



The
**ROCKEFELLER
FOUNDATION**

INSIGHTS INTO
URBAN INFORMAL WORKERS
AND THEIR HEALTH

FOREWORD

Over the past century, The Rockefeller Foundation has remained true to the pursuit of health access for all mankind. We have helped to build and develop schools of medicine and public health, contributed to new medicines and treatments that helped cure patients and advanced the field of health. Our long history has given the foundation a unique place in the field of global health. We have the ability and privilege to convene great minds, catalyze new initiatives, identify new opportunities and increase global health and wellbeing.

Most recently, the Foundation has been attuned to the health of informal workers. Driven by the current structure of the developing world's economic sector where informality is the norm, we are brought to reckoning by the fact that 60 percent of the world's workforce is informal, with the highest proportion being in Africa and Asia, and predominantly involving youth and women.


The current structure of informal work is characterized by lack of social protection – including pension and health care – and erratic earnings. Living as such, when informal workers face health challenges it easily leads to potentially catastrophic impact on their livelihoods.

Informal workers are highly networked along their employment, religion and other aspects of their lives. These networks serve as natural aggregators and provide an important trusted enabler in their context, where they are often disconnected from existing health systems.

These trusted relationships provide useful networks for information sharing and platforms that could be useful for designing financial mechanisms for health savings.

The Rockefeller Foundation in collaboration with several partners conducted research in 2014 to understand the health vulnerabilities of informal workers and identify potential entry points, methods, and platforms for engaging with and positively contributing to their overall health. We also investigated potential opportunities arising from mobile technology platforms, market-oriented solutions and social networks as accelerators to effectively engage with them and their families.

This publication is a synthesis of key highlights from that research, which we hope will be used by different stakeholders as they seek to understand this population group and design interventions to improve their health outcomes. We anticipate that this work will contribute to systemic change in redesigning health systems to make them more responsive to the realities of informal workers and to give them greater access to health services and improve their health outcomes.



Defining Informal Work

"All economic activities by workers and economic units that are – in law or in practice –not covered or are insufficiently covered by formal arrangements".

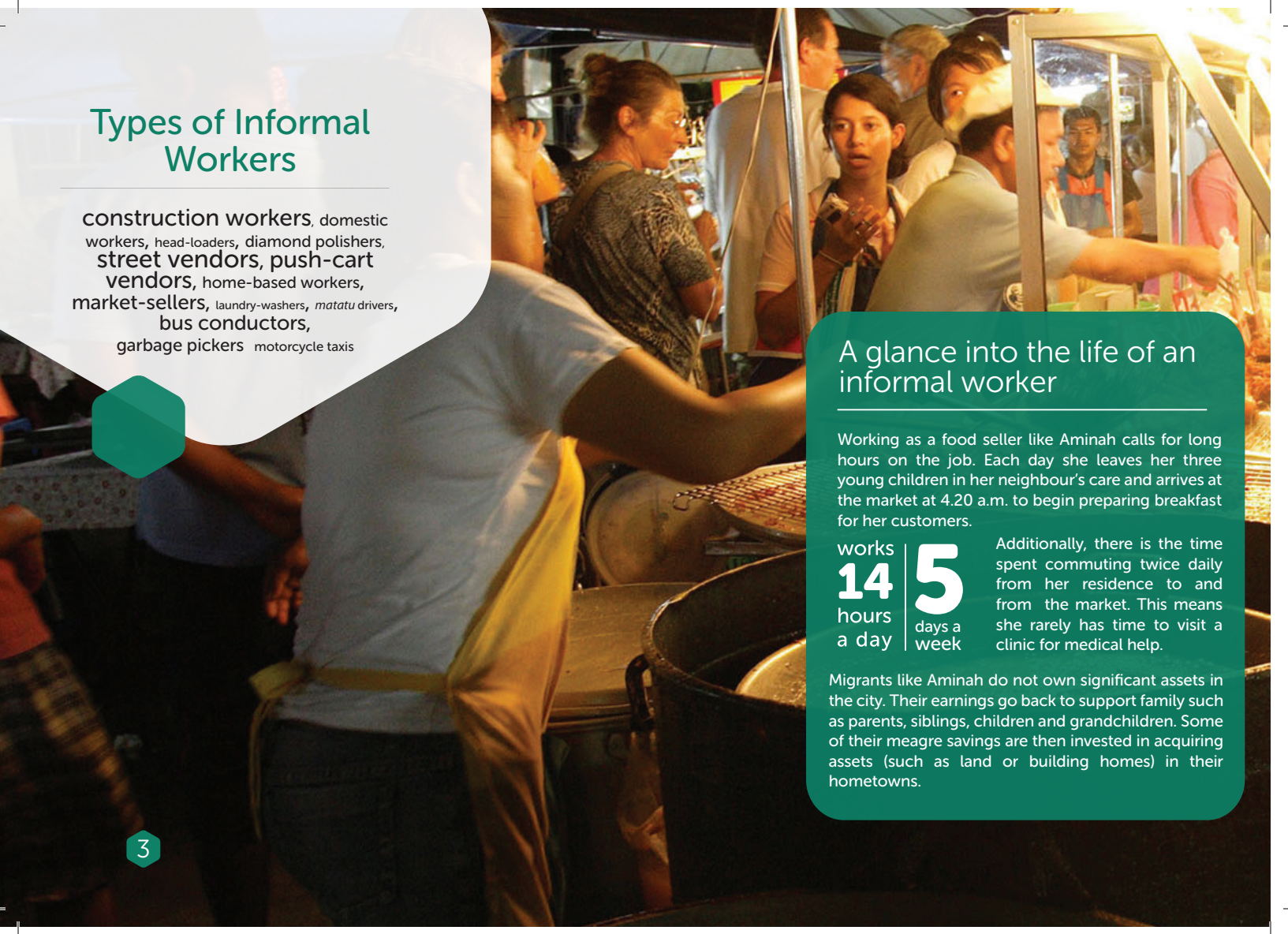
International Labor Conference, 2012

WHAT'S UNIQUE ABOUT INFORMAL WORK?

The nature and work environment of informal work varies from place to place. These are the general patterns and characteristics observed:

- no entitlements such as pension
- unfair dismissal
- lack of benefits such as leave and health insurance
- lack of industry regulations resulting in hazardous and risky work environments
- poor pay

While individual informal businesses may have limited potential for huge growth, there is evidence that the informal sector can allow a large proportion of the population to escape extreme poverty.

A woman in a white shirt and yellow apron is cooking at a street food stall. She is standing behind a large metal pot. In the background, there are other people, including a woman in a patterned shirt and a man in a white shirt. The scene is set at night or in a dimly lit area.

Types of Informal Workers

construction workers, domestic workers, head-loaders, diamond polishers, street vendors, push-cart vendors, home-based workers, market-sellers, laundry-washers, *matatu* drivers, bus conductors, garbage pickers motorcycle taxis

A glance into the life of an informal worker

Working as a food seller like Aminah calls for long hours on the job. Each day she leaves her three young children in her neighbour's care and arrives at the market at 4.20 a.m. to begin preparing breakfast for her customers.

works
14
hours
a day

5
days a
week

Additionally, there is the time spent commuting twice daily from her residence to and from the market. This means she rarely has time to visit a clinic for medical help.

Migrants like Aminah do not own significant assets in the city. Their earnings go back to support family such as parents, siblings, children and grandchildren. Some of their meagre savings are then invested in acquiring assets (such as land or building homes) in their hometowns.

A photograph of a man sitting on a bicycle in an urban informal settlement. The man is wearing a dark shirt and is looking towards the camera. The bicycle is parked on a dirt path. In the background, there are buildings and a large, rusted metal container. The image is partially covered by a green semi-transparent shape on the left and a white semi-transparent shape on the right, which contain text.

URBAN INFORMAL WORKERS

Why we should care

The informal sector employs 60 percent of the workforce globally with the highest proportion in Africa and Asia made up of predominantly youth and women. The proportion of informal workers in sub-Saharan Africa is 66 percent. In South Asia the number is 82 percent. Inclusion of informal employment estimates from the agricultural sector would greatly increase these figures, especially in sub-Saharan Africa where agricultural activity remains high.

Africa and Asia are urbanizing at the fastest rates in the world; fuelled by high rates of rural to urban migration and natural population growth. By 2050, 56 percent of Africa's population and 60 percent of Asia's population will be urban. Rapidly expanding urban areas are hubs of economic growth but are also teeming with marginalized populations living on the edge of poverty with few prospects of full employment.

Informal employment is also a key feature of major industries, driving economic growth in many settings. Construction is arguably the most important sector after agriculture, employing nearly 110 million people worldwide. Over 80 percent of construction work is done by poor and low skilled rural-urban or cross-border migrants as there are few barriers to entry.

Although informal workers constitute the majority of workers in most low and middle-income countries, they contribute to less than 50 percent of the economy. The rate of employment in the informal sector is growing faster than in the formal sector.

Uncontrolled and poor urban planning has resulted in the growth of informal settlements. Many urban informal workers live in informal settlements; a significant number of the residents in urban informal settlements are now informal workers.



KENYA

The informal economy contributes to **34%** of the economy & **77%** of employment and is growing at **10x** the rate of formal employment.

Over 60% of informal sector workers are between 18-35 years, **with 50% being women.**

CAMBODIA

More than half, **4.5 of 8 million**, are informal workers.

81.8% of urban workers in Cambodia are informal workers.

In Phnom Penh, there are **0.9 million** workers and of these, **0.8 million (85%)** are informal workers.

Living on the edge

Informal workers are more likely to be poor. Young people living in poverty are likely to enter the informal sector after failing to continue with formal education and to acquire skills that would enable them secure formal employment. Without opportunities for further skills building, their employment prospects are often predestined for the informal sector.

A large number of informal workers for example in Kenya, are often considered “the working poor,” living at or below the poverty threshold of less than \$1.25 a day. Moreover, informal workers save less for retirement compared to formal sector workers, who are usually enrolled in government-mandated social security funds for employers and employees. Many informal workers are aware of the need to save for retirement but still cannot, due to low financial literacy and inability to save.

It should be noted that there are some informal workers with an entrepreneurial spirit who are in the informal sector by choice. These are largely self-employed business owners who enjoy the freedoms that self-employment brings. These are also innovators who have agency and are solution-oriented. They do not fall into the classification of the urban working poor even though the informality of their work means they face some of the same barriers with regards to social protection.



Characteristics of Urban Informal Workers



Young & growing population

Large households and mostly live in informal settlements or slums

Self-employed urban informal workers are mostly engaged in trade

Have mobile phones albeit simple or feature phones

Largely belong to social networks with strong social support

Banked population in some geographies and especially among men

Rely on social networks for financial services e.g. savings, loans etc.





Health Related Challenges of Urban Informal Workers

As the informal economy in developing countries grows, there are more workers experiencing unstable incomes and vulnerability to health hazards. Given that most informal workers are also poor, they tend to aggregate in marginalized areas of urban centres such as slums where they face additional risks ranging from poor access to clean drinking water and hygiene facilities, education, health care services and decent housing.

Another key challenge is the lack of access to health insurance, especially in countries that do not have social health insurance schemes or access to free health care. For instance in Kenya, only 7 percent of the informal workers compared to 25 percent of the formal workers' population contribute to the National Hospital Insurance Fund, a government-run health insurance scheme that covers inpatient care.

In other countries with social insurance, like Ghana, the gap between informal and formal workers is not as striking (51% of formal workers compared to 42% of informal workers). Lack of health insurance means that out-of-pocket payments are needed for most health care needs and this puts a strain on meagre resources. Informal workers in casual employment who earn daily earnings are particularly at risk due to the volatility of their financial profile.

Urban Informal Workers' Health Concerns

High cost of care requiring out-of-pocket payments



Limited access to information about available services



Exclusion of the informal workers in formal decision-making



Time taken in queues is time away from work and an income



Not enough information on preventive care



Insufficient emphasis on health education



Too few local health workers to reach informal workers



Lack of coordination between different health facilities to enable easy access



Poor quality of clinical care is a disincentive to return



Limited or expensive access to medicines and/or diagnostic tests to complete diagnosis and care

High Opportunity Cost of Seeking Health Care

Financial barriers aside, informal workers have to make a choice between working-to earn an income and stay employed-and seeking health care. There is a high opportunity cost for them, and most end up only seeking care when they are too sick to work. By then, the illness may have advanced to an extent where it requires specialist attention, and therefore is more expensive to treat.

Informal workers consider themselves healthy and have a very high tolerance toward their own illnesses. Thus health is often given a low priority. Fearing lost earnings and the possibility of dismissal, they do not want to take time off from work, resulting in delayed health care. They are not provided with sick leave.

The cost of health care remains a huge barrier. Despite free public health services in some countries informal workers complained of standard user fees being charged to receive a prescription from, frequent stock outs of medicines, and the subsequent need to pay out-of-pocket for medicines at private pharmacies. There is a huge information gap on health care benefits that different providers offer, where to get care and health related information on when to seek care leading to forgoing health care or paying health care costs.

John, 35, a matatu-public-bus-driver in Nairobi, Kenya has had a long-standing cough for over 10 years which gets worse in the morning and in the cold seasons. He has never sought medical care for it because it is not severe enough to stop him from working, and it would greatly affect his job if he had to go to hospital several times to treat the cough.

The health status of urban informal workers

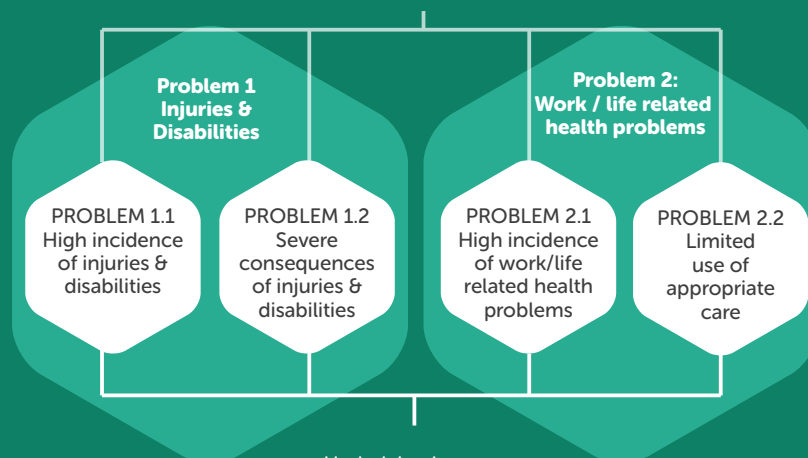
Data on health outcomes of informal workers is not readily available – most publicly available data sets do not distinguish between informal and formal workers. Most comparable national surveys focus on either mothers and children, are disease-specific and form of employment is not seen as a variable that confers a specific risk, so it is not always measured. Consequently, there is a huge knowledge gap about the health of urban informal workers even when it is clear that they have unique exposures to risk at home and work, with poor access to health services. The knowledge gap on their unique health needs makes it difficult to develop policies and programmatic interventions that are context relevant.

Evidence from South Asia shows that informal workers are particularly at risk of dangers posed by poor working conditions. They are exposed to hazardous chemicals, extreme environmental weather, and dangerous tools while others sustain injuries.

Key drivers of the choices of informal workers

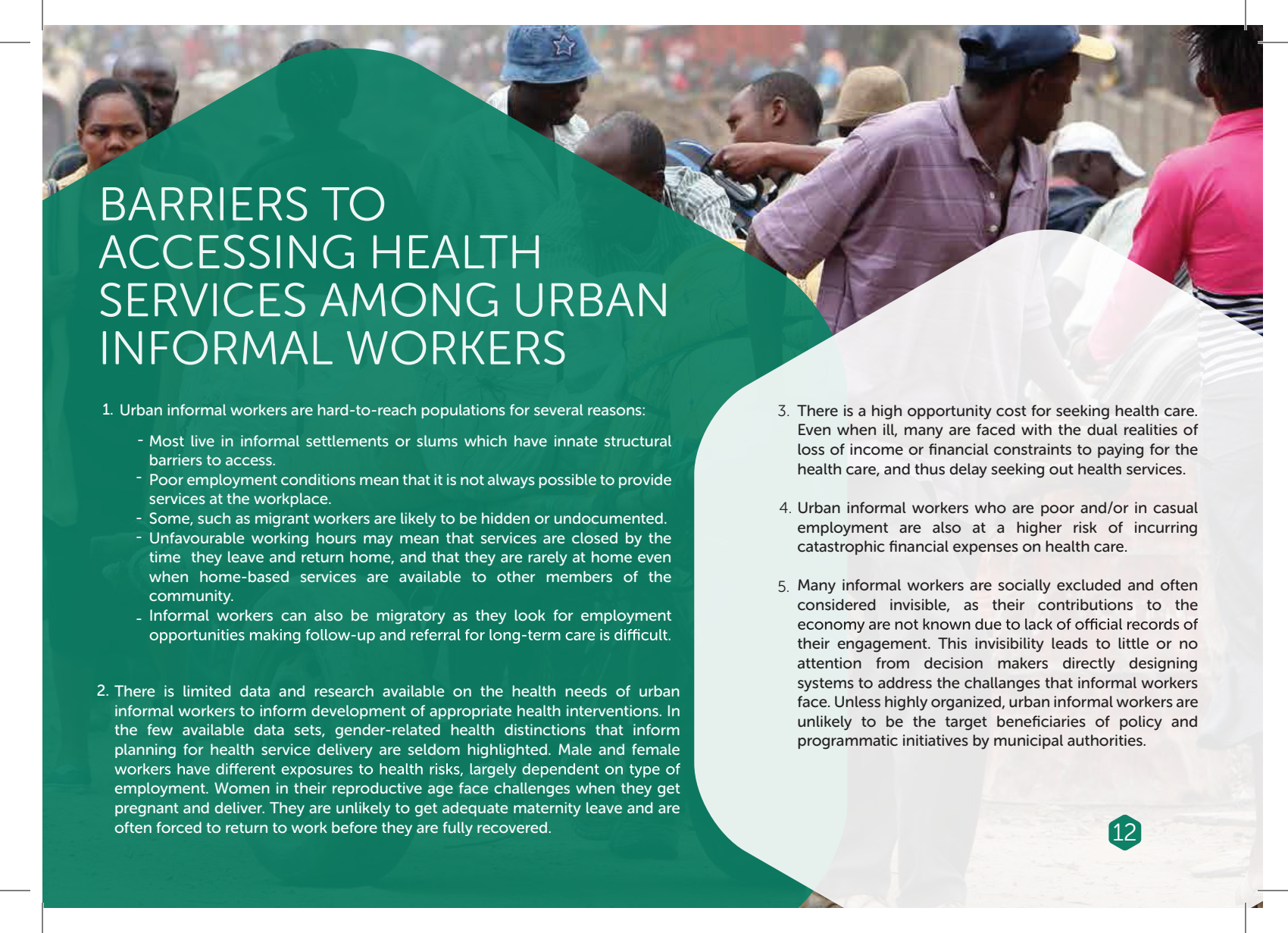
Health Networks, Financing,
Quality of Care, Information and
Education, Physical Access

SECTOR SNAPSHOT: INFORMAL CONSTRUCTION WORKERS HEALTH PROBLEMS*



Underlying issues:

Weak political commitment to support rights of informal workers
Lack of society's support for informal worker's issues
Weak health systems
Negligence by global financing institutions on workers' plight



BARRIERS TO ACCESSING HEALTH SERVICES AMONG URBAN INFORMAL WORKERS

1. Urban informal workers are hard-to-reach populations for several reasons:

- Most live in informal settlements or slums which have innate structural barriers to access.
- Poor employment conditions mean that it is not always possible to provide services at the workplace.
- Some, such as migrant workers are likely to be hidden or undocumented.
- Unfavourable working hours may mean that services are closed by the time they leave and return home, and that they are rarely at home even when home-based services are available to other members of the community.
- Informal workers can also be migratory as they look for employment opportunities making follow-up and referral for long-term care is difficult.

2. There is limited data and research available on the health needs of urban informal workers to inform development of appropriate health interventions. In the few available data sets, gender-related health distinctions that inform planning for health service delivery are seldom highlighted. Male and female workers have different exposures to health risks, largely dependent on type of employment. Women in their reproductive age face challenges when they get pregnant and deliver. They are unlikely to get adequate maternity leave and are often forced to return to work before they are fully recovered.

3. There is a high opportunity cost for seeking health care. Even when ill, many are faced with the dual realities of loss of income or financial constraints to paying for the health care, and thus delay seeking out health services.

4. Urban informal workers who are poor and/or in casual employment are also at a higher risk of incurring catastrophic financial expenses on health care.

5. Many informal workers are socially excluded and often considered invisible, as their contributions to the economy are not known due to lack of official records of their engagement. This invisibility leads to little or no attention from decision makers directly designing systems to address the challenges that informal workers face. Unless highly organized, urban informal workers are unlikely to be the target beneficiaries of policy and programmatic initiatives by municipal authorities.



HARNESSING COMMUNITY RESOURCES FOR HEALTH

Using their social capital, communities participate, cooperate, organize and interact, to influence economic and social outcomes. Urban informal workers in different contexts rely on informal social networks and safety nets to address their social and health needs.

Social networks and informal safety nets

Social networks among urban informal workers present a great opportunity to address their health challenges across countries. One example that stands out in Kenya is the micro savings groups called *chamas*. *Chamas* are rotating savings and credit associations where each member contributes a fixed amount and the total collected is paid out to one of the members according to a rotating schedule; therefore a group of 12 women contributing US\$1 would pay out US\$12 to one of the members according to the schedule. These savings and credit groups, also referred to as 'merry-go-rounds' or *SACCOs*, are popular among urban informal workers, who use them to augment their savings and insulate themselves against any unanticipated emergencies such as illness or death.

Chamas in Kenya

According to the 2014 Chama Guide compiled by the Kenya Association of Investment Group (KAIG), there are over **300,000 chamas in Kenya**. A recent study of informal settlements in Kenya found that over one quarter of female residents of the settlements belong to chamas and some require all their members to purchase health insurance. In a recent survey, **47 percent of respondents** stated that they **had previously borrowed money to pay for healthcare**.

Amongst those who had borrowed funds, **12 percent had done so from chamas and SACCOs**; it was the third most frequently used source after friends (63%) and family (27%) in Kenya. Urban informal workers also belong to various trade unions and associations (for example, the Kenya National Alliance of Street Vendors and the Public Transport Operator Union) that primarily focus on advocacy for better policy and working environments.

Informal Workers

Zipporah, a clothes seller, is a member of three merry-go-rounds. She contributes about US\$10 and US\$15 per month to two of the merry-go-rounds and gets a lumpsum of US\$120 and US\$85 at the end of the year. She is also a member of a third chama where she contributes US\$1 per month that is security for illness and funeral expenses should they ever arise.

Not all informal workers have such community support systems. In India for example, some informal workers may not have strong community support systems because they live alone and often have to travel to their hometowns or rural homes when they fall ill. However, there are others who live with their extended families and are taken care of when they fall ill hence they have links to a stronger support system. Social safety nets such as these offer ideal opportunities for accelerating and integrating health delivery options for urban informal workers.



Community Volunteers as Health Promoters

The presence of community volunteers offering health services is a life line for urban informal workers. In countries with community health workers, busy informal workers can benefit from visits by such volunteers. The benefit largely depends on the type of services such volunteers provide and these can include mobilization for health services, information sharing, counselling, home-based HIV testing, follow-up of patients on treatment, blood pressure screening, provision of family planning and other health commodities among others. Such volunteers can improve access to services that would hitherto be difficult to access.

Phone ownership

High penetration of mobile phones among urban informal workers presents opportunities to improve their health. Mobile phones are a conduit for information about services, health tips, and in some countries for financial services. Mobile money transfer services can facilitate movement of funds to informal workers from family, friends and employers in case of health emergencies. More advanced financial services that need to be increased include enrollment and payment for health insurance products.

"Through text messages on the mobile phone, we can get information sitting at home," explains Mama Njeri from Kenya. "As soon as I get the time, I will be able to read the message. If I save the SMS, then I can read it at a later time once again."

OPPORTUNITIES FOR IMPROVING THE HEALTH OF URBAN INFORMAL WORKERS

Ill health is both a cause and an effect of poverty. Government and other key stakeholders in the health sector can unlock the circular relationship between health care knowledge and information, community connections and financial opportunities that have great potential for improving the health and productivity of urban informal workers.



1. Health Care Knowledge & Information

Most informal workers have poor knowledge of needs and services before and after the onset of an illness. Opportunities that focus on increasing knowledge of preventive and curative health care can greatly empower informal workers to make more informed and timely health care decisions, therefore improving health outcomes.

Investments in information on preventive health and health promotion such as good hygiene practices, awareness of common illnesses and symptoms, ability to accurately judge severity of illness, and understanding the consequences of delays in seeking treatment is critical for timely uptake of care. Information on curative services may cover knowledge of illness, treatment service availability and location, process, costs, protocols, duration, and patient rights when seeking care.

2. Leveraging Community Connections

Community connections can have a strong impact on the healthcare experience of informal workers. The social capital available to informal workers is different before, during and after illnesses. Consequently, opportunities that enable workers to strengthen their ties within active community networks will create better healthcare experiences and improved health outcomes. Community based healthcare model solutions can include community health workers, health care delivery at the community level that intersects with other social determinants on health such as water and sanitation, and health information posts. Riding on these networks can be instrumental in breaking social-cultural barriers that prevent or delay care-seeking, particularly for women.



3. Unlocking Financial Barriers

Financial constraints are one of the major impediments to informal workers seeking and receiving timely, quality care. Some informal workers are particularly vulnerable to the direct and indirect costs of healthcare, and make healthcare decisions primarily based on their current financial reality. Opportunities that allow workers to reduce the financial cost of care will encourage them to seek quality care faster, resulting in improved health outcomes. Encouraging savings, independently and jointly, through self-help groups and minimizing loss of earnings by encouraging quicker care-seeking when illness is less severe and cheaper to treat, is identified as an important dimension of the multi modal solutions that promote the health of informal workers.





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