The IMF, Gender Equality and Labour

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Turning a blind eye to women in the informal economy

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Women in Informal Employment Globalizing and Organizing

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This briefing is part of a forthcoming series on the gendered impacts of IMF policy, examining the Fund's policy advice and conditionalities in the context of resource mobilisation, labour market participation and flexibilisation and government expenditure. These studies will be released as a compendium in 2017.

This work is part of the Gender Equality and Macroeconomics (GEM) project, a collaborative effort between the Bretton Woods Project and the Gender and Development Network, which aims to expose and challenge the way current macroeconomics policies, particularly those promoted by the International Monetary Fund and World Bank, undermine gender equality. Working with allies globally, the GEM project encourages economic decision-makers to promote alternative gender-just policies.

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Homeworker in Malang, Indonesia.

1. Introduction

Recent research from the International Monetary Fund (IMF) recognizes that macroeconomic policies can help to redress gender inequalities by creating more fiscal space for key public investments in infrastructure, education and health. Such investments reduce the time women spend on domestic chores and caring for their families, giving them more opportunities to engage in paid work. For women home-based workers, who produce goods and services from their own homes, basic infrastructure services make their homes more productive workplaces. The Fund is increasingly interested in gender inequality and the negative impacts this can have on income inequality, economic efficiency and growth (Elborgh-Woytek, et al. 2013, Gonzales, et al. 2015a). Since 2015, the IMF has begun operationalising a small part of its gender-focused research by calling for increased female labour force participation through its surveillance reports and most recently in its lending programmes. Increasing female labour force participation rates is seen as a key driver in reducing inequalities and spurring economic growth.

This briefing argues that the Fund's interest in raising female labour force participation rates does not mark a significant shift in policy, nor a commitment to addressing gender inequality. The Fund continues to promote labour market flexibilisation, restrictive monetary and fiscal targets, cuts to public spending and privatisation. These policies have changed the structure of employment, weakened social protection measures previously linked to employment, and rendered social policies residual to meeting strict macroeconomic targets. Drawing on Heintz and Lund (2012), the briefing argues that IMF policies continue to delink employment from social policy, and this deepens gender inequalities rather than alleviating them. Starting from the experience of women informal workers, we will show how a focus on female labour force participation rates is ineffective in addressing gender inequality if other macroeconomic policies are not also revised.

Today, the share of the global workforce that remains outside the world of full-time, stable and protected employment is significant. Contrary to the predictions of many economists, the informal sector has not only grown, but has also emerged in new guises and in unexpected places (Chen 2012). Most workers in the Global South, women and men, are in the informal economy, and informal employment is a greater source of employment for women than men in South Asia, sub-Saharan Africa, and Latin America and the Caribbean. While some informal operators enjoy high earnings, informal employment is overwhelmingly characterised by low pay, insecure, and vulnerable employment without access to work-related social protection. Informal workers face greater decent work deficits than formal workers across the four key pillars of the Decent Work Agenda - employment creation, social protection, rights at work, and social dialogue (ILO 1999, ILO 2002).

Macroeconomic policies are not gender neutral; they can either reinforce or reduce gender and class inequalities (Grown et al. 2000, Balakrishnan et al. 2016). The labour market itself reproduces gender inequalities as women are segregated into low-earning occupations and are more likely to be in low paying informal work. Increasing female labour force participation rates without increasing decent work opportunities pushes more women into the informal economy or vulnerable employment in the formal economy. Rather than contributing to women's economic empowerment, this can lead to rights violations and entrenches existing inequalities based on gender, class, race, caste and ethnicity. Sub-Saharan Africa, for instance, has the highest female labour force participation rates alongside the highest rates of gender inequality and poverty (Dieterich et al. 2016).

This briefing first looks at the size and structure of the informal economy from a gendered perspective, as this is where most women work to earn an income. We recognise that the formal and informal economies are intimately linked and that many workers move between the two; however, our analysis is restricted to women working at the base of the economic pyramid in the informal economy to illustrate our key points. Second, it assesses the Fund's policies on delinking employment from social policies and the impacts this has on women informal workers in the Global South. Finally, it explores a few alternative policies that can create more decent work opportunities for women in the informal economy and move towards greater equality.

2. The informal economy and women's place at the base of the pyramid

The informal economy

Although its role in economic development has been hotly debated since its 'discovery' in Africa in the early 1970s, the informal economy has continued to prove a useful concept to many policymakers, activists and researchers. It now represents a quite significant but largely overlooked share of the world economy and workforce. There are two official international statistical definitions related to the informal economy: the informal sector refers to the production and employment that takes place in unincorporated or unregistered enterprises (1993 International Conference of Labour Statisticians); and informal employment refers to employment without social protection through work—both inside and outside the informal sector (2003 International Conference of Labour Statisticians). The term or concept informal economy refers to all units, activities, and workers so defined and the output from them. Together, they form the broad base of the workforce and economy in many countries, especially in the Global South (Chen 2012).

Using the official international definitions, recent national data show that the majority of workers, both men and women, in low and middle income countries are informally employed. Informal employment is a greater source of employment for women than for men, outside of agriculture, in three out of the six regions for which data are available – South Asia, sub-Saharan Africa and Latin America and the Caribbean (see Table 1). In East and Southeast Asia, the percentage is roughly the same and only in the Middle East and North Africa is informal employment a greater source of employment for men than for women. But, it is important to note that men comprise the majority of the informal workforce in most countries in the Middle East and North Africa because of low female labour force participation rates (Vanek et al. 2014).

Gender segmentation within the informal economy

There is gender segmentation within the informal workforce by status in employment, place of work and occupational group. In terms of status in employment, women in informal employment are more likely to be self-employed than are men, the exception being Eastern Europe and Central Asia. In Latin America, both women and men working in informal employment are about equally split between wage employment and self-employment. The self-employed can be further disaggregated into employers, own-account operators, and unpaid contributing family workers. Own-account operators are those who run single-person operations or family units. Contributing family workers are considered self-employed but work in an establishment operated by a relative, with too little degree of authority over its operation to be considered a partner.

Where women informal workers are more likely than men to be self-employed, they are less likely to be own-account workers and more likely to be contributing family workers. Contributing family workers are the second largest category of the self-employed comprising from 5 per cent of informal employment in Eastern Europe and Central Asia to 12 per cent in South Asia. The percentage of women contributing family workers is at least twice that of men in all regions except Eastern Europe and Central Asia where it is roughly the same. In the sub-regions of Asia, it is three times greater. Employers comprise only between 2 and 9 per cent of non-agricultural informal employment, with the proportion being higher for men than women. Very few women in informal employment are employers: 0 per cent in South Asia, 1 per cent in Sub-Saharan Africa, Eastern Europe and Central Asia, 2 per cent in Latin America/Caribbean, and 9 per cent in East/Southeast Asia (Vanek et al. 2014).

Table 1: Informal work as source of employment for women and men across regions

	South Asia	sub-Saharan Africa	East and Southeast Asia	Latin America and Caribbean	Middle East and North Africa	Eastern Europe and Central Asia
Informal work as % of employment for women	83	74	64	54	35	7
Informal work as % of employment for men	82	61	65	48	47	13

Source: Vanek et al. 2014

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Ahmedabad, India: Bhavna Ben Ramesh sews handmade purses out of her home. She is a member of the Self-Employed Women's Association – a trade union of close to two million women informal workers.

In terms of place of work, women are engaged alongside men in public spaces outside the home, including to varying degrees construction, street trade and waste picking, depending on the country, but are less likely than men to be engaged in workshops or factories outside the home; (Chen and Raveendran 2014; ILO and WIEGO 2013). Yet, women are over-represented in two forms of employment that take place in private homes: home-based work (in the home of the worker) and domestic work (in the home of the employer) (Chen and Raveendran 2014; Raveendran et al. 2013).

In terms of occupational groups, home-based production and street vending represent a significant share of the workforce across cities in South and Southeast Asia as well as in sub-Saharan Africa, and can be an important source of employment for women (see Table 2). Together with domestic workers, these three groups represent a significant share of non-agricultural employment in cities and countries across the Global South. In India, nearly one-quarter of the total urban workforce in 2011-12 was employed in the following four groups: domestic work (5 per cent), home-based work (14 per cent), street vending (4 per cent) and waste picking (1 per cent) (Chen and Raveendran 2014).

Table 2: Home-based work and street vending as percentage of total employment in cities[1]

	East and Southeast Asia	sub-Saharan Africa*	Latin America**
Home-based work as % of total employment in cities	7-27	8-21	4
Home-based work as % of women's employment in cities	8-56	13-33	4-6
Street vending/market trading	1-6	10-20	3-9
Street vending/market trading as % of women's employment in cities	1-10	12-32	5-13

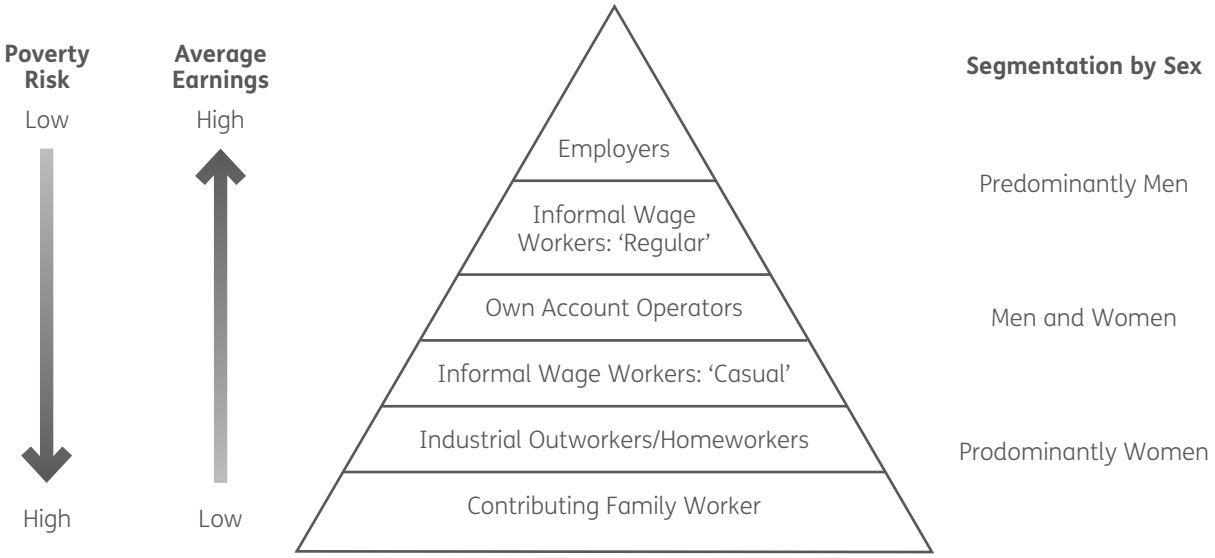
*Data available for mainly Francophone West Africa ** Data available only for Mexico City and Lima
Source: See Chen and Roever 2016

1 These data were prepared through WIEGO's efforts to improve the available data on specific categories of urban informal workers. While the statistics show the significance of these workers, in particular in women's employment, they probably are an under-estimate. Not all countries collect data on these specific categories of workers and, among those that do, methods often need to be improved. However, the growing recognition of the importance of these specific worker groups is leading to improved data collection and tabulation by national statistical offices.

Gender segmentation in the informal economy mirrors segmentation in the formal economy. Women are more likely to be in jobs that are perceived as 'women's work' such as domestic work and home-based work. These jobs are considered low skilled and are low paid, precisely because they are done by women. Women seek out work that offers flexible working hours even if it leads to lower earnings as many are also the primary caregivers for their children and households (Alfers 2016). Home-based work is an option some women informal workers choose even if it results in lower earnings.

Women in Informal Employment Globalizing and Organizing (WIEGO) has developed and tested a multi-segmented model of informal employment defined in terms of statuses in employment to understand gender segmentation in the informal economy. The five main categories of the International Classification of Status in Employment – employer, employee, own-account worker, unpaid contributing family worker, and member of a producer cooperative – are defined by the type/degree of economic risk (of losing job and/or earnings) and of autonomy (over the establishment and other workers). WIEGO argues that two additional categories are needed; namely, casual day laborers and industrial outworkers or subcontracted workers. Within these different categories of workers women are disproportionately represented as industrial outworkers/homeworkers and unpaid family workers. WIEGO commissioned several reviews of the links between informality, poverty, and gender that found a hierarchy of earnings and segmentation by employment status and sex as illustrated in Figure 1 below (Sethuraman 1998, Charmes 1998, Chen et al. 2005). The model was later tested using national data in Costa Rica, Egypt, El Salvador, Ghana, India, and South Africa, and across all countries average earnings went down and the risk of being in a poor household went up as workers moved down the employment statuses in the WIEGO model.

Figure 1: WIEGO model of informal employment: hierarchy of earnings & poverty risk by employment status and sex



Source: Chen et al 2004, 2005 and Chen 2012.

High rates of informal and non-standard forms of work mean that many workers do not have access to any forms of social security through their work (ILO 2016a). Women informal workers situated at the base of the economic pyramid are likely to face high levels of risk, exert little autonomy or authority over their earnings and employment conditions, and lack access to social protection and quality public services. In some countries, informal workers, both wage employed and self-employed, may have access to non-contributory social protection, at least de jure if not de facto.

Textbox 1: Access to healthcare – Ushaben's story

Ushaben lives in Rajiv Nagar, India and runs a small shop with her husband out of the front room of their house. In 2014, she had an operation to remove a growth in her thyroid gland – an ailment that had started five years earlier. Due to a lack of investment, the public hospital does not offer a good service and Ushaben and her husband were forced to borrow from friends and family to pay for her operation in a private hospital. The operation cost Rs. 20,000 ($314.21). She felt healthy for a couple of months after her surgery, but then started feeling weak again and losing a lot of hair. She would like to go back to the private hospital to see the doctor who performed the surgery, but the costs and time away from the shop are prohibitive. The consultation alone would cost Rs. 100 ($1.57), and each trip there and back costs her about Rs. 50 ($0.79). Ushaben's illness has also affected her work in the shop and reduced her earnings. As an informal worker, she does not benefit from a social protection scheme that can cover the costs of medical care and the revenue she loses when she is unable to work due to her illness.

Source: WIEGO (2014) "Health Access for Informal Workers in Rajiv Nagar, India – Ushaben's Story", WIEGO Workers' Health series, December 2014.

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Maryury Ruiz is a recycler and waste picker in Bogota and member of the Asociación de Recicladores de Bogotá (ARB) – Waste Picker's Association of Bogotá. ARB is an organisation of informal workers.

3. The impacts of IMF policies on gender equality

Women's place at the base of the economic pyramid as outlined above is in part a consequence of decades of structural adjustment programmes that have broken the link between employment and social policy. Macroeconomic policies promoted by the Fund have not created enough decent work opportunities and weakened the demand for labour. This has made it harder to build welfare regimes financed through capital contributions to social security systems and tax revenue. Structural adjustment programmes have also sought to reduce spending on social policies, seeing them as secondary to meeting strict macroeconomic targets of reducing public debt and inflation (Heintz and Lund 2012, Elson and Catagay 2000, Stubbs and Kentikelenis 2017). Women and men therefore have less access to social protection bestowed either through employment, citizenship or migrant status in cases of ill health, disability, unemployment, and parental leave and benefits.

The link between employment and social policies is necessary for the production of goods and services and social reproduction. The labour force itself is sustained by social reproduction – the work of birthing and caring for the young, looking after households and communities, and imparting shared meanings and values (Fraser 2016). Gendered roles mean that women are disproportionately responsible for social reproduction, particularly through their work in cleaning, cooking and caring for all household members (Budlender 2008). Therefore, macroeconomic policies that undermine both employment conditions and social policies put more pressure on working class women in two ways:

a) women are in low paid or unpaid work due to a lack of decent work opportunities, declining wages and diminishing household resources

b) women and girls take on social reproduction with little support from the state limiting their access to resources and depleting their health and capabilities (Fraser 2016, Rai et al. 2014).

The result is that women in low income households, whether engaged in paid or unpaid work, will experience inequality differently from men in their households, and from wealthier women. The review that follows looks at how macroeconomic policies supported by the IMF affect decent work opportunities and social policies from the perspective of women informal workers.

Labour flexibilisation

The IMF has long pushed for labour flexibilisation policies in both the global North and South through its lending and surveillance. Labour flexibilisation includes policies to maintain low minimum wages, increase flexibility in working arrangements and hiring practices, and decentralise collective bargaining agreements. These policies are a hallmark of IMF loan arrangements in the Global South. A review of IMF conditions in 70 countries in the Global South between 1980 to 2014 shows how IMF conditionalities eroded individual and collective labour rights (Reinsberg et al. forthcoming). This was felt by women and men workers through suppressed wages, unregulated working hours and the lack of legal entitlements to social protection (Standing 1999, Balakrishnan et al. 2016). Under structural adjustment programmes in Africa, Latin America and Asia, the IMF has consistently encouraged labour flexibilisation even in countries where a small proportion of the population are engaged in the formal economy, with the majority employed in the informal economy. Coupled with trade liberalisation, these policies led to the creation of low paying and insecure forms of employment in the export processing sector based on a demand for cheap and docile female labour (Elson and Pearson 1982). These policies prevented homeworkers, the majority of whom are women, from integrating into global production systems and led to new barriers of exclusion for those who produced for domestic markets as cheap imports flooded local markets (Carr and Chen 2004). In Mexico, trade liberalisation in the services sector is said to have decreased the probability of finding formal employment for women with low education levels (Yahmed and Bombarda 2017). In addition, financial and trade liberalisation increased competition making it more difficult for workers to negotiate with employers, leading to a further deterioration of wages and working conditions in the formal economy.

Following the 2008 economic crisis, the IMF imposed labour flexibilisation reforms in European countries such as Greece, Ireland, Spain, Romania and others (ITUC 2013). A review of IMF country reports and government spending projections between 2016 – 2020 shows that 49 low income countries and 40 high income countries are promoting labour flexibilisation policies (Ortiz et al. 2015). The Fund argues that labour flexibilisation is needed to restart the economy after a financial crisis; however, research shows that this leads to more vulnerable forms of employment as labour rights are eroded (Standing 1999, Bohoslavsky 2016).

For instance, reducing social security contributions for workers in the formal sector, in response to a crisis, makes it more difficult in the long-term to finance social security systems and extend these to informal workers. Making it easier to hire and fire people in the formal sector leads to more job losses at a time of economic crisis. This pushes more people into the informal economy. Following the Asian financial crisis, the Fund applied austerity measures which contributed to a decline in male labour force participation, and had a varied impact on female labour force participation. In Indonesia, female labour force participation decreased slightly, in Thailand it remained stable, while in South Korea, Malaysia and Philippines women's participation increased as men lost their jobs (Gosh 2013). Much

of this work, however, was part-time and informal. We see through these examples that labour flexibilisation coupled with gender segmentation in the labour market reaffirm women's role in low paid and informal work. Therefore, female labour force participation rates are not an effective measure of gender equality in the labour market as discussed below in Textbox 2.

Textbox 2: The fallacy of female labour force participation rates

The IMF's August 2016 loan programme to Jordan was the first to contain explicit gendered conditionalities, specifically calling on Jordan to increase female labour force participation rates through publicly subsidised nurseries, in recognition of women's child care responsibilities. In January 2017, the IMF announced that the $12 billion loan programme with Egypt would also contain a conditionality on spending EGP 250 million ($13 million) to improve the availability of public nurseries to increase female labour force participation rates as a structural benchmark. We argue this will not necessarily lead to greater equality, nor generate inclusive growth.

First, access to public child care services is certainly necessary to support women's engagement in the labour market, but is not sufficient. Social protection and other public services are also required, alongside greater decent work opportunities. Coupled with Fund policies to reduce overall government spending, conditionalities on increasing investments in public nurseries may come at the expense of other public services and social protection schemes.

Second, the experience of the past financial crises demonstrates that rising female labour force participation rates are in no way an indicator of declining inequalities if this is coupled with rising rates of unemployment for men, and low paid and vulnerable employment for women. Moreover, research shows that as female labour force participation rates increase, women continue to be pushed into female-dominated jobs characterized by lower earnings and more vulnerable working conditions (Borrowman and Klasen 2017).

Third, female labour force participation rates alone are not a good proxy for gender equality in the labour market as they do not capture pay and employment conditions that determine whether the work women are doing is empowering. A more appropriate indicator assesses the gendered differences in the structure of employment as proposed by WIEGO and the ILO to track progress, initially, on the Millennium Development Goals (UN 2005) and now on the Sustainable Development Goals. This indicator can provide insight on gender segmentation, inequality in earnings, and access to social protection.

Fourth, the Fund's analysis in promoting female labour force participation rates through legal reforms misses the point that the majority of women in the Global South are already in the labour force, but in the unregulated informal economy. The IMF suggests that several legal changes such as allowing women to sign a contract can increase women's labour force participation rates (Gonzales et al. 2015b). However, for most women working in the informal economy as evidenced in Figure 1, this is irrelevant as they are own account operators or contributing family workers.

Finally, any conditionalities in IMF loan arrangements undermine social dialogue between the state, labour and capital. Conditionalities in IMF loan arrangements are agreed behind closed doors between the government and the IMF, without scrutiny and accountability to social partners, including trade unions and informal workers' organisations.

Social protection

Social protection instruments include social assistance and social insurance. Social assistance refers to cash transfers to support and mitigate against risks and vulnerabilities. Social insurance relates to employment-based programmes financed through contributions by employers and employees. According to the Independent Evaluation Office (IEO) of the IMF, the Fund's main area of involvement regarding social protection is on:

> *Social safety nets and their financing; aging populations and the fiscal consequences of publicly mandated pensions and health insurance schemes; and reform of price subsidies, particularly food and fuel/energy subsidies." (IEO, 2016).*

IMF social assistance policies are primarily informed by the World Bank's social safety net approach that privileges targeted cash transfers to the most vulnerable who cannot participate in paid employment such as children, people living with disabilities and the elderly (IEO 2017). The World Bank's understanding of social safety nets has evolved since it was originally

conceptualised under structural adjustment programmes as a residual social transfer to support the poor in times of financial crisis. However, the underlying assumption remains that during periods of stability workers will be able to meet their basic needs and address risks through the income they earn in the market and their own private arrangements as a household (Cook and Kabeer 2009). Yet women cannot rely as much on the market or their families to mitigate risks due to their concentration in the informal economy, and unequal power relations in the household (Razavi 2011).

This is a markedly different approach to social assistance than the social protection floors promoted by the International Labour Organization (ILO) Recommendation 202 (Stubbs and Kentikelenis 2017). Social protection floors are based on the human right to social security and promote universal measures, rather than targeted and means-tested cash transfers. Though the IMF agreed to work with the ILO in 2010 to support countries in setting up social protection floors, its policy advice suggests a continued commitment to social safety nets through targeted cash transfers as noted by the Fund's Independent Evaluation Office's recent report on the IMF's track record on social protection (2017). When cash transfers are targeted and means-tested, rather than universal, they may not reach women informal workers, because they are earning an income and are not considered the most vulnerable.

Yet women informal workers face risks that can deepen their poverty. Lund and Srinivas outline the gendered risks women informal workers face due to their sector of employment, their status in employment (the nature of the employment relationship), their family circumstances and the stage in the life cycle, along with the regulatory environment (2002). Their low incomes are insufficient to deal with these multiple risks and vulnerabilities as evidenced in Ushaben's story from India (see Textbox 1). For example, maternity, old age, or occupational health problems among women informal workers can significantly decrease earnings and increase debts.

Therefore, diverse social protection measures are needed to address the risks women informal workers face. These include universal social assistance policies that reach those in and out of paid work, alongside social insurance measures for informal workers supported by employer and capital contributions. For instance, in countries where domestic work is recognised as an occupation, domestic workers have a direct employer that can make contributions to social insurance schemes. However, a street vendor who is self-employed, may access some forms of social protection through universal social assistance for the working age population, such as maternity benefits.

The IMF continues to support policies to reduce public spending on social assistance such as cash transfers, and has consistently advocated for reducing employers' and capital's contribution to social insurance as part of labour flexibilisation policies. This has weakened national social protection systems overall (Heintz and Lund 2012). The review of IMF country reports for the 2016-2020 period show that 68 countries in the Global South will be revising and scaling down spending on safety nets and welfare benefits (Ortiz et al. 2015). Restrictive fiscal deficit targets alongside limited progressive tax reform suggests that the Fund is not encouraging governments to explore financing options for universal social protection schemes as part of broader social protection systems. However, there is growing evidence and experience from both low and middle income countries that it is possible to finance universal social assistance, rather than social safety nets, and integrate informal workers into existing social insurance programmes (Valverde and Pacheco 2012).

Cuts to public spending

Low fiscal deficit targets coupled with regressive tax systems that rely too heavily on indirect taxes limit the size of the overall national budget. These factors are an impetus to cut public expenditure that has important implications both on the quality of women's employment and their participation in the labour force. The public sector is a particularly important, but declining, source of decent work for women. For example, in sub-Saharan Africa, structural adjustment programmes led to significant job losses for public sector employees in the health and education sectors that are largely women-dominated, and in state-owned enterprises (Sparr 1994). The growth in private sector employment was not sufficient to compensate for the loss of jobs in the public sector leading to higher rates of informalisation (Heintz and Valodia 2008, Bohoslavsky 2016).

Public spending on services and infrastructure can also enable women to take up paid employment. As the IMF notes, improved access to public education and health care can increase women's entry into the labour market by reducing the time they spend on unpaid care work (Elborgh-Woytek, K. et al. 2013). Public investments in early childhood education are specifically cited as a critical investment to address gender inequalities in the labour market. Without access to crèches, women informal workers who are also the primary caregivers have less time to engage in paid work and this has a direct impact on their employment, productivity and daily earnings (Alfers 2016, Cook and Dong 2011).

Despite some of its new research, the bulk of IMF macroeconomic policy advice is not taking heed of these recommendations; partly as a result, 34 countries in the Global South plan to reduce their expenditure on health care, and 96 will reduce their wage bill ceilings targeted mainly at teachers and health care workers by 2020 (Ortiz et al. 2015). On the one hand, the Fund's research on gender equality and recommendations in a handful of Article IV reviews – annual consultations between the IMF and national governments – call for comprehensive public child care provision to increase female labour force participation rates (IMF 2016). On the other hand, research shows that the IMF has a poor track record in prioritizing social spending targets if stringent monetary and fiscal targets are not met (BWP 2016, Kentikelenis et al. 2016). Private and informal services end up filling the gap in public service provision, but these services depend on women informal workers (see Textbox 3).

Textbox 3: Informal child care services in Bangkok, Thailand

Kanlaya runs the Duangpateep child care centre in Chalongkrung, an informal settlement on the outskirts of Bangkok. Informal workers who previously lived and worked in the city centre were evicted 20 years ago and forced to move to Chalongkrung. The area still lacks basic public health care and child care services. The Duangpateep child care centre was originally financed through grants from an international foundation, but these funds have since dried up and the centre depends on community donations. Kanlaya earns 5,000 Baht ($141) per month, less than the minimum wage in Thailand. The lack of support from the state impacts on the quality of services provided. In publicly financed child care centres the teacher student ratio is set at 1:10, at Duangpateep it is 1:20. The fees parents pay only cover meals and the basic running costs of the centre, and cannot provide adequate stationery or toys for children's play and learning activities. Parents who send their children to the centre work in the nearby garment factory or are home-based workers and street vendors in Bangkok.

Source: WIEGO (2017) "A Tale of Three Child Care Centres in Bangkok", WIEGO care worker series

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Kanlaya Kongpakdee has been working at the childcare centre for the past 10 years.

Across their lifecycles working class women will need public services more than men due to their reproductive health needs, longer life expectancy and low earnings. They will also be more reliant on public services than wealthier women due to their difficult working conditions and low household incomes that make privatised services inaccessible. Women and girls pick up the responsibility of caring for children, the ill and elderly when private services are too expensive and public services such as crèches and primary healthcare facilities are not available. This places strains on household incomes with women, men and children adopting survival strategies by engaging in vulnerable forms of informal work to juggle their unpaid care work responsibilities and their need for income. Instead, accessible and affordable quality public health care and early childhood care services should be provided to reduce and redistribute women's and girl's time spent on social reproduction so that they can continue their education, find better employment opportunities and have time to rest (UN Women 2015, ODI 2016).

Restrictive macroeconomic targets

IMF conditions on monetary and fiscal targets are focused on maintaining single-digit inflation rates and reducing national debt levels. Combined these policies have had the impact of curtailing demand and employment creation. Keeping inflation targets low necessitates raising interest rates. This makes it more expensive for individuals and businesses to borrow and acts as a disincentive to investments that can create employment opportunities. Meeting these restrictive monetary targets does not preclude economic growth; however, this growth may not create enough employment. Sub-Saharan Africa is characterized by limited wage employment, high informality and a large agricultural sector despite high growth rates (ILO 2016a).

Low fiscal deficit targets prevent the state from borrowing to invest in large-scale projects that could generate employment and stimulate demand for goods and services both in the formal and informal economies (Elson and Catagay 2000, Heintz and Lund 2012). These policies are maintained even during an economic crisis leading to a further fall in demand (Ortiz and Cummins 2013). Following the 2008 financial crisis, more than half (55 per cent) of industrial outworkers – sub-contracted home-based workers – interviewed in India, Pakistan and Indonesia noted a fall in their work orders and the volume of their production between January – June 2009 (Horn 2009). All the street vendors interviewed in cities across South Africa, Malawi, Kenya and Peru witnessed a significant drop in consumer demand, while interest rates remained too high for them to access credit. Waste pickers in Pune, India and Bogota, Colombia saw the price of recycled materials fall alongside lower volumes of accessible waste (Horn 2010). These economic crises hit women informal workers hard as they are in gender segregated occupations with low earnings, and so have limited savings and no access to social protection to cushion the blow.

4. Rebuilding the links between employment and social policy

The evidence presented here calls for a more dramatic reform of IMF policy if higher female labour force participation rates are to enable greater gender equality. Key to this is rebuilding the link between employment and social policy by introducing regulations that discipline capital. This includes, but is not limited to, labour regulations that protect workers and defend collective bargaining and freedom of association. This can be complemented by greater investments in social protection systems and public services that support social reproduction and improve women's employment conditions.

We suggest that informal workers require regulations that enable the extension of social and legal protections as a key pathway to formalisation as per the provisions of ILO Recommendation 204 on the Transition from the Informal to the Formal Economy. Tackling gender disparities in the labour market requires legal measures such as implementing minimum wages, extending social protection to informal workers, protecting business assets for the self-employed, and defending the right of informal workers, both in wage employment and self-employment, to organise and bargain collectively (Von Broembsen and Chen 2016).

The Fund recognises that there is a positive correlation between low union density and higher earnings for executives, though it has failed to put this learning into practice (Reinsberg et al. forthcoming, Jaumotte and Buitron 2015). Organising labour within the formal and informal economy can be a way to call for more links between social and economic policies. Women in trade unions have been successful in rearticulating these links by securing child care services, improving access to safe and decent working conditions, and lowering gender pay gaps (UN Women 2015). In Ghana, head porters, who are all young women informal workers, demanded that the government include them in the national health insurance scheme at reduced premiums they could afford. In Thailand, women informal workers are represented on National Health Security Committees and called for the national healthcare system to integrate informal workers' occupational health and safety needs through primary care units (Alfers and Lund 2011).

Despite IMF policy advice, many countries in the Global South are rolling out far-reaching social protection programmes. There is growing evidence that social grants can improve employment and livelihood outcomes for recipients (Farringdon and Slater 2006 cited in Alfers forthcoming). Women in households who benefit from the Child Support Grant in South Africa are more likely to participate in the labour force and have a higher probability of being employed as the grants allow them to cover part of the costs of child care (Eyal and Woolard 2011). With the large number of informal workers in the Global South, and women's concentration in informal employment, social protection should also be designed to better suit women informal workers' needs. For instance, Thailand has a universal health coverage scheme designed to extend health care to those segments of the population and workforce who are not covered by the social security system designed for formal sector workers. Informal workers also became eligible for old-age pension through Thailand's adoption of the 500 Baht Universal Pension Scheme in 2009 (Horn 2009).

5. Conclusion

The review of IMF policies above suggests that the Fund's stated interest in gender inequality remains limited. There is no evidence of a shift in macroeconomic policies in IMF loan arrangements and surveillance that will promote greater equality – across gender and class. Without reviewing labour flexibilisation policies, restrictive fiscal and monetary targets and privatisation, the Fund's narrow focus on increasing female labour force participation rates will be ineffective. IMF macroeconomic policy advice redistributes risk to those workers at the base of the economic pyramid who are predominantly women informal workers from the Global South.

We argue that rebuilding the link between economic and social policy through improved employment conditions, new decent work opportunities, social dialogue, and better access to quality public services and social protection will be decisive for women informal workers. These measures can both redress women's poor working conditions and redistribute their unequal share of social reproduction, while protecting the rights of those who require care. Promising experiences in social protection and public care services are emerging from the Global South. More research from a gendered perspective, which integrates a focus on work status, can highlight how the articulation of economic and social policies are affecting the risks and vulnerabilities women workers face.

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A farmer at work in Kenya's Mount Kenya region

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