ry7iW8JZqJTSY7hRDSelvpk64MZE>

unorganized (Guha-Khasnobis, Kanbur & Ostrom, 2007). The term Informal economy came to spot light during 1970's as a label for economic activities which take place out of the domain of formal institutions. This type of economy is common in third world countries. However it also exists in developed countries, where this term is often competed with black, hidden and underground economy (Hart, 1985).

According to ILO 2016, more than half of the labor force around the world is covered by informal sector. Globally millions of workers and economic units depends on the informal sector. Almost two billion workforce, that covers around 61.2% of employed population around the world is in this sector. This proportion is higher in developing countries as compared to developed countries. The proportion of informal workers in employed population is 69.6% in developing countries while for developed countries this ratio is 18.3% respectively. Hart in 1973 introduced this term informal economy. He explains this term as all income and employment opportunities that are not taken by statistical enumeration. The study results demonstrates that countries with high level of informality have low Human development Index (HDI) values (ILO, 2018b).

According to report of ILO (2018b) in developing countries, the share of women in informal sector is 4.6% higher than men when agricultural workers are included, and it is 7.8% greater when excluded the agricultural workers. There is over representation of women in informal sector and vulnerable employment (ILO, 2016)

Informal Economy of Pakistan

Informal economy exists in large numbers in Pakistan. The Labour Force Survey of 2017-18 shows that informal sector accounts for 71.7% of the employment in main jobs outside agriculture, more in rural areas (75.6 percent) than in urban

areas (68.1 percent). Overall, there has been a slight decrease in the informal sector when compared with Labor Force Survey 2008-09 data on the informal sector which shows the informal sector accounts for more than 73.3% of the employment in main jobs outside agriculture. The major informal sectors in Pakistan includes manufacturing, wholesale and retail trade, transport, construction and community/social and personal services. According to 18th Amendment in Constitution in 2010, there is devolution of labor administration from Federal government to Provincial Governments. For that there was need to formulate separate labor policies for provinces. Provincial governments of Sindh, Punjab, and KP developed their respective Labor Policies in 2018 which focused on current labour challenges and issues. The Labor Policy of Punjab 2018, includes areas such as improvement in workplace safety, effective implementation of labor standards, child and bonded labor, social dialogue, living wages, awareness-raising, and excellence in labor inspections regime. There is deficit of some decent work measures in informal economy in Pakistan while other challenges that are faced by them includes social protection, rights at work, child and bonded labor, working poverty, lack of sustainable employment, and gender-based discrimination. The Decent Work Country Program (DWCP) (2016-2022) focused on promoting decent work in the rural economy, which constitutes a large segment of the informal economy in Pakistan. However, rural economies in Pakistan are characterized by informality, low productivity, and weak enforcement of laws, among others (ILO, 2020).

1.2 Problem Statement

Pakistan's economy is struggling and informal economy in the country can

play big role to help our instable economy. In Pakistan, the part of women in informal sector is up to a great extent. Most of them are involved in low level activities to earn for their survival, or have a better living for themselves and to support their families. The nature of activity depends on the resources available to them, skills they have, and sometimes the major/famous sector of that area in which work is available. Rawalpindi is a place where there is no major sector like agriculture, textile or manufacturing; industrial etc. The women of this area are involved in miscellaneous activities. There is need to check what are the factors due to which the ratio of women in informal sector is increasing and what are its repercussions.

1.3 Objectives

The main objective of this study is

- to determine the causes or factors due to which women are joining informal sector
- To check the implication of informal sector on the life of these women
- To explore the most common informal activities that are prevailing in Rawalpindi

1.4 Research Questions

What are the factors/causes which push the women into informal sectors?

What is the implication of joining informal sectors?

What are the most common informal sector activities of Rawalpindi in which women are taking part?

1.5 Hypothesis

H1: lack of formal sector jobs push women towards informal sector work

H2: informal sector work does not help in improving socio economic status of women.

1.6 Significance of Study

Pakistan is facing immense challenges and poverty is one of them. The major reason behind this poverty is high inflation rate, lack of education, lack of resources and high unemployment (Aftab, Hamid, & Prevez, 2002). These factors along with harsh socioeconomic situations alter the people, and specially women to take part in informal economy. In our society women are more vulnerable to poverty and inequality², poor women are not only deprived of their basic needs but also face discrimination, lack of access to resources and power (Asian Development Bank, 2000). There are many poor women who work for their survival, to support their families or to have a better lifestyle and informal sector is mostly the primary source of employment for them. As the representation of women in informal sector is greater than men, therefore it is needed to check what factors push females into informal sector and what kind of outcomes it brought in the lives of these women. This study identify the key factors due to which women are joining informal sectors. It will also check the consequences or implications of joining informal sector. Through this, the study identify the sectors in which women are more successful and what kind of push and pull factors they are facing. So that study give a direction to government about steps that are needed to be taken for these women.

² <https://tribune.com.pk/story/1870520/1-gender-equality-situation-worst-pakistan-wef-report/>

1.7 Research Gap

There are several studies which elaborates about the women engagement in informal sector but no study has been carried out specifically for Rawalpindi. There is a need to study the most successful activities of this area, the factors which are pushing women into this sector and what effects it is making in the lives of these women.

1.8 Organization of Study

After the introduction chapter, next section is comprised of review of already published literature. It includes literature from Pakistan as well as global trends. Informal economy, women participation, Pakistan's context, advantages and disadvantages of informal work and reasons for joining informal work is discussed in detail from previous studies. In next part, detail of the sample and methodology that was used for conducting this research is discussed. It consists of the population of study, sample of study, sampling technique, and data analysis technique. In chapter four, results of study are displayed and discussed in detail in the form of graphs and tables. Finally in chapter five, conclusion of the study is presented along with some policy recommendations that can be adopted to solve the challenges and issues of informal work. The questionnaire is attached in annexure section at the end of thesis.

Chapter 2:

LITERATURE REVIEW

2.1 Informal Economy

Informal economy has been defined by Smith (1994) as a market based production of goods and services, either legal or illegal, that is being unrecognized in the official estimates of country's GDP. Williams and Round (2007) define the informal economy as "the paid production and sale of goods and services which are unregistered by or hidden from, the state for tax and/or benefit purposes, but which are legal in all other respects". It is also referred as hidden or grey economy (Williams, 2015). These businesses are generally unregistered along with unreported incomes, excluded from tax and government monitoring (Williams, 2011).

Informal economy is existing in almost all countries of world irrespective of their status and development measure. However its percentage is much more in developing countries than developed. The informal economy has been taken as a key component of strategies which are focusing on alleviating poverty. It helps in creation of sustainable livelihoods for these families. As the nature of informal economy is of such kind that these activities go unrecorded and hence difficult to measure (Henning & Akoob 2017). Workers of the informal sector differ widely in terms of age, income level, education level, employment status, size and type of enterprise, sector of work, location of workplace (urban, rural), degree of coverage of social and employment protection (ILO, 2018).

The Informal Economy lay great impact on socio economic development of people by empowering them. It helps in achieving economic development through

increase in income thus impacting the quality of life. It also improves human development. In many developing countries, opportunities in formal sector are scarce, which resulted in increase in informal economy (Ngnudu, 2010). Likewise, in times of crises this sector grows because people lose their jobs and get no employment in the formal sector thus shift towards informal sector. This informal workforce lives outside the stable, secure and protected jobs and without any social protection (StreetNet-International, 2008).

2.2 Informal Sector and Women

Micro-enterprises and small scale businesses are units which employ temporary, fixed, or unregistered workers. Due to their composition and nature of affairs it is difficult to measure their output (UNDP, 2013). However informal sector make possible for disadvantaged group of society to make a living and improve their lifestyle. For this purpose, Rezaei et al. (2013) carried out a study in Denmark and found that presence of underground economy makes it possible for immigrants to make a living. Same results were found in the data of Austria (Rezaei et al., 2014). Environment-specific factors, capital, gender, government policies, were found to have a major impact on the informal entrepreneurs (Rezaei et al., 2014). They are mostly minorities and disadvantageous groups which move towards informal sector. It is particularly relevant for women in masculine and patriarchal societies (Franck, 2012). Social and cultural norms dictate that a woman's responsibilities lies in home be a wife and then a mother (Al-Dajani and Marlow, 2010). these women miss out in many cases the chance to be economically productive and independent. Thus, engaging in informal business activity allows these women to somehow empower themselves without contravening their social and familial duties (Zubaidi et al., 2011).

Musiolek, (2002) stated that gender is the most important factor in the rise of informal sector (Musiolek, 2002). Due to poverty mostly women are forced to get an income outside their home. So women are mostly found in low income activities in informal economy which only fulfill their survival of life (Nugundu & Lombard, 2014).

In conservative and patriarchal societies women face burden of domestic and family responsibilities, along with gender biasness, socio cultural norms and stereotypes. Their actions are limited by all these factors (Rehman and Roomi, 2012). In that situation, women often seek alternative paths of economic activities. Informal sector can be used as a way to evade these challenges. self-employment offers flexibility of work, no time constraint allows these women to gain social and economic development, financial independence, to support their families burden and , improve their self-esteem and create a sustainable work–life balance (Anggadwita et al., 2017; Ratten, 2014)

Women empowerment has seen as important mean to achieve women's development. In spite of formidable cultural barriers, women's increased economic participation in informal sector leads to socioeconomic change. The necessity to earn a living push these women to informal sector thus increasing economic participation of women (Kamal & Woodbury, 2016).

There is an over-representation of women in the informal economy in both developed and developing nations. As compared to men, this sector is a great source of income for women. It act as a primary source of income and employment in many developing countries,. Due to lack of education and skills women are involved in the informal sector where skills and education is not major requirement (Ngnudu, 2010).

2.3 Women in Pakistani Context

As women entrepreneurs in Pakistan are operating in domestic spheres and informal sector, so formal regulations rarely reach their economic activities, and thus women's economic actions and aspirations are governed by social institutions rather than government regulations (Gohar & Abrar, 2016).

Like many other countries, Pakistani women also face employment discrimination at different sectors. Data of the labor force of Pakistan taken from Bureau of Statistics and world bank suggests that female participation in the economy is below average in comparison with international standards. The statistics shows that in Pakistan women comprises half of population but in labor force they only cover one fourth of labor force. Law gives equal opportunities to everyone in Pakistan. The constitution of Pakistan 1973 guarantees right to employment to women. Article 18, 25 and 37 guarantee equal employment rights, equal work opportunities, and safeguard the health and safety of workers at work place. The biggest challenge lies in the implementation of the laws (Sarwar & Abbasi, 2013).

Women face several constraints which prevents them from accessing fine paid work. There are many cultural constraints that they face including domestic responsibilities and childcare etc. which compelled them towards this sector. The choice of jobs remains limited thus resulted in joining of informal sector (ILO, 2018a).

An exploratory study is conducted for Malakand District of Pakistan, which focused on the women entrepreneurial activities. The study showed a rise pattern of home based women owned microenterprises in KP, despite the fact that they face significant barriers in accessing to marketplace and public spaces, characterized by religious and cultural norms which exclude women from public sphere. Even in male

domination of the public sphere of the marketplace where patriarchal and gendered based work prevails, women still find their way and are doing successful entrepreneurial work.

2.4 Reasons for joining informal sector

There are number of reasons due to which women choose to work informally or started their own work . For some, it is the result of economic necessities, while others choose it due to market opportunities available to them, want to become independent, for self-acquisition or getting the chance to be productive (De Vita et al., 2014; Ascher, 2012; Ratten, 2016).

Throughout the world, women have turned themselves towards business and self employment opportunities as a mean for economic empowerment and to overcome challenges and barriers related to formal sector employment (Ettl and Welter, 2010). As these women are unregistered in government data, they do not enjoy the benefits associated with formal sector (Rezaei et al., 2014). However, they also enjoy flexibility of working hours and can balance home and work and duties (Ratten, 2014).

A number of studies has tried to find out the reasons why people engage themselves in the informal economy. Schneider and Enste (2013) pointed out that increase in taxes and other social security contributions lays a burden on people, in order to avoid those peoples pushes themselves towards informal sector work. Likewise, increased regulatory measures levied by the government and other inefficient institutions also contributed to the rise in informal economic activities.

Abdallah and Eijdenberg (2019) explored in their study the factors

determining the entry and stay of entrepreneurs in the informal economy. They found that necessity motivations are necessary and key for the entry and stay of entrepreneurs. Along with this the low education levels of these workers, unattractive factors of the formal economy e.g. degree of excessive regulations regarding high taxes) and attractive factors of the informal economy e.g. little procedures, low capital requirements emerged as essential entry and stay factors.

Individual-level factors

There are a number of factors, personal as well as external, that influence women's decision to take part in informal sector work. These factors includes economic necessity (Jennings and Brush, 2013; Al-Dajani and Marlow, 2010), a desire for personal growth and achievements (Eijdenberg et al., 2015; Maden and Broadbridge, 2015), the availability of entrepreneurial opportunities (Goby and Eroglu, 2011), access to free education and training (Rauth Bhardwaj, 2014; Mehtap et al., 2017), and to support their family (Ramadani et al., 2015).

Stoevska (2012) pointed out diverse push and pull factors as motives for participation in the informal economy. These include barriers to formal work, the need to supplement family income, need for independence, unemployment, opportunities for profit, flexible work arrangements and decreased production costs brought about by noncompliance with government laws and regulations. According to Angel-Urdinola and Tanabe, (2012), informal work is found to be high amongst youth and with increase in education level there is decline in this decrease as the level of education increases.

2.5 Benefits of informal work

The Informal Economy lay great impact on socio economic development of

people by empowering them. It helps in achieving economic development through an increase in income thus impacting the quality of life. It also improves human development. In many developing countries, opportunities in the formal sector are scarce, which resulted in an increase in the informal economy (Ngnudu, 2010). Likewise, in times of crises this sector grows because people lose their jobs and get no employment in the formal sector thus shift towards the informal sector. This informal workforce lives outside the stable, secure and protected jobs and without any social protection (StreetNet-International, 2008). Many women choose informal businesses and small scale works at home. This not only creates economic value and self-esteem (Caputo et al., 2019) but also affects many other lives connected with them. Like they are more likely to spend a higher percentage of their earnings for their children education and on family (Jalbout, 2015).

When women choose to work, they face many challenges, some of which are global in nature, others are gender related while some are very personal. Among the multiple challenges, the main obstacle they face is the difficulty of balancing family responsibilities and career (Al-Dajani and Marlow, 2010). For this reason, many women choose informal businesses and small scale works at home. This not only creates economic value and self-esteem (Caputo et al., 2019) but also affects many other lives connected with them. Like they are more likely to spend a higher percentage of their earnings for their children education and on family (Jalbout, 2015).

2.6 Disadvantages of informal sector

It has been widely acknowledged by policy-makers, governments, academia and organizations that the increased prevalence of the informal economy in different aspects is a major challenge for sustainable development. More than 2 billion men and women

are making their living through informal sector lack decent working conditions. It has a negative effect on workers' rights. The rights of workers and fundamental principles, decent work, rule of law and social protection all are adversely affected in informal sector. It also affect the development of sustainable enterprises due to lack of access to finance and low productivity, impacting government revenues collection, particularly with regard to economic, environmental and social policies (ILO, 2018).

It was noted that not everyone doing work in informal sector is poor, however researches have shown that these workers have a high risk of poverty due to insecurity of job than formal sector workers. They often face low productivity issues and low incomes. Some of them are working in vulnerable and precarious conditions (ILO, 2018).

Informal economic activities are great macroeconomic loss for governments because of governments' inability to use country's large segment of human capital and in terms of tax revenues (UNDP, 2013).

2.7 Conclusion and Research Gap:

The reviewed literature shows that there is an over-representation of women in the informal economy in both developed and developing nations. As compared to men, this sector is a great source of income for women. It act as a primary source of income and employment in many developing countries. The reasons of joining informal sector shows different reasons in different countries. For some, it is the result of economic necessities, while others choose it due to market opportunities available to them, want to become independent, for self-acquisition or getting the chance to be productive. Some studies pointed out that there is increase in taxes and other social security contributions, in order to avoid those peoples pushes

themselves towards informal sector work. There is lack of research in Pakistan which shows the factors or reasons due to which women are joining this sector, and the implication of this sector on lives of these women.

Chapter 3

DATA AND METHODOLOGY

3.1 Introduction

This research is focused to find out the reasons of joining informal sector and what are the implications of joining and working in this sector. For this purpose, the methodology selected for data collection is key informants' interviews. A questionnaire is designed to get the data. The sample of this study is women who are currently working in different informal sectors. These include women who are involved in tailoring, tuitions, beauticians, freelancers and small scale business owners.

Area of Study

The area of study for this research is Rawalpindi. The rationale behind choosing Rawalpindi as a unit of study is that Rawalpindi is a major city of Pakistan but there is lack of research on this area about informal sector. There are various studies about other major cities of Pakistan but no study is conducted on Rawalpindi. In other major cities of Pakistan, there are some specific activities of each area in which females are involved but Rawalpindi has no major sector or activity so it has been explored in this study.

Data Collection Instrument

The instrument used for data collection is questionnaire consisting of both open and closed ended questions. Questionnaire is mainly divided into four parts and different questions are asked in each part. First part consists of questions regarding their

demographic profile and family; I second section respondent's profile about employment (reasons/causes /factors of joining informal sector) is asked, in section three experience in informal sector (opportunities and problems) are checked and finally in last section questions are asked about their future expectations. The questionnaire is attached in Annexure of the thesis.

Initially it was proposed that data will be collected from all respondents face to face, but later after the outbreak of Covid-19, it was difficult to reach these respondents personally due to matter of social distancing and other precautions. Thus an online questionnaire was designed and link is forwarded to some respondents who can fill online form. And for rest of them and especially for less educated women, interviews were taken face to face. The advantage of face-to-face interviews is that it allow researchers to investigate and enquire issues in depth, thus gaining valuable insights about the world of female informal sector. Questions are designed keeping in view the objective of study. the interviews were conducted in both English and Urdu language depending on the qualification of respondent. Results and answers are recorded by interviewer himself.

Sampling Technique of Interviews

Sampling technique employed in this study is non probability sampling i.e. Purposive Sampling In purposive sampling, the selection is done on the basis of some criteria (Mason, 2002; Patton, 2002), it is not taken randomly (Bryman, 2016). It is the type of sampling in which sampling is done with regard to goals of the research. In purposive sampling people are selected because of their relevance to the research questions (Bryman, 2014). To contextualize the discussion, units of analysis are selected in terms of criteria that will allow the research questions to be answered. Along with purposive sampling Snowball is also used. It is a non random

sampling method that uses a few cases to help encourage other cases to take part in the study, thereby increasing sample size. This approach is most applicable in small populations that are difficult to access (Breweton and Millward, 2001). In this study we want to ensure that there is a good deal of variety in the resulting sample as informal sector is very vast and there are a lot of workers which could be added, so purposive sampling help in getting sample members which are different from each other in terms of key characteristics relevant to the research question.

4.5.2. Sample Size of Interviews

In interviews small sample is generally taken, because of the Saturation point. This point is used as a standard for deciding the adequacy of the sample (Bryman, 2014). For making decisions regarding sampling size, this is a useful principle. The new respondents start answering the same and new information added is very less (Ritche & Lewis, 2003). diminishing return arises after a reasonable number. Instead of quantity, quality should be the major focus. If very large numbers of respondents are interviewed the data is not handled in better way as compared to small number (Ritche & Lewis, 2003). Mason (2010) refers to a study that reviewed 50 grounded theory-based research articles, which found sample sizes to vary between 5 and 350. Crouch and McKenzie (2006) argue that samples of less than fifty increase the qualitative researcher's chances of getting close involvement with their participants in interview-based studies. Data has been collected through Key Informants interviews from 43 women of different areas of Rawalpindi.

Data Analysis technique

After getting data the results are analyzed using SPSS. SPSS conduct a number of analysis and tests but in this study, focus is towards descriptive statistics

as study wants to find the different causes, numbers and factors regarding informal sector work. This research is applied in nature because it explore the activities, the factors which are pushing these women in informal sector, impact of informal sector on women and the level of development they have. Their experiences after getting involved in informal sector need to be analyzed For this, frequency analysis is done along with cross-tabulation. Graphs and tables are made and then analyzed accordingly. Three open ended questions are analysed using thematic analysis. So initially the data was entered into SPSS by defining variables and their values, then frequency tables are formed which provides the number counts and their percentages. Cross tabulation is used in order to check the relation between two variables. The comparison of question statements with demographic factors provides some interesting insights about the impact of education, primary occupation and income on lives of these women.

Chapter 4

Results and discussion

4.1 Demographic Profile

This study seeks to find out why women have chosen to work in informal sector or what are the driving forces that led them towards informal work. Along with this advantages and disadvantages of working in informal sector are observed. Data is collected from Rawalpindi region and 43 interviews are conducted from women of different ages and employment status. This study has generated demographic data and also helped identify the major activities that are prevailing. Table **1** shows the demographic data and sector wise description of women. Workers of the informal sector differ widely in terms of age, income level, education level, employment status, size and type of enterprise, sector of work, location of workplace (urban, rural), degree of coverage of social and employment protection (ILO, 2018).

In first part of the questionnaire demographic profile is analysed. After getting data of age of these women, five categories were made. 13 women are from age 18 to 25 i.e. 30.2%, 19 (44.2%) respondents from age bracket of 26 to 30. There are 5 women in next age bracket 31 to 35. Whereas the age of 36 to 40 and 40 to 50 only get 3 women in each category.

Next the education level of respondents is inquired. The study wants to find out what is the impact of education on choice of informal work. Is the reason of choosing informal sector is lack of education or women with higher education degrees are also working in this sector. Data shows that 3 women are having education of matric or below, 1 from intermediate level. Women with bachelors

qualification are 14, 15 from Masters and 10 women are having M.Phil or above qualification. This shows that even women with higher qualification are part of this sector.

After this, marital status of these women is checked. Data shows that 23 women are Single, 17 married and 3 from other category.

Table 2: Demographic data

N	Category	Items	Frequency	Percentage
2	Age group	18 - 25	13	30.2 %
		26 - 30	19	44.2 %
		31 - 35	5	11.6 %
		36 - 40	3	7 %
		41 - 50	3	7 %
3	Education	Matric	3	7 %
		Intermediate	1	2.3 %
		Bachelors	14	32.6 %
		Masters	15	34.9 %
		M.Phil or above	10	23.3 %
	Marital status	Single	23	53.5 %
		Married	17	39.5 %
		Other	3	7 %
4	Occupation	Private job	1	2.3 %
		Beautician	3	7 %
		Boutique	1	2.3 %

Cosmetic Business	1	2.3 %
clothing business	3	7 %
Content writer	2	4.7 %
Cosmetic distributor	1	2.3 %
food business	1	2.3 %
host	1	2.3 %
Housewife	2	4.7 %
Lead Client Support	1	2.3 %
Media officer	1	2.3 %
Nurse	1	2.3 %
Pharmacist	7	16.3 %
Account manager	1	2.3 %
school owner	1	2.3 %
running slum school	1	2.3 %
Software developer	1	2.3 %
Taylor	3	7.0 %
tutions and cloths	1	2.3 %
stitching	8	18.6 %
Tutions	1	2.3 %
freelancer		

These occupations are then divided into five different categories in order to easily analyze these. Business category include women who are having clothing business, food business etc. these are shown in figure below

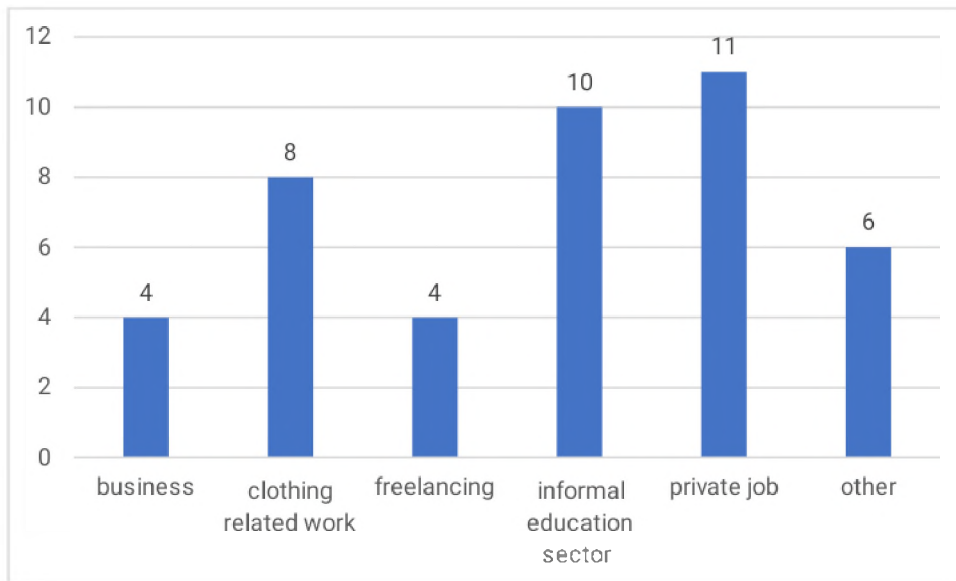


Figure 3: new occupation groups

The primary occupation of the respondents is checked in order to discover the areas or occupations in which mostly women are engaged. As Rawalpindi region do not have any specific working environment like agriculture or industrial areas, so women are working in miscellaneous activities. The study has tried to take the perception of women from different backgrounds and areas of work. Data is collected from one private pharmacist company and rest are taken randomly. Results from Table 1 shows that mostly women are involved in home tuitions, tailoring, beauticians, content writers as freelancer, some are running clothing business, cosmetics business etc. It shows the diversity of professions among women workers and specially some are working as women entrepreneurs.

Family size of Respondents

The family size of these women ranges from 2 to 10. It shows that females of families with small family size as well as large family sizes are in informal work. The percentages of each number of family members is given in the table below.

Table 3: Family size of Respondents

Family size		
No. of Members in family	N	%
2	1	2.30 %
3	4	9.30 %
4	8	18.60 %
5	8	18.60 %
6	6	14.00 %
7	4	9.30 %
8	6	14.00 %
9	1	2.30 %
10	5	11.60 %

Employment status of Respondents

With the outbreak of Covid-19, many sectors faced challenges and some sector are severely affected especially informal sectors. After this pandemic many sectors face closure and many people got unemployed. In this study, question is asked to check the current employment status of these women. Results shows that a lot of women have showed they are currently unemployed. Their percentage is 41.9%. 44.2% are employed and 14% are self employed running their own businesses. The detail of each category with percentage is given in table below.

Table 4: employment status of respondents

employment status		
	N	%
employed	19	44.20 %
self employed	6	14.00 %
currently unemployed	18	41.90 %

Monthly income of respondents

While asked for monthly income, mostly females lie in the average income of 26000 to 40000 which is 34.9 %. 10 (23.3 %) females mentioned their income in less than 10000 category, while that of more than 60000 include 9.3 % females. The table below show the monthly income and their percentages. The detail are given in table below.

Table 5: Monthly income

your monthly income?	N	%
less than 10,000	10	23.3 %
10,000 - 25000	8	18.6 %
26000 - 40000	15	34.9 %
41000 - 60000	6	14.0 %
more than 60000	4	9.3 %

Monthly income of Family

After asking about monthly income of respondents from informal work, one question is asked about their family income in order to get to know about their contribution in family income. The results shows that 4.7% respondents' family income is less than 30000. The highest percentage of families are earning more than 90000 and their percentage is 48.8%. 20.9% family's income lies in 30000 to 60000 while 25.6% lies in 60000 to 90000 rupees per month. The table below shows the number and percentage of each income category.

Table 6: Family's Monthly Income

Family's monthly income?		
	Frequency	Percent
less than 30000	2	4.7
30000 – 60000	9	20.9
60000 - 90000	11	25.6
more than 90000	21	48.8
Total	43	100.0

Family's Monthly Expenditure

After asking about family income, family expenditure is enquired. The results shows that highest percentage of households i.e. 32.6% have monthly expenses from 60000 to 90000, while very small number of families have monthly expenses less than 30000. The percentage and frequency are given in the table.

Table 7: Family's Monthly Expenditure

Family's monthly expenditure?		
	Frequency	Percent
less than 30000	5	11.6
30000 - 60000	13	30.2
60000 - 90000	14	32.6
more than 90000	11	25.6
Total	43	100.0

Table 8: responsibility of economic decisions

In term of making economic choices (earning, saving, expenditure, investment), who is more responsible

	N	%
male/head of family	20	46.5 %
you	1	2.3 %
both	22	51.2 %

In next question, respondents were asked about how much they are participating while making economic decisions of the family. Are they considered while taking economics decisions of earning, savings, investments or expenditure or the male/head of family himself take decisions and they have no voice or power in that decisions. The result shows that in most of the cases nearly more than half of percentage i.e. 51.2 % showed that they and male both are taking decisions, while 46.5 % said in their families only males take decisions. Only 1 respondent agree that she herself took decisions.

Table 9: reasons for choosing informal sector

Reasons for choosing Informal Sector	N	%
Lack of opportunity in formal sector	19	44.2 %
My own preference	28	65.1 %
Lack of Education	4	9.3 %
Family restrictions	2	4.7 %
Other	5	11.6 %

The next part, the respondents are asked about the reason for choosing informal sector. Why they have opted to work in this sector. Five reasons were given

as a choice and respondents could choose all suitable answers. So, after analyzing this questions the results shows that most of women agree that it is their own choice of joining informal sector.

19 women go for lack of opportunity in formal sector is one of the reason behind choosing informal work, 28 said it is their own choice of work, 4 said due to lack of education they have no option to work in formal sector, as education and skills are necessary conditions for woking in formal sector. Whereas only 2 women state that due to family restriction they can't go to work in formal sector. Family do not allow them to go outside home and do work so they have started home based work. While five females have said there are other reasons than these.

Table 10: time of joining informal sector

How long have you been in this work?		
	N	%
less than 1 year	5	11.6 %
1 to 3 years	23	53.5 %
4 to 6 years	7	16.3 %
more than 6 years	8	18.6 %

The time period of working in informal sector is asked to check from how much time they are doing this work. 11.6% said they have currently started this work and it is less than one year. 53.5% are working from 1 to 3 years, 16.3% are working from last 4 to 6 years and 18.6% have joined this sector from more than 6 years.

Table 11: choice of working in another sector

Is there any option of choosing another sector in which you can work?

	N	Percentage
yes	24	55.8 %
no	7	16.3 %
maybe	12	27.9 %

In next question, females were asked if they have option of choosing another sector to work. 55.8% said Yes they have other opportunities and required education and skills to work in formal sector but they are working in informal sector due to many reasons as mentioned in previous question. Some have their own choice while some have other reasons. 16.3% go for No option that they have no other option of work while 27.9% are not sure.

Table 12: utilization of skills

Do you think that your skills are fully utilized over there?		
	Frequency	Percent
yes	22	51.2
no	17	39.5
Don't know	4	9.3
Total	43	100.0

It was a common perception that informal sector jobs do not encounter the skills of people, it is just a source of earning and not utilizing the acquired knowledge and skills of people. And specially in case of women, they are given low income and low quality work as informal sector worker. The respondents of this survey were asked this question that what they think about usage of their skills and knowledge in informal sector work, do they think their skills are utilized in informal sector. More women agree to this statement that Yes they are fully utilizing their skills in their work. The percentage of females who said Yes is 51.2% while 39.5% replied No and 9.3% are not sure about it.

Table 13: reaction of family on work

How was the reaction of your family when you started this work?

	N	%
Supportive	28	65.1 %
Neutral	13	30.2 %
Against	2	4.7 %

When asked about family's reaction about their work, mostly women have experienced supportive reaction from family. 2 women have family's support in work, 13 face neutral reaction or no reaction while 2 have faced against reaction from family. Family was against their work they do not allow them but still they have managed to start work.

Table 14: advantage of informal sector

What is the most important advantages of this form of work?

	N	%
no time constraint	13	30 %
decision making power	21	48.5 %
no job restrictions	20	46 %
Others	6	14 %

There are some advantages and disadvantages of informal work. The question is asked to tell the most important advantage of working in informal sector. Respondents are given the option that they could choose more than one option. The

results found decision making power as the top advantage of informal work. Next came no job restriction, people are most of the time free to work on their own without any special rules and regulation to be followed. So these are the reasons that make these women attracted and stick towards informal sector. The numbers and percentages are given in table...

Table 15: biggest issue of informal work

What is the biggest issues of working in informal sector?		
	N	%
less social mobility	13	30 %
no security of job	16	37 %
less valued than formal sector	5	11.5 %
lack of labor rights	17	39 %

After asking for advantage, in next question the disadvantage or issues are asked which they faced while working in informal sector. The biggest issue for informal workers is lack of labor rights. They are not facilitated in any way by government and are not given any privileges. They are deprived of labor rights. They are under the full control of their employer, no matter how hard he is taking work or how less they are paid. Next comes the issue of insecurity of job. As most of them are working on wages and not on proper salary, so during any crisis or under certain situation they may not get work. Next comes the issue of less social mobility and finally less valued than formal sector.

Table 16: improvement in social status

**Do you think that this sector helped you in making
improvement of your status in the society?**

	N	%
yes	26	60.5 %
no	5	11.6 %
a little	12	27.9 %

One objective of this study to check the impact of informal sector on status of women. So in next section questions are asked to check if they have seen any improvement in their status in the society after joining informal sector work. 26 women said yes their status is improved after working and become earning women, 12 said that a little improvement is seen but not much while 5 said there is no change or improvement in their status. They are still same before start of this work.

Table 17: freedom of choice

**have you experienced any freedom related to social/economic choices
after joining informal sector?**

	N	%
yes	33	76.7 %
no	2	4.7 %
Don't know	8	18.6 %

In next part again they are asked to check of they have experienced any freedom related to economic and social choice. Are they economically and socially somehow

independent to take their decisions or to choose for themselves what they want. 33 said yes they got freedom of choices after working while 8 said they do not know about this they are not sure. While 2 said No.

Table 18: informal sector better option than formal

Do you think that working in informal sector is better option than formal sector?

	N	%
yes	13	30.2 %
no	9	20.9 %
maybe	21	48.8 %

The objective of this study is to check the reasons while women are in informal sector, what are causes that push them towards this and what make them stay in the same sector. So question is asked to get their viewpoint if working in informal sector Is better than formal sector, are the advantages they get in informal sector suppress the disadvantages. 13 said yes working in informal sector is better option, while 21 go for maybe option. And 9 are not considering informal sector better than formal sector.

Table 19: switching to formal sector

If you get a chance to switch into formal sector with higher paid salary, what would be your choice?

	N	%
I will switch	19	44.2 %
I will not switch	20	46.5 %
I am not sure	4	9.3 %

In last part, they are asked if they get the chance of switching their work towards formal sector with more pay than what they are getting now, the percentage of women who do not want to switch is more than those who want to switch. 46.5% go for I will not switch option, while 44.2% show their interest towards switching their sector. They want to move to formal sector, while 9.35 are not sure about what decision they will take if they will get a chance to switch their sector.

Table 20: future expectation

Where do you see yourself in the next years?

	N	%
in better position	38	88.4 %
in same position	5	11.6 %

Respondents are asked about their future projection, where they are seeing themselves in next years. The results found mostly women are hopeful for better future. They think they will be in a better position after some years. The percentage of those who said they will be in better position is 88.4% while those who said time does not change their life and circumstances are 11.6%. they consider themselves in same position. A third option was also given which is “in worst position”, and none of respondent go for that. This shows that informal sector is working better for these women, and most of them are satisfied with their work and future.

Cross tabulation

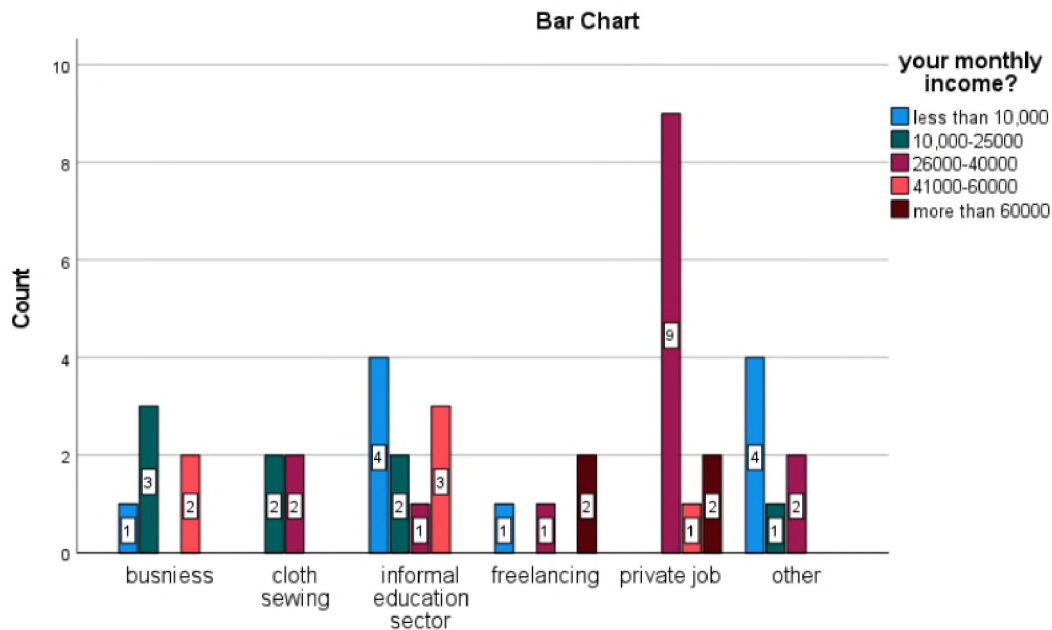


Figure 4: cross tabulation between income and occupation

When data is analyzed between occupation and their monthly income, the results shows that in business sector, which involves cosmetics business, clothing business, food business and others the income level of these women is mostly 10000-25000 and 41000-60000 respectively. It shows that businesses are having good output level for these women. It is better to start at their own some business. The ratio of income in cloth sewing is from 10000 to 40000. For informal education sector job, there is mix of income level. Women are earning from category one to four. Some are earning less than 10000 while some are earning near to 60000. Freelancer also got mix income, including category one i.e. less than 10000 and also category five which is more than 60000. For private sector jobs, the average income is between 26000 to 40000 and also more than 60000. While in last category which include beauticians and others, mostly women got less than 10000, while maximum income mentioned in this study is till 40000. These analysis shows that most

income generating professions are freelancing and private jobs.

new occupation groups * Education (Year's Completed)

Table 21: cross tab between occupation and education

new occupation groups * Education (Year's Completed) Crosstabulation

% within new occupation groups

		Education (Year's Completed)					Total
		matric or below	intermediate	bachelors	masters	m.phil or above	
new occupation groups	Business			16.7 %	83.3 %		100.0%
	cloth sewing	50.0 %		25.0 %		25.0 %	100.0%
	informal education sector		10.0 %	30.0 %	10.0 %	50.0 %	100.0%
	freelancing			25.0 %	50.0 %	25.0 %	100.0%
	private job			50.0 %	33.3 %	16.7 %	100.0%
	other	14.3 %		28.6 %	42.9 %	14.3 %	100.0%
	Total	7.0 %	2.3 %	32.6 %	34.9 %	23.3 %	100.0%

When data is analyzed between years of education and the occupation in while females are participating, the results shows that females with matric or below education are involved in cloth sewing work (66.7%) and as a beautician (33.3%), while intermediate level education female is giving tuitions to children. The highest percentage of female involved in private sector jobs are mostly having bacholr's level education and their percentage is 42.9% while 21.4 % are in informal education sector which means they are giving tuitions. Those with master's level education are mostly involved in their own business activities and their percentage is as 33.3%. With highest level of education, i.e. M.phill or above are also involved in informal education sector and rest are doing freelancing. The graph below shows each occupation and the women of different education level involved in each occupation.

Table 22: Cross tabulation between Education and options of choosing other sectors

Education (Year's Completed) * Is there any option of choosing another sector in which you can work?

Crosstabulation

% within Education (Year's Completed)

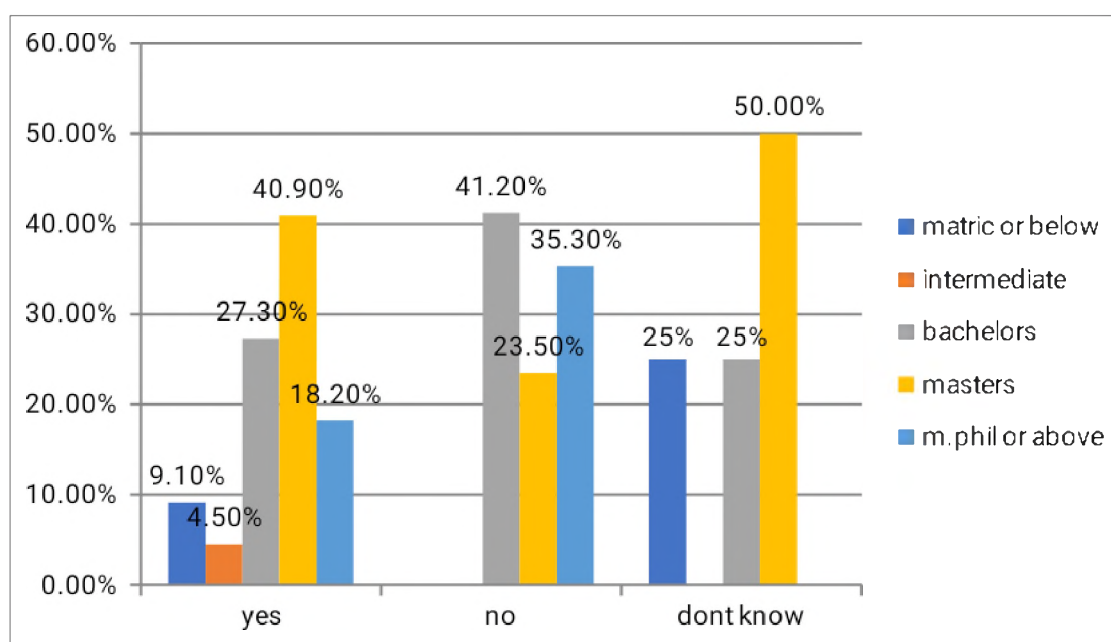
		Is there any option of choosing a2ther sector in which 1 can work?			Total
		yes	no	maybe	
		Education (Year's Completed)			
	matric or below		66.7 %	33.3 %	100.0 %
	intermediate		100.0 %		100.0 %
	bachelors	50.0 %	21.4 %	28.6 %	100.0 %
	masters	73.3 %	6.7 %	20.0 %	100.0 %
	m.phil or above	60.0 %		40.0 %	100.0 %
Total		55.8 %	16.3 %	27.9 %	100.0 %

Data is again analysed between the education of women and Is there any option of choosing another sector in which you can work, in order to check if there is any effect of education level on the available options. Are the options available for work is being impacted by education level and what is the effect of education and job opportunities available. The results shows that female with education level matric or below notify that no other option of work is available to them other than the work they are doing now. 28.6% go for No option, while no one at matric level have answered Yes. Similar is with intermediate level education. As we move towards higher education levels, the results start changing. Women with Bachelor's level, masters and m.phil or above level education have argued that they have other options and choices available for work. They have some opportunities in formal sector but they choose informal sector as their own choice. The highest percentage which goes for Yes option are master's level females. The graph below explains all levels of education and their responses.

Table 23: cross tabulation between education and skill utilization in informal sector

Education (Year's Completed) * Do you think that your skills are fully utilized over there? Crosstabulation
 % within Education (Year's Completed)

		Do you think that your skills are fully utilized over there?		
		yes	no	dont know
Education (Year's Completed)	matric or below	66.7 %		33.3 %
	intermediate	100.0 %		
	bachelors	42.9 %	50.0 %	7.1 %
	masters	60.0 %	26.7 %	13.3 %
	m.phil or above	40.0 %	60.0 %	
Total		51.2 %	39.5 %	9.3 %



Education is analyzed with how much their skills are utilized in informal sector, in order to check if education have any impact on it. The results shows that educated

women are not fully satisfied with their use of skills and knowledge in informal sector. They think that this sector is not in line with their acquired skills but those with lower levels of education give opposite results. They are of the view that informal sector is making them able to fully utilize their skills. The table above shows the percentage of each education level with the answers. It shows that metric level and intermediate level are completely agree that they are utilizing their skills in informal sector, their percentages are 66.7% and 100% while in bachelors level 42.9% go for yes option, 50% said No and 7.1% are not sure about it. They go for may be option. In masters level, 60% said yes while 26.7% said No. in M.phil or above level, more females are of the view that informal sector is not in line with their level of knowledge and skills. They deserve better positions than what they are doing now. 40% said Yes while 60% go for No option.

Table 24: cross tab between monthly income of respondents and their families

your monthly income? * family's monthly income? Crosstabulation

% within your monthly income?

		Family's monthly income?				Total
		less than 30000	30000 - 60000	60000 - 90000	more than 90000	
your monthly income?	less than 10,000	20.0 %	40.0 %	10.0 %	30.0 %	100.0 %
	10,000 - 25000		25.0 %	62.5 %	12.5 %	100.0 %
	26000 - 40000		13.3 %	26.7 %	60.0 %	100.0 %
	41000 - 60000		16.7 %	16.7 %	66.7 %	100.0 %
	more than 60000				100.0 %	100.0 %
Total		4.7 %	20.9 %	25.6 %	48.8 %	100.0 %

The monthly income of respondents and their family income are analysed to check how much income they are contributing in their family, how much difference is between income level of other family members especially male members and the income they are earning from informal sector. The table demonstrates that those with more than 90000 family's monthly income are earning more than 60000 income by themselves. This shows they have highest contribution in their family income.

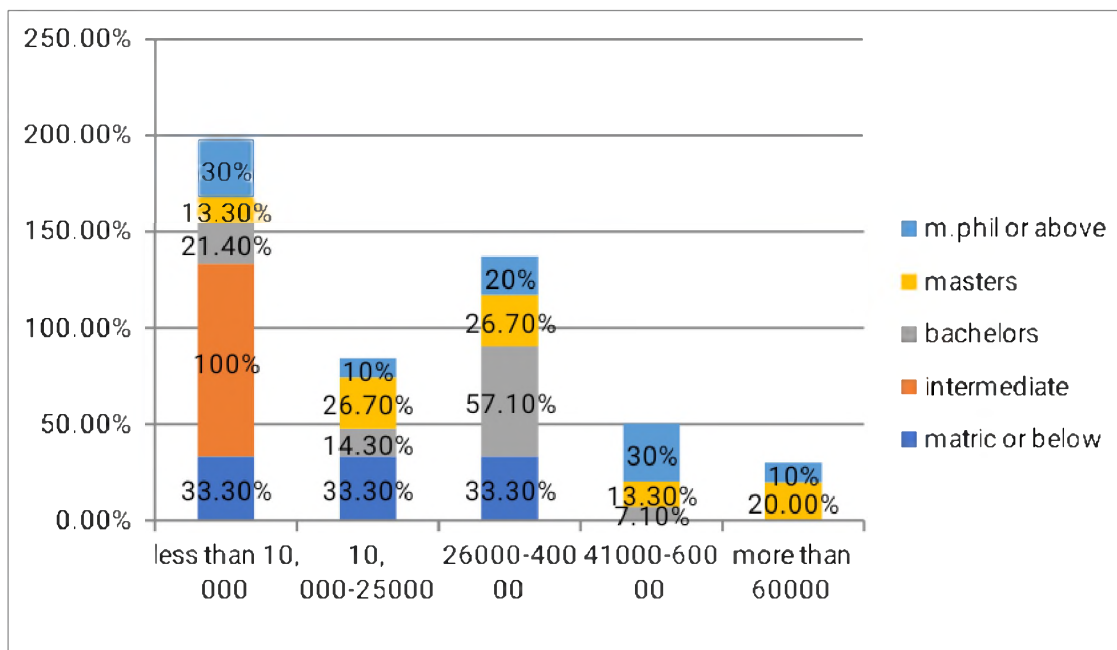
Table 25: cross tab between education and income of respondents

Education (Year's Completed) * your monthly income? Crosstabulation

% within Education (Year's Completed)

		your monthly income?					Total
		less than 10,000	10,000 - 25000	26000 - 40000	41000 - 60000	more than 60000	
Education (Year's Completed)	matric or below	33.3 %	33.3 %	33.3 %			100.0%
	intermediate	100.0 %					100.0%
	bachelors	21.4 %	14.3 %	57.1 %	7.1 %		100.0%
	Masters	13.3 %	26.7 %	26.7 %	13.3 %	20.0 %	100.0%
	m.phil or above	30.0 %	10.0 %	20.0 %	30.0 %	10.0 %	100.0%
Total		23.3 %	18.6 %	34.9 %	14.0 %	9.3 %	100.0%

Education and monthly income are cross tabulated to check the impact of education on income level and at each education level how much they are earning. The table shows the percentage of each education level with respect to different income level groups. It demonstrates that those with metric and intermediate level education are earning from first level i.e. less than 10000 till 26000 – 40000. Those with Bachelor's level education are earning till 41000 to 60000. While those with highest level of education master, m.phil or above are earning more than 60000. This shows that with increase in education there is more possibility of higher income.



Qualitative analysis:

Three open ended questions are also asked from the respondents. These questions are analyzed according to thematic analysis and themes are selected based on question.

Future expectation from this sector:

As indicated in one of previous question that most of the females are hopeful that in their future they will be in better position. In this question, most of women have mentioned for bright future from this sector and they are expecting to learn more and more from this sector. Some are confident to have better response from online market, while others expecting a self-owned better salon, while some are hopeful to have their own company one day.

This sector help many females like me so I think if government give some thoughts on this sector, it'll change many lives.

One respondent working as IT specialist said:

'I can have my own software house in future which I'm working on'

Freelancers are also expecting a brighter future. They are positive that more people involve in this sector and it will grow eventually. One respondent said:

'I feel this will further grow and people will be more aware about this in near future causing more people to enter the market.'

'It would be better and will stand in a good position hopefully if continued with this sector.'

When view of those women working in informal education sector, who are teaching in academies as tutors or have their own home based tuition centers, are taken they are hopeful for a good future. One respondent said:

'Teaching and tuition is a profession in which there is very rare chance of job loss, so i am hopeful that future will be secure and safe in this profession'.

Whereas some want a proper job in future where they will get job security. View of one respondent is:

'I want growth promotion because I am doing my part sincerely So there should be a way which define that I am skilled person.'

Socio-Economic Development:

Respondents are asked to analyse what changes they have seen in themselves after joining informal sector. Is there any social or economic development after this work?

The result shows that after working, they are more independent and consider themselves powerful. These females have expressed several advantages that they got after working.

One respondent said:

'Yeah, I got many achievements, one if them self confident, quite enough know how

about the certain relevant things, as well in context of economic development, it could get my self on a much better situation. This aspect has been quite helping in different circumstances’.

Respondents have got decision making skills after working. They got experience as well as confidence. Now they can spend my money according to my own will, now they can decide their economic choices themselves. One respondent said:

I am more empowered in terms of taking my decisions and to decide where should i stand and what should I do

There are several returns in terms of self development that these women got after working. factors that are highlighted in this study includes improvement in confidence and responsible attitude, exposure of different things, how to deal or manage the situations, proper time utilisation, communication skills, educational and professional growth and learning behavior. One of the respondent have expressed their learning as:

‘I feel that my knowledge is utilized in some way or the other and this has helped me gain a lot beside household chores. This helped me psychologically too that my hardwork over the years is not getting wasted.’

Many women have consider this sector as making them economically independent and financially strong. Some of them have expressed that they are less dependent on family for their own expenditures. One respondent have profoundly stated that

‘I am more confident, more stable and happier to earn money for my family

' I see in myself that 'believe in yourself', I can do any thing without having help from others. Yes, I can socially and economically mobilize the community.'

This shows that irrespective of the sector whether it is formal or informal, the advantages in term of social and economic development are always there. Whereas, a few have considered it just a source to fulfil needs and not fully supporting financially.

Finally, they are asked to mention if they want any intervention from government to fix some matters of informal sector. As in one question, these women have highlighted the major disadvantage of informal work is lack of labor rights. So in last questions they are asked to mention their concerns. Some of respondents have just replied as no and don't know.

According to them government can't put check and balance on informal sector as it is beyond their limit. They can't monitor each and every work. while others have highlighted some issues and desires. There are few freelancers in the survey, they thought that freelancing or work from home is a new concept and more ways must be introduced by government to engage people in it. One respondent said:

Government may take step to acknowledge and learn their experience and explore their problems or strengths

Government create opportunities in IT services because we have talent in this field who need proper support and direction.

Some have asked for support programs for these sectors. According to one respondent free sewing machines should be provided by government throughout the

country to those who are in tailoring profession and it is mean of earning for them and their families.

Some want rules and regulations for small scale informal organizations too. Home based work is beyond the limit but government can take steps for unregistered organizations to implement rules and regulations. One respondent said:

There should be a policy for these unregistered sectors well. There should be a merit system to deal with these employees.

Some respondents have asked government to make living easy by reducing the prices so that they can easily fulfil their needs with the work they are doing now.

Govt should control prices of necessity goods, so that we dont need to struggle for life

Gender insecurity, just and timely taken actions on issues

Discussion:

Results shows that in mostly cases, it is not the family restriction and lack of education that deters the women from working in formal sector, but lack of opportunities in formal sector and sometimes women's own preference is the reason behind joining informal sector. Hence hypothesis 1 is accepted which tells that lack of opportunities in formal sector push women towards informal sector work. Second hypothesis of the study is rejected which tells that after working in informal sector, there is no improvement in socio economic status of female workers. Study results revealed positive attitude of women towards informal work, they are satisfied with their work and progress they have made in this sector. These

results shows that there is improvement in their social status after working, and they have experienced freedom related to social/economic choices after joining informal sector.

Chapter 5

Conclusion and Recommendations

Conclusion

In developing countries, it is women who suffer mostly under different circumstances in the name of gender inequality at different places. In Pakistan mostly women are working in informal sectors where they face lower pay, no social protection and no job security. In this study we have selected some sectors where women are working informally in the region of Rawalpindi. These includes home-based as well as outside workers of different salons, home based tutors, freelancers, teachers and micro-enterprise workers. Despite the fact that millions of women in Pakistan are engaged in home-based work, they are not recognized as workers in national labor laws and are deprived of social protection and other facilities available to workers in formal economy. Drawing upon in-depth interviews with informal sector workers in Rawalpindi region , the study showed that as the informal sector work remains un-regularized and outside the radar of labor policies, the women workers faced some job insecurities.

The results concluded that more educated women are involved in small scale businesses and freelancing, and they are contributing more in their family's income. Dressmaking is a traditional profession of less educated women. Overwhelming response of these women was that they are working on their own without any support from government or any scheme. Government schemes likes Ehsaas focused on very poor class and there is no such scheme which target these informal

workers. Apparently, it is not possible to address all of the issues of these women but there should be some policies to make the issues solved. There is always insecurity of work for these women so there must be risk mitigation policies for and social protection schemes for informal workers to make the living of these women more robust and comprehensive.

Results shows that in mostly cases, it is not the family restriction and lack of education that deters the women from working in formal sector, but lack of opportunities in formal sector and sometimes women's own preference is the reason behind joining informal sector. Hence hypothesis 1 is accepted which tells that lack of opportunities in formal sector push women towards informal sector work.

In the last question they were asked about what they thought about their future in this sector. Most of respondents agree that their work has helped them to improve their socio economic status and lifestyle and that they want to continue with this work and they are projecting a bright future for themselves. Second hypothesis of the study is rejected which tells that after working in informal sector, there is no improvement in socio economic status of female workers. Study results revealed positive attitude of women towards informal work, they are satisfied with their work and progress they have made in this sector. These results shows that there is improvement in their social status after working, and they have experienced freedom related to social/economic choices after joining informal sector.

Similarly, while projecting their future, they are still hopeful for better conditions in same sector. As study has showed it is their own preference of choosing informal sector so government should focus on solving their issues and

give them benefits and some coverage of social security.

Policy Recommendations

- Government should focus on promoting women entrepreneurship and towards freelancing as study results shows a positive and progressive trend of these two sectors.
- Government needs to focus on creating link between productivity and informality and to review labour laws so that some activities of the informal sector are covered and recognized in formal sector to improve productivity and economic growth.
- As with rising unemployment in country, it is difficult to manage all workforce in formal sector. Hence, instead of doing more efforts in creating formal jobs, there is need to take steps for informal sector. They must be regularized to some extent.
- There is lack of proper data of informal workers, hence it is difficult to solve the matter. More relevant and reliable data is needed to understand the complex aspects of informal economy and to monitor the progress of this sector. Therefore, capacity of relevant authorities and institutions must be enhanced to respond to needs of informal sector workers. To make a database of these workers, an application should be made where informal workers could register themselves, where they can discuss their issues and if needed complaint could also be registered. In this way governmental can take care of these workers to some extent.
- Most of the social security programs offered by government are meant for

those who are living below poverty line. There must be a program for these mid-level informal workers from where they are benefitted in times of need.

- Industrial homes/hubs should be made for skilled informal workers where they can be given labor rights and work under some regulations. So that their distress about insecurity of job in informal sector could be removed. Licenses could also be issued to a number of home based self employed women to get their data

REFERENCES

- Abdallah, G. K., & Eijdenberg, E. L. (2019). *Entry and Stay in the Informal Economy: Qualitative Findings from a Least Developed Country. Journal of Enterprising Culture, 27(02), 115–145.* doi:10.1142/s0218495819500055
- Aftab, S., Hamid, N., & Prevez, S. (2002). Poverty in Pakistan-Issues, causes and Institutional Responses. *Islamabad: Asian Development Bank-Pakistan Resident Mission.*
- Al-Dajani, H., & Marlow, S. (2013). Empowerment and entrepreneurship: A theoretical framework. *International Journal of Entrepreneurial Behaviour & Research, 19(5), 503.*
- Al-Dajani, H., & Marlow, S. (2010). Impact of women's home-based enterprise on family dynamics: Evidence from Jordan. *International Small Business Journal, 28(5), 470-486.*
- Amin, A. T. M., & Singh, A. (2002). *The informal sector in Asia from the decent work perspective.* International Labour Organization.
- Angel-Urdinola, D. F., & Tanabe, K. (2012). *Micro-determinants of informal employment in the Middle East and North Africa region.* World Bank.
- Anggadwita, G., Luturlean, B. S., Ramadani, V., & Ratten, V. (2017). Socio-cultural environments and emerging economy entrepreneurship. *Journal of Entrepreneurship in Emerging Economies.*
- Ascher, J. (2012). Female entrepreneurship—An appropriate response to gender discrimination. *Journal of Entrepreneurship, Management and Innovation, 8(4),*

97-114.

Asian development bank. Women in -Pakistan, 2000. Country Briefing Paper.

<https://www.adb.org/sites/default/files/institutional-document/32562/women-pakistan.pdf>

Avasthy, D., Ray, A. K., & Deb, R. (2013). Women informal economy: its characteristics and legitimacy in the intergenerational context.

Cuadernosrnos Hispanoamericnos de Psicología I Enero-Junio, 13(1).

Barrientos, & Armando. (2002). Women, Informal Employment, and Social Protection in Latin America. *University of Manchester, Institute for Development Policy and Management (IDPM).*

Bhardwaj, B. R. (2014). Impact of education and training on performance of women entrepreneurs: A study in emerging market context. *Journal of Entrepreneurship in Emerging Economies.*

Bryman, A. (2016). *Social research methods.* Oxford university press.

Braymen, C., & Neymotin, F. (2014). Enclaves and entrepreneurial success. *Journal of Entrepreneurship and Public Policy.* Breweton, P. & Millward, L. 2001.

Organizational Research Methods, London, SAG

De Vita, L., Mari, M., & Poggesi, S. (2014). Women entrepreneurs in and from developing countries: Evidences from the literature. *European Management Journal, 32(3), 451-460.*

Doane, D. L. (2007). Living in the Background: Home-based Women Workers and Poverty Persistence *HomeNet South East Asia.*

Eijdenberg, E. L., Paas, L. J., & Masurel, E. (2015). Entrepreneurial motivation and

small

business growth in Rwanda. *Journal of entrepreneurship in emerging economies*.

Ettl, K., & Welter, F. (2010). How female entrepreneurs learn and acquire (business-relevant)

knowledge. *International Journal of Entrepreneurship and Small Business*, 10(1), 65-82.

Franck, A. K. (2012). Factors motivating women's informal micro-

entrepreneurship. *International Journal of gender and Entrepreneurship*.

Goby, V. P., & Eroglu, M. S. (2011, July). Female entrepreneurship in the United Arab Emirates: Legislative encouragements and cultural constraints. In *Women's Studies*

International Forum (Vol. 34, No. 4, pp. 329-334). Pergamon.

Gohar, M., & Abrar, A. (2016). Embedded or constrained informal institutional influences on

women entrepreneurship development in Pukhtoon culture. *FWU Journal of Social Sciences*, 10(2), 81– 89.

Hart, K. (1985). The informal economy. *Cambridge Anthropology*, 54-58.

Hassan, S. M. (2014). NEED ASSESSMENT OF HOME BASED WOMEN WORKERS: A NEW PARADIGM FOR SOCIAL WORK. *Sci.Int.(Lahore)*, 26(3).

Hassan, S. M., & Azman, A. (2014). Visible Work, Invisible Workers: A Study of Women Home Based Workers in Pakistan. *International Journal of Social Work and Human Services Practice Vol. 2(2)*. doi: DOI: 10.13189/ijrh.2014.020207

Hassan, S. M., & Farooq, F. (2015). Gendered Perspective of Informal Sector of the

Economy in Pakistan. *Pakistan Journal of Commerce and Social Sciences*, Vol. 9 (1).

Henning, S., & Akoob, K. (2017). Motivational factors affecting informal women entrepreneurs in North-West Province. *The Southern African Journal of Entrepreneurship and Small Business Management*, 9(1), 10 pages.

ILO, *Women at Work: Trends 2016* (Geneva, 2016). Available at:

http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_457317.pdf

ILO; 2018. Women and men in the informal economy: a statistical picture (third edition) /

International Labour Office – Geneva: ILO, 2018

ILO. (2018a). Empowering women working in the informal economy. *Global Commission on the Future of Work*.

ILO. (2018b). Women and Men in the Informal Economy: A Statistical Picture (Third Edition) Available at:

http://www.ilo.org/global/publications/books/WCMS_626831/lang-en/index.htm

International Monetary Fund (2018). *Pursuing Women's Economic*

Empowerment<https://www.imf.org/en/Publications/Policy-Papers/Issues/2018/05/31/pp053118pursuing-womens-economic-empowerment>

Jalbout, M. (2015). Partnering for a better future: ensuring educational opportunity for all

Syrian refugee children and youth in Turkey. *Published by Theirworld, A world at School and Global Business Coalition for Education*.

Jennings, J. E., & Brush, C. G. (2013). Research on women entrepreneurs: challenges to (and

from) the broader entrepreneurship literature?. *Academy of Management Annals*, 7(1), 663-715.

Kamal, A., & Woodbury, L. (2016). *Emerging opportunities for women in Khyber Pakhtunkhwa growth sector industries (manufacturing and construction) mining, tourism and agriculture* (Working paper). International Growth Centre Pakistan Program.

Khan, T., & Khan, R. E. A. (2006). Urban Informal Sector: How much Women are Struggling for Family Survival. *Munich Personal RePEc Archive*.

Lombard, A. 2007. The impact of social welfare policies on social development in South Africa:An NGO perspective. *Social Work/Maatskaplike*, 43(4): 295-316.

Maden, C. and Broadbridge, A. (2015), "A gendered lens on entrepreneurship: women entrepreneurship in Turkey", *Gender in Management: An International Journal*, Emerald Group Publishing, Vol. 30 No. 4.

Malik, A. A. (2018). Women's Economic Empowerment Sans Labour Rights. *Strategic Studies*, 38(1), 85-99.

Mason, J. (2002). Designing qualitative research. *Qualitative researching*, 2.

Mason, M. (2010, August). Sample size and saturation in PhD studies using qualitative

interviews. In *Forum qualitative Sozialforschung/Forum: qualitative social research* (Vol. 11, No. 3).

Mehtap, S., Ozmenekse, L., & Caputo, A. (2019). "I'ma stay at home businesswoman": an

insight into informal entrepreneurship in Jordan. *Journal of Entrepreneurship in Emerging Economies*.

Mehtap, S., Pellegrini, M. M., Caputo, A., & Welsh, D. H. (2017). Entrepreneurial intentions

of young women in the Arab world. *International Journal of Entrepreneurial Behavior & Research*.

Midgley, J. 1999. Growth, Redistribution and Welfare: Towards Social Investment. *Social*

Service Review, March 1999. 5-12.

Mirand, T. (2015). Women working in the informal economy: Challenges and Policy Considerations.

Musiolek, B. (2002). Decent work in the informal sector CEE/CIS region: International Labour Organization.

Ngnudu, K. (2010). The impact of the informal economy on the social and economic development of women headed households in chegutu urban district in zimbabwe. University of pretoria.

Nugundu, K., & Lombard, A. (2014). The contribution of the informal economy to the social and economic development of women-headed households in the chegutu urban district in zimbabwe. *2014, 48(1)*. Doi: 10.15270/48-1-101

Patton, M. Q. (2002). Two decades of developments in qualitative inquiry: A personal, experiential perspective. *Qualitative social work, 1(3)*, 261-283.

Ramadani, V., Hisrich, R. D., & Gërguri-Rashiti, S. (2015). Female entrepreneurs in transition economies: insights from Albania, Macedonia and Kosovo. *World Review of Entrepreneurship, Management and Sustainable*

Development, 11(4), 391-413.

Ratten, V. (2016). Female entrepreneurship and the role of customer knowledge development, innovation outcome expectations and culture on intentions to start informal business ventures. *International Journal of Entrepreneurship and Small Business, 27(2-3), 262-272.*

Reddy P.S. (2016) From National to Local Economic Development (LED): The South African Case. In:

Rezaei, S., Goli, M., & Dana, L. P. (2013). Informal opportunity among SMEs: an empirical

study of Denmark's underground economy. *International Journal of Entrepreneurship and Small Business, 19(1), 64-76.*

Rezaei, S., Goli, M., & Dana, L. P. (2014). Beyond legal entrepreneurship: the case of Austria. *International Journal of Entrepreneurship and Small Business, 21(2), 202-215.*

Ritchie, J., & Lewis, J. (2003). Qualitative research practice. London: Sage Publications.

Rizwana Hayat & Abdul Rashid | (2020) Exploring legal and political institutional determinants of the informal economy of Pakistan, *Cogent Economics & Finance, 8:1, 1782075, DOI: 10.1080/23322039.2020.1782075*

Robinson, c. (1988). Exploring the informal economy-introduction. *Social justice-a journal of crime conflict and world order.*

Sarwar, F., & Abbasi, A. S. (2013). An In-Depth Analysis of Women's Labor Force Participation in Pakistan. *Middle-East Journal of Scientific Research, 15(2).*

doi: DOI: 10.5829/idosi.mejsr.2013.15.2.2367

Schneider, F., & Enste, D. H. (2013). *The shadow economy: An international survey*. Cambridge University Press.

Schoburgh E.D., Martin J., Gatchair S. (eds) *Developmental Local Governance*. International Political Economy Series. Palgrave Macmillan, London.
https://doi.org/10.1057/9781137558367_6

Stoevska, V. (2012). Employment and gender differences in the informal economy. *Department of Statistics Presentation, International Labour Organization, Geneva*.

StreetNet-International. (2008). *Informal Economy*.

Zubaidi, F. R., Al-Sammerai, N. S. M., & Ahmad, F. (2011). An Overview on Women's Leadership Issues in Jordan. *J. Pol. & L.*, 4, 67.

Appendix

INTERVIEW QUESTIONNAIRE

PARTICIPATION OF WOMEN IN INFORMAL ECONOMY;

A Case Study of Rawalpindi

I am a student of M.Phil Public Policy in Pakistan Institute of Development Economics (PIDE), Islamabad. I am conducting my M.Phil research on Participation of women in Informal Economy; a case study of district Rawalpindi. This questionnaire is a part of my research, it intends to capture the perception of women who are working in informal sector so your input is very important for this study. I ensure you that the information provided by you will be kept confidential and will be used for academic purpose only. I need a few minutes of your precious time to complete this questionnaire. I shall observe high standards of research ethics and respect your privacy. I will be thankful for your participation.

Respondent's Information

Name (OPTIONAL):_____

Age (YY);_____ Education (Years completed):_____

Location:_____

Marital Status:_____ Family size/structure:_____

Primary occupation:_____ Employment Status:_____

Interviewer Information:

Name:_____ Date of Interview (DD/MM/YY):_____

Interview start time:_____ End time:_____



SCHOOL OF PUBLIC POLICY

PAKISTAN INSTITUTE OF DEVELOPMENT ECONOMICS

Section 1: Family demographic and socio-economic profile

Q1: your monthly income?

1: Less than 10,000.

2: 10,000 to 30,000

3: 31,000 to 60,000

4: More than 60,000

Q2: family's monthly income

1: Less than 30,000.

2: 30,000 to 60,000

3: 60,000 to 90,000

4: More than 90,000

Q3: family's monthly expenditure?

1: Less than 30,000.

2: 30,000 to 60,000

3: 60,000 to 90,000

4: More than 90,000

Q4: house ownership?

1: Yes

2: No

Q5: In term of making economic choices, who are more responsible, you or male of your house (earning, saving, expenditure, investment)

1: You

2: Male

3: Both

Section 2: respondent's profile about employment (reasons/causes /factors of joining informal sector)

Q1: Why did you opt for this sector?

1: Lack of opportunity in formal sector

2: On preference

3: Family restriction

4: Lack of education

5: Others (Specify)

Q2: How long have you been in this work?

1: Less than 1 year

2: 1 to 3 years

3: 4 to 6 years

4: More than 6 years

Q3: was there any option of choosing another sector/work in which you can work?

1: Yes

2: No

Q4: How was the reaction of your family when you started this work?

1: Supportive

2: Neutral

3: Against

Section 3: experience in informal sector (opportunities and problems)

Q1: What are the advantages of this form of work?

- 1: No time constraints
- 2: Decision making power
- 3: No job restrictions
- 4: Others

Q2: What is the biggest issues of working in informal sector?

- 1: Less social mobility
- 2: No security of job
- 3: Non implementation of labour Rights
- 4: less valued than formal sector

Q3: Do you think that your skills are fully utilized over there?

- 1: Yes
- 2: No

Q4: Do you think that this sector helped you in making a decent living or improvement of your status in the society?

- 1: Yes
- 2: No
- 3: Indifferent

Q5: What changes do you foresee in yourself after you started working?

Q6: have you experienced any freedom related to social/economic choices after joining informal sector?

1: Yes

2: No

Q7: Do you think that working in informal sector is better option than formal sector?

1: Yes

2: No

3: Indifferent

Q8: If you get a chance to switch into formal sector with higher paid salary, what would be your choice?

1: I will switch

2: I don't switch

3: I'm not sure

Section 4: future prospect's

Q1: As a worker of this sector, what are your expectations about future?

Q2: Do you really think you can work under someone else now that you've experienced the freedom of self-employment?

1: Yes

2: No

Q3: Where do you see yourself in the next years?

1: In better position

2: In same position

3: In worst position

Q4: Are there any ethical concerns that government must deal with?

-thank you-