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Women working in the Informal Sector: The Current Status and Suggested Interventions

Prepared by
**Cairo Center for Development
Benchmarking**

**Towards a better World through investing in human capital, Education
Knowledge, Skills, Employment, and Social Coherent**

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The study is conducted with the support of the European Union. CDB is responsible of the content of the study, which doesn't reflect the EU's opinion by any means.

About the Coptic Evangelical Organization for Social Services

The Coptic Evangelical Organization for Social Services is a non-profit, publicly recognized Egyptian non-governmental civil association, registered in the Ministry of Social Solidarity number 468 Cairo. It was founded by the former pastor Dr. Samuel Habib in 1950 with the first nucleus project of literacy in one village of Minya province. The association is seeking, since its inception, to confirm the value of human life, improve human life quality, work to achieve justice and equality, spread the culture of enlightened intellect, confirm the ethics of common human values advocated by religions, consolidate loyalty, respect diversity and accept others' values. It gives special attention for improving the living standards for individuals by increasing their awareness, and helping them to improve their living conditions. During more than half a century, the association developed its programs to keep pace with the rapid changes in society movement and to fit the needs of the marginalized and poor people.

The Local Development Unit is one of the association's working units which contributes to develop the quality of life for the poor and marginalized segments of the working communities in Cairo, Giza, Beni-Suef, Minya and Sohag by empowering individuals and communities to cope with their needs and their challenges to reach their social and economic rights; working on achieving principles of democracy, equality and social justice; also working on implementing an integrated development model in a number of geographic areas by focusing on programs for certain segments of the poor and marginalized, which give real and tangible effect on improving the quality of life and makes this model sustainable and flexible.

About Cairo Center for Development Benchmarking:

Cairo Center for Development Benchmarking (CDB) is a research and consultation company that works on consultation, training and publishing in the MENA region. The aim of the institution is to promote best practices and the outstanding models for development. For CDB Development doesn't refer only to the non-governmental sector; it is the common space shared by businesses, the government, civil society, and international organizations.

Project Background

Improving the Living Conditions of Poor Women Workers in the Informal Sector in Rural and Urban Egypt is one of the projects funded by the European Union, which seeks to improve the lives of poor working women in the informal sector in different governorates including Cairo, Qalubiya, Giza, Beni-Suef, and Minya. This study has been conducted to get the in depth knowledge about the status of the working women in the informal sector in terms of:

- 1- Having an overview of the situation of women working in the informal sector: their numbers / types of work they do / work conditions, such as wages, working hours, social insurance / their educational and economic status, etc.
- 2- Determining the concentration areas of women working in the informal sector in the governorates of Minya, Beni-Suef, Cairo, Qalubiya, and Giza, characterizing the distinctive features for each area, and analyzing the climate and the surrounding environment for those women in the specified region.
- 3- Observing the problems and challenges facing the women working in the informal sector while performing their jobs, and analyzing the causes which negatively affect their living conditions.
- 4- Observing and analyzing laws and procedures associated with the informal sector in relation with the following:
 - Laws and procedures that ensure the rights of women working in the informal sector, but deprived from their employment rights (uninsured / without contracts... etc.) and analyzing any gaps related to the implementation and enforcement of these laws.
 - Laws and procedures that can be used to support working women in the informal sector (women who manage projects from inside or outside of their homes) in various aspects such as (health insurance / social insurance / pension plans / memberships of trade associations... etc.) in order to improve their living conditions.
- 5- Analyzing the opportunities, available resources, and the roles that can be performed by all parties involved in the case (governmental sector, civil society, or the private sector... etc.), which can be invested for the benefit of the target audience of the project.
- 6- Proposing a set of interventions that can be implemented through civil associations and partners in working communities as well as recommendations for issues related to the public policy work and the problems which face the working women in the informal sector.

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CDB Team

Dr. Maha Ismail, CDB Managing Director, and the Main Researcher.

- 1- Mr. Ahmed Abd-ElAzim, A Statistical Researcher
- 2- Ms. Reem Hassan, Research Assistant
- 3- Ms. Youmna Mohamed, Research Assistant
- 4- Mr. Soby Hamed, Field Director
- 5- Mr. Mohamed El-Maghraby, Research and Training Consultant
- 6- Reviewed by: Dr. Mohamed Ismail, Head of the Statistical Department at Faculty of Economics and Political Science.
- 7- Cover Design: Mr. Mohamed Khaled

Introduction

The issue of the informal sector is considered one of the most important issues facing the economies of developing countries, as it provides employment opportunities for the poor, taking into consideration the challenge of not being covered by the laws and legislations of those countries. Informal employment is very much connected to the decline of the per capita income, in addition to the existence of high poverty rates. According to the International Labor Organization, the informal sector comprises nearly 90% of employment opportunities in the developing countries. Globally, the informal sector currently includes about half of the world's labor force estimated at 1.8 billion workers, compared to 1.2 billion in the formal sector.

There is a growing tendency for the informal sector in the developing countries compared to the developed ones, where the informal sector includes informal enterprises and people who work on an informal basis, as well as informal activities. According to the World Bank, 58% of the Egyptian labor force is without any social protection, where 70% work in the countryside, and 42.6% are employed in urban areas. Working in the informal sector is closely associated with the level of education, especially among females. Generally, informal employment is concentrated in the primary production sectors, especially agriculture and industries based on the extraction of raw materials.

The developing world has made strides in dealing with the informal sector where some States managed to set some regulations on this sector through social protection systems, monitoring working hours, labor organizations that represent their claims, or in the form of legislations regulating certain informal activities as house work and dangerous waste products collection.

Within the informal sector, usually men work in the most profitable jobs, whether as informal labor within official institutions or as a part of informal projects. In contrast, women's activities are concentrated in jobs with lower income within the sector, particularly the service sector, such as housework or low-wage factories services, or as workers in the informal institutions.

The absence of detailed statistics on the informal sector is considered a major constraint for policy-makers around the world. Egypt's 2030 strategy has considered the importance of this sector in the economic activity; and has therefor affirmed its clear activities, and that the availability of integrated statistics on the size of the sector and a strategy to integrate or convert it to the formal sector in the later stages are a primary priority.

Hence, the Coptic Evangelical Association for Social Services' initiative to work on the development of the current study to shed more light on the situation of women in the informal sector, as they are considered the weakest within that sector. The study aimed to recognize the situation of women in the informal sector to enable the association to design local initiatives that are integrated and appropriate to the nature of the need regarding informal employment of women, in addition to improving the quality of life for women in the informal sector in 30 rural

and civilian communities through building women's capacity and empowerment activities, also strengthening the capacity of civil society to contribute to reducing poverty among poor women from the cities and the countryside.

The Coptic Association for Social Services has cooperated with Cairo Center for Development Benchmarking in all phases of the study, which began by reviewing the literature on the subject of the study and determining the laws and legislations that could - in any way - be modified to represent a supportive framework to merge informal activities into the formal sector. This in addition to the legislations that could be extended to the informal sector that presents a level of social protection for those women, and finally how the world's developing countries dealt with the informal sector that they have , in a way that contributed in formalizing the sector, taking into consideration the combat poverty policy.

By the end of the theoretical study, the field study began by collecting data in June 2016 from a sample of 2500 women from five provinces, which took the following stages:

- Surveying of Economic Activities in the five provinces under study through communicating with local associations and institutions to identify the most important activities in which women take part. The data was collected from 120 areas, out of which 90 areas were chosen to be included in the study.
- A questionnaire was designed carefully (Ms. Form) for the 2500 women in the five governorates including questions about family, living data, properties and activities in which they operate, in addition to evaluating the financing and training services and the cost of the projects, and the problems that face women and try to suggest solutions for . Necessary approvals from the Central Agency for Public Mobilization and Statistics have been acquired, and collecting data began in the period from 05/20/2016 to 06/08/2016 based on personal interviews and paper form methods, relying on a team of eight field working groups including 32 trained researchers on the field, eight project supervisors and eight field auditors.
- The Ms. Form included two main categories, informal workers either in a firm or informal institutions, and informal female project owners.



Project Owner at El-Minya

- Association's forms include 30 local selected associations. These associations were identified by women as associations that support their activities in the region continuously and actively.
- Focus groups have been conducted with the ladies in 30 regions, which were characterized by economic merchantability and availability of working women or female-run projects. Nevertheless, these groups faced difficulty due to the low levels of education for some of the women.
- Focus groups with government officials, which included three sessions in the Governorates of Cairo, Giza, and Qalubiya in one meeting, one session in Beni-Suef and another in Minya; in order to identify how the State can support the women in the informal sector.
- Discussing the results took place along four seminars including members of the local associations, officials of the Coptic Association for Social Services, government representatives, as well as representatives of some business sectors and parliamentarians.
- Writing the final report of the study, including the observations and explanations of the parties who participated in the presentation of the results, supported with recommendations and policies related to the roles of associations and projects in supporting the case.
- The final report of the study was conducted through an external arbitrator specialized in the field of statistics and sampling.

The study concluded the definition of informal units as "economic units that can produce products or services, which does not partially or totally commit to the application of formal procedures that should be carried out so that the description of activity would be formal. "Procedures are as follows: licensing of the activity, recorded trade and industry activity, and the owner and his staff are registered under the social insurance paying taxes for economic activity according to regular accounting records. Studies have shown that the owners of informal units are working to avoid paying taxes in particular, among all the other procedures. In light of ILO's interest in the issue of informal employment and frameworks that protect it, it defined informal employment as follows:

- The existence of a written working contract that is unregistered.
- Working without a contract but having an annual leave.
- Working without a contract, but the employer takes into account the employee's health conditions, and thus they provide paid sick leave.
- Working without a contract, but the employer takes into account the rules of the employment of women in pregnancy, childbirth and lactation.

The issue of unregistered sectors legally remains a central issue, as keeping these entities outside the formal sector deprives their workers from any rights or guarantees. It also makes its attempt to take advantage of any legal situation impossible. This dimension proposes two main questions: if the majority of small and micro economic-enterprises are informal, should they keep pace with the law or should the laws have to open new frameworks that allow the transformation to formal sector at different stages as it allows the informal entities in its

framework as a transitional phase? The second question is concerned with the dilemma of poverty and economic growth, if the economy, in general, encloses informal sectors working for the benefit of the poor, at the same time, the transformation may represent extra pressure on the poor, so which of them should be granted higher priority by country?

In its first section, the study introduced the concept of the informal sector, its motives, and reasons for growth, manifestations, and the positive and negative effects for the sector. It also presented estimates of informal employment globally and locally, in addition to the situation of women in the informal sector, especially low wages and inability to access the market.

The second section of the study focused on the condition of women working in the informal sector. This included the distribution of workers and entrepreneurs with regards to the state of education and marital status of women within the sector, how they commute to the workplace, their financial contribution to their households, and also their political participation in the informal sector, either through political parties, trade unions, or NGOs.

By analyzing the results of the first section, it was found that the contribution of 56% of the women in the informal sector is half or more of the household income. Also 68% of female entrepreneurs provide 50 % and sometimes 100% of the household income.

As for the marital status, about 78% of female entrepreneurs were married, 5.4 % were single, 9.8% widowed and 4.4% divorced and the rest were separated. This does not match with the general statistics of the marital status of women in Egypt, where the number of singles in the sample is lower than normal, while widows and divorcees are double the national average ratios, for married women, the ratio is much higher than the national average. This distribution indicates the pressure they are put under after marriage / divorce / widowhood, which may be considered a major motivation behind the project establishment. And when comparing those results with the results of workers in the sector, it turned out to be that the latter are compatible with the normal distribution of women in society. As for the state of education, 33% of women in Cairo and Giza didn't complete any stage of education, whereas in other provinces the percentages were 47.6% in Qalubia, 53% in Beni Suef, and 57.8% in Minya.

In the informal sector, 75% of women are working in places close to home (going to work on foot or using the tuk tuk), and there is no participation of women in community activities, in particular, political parties, trade unions, and there is less than 0.5% of women who participate in associations.

As for the results of the second section, which includes health status and risks of doing business, we found that more than 49% of women in the informal sector were exposed to the risks of carrying heavy weights, 22% were exposed to the risk of falling, 48% were exposed to noise, and 45% were exposed to dust. Results also showed that 14% of women suffer from diseases like blood pressure, diabetes, heart disease and chest allergies, and diseases that are related to the nature of risks they are exposed to. Among those women who suffered from diseases, 8.5% indicated the presence of physical disabilities, especially in Minya and Cairo

provinces. Finally, those women were exposed to injuries with a rate of 13.5% of the sample and those injuries caused at least half of them to be absent from work, where injuries needed rest periods at an average of nearly one month, and ladies bear the cost of treatment in 90% of cases. In addition, 89% of the women did not receive any form of social protection and only 11.5% of the sample had access to social pension from the father's or spouse's pension or social security.

For the third and fourth sections, light was shed on the functional status of the workers in the informal sector, their situation in terms of the characteristics of the workplace, wages and working hours, labor rights such as overtime, holidays, and conditions of pregnancy. The study found that more than 70% of working women in the informal sector have started working after 2010, of which 32.5% have started after January 2014, and about 63% of women are working in the informal sector

in a sustainable way, while 30% of women are employed on a temporary basis. It is also noticed that there is an increase in the temporary employment in Upper Egypt governorates, while in the Greater Cairo region there are more stable conditions. The study showed that 60% of the

employed women at the sector are either working in workshops or factories and by lower rates in farms, housework or business owners. Results indicated that 43% of the working ladies work at a registered entity, while 24% don't know whether the entity is registered or not, and 33% work at unregistered entities. Furthermore, 59% of women work more than 8 hours per day and with higher rates in Cairo and Giza than other provinces.

Also, 75% of women do not want to get engaged in any insurance system as a deduction from the current pay for future benefits, the unwillingness to participate is mainly because of financial capabilities, or lack of knowledge concerning essential procedures, in addition to the fear that seeking insurance from the employer would lead to their replacement with another worker. The highest monthly wage in the informal sector is estimated to be 860 Egyptian pounds in Cairo and Giza, whereas the minimum wage is estimated to be 470 pounds in Beni-Suef.

Moreover, 68% of women do not have any paid holidays; also, days of absence are deducted from their wages. Besides, 93% of the ladies believe that the employer can make arbitrary expulsion for no reason for any of them.

Furthermore, low wages and long working hours are the most common problems for women working in the informal sector in all areas of the study. Women asked for financial aid, training, health services mainly due to the absence of health care schemes in those entities.

Our Economy has informal enterprises, these enterprises support the disadvantaged population. The compromise between formality objectives and Poverty Alleviation considerations is a critical policy issue.

Dr. Maha Ismail
The Principal Researcher

While analyzing female projects' conditions in the informal sector, the study found that most of the projects are private property for the woman, and joint ventures are mostly with a spouse or another member of the family. Most of the projects are founded by the lady herself, one-third of the projects are relatively old 2000 – 2010, and more than half of the projects were founded post 2010, besides, most of the projects are with permanent activity and operate in a fixed place, and more than half of which depend on the employer herself, fewer projects use labor. Most of the females chose their project's location either due to the availability of customers or for the lack of a better place or funds to rent a better place. 88% of the ladies take at least 30 minutes to get to their workplace, out of which 33% own a project in a place very close to their houses. Ordinary families and women represent the bigger part of the informal sector target. 95% of the ladies don't know what the informal sector is and they think that it is for trafficking illegal goods, and most women are not likely to register as they perceive it as unhelpful and restricting.

Capital and workplace availability, in addition to the availability of a suitable location that can attract more customers are the fundamental problems facing the women in the sector, followed by the problem of inspection entities on the goods, whether municipal, health or supply. There has been a noticeable focus from female projects owners on the capital and the workplace, where less attention was given to the elements of management, training, or knowledge of market needs and reaching more customers, or even the availability of equipment. That was the case across all areas under study.

The results of the focus groups showed that women may receive training if accompanied by a lending program, for example, or other assistance programs. As for the required services in the region, there were health care services in all regions, religious awareness, literacy classes and finally nurseries and schools. While referring to funding, 80% of women who own projects never took loans despite their need. Their explanation was maintained by the absence of a lender offering loans at a suitable and appropriate interest and repayment rates.

Women who took loans were mostly from the association (67%) or a commercial bank (22%). However, institutions that are working in the field of finance of the poor such as Nasser Bank or the Social Fund for Development didn't constitute more than 7.7% of these loans, most of the guarantees for banks and associations were ID's copies or house deeds.

65% of the ladies borrowed loans of less than 6,000 pounds, where 69% of the premiums of the commercial bank or Social Fund or Bank Nasser were about 500 pounds. Loans were directed to buy new assets or goods and its impact on the project was to increase production or introduce new products. They were also used by some ladies to settle an old debt (27.5%). Fear of non-payment and high interest rates remained the main problem of borrowing from those institutions.

Referring to borrowing from associations, 78% of the loans were less than 3,000 pounds per loan, and were used to buy new assets or goods and its impact on the project was to increase the products or to introduce new products, and were also used by (18.2%) in the payment of an

old debt. Fear of non-payment and the feeling that borrowing is a non-religious act remained a barrier for these ladies.

Women with loans pay premiums to banks and institutions with legal power, but for associations, paying rates are even lower due to the weakness of the legal mechanism or the unwillingness to expose the beneficiaries to prison, and there are 7.2% of the ladies rely on savings, and a number of them depends on borrowing from people they know as there is no interest and repayment patience features. The women use the savings in the education of their children or for buying household goods.

Finally, for the structure of the projects cost, 75% of the projects spend from less than 3,000 a month and 25% of female-led projects spend amounts more than that. 93% of the women pay rent less than 300 pounds, of whom 77% are not paying rent at all, either because they own the place or work from the street, which is an indication for lower production cost.

55% of the projects holders spend less than 1000 pounds per month on raw materials, with a cost of transportation less than 100 pounds for 70% of the projects, and with the low wage scale in the sector - half of the projects do not use paid labor and most of the projects do not pay wages or rents - therefore projects are profitable but with a limited growth.

More than a quarter of women in the sector (28%) face problems with fluctuating incomes. Also, (27%) of them face a problem in the collection of their money from the buyers (contract enforcement). Availability of capital represents a fundamental constraint on the growth of such projects where, in most provinces, 85% of women are facing the problem of the availability of capital, about 32% of women are facing a problem in the project's place, and 10% face a problem with the municipality.

“Our Goal is to create wide social support for every woman works in the Informal Sector”

Margaret Saroufim
Local Development Director at CEOSS

Field study Methodology

The sample was divided across five provinces, according to the size of the communities within each province, where each province was divided to a number of sectors where each sector is of an average of 85 women. About 510 women were interviewed as an average in each province. Interviews were conducted with about 2550 women between the ages of 15 and 50 years old. The random walk in method was used to reach this social sector.

This took place after conducting a survey for the activities at the provincial level by using both:

1. Quantitative method: a form was designed to collect data on existing activities within each center in the governorates under the study, depending on the number of researchers available to conduct this survey in the provinces.
2. Qualitative method: it was conducted by the Cairo Center for Development Benchmarking in collaboration with the Coptic Evangelical Organization for Social Services in the governorates of Minya, Beni Suef, Qalubiya with a group of officials in the provinces in order to benefit from their experience in determining the locations where more women working in the informal sector carried out their activities.

According to the findings of this study, there were more than 120 private areas where all women's activities were concentrated, and after identifying these areas we have identified 100 districts only according to what was in line with those activities. Those areas were distributed among provinces as follows:

Table 1: Number of regions

Governorate	Cairo	Qalubiya	Giza	Beni Suef	Minya	Total
Number of areas	18	15	12	21	24	90

The following is a brief description of CDB achievements in implementing the study activities:

All the supervisors and researchers who were selected had previous experience and were holding a college degree. Supervisors and researchers were selected from individuals who have previously worked in national researches such as DHS in Egypt in 2008 and 2014. The final selection of supervisors was based on their performance during the training program and the assessment of their leadership. A similar approach has been used in the selection of researchers including the required qualifications, performance during the training sessions, performance during the theoretical training and field training which also had a great role in determining the final selection.

About 32 field researchers and 8 supervisors and 8 auditors participated in the training throughout the survey. Cairo Institute for Development Benchmarking managed to choose a number of researchers that exceeds the number needed for data collection, and to engage in the survey those who enjoyed the experience and knowledge of research topics, methodology, and therefore, the Cairo Center for Development benchmarking chose the 32 researcher and 8 supervisors and 8 auditors.

Finally, the researchers were appointed on basis of their performance in training in general and in the field work training sessions in particular. On the other hand, researchers were exposed during the training period to a number of evaluations to determine the best, this has played a major role in determining the best and the most efficient researchers.

The Cairo Center selected 8 teams to collect data for the survey in order to be proportionate with the size of the sample; each team included a supervisor, a reviewer and 4 researchers. The responsibility of the supervisor was to organize the work of the team, and at the same time review some of the forms conducted through the field work to the quality of the forms, completion, and consistency of the questions. In the case of a lack of consistency in the application form, a visit was conducted to the family to verify the data. One of the researchers managed the focus groups with the selected sample assisted by another researcher, who recorded the sessions. A researcher who had sufficient experience in conducting focus groups was chosen to manage the sessions, while the team supervisor completed the form designed for the officials of the associations.

According to the total number of the sample each researcher was responsible for collecting data for about 78 forms. Data collection took about 8 days using 32 researchers.

The following actions were taken to ensure quality during field work:

- Efficient supervision on researchers during the fieldwork.
- The fieldwork coordinator, in addition to members of the center, visited the teams through all stages to follow-up on the work.



Field Researchers' Training Workshop at CDB

- There was constant contact between the center and the teams during the fieldwork period.
- A review was conducted on the forms in the field.
- All meetings were conducted on time.

As for the focus group sessions, the following were the tasks and responsibilities of the researcher managing the sessions:

- Contacting the officials, their assistances and participants to arrange for the meeting.
- Determining the desired goals of the session.
- Preparing questions and outlines for the session.
- Ensuring the safety of the place and quality of the tools used, and the agreement with the registrar on the scenario of the session.
- Drawing a virtual image for the session, numbering the seats to facilitate the registration process of the discussion.
- Preparing an interesting, attractive, summarized, quick preamble to start the meeting with in order to avoid boredom.

- Studying participants' patterns, and anticipating their reactions to ensure dealing positively with each case.
- Preparing activities of certain inputs that help to achieve the goals.
- Making all attendees participate effectively as much as possible.
- Ensuring the sequence of questions.
- Proposing a summary for the ideas proposed by the group at the end of each meeting.
- Reviewing the information approved by and agreed on by the group.
- Agreeing on the principles and methods of application with the participants in the discussion, in order to implement decisions
- Unloading text of the meeting with the registrar, while making use of the observations during the session.

The following is a display of the number of associations and women who were interviewed during the fieldwork period, where 2520 interviews were held with women on the level of the provinces under study, they were distributed as follows:

Table 2: The number of women and their distribution by governorate

Cairo	Qalubiya	Giza	Beni Suef	Minya	Total
504	420	336	588	672	2520

30 interviews were held with a number of officials of the associations at the level of the governorate, distributed as follows:

Table 3: The number of associations and their distribution by governorate

Cairo	Qalubiya	Giza	Beni Suef	Minya	Total
6	5	4	7	8	30

30 focus groups discussions were held at the level of the governorate, distributed as follows

Table 4: The number of focus groups for each governorate

Cairo	Qalubiya	Giza	Beni Suef	Minya	Total
6	5	4	7	8	30

The Informal Sector in Egypt and the world



Chapter One

The informal sector in Egypt and the World

This section addresses an introduction to the informal sector as a global issue, as it does not concern only Egypt, but it exists in many developing countries. This part includes the definition of the informal sector, motives behind its appearance, the most important aspects of the informal sector, and its positive and negative effects on the economy, with a focus on the nature of women status within the sector.

1.1 Definition of the Informal Sector

The informal sector is “the unmonitored economic activity from the government, which is not imposed to taxes, does not participate in the Gross National Product, not officially registered, with no tax license and includes small or micro small businesses, usually exists at small size of the

invested capital, the labor proportion dominates the proportion of capital inputs, and in some cases the project size is larger than usual and also unregistered.”

The informal sector is characterized by the lack of official records at the government, also not being registered in the State’s tax system, no advertising records or public service records, and in some cases the sector can be managed by family or individual. Most of these companies are small and medium in a form of individual companies, where productivity is limited, there is a few number of workers and low wages. However, this does not prevent some of them from being large, and thus, cannot be described as poor private sector, especially in the trade field and some factories that produce imitative goods.

The informal companies do not adhere to the official procedures in their work, as getting a project license, trade registration, permanently maintaining commercial and accounting records, as in the case of the absence of a company's commitment to one or more of these conditions, it is considered an informal company. And one of the most important factors leading to the increase in the activities classified under the umbrella of the informal sector in Egypt is the complicated procedure to register.¹

There is a growing role of the informal sector in Egypt. With the proliferation of the informal job opportunities in remote and urban areas, the non-formal sector succeeded in containing men, women, and those under the working age, and making them join the small productive work. However, these small businesses do not have compatible employment conditions, insurance laws or any of the determinants of the work in the formal sector, because mainly those enterprises are small employing less than ten workers.²

“The Informal Sector is unknown Sector ..

Working there is an insult for workers”

Informal Worker at Cairo

¹ El Mahdi. 2006. “Towards Decent Work in the Informal Sector: The Case of Egypt”, Series of Informal Economy, ILO.

² El Madi. 2006. “Towards Decent Work in the Informal Sector: The Case of Egypt”, Series of Informal Economy, ILO.

By analyzing the impact of the informal sector at some on developing countries' economies, the informal sector is better than the formal sector in the case where the economy is inelastic and cannot overcome the difficulties. So, if the decision-maker adopted the idea of having the formalization form using the unfair legislation and the official narrow tariffs, it will exacerbate the unemployment issue. But, if the decision-maker adopted an integration strategy based on improving the regulatory framework, and the quality and efficiency of public services, the economies will use these resources more efficiently, and generate a variety of organized, and diverse labor with a faster growth rate³.

Registration and accounting records are the basic definition of formal enterprises that is being used to build statistics for the International Labor organization about the informal economy. According to this definition, the informal sector consists of units that are not considered as legal entities separated from their owners, those entities produce goods and services in order to sell, their workers remain unregistered, and they have no integrated accounting records; as any company is considered non-registered when it does not operate under specific laws and legislation such as taxes and social security laws, so issuing work permits under the local organizations is not considered as a registration⁴.

On the other hand, they are small companies where the number of workers is too few, often contains five employees, and the International Labor Organization clearly identified the informal sector companies as not registered companies with the presence of some goods and services that are produced for selling or exchange⁵.

Informal units are determined by accredited indicators through individual questionnaires, such as World Bank questionnaires for companies, which ask the business owner or manager about the year of establishment and the year of legal registration, where the informal work period is the period between the two dates. And in accordance to the Egyptian legislation, the entity is considered as formal when it obtains a work permit and is registered as a commercial or industrial enterprise, also when it obtains a tax card, and holds accounting records on a regular basis. It is clear that most of the studies and legislation are based on the narrow official definition, focusing only on the idea of legal registration as an obvious difference and can easily differentiate between the formal and informal sectors, and thus, the main target of all policies is to push for registration, even if the registration would not

Figure 1 Informal sector Definition

Informal Sector: includes projects that do not follow the official procedures, as issuing a license for the project, commercial registration, and keeping commercial and accounting records on permanent basis. In case of the absence of any of these commitment conditions, the project is considered informal.

Informal worker: any person who works for informal or formal entity and do not have any rights or protection, and the top priorities are work contracts, pensions, holidays including maternity leave, child care hours, and working under dangerous circumstances for women.

³ ElBadwi, I., Loayza, N., 2008. "Informality, Employment and Economic Development in the Arab World", Journal of Development and Economic Policies.

⁴ ريم عبد الحليم ، الاقتصاد غير الرسمي في الشركات الصغيرة والمتوسطة في مصر – تعريف ومراجعة تشريعية , مركز المشروعات الدولية الخاصة CIPE .

⁵ International Labor Organization, 2012. "Statistical update on employment in the informal economy", June.

necessarily lead to any real benefits to the enterprise. Registration, in fact, could form an additional burden as it includes paying taxes and social insurance, which represents a greater risk to the enterprise, where the owner cannot compete with other non-tax payers, and in this case, the reduction of registration steps in itself will not be a motive for the owners to register. There must be direct benefits from working under the umbrella of the labor sector which facilities and encourages the switch to the formal sector⁶.

The International Labor Organization defined characteristics of the informal employment as:

- The existence of a written work contracts, although it is not registered.
- Work without a contract, but has paid annual leave.
- Work without a contract, but the employer takes into account disease conditions, and pays for sick leaves.
- Work without a contract, but the employer takes into account the rules of the employment of women in pregnancy, childbirth, and lactation.

The World Bank established a model in 2007 to explain the formal frameworks, identifying the micro small informal company as an entity with no ability to grow, and therefore, has no desire or intention to deal with the government because it will face significant barriers if it enters the formal market, which leads to avoiding taxes and regulations; constrains to growth - from its point of view- but it can register workers and sales partially. The World Bank has put up four forms of the likelihood of reactions in case of the imposition of formal frameworks to entities:

- To remain in the formal labor and abide by its rules and limits. (Formal)
- To remain within the formal labor limits, but do not comply with its rules. (Informal)
- To commit its activities to go outside the formal labor limits. (Informal)
- To start outside the formal labor limits and cannot find a reason to follow. (Informal)⁷

The Conclusion from the foregoing is that there are many mixed factors leading to the various aspects regarding the formation of the informal companies sector, as some chose to work at informal basis in order to avoid taxes and registration, while others chose so for the need of this kind of work or for social status, and another group is a small number of regular official workers who appoint other workers on informal basis in order to avoid taxes, the cost contributed to Social security, and bearing with the burden of their share of the pension.⁸

In fact, the case of failure to register as a legal standard for becoming official is a central issue, since the survival of enterprises outside the formal sector deprives the enterprise and its workers from enjoying any rights or guarantees, it also makes any attempt to take advantage of any legal situation not feasible. This scope raises two main questions, if most of the small and

⁶ ريم عبد الحليم ، الاقتصاد غير الرسمي في الشركات الصغيرة والمتوسطة في مصر – تعريف ومراجعة تشريعية , مركز المشروعات الدولية الخاصة CIPE .

⁷ Kanbur, R., 2009. "Conceptualizing Informality: Regulation and Enforcement." Indian Journal of Labor Economics, February.

⁸ ريم عبد الحليم ، الاقتصاد غير الرسمي في الشركات الصغيرة والمتوسطة في مصر – تعريف ومراجعة تشريعية , مركز المشروعات الدولية الخاصة CIPE .

micro small economic companies are informal, do they have to keep pace with the law or does the law have to open frameworks that permit different stages of formalization, to allow informal companies to exist in its framework as a transitional phase? The second question is related to the dialectic of poverty and economic growth, if the economy in general contains informal companies that work for the poor people, and at the same, the transformation to the official sector may represent extra pressure on the poor, so which of them should be granted priority by the country?

Examples of workers in the informal sector are multiple, which includes the vast majority of construction workers who we see working in new population centers, corn vendors, café workers, street vendors, shoes and clothing sellers, toys and other products sellers whom we can see spreading their products in streets and areas of Saida Zainab, Saida Aisha, Ramses and other squares, also building keepers who are not ensured, with no contract to guarantee their rights, day farmers, laborers who help in digging canals or harvesting for a daily simple fee. As for women, they work as sellers in markets and shops, workers in the workshops, dressmakers, and also as home cleaning maids, some work from home, and some are employed in sectors such as factories and enterprises that are paying on daily basis without contracts nor considering the employment conditions for women. Moreover, the sector includes a good ratio of minor laborers.

1.2 Motives behind the emergence of the informal sector

The informal sector is a major source of employment and income in developing countries and it is expanding over time, providing jobs for the millions of individuals who would not be able to find other jobs. These workers have improved their abilities and their incomes. However, the job creation process and reaching this sector is still not efficient, and the majority of the poor join the informal sector and get, in return, less wages than their counterparts in the formal sector. There is plenty of evidence that indicate that there is an increasing pressure on this sector to absorb more labor, but this increase will not be accompanied by an increase in the wages unless there was a major change in the policies directed to this sector.

This requires overcoming many challenges, such as the restructuring of certain laws, policies, and institutions, in order to achieve the integration between the sector and the current development stream. Although, this will not happen unless the workers in the informal sector organized themselves and put pressure on the concerned authorities.

The trends interested in reducing poverty in developing countries depend extensively on the economic performance as a whole unit, without that, growth in the informal sector will be useless⁹. While every person has his/her own reasons to work in the informal sector, but there is a common motivation, such as the desire to gain income or work in additional activities, also, because it is easy to enter this sector along with many of the reasons we are reviewing as follows:

⁹ Rashed,A.,Soliman,M.,Towards sustainable Urban Poverty Alleviation Strategies for Informal Esector in Developing World .

- **The desire to achieve a minimum level of life:** Entering the informal sector is usually associated with the desire to get the opportunities to live, or even just to survive. On the international level and in Egypt, we find that the bulk of the informal sector represented in activities and production that achieve the minimum living level, which is linked to the idea of staying alive with the presence of low levels of income, as well as, low levels of productivity, skills, technology, capital, and weak linkages with other sectors of the economy. For many workers around the world, we find that working in the informal sector is not a choice, but a forced necessity, as the case represents a necessary way to earn income to survive. Many of the workers in the informal sector do not work in it to make additional income or money; they work in it just to get the daily needs for their families and children expenses.¹⁰
- **Maximize the chances of getting income:** It is noticeable that there are new and effective sectors in the informal sector that are able to achieve growth and provide employment opportunities with high incomes and provide means to connect and communicate with official markets and companies, especially the companies which have modern technological means to deal with information and communication¹¹. And to audit the analysis, in other parts of the world, we find that there are large gains and incomes generated by entrepreneurs and workers, as some street traders, with what they have from goods, earn enough to get food and shelter, and some workers in the informal sector are making income that exceeds the income of governmental employees.
- It is common to find some college graduates cleaning houses or some calibers work as taxi drivers. The informal sector includes many examples of people who simply do not want to work in the formal sector because of its low income. We find many governmental employees establishing their own kiosks as a mean to overcome poverty and generate income that exceeds the income of senior civil servants¹². The following table shows the results of a study carried out about the informal sector and describes the motives behind entering the sector¹³:

Table 5: Motives behind working in the informal sector

Characteristics	Desire for a minimum level of life	Desire to maximize income
Motives	The shortage in available alternatives to the project owners	Hoping to increase profits and expand activity
Work fields	Multiple activities - one of the many	One major activity
Importance in generating Income	Income source for family	Household main income source
Required skills	Low and primitive skills	Need more skills

¹⁰ International Labour Office. 2000a. "Concept Paper" of the Informal Sector Task Force (3 July).

¹¹ Look at previous reference .

¹² Centre for Social Development. 1996. "Micro-enterprise development in Mongolia", Report prepared for the Asian Development Bank (Ulaanbaatar, 1996) cited in Anderson, James H.: "Reaction to crisis, response to policy: An analysis of the size, origins and characteristics of Mongolia's informal sector" (31 July 1997).

¹³ Prabhu Ghate, "Livelihood and micro-enterprise programmes in the Philippines: Directions for the future", Draft report as input to the Philippine Rural Credit Study, Asian Development Bank, Manila, 1993, cited in Gopal Joshi, "Urban informal sector in Metro Manila: A problem or solution?" Manila, ILO SEAPAT, 1997, p. 77.

Characteristics	Desire for a minimum level of life	Desire to maximize income
Entry Barriers	Low barriers	High barriers
The use of net profit	A source of livelihood and survival	Savings for expenditure and project expansion
The possibility of growth	Low or none	High

- **Hiring flexibility and termination from work:** Employment conditions are highly elastic, and low in cost in the informal sector, and this is because the payments in the informal sector are in accordance with informal approvals and not as determined by labor laws. Labor laws clarify the conditions that must be met in the case of hiring or termination, the number of working hours, annual leaves, overtime payments, benefits, and facilities to mothers, and so on. These laws protect the rights of workers, but increase the cost of production¹⁴.
- **Low production costs:** One of the reasons behind the growth of the informal sector is the low cost of production. There are many reasons behind the declined costs in the informal sector, such as low labor cost, increased working hours, and hiring relatives. Also, one of the reasons for the low cost of production in this sector is the low trade transaction cost, due to the nature of the used methods in transporting, storing and marketing the goods. And finally, the workers in this sector can also avoid taxes and any other costs imposed on companies and official enterprises.
- **Ease of sector entry:** Compared to the official sector, we find it is easier to establish a business in the informal sector. But, this does not mean an easy access to capital for the establishment, according to the studies in this field, we find that about one third of workers in the informal sector believe that the government pressures and high costs are a major problem, and a higher percentage of the retailers have the same opinion too. As for bureaucracy, workers in the informal sector have less exposure to face bureaucracy, because of the absence of rules and laws¹⁵.
- **Small-scale:** The small-scale is one of the aspects that ease the entry and joining of the informal sector. This helps to overcome the credit problem, as many of the entrepreneurs in the informal sector can establish their business by their own savings, borrowing money from relatives, or taking loans from lenders.
- **Buildings' approvals:** One of the difficulties facing the establishment of a new work officially, in economies in transition, is whether the land that the user built on or the used building itself was constructed in an informal manner. It is very difficult to get approvals for the establishment of this work, but there are much less requirements if someone wanted to get a place to work in the informal sector. Furthermore, we can find

¹⁴ Morris,E., The informal sector in Mangolia , ILO , 2001.

¹⁵ Anderson, James H. 1998. "The size, origins, and character of Mongolia's informal sector during the transition", Policy Research Working Paper 1916.

useful links between the informal and formal sectors, such as when formal firms own the workplace and then rent it to entrepreneurs in the informal sector¹⁶.

- **Additional activity:** Working in the informal sector may be the only family income source of some workers, but it is an extra activity for others. Some studies have shown that among the uncovered market traders and street vendors, about 20% work in this profession as an extra work. There are other occupations more suitable to be an additional work, for example about one-third of kiosk owners and 43% of the taxi drivers work in the informal sector as an extra job. This is a result of low wages for workers in the formal sector, especially governmental jobs and private companies, some working fulltime and some working as an extra activity to gain extra income to cover their needs¹⁷.
- **Growth of expectations as growth of the sector:** Studies conducted on some of the workers in this sector found that the informal sector has grown dramatically in recent years, however, it is expected that the informal activities will be replaced by the formal sector. For example, the supermarket may replace the kiosk, and official transportation can replace informal transportation vehicles¹⁸, as the market forces will push the official funding institutions to replace those bet shops and money-exchangers. And this will generate new activities within the sector such as pool halls, internet cafes and modern video games halls.
- It is expected that the number workers will increase in the informal sector, when competition comes from official and foreign institutions. Also, there is fear of another kind of competition for example, the taxi drivers fear that the rich and governmental workers will carpool in order to save the cost of fuel, and others in the interview see that this competition will lead to a wide selection of choice and improve quality.
- **The desire to improve the workers conditions:** workers in the informal sector want to have lower taxes and less rates of bureaucracy, corruption, reduce competition, apply rules and laws with more discipline, have the assistance of non-governmental organizations, and to improve methods to access the credit, as well as economic expansion, and to improve working conditions and obtain permanent places for their business.

In Egypt, we find that the percentage of males in informal employment is much higher than the female percentage. The high percentage of men in the informal employment is due to the low rates of women participation in the labor market and the difference in the nature of business between males and females. For example, we find that in Egypt, female workers, whether in the formal or informal sectors, were concentrated in the category of "services other than trade and transportation", since the formal work percentage in this sector is larger than the

¹⁶ Anderson, James H. 1998. "The size, origins, and character of Mongolia's informal sector during the transition", Policy Research Working Paper 1916.

¹⁷ Look at previous reference.

¹⁸ Interview with Ch.Khurelbaatar , Senior Economist for the USAID Employment Policy support Programme and advisor to the Prime Minister .

rest of the Egyptian economy sectors. As for the construction sector, it is completely the opposite, where we find the highest rates of informal employment of men with 92.1% of the total volume of the employment sector¹⁹. Whereas, we find a high concentration of women within the agriculture sector in Egypt, despite of low wages.

1.3 Activities and professions of the informal sector

The informal sector is a diversified sector, whether through the activities or the effective entities, most of the crafts and other professions can be found of the informal sector, such as hair salons, plumbing, mechanics, garbage collecting, vegetables selling, kiosks, second -hand clothes trading, sewing, clothing, carpentry, watch repairs, furniture, home maids, as well as agricultural labor sector, and the ownership of small holdings.

Employment in the informal sector can be classified into three main categories: employers or small business owners), self-employed, and subordinate workers (dependent workers)

- The first category of small business owners, who employ a small number of workers, and in general, they do not constitute a target group for organizational unions, and consider themselves as business owners, and thus, their interests may partly contradict with the interests of the workers.
- The second category includes self-employed; working alone or with workers without a pay.
- The third category includes working with third parties (dependent workers), working either fulltime or as casual laborers. This includes workers of small businesses, without a formal contract, and working regularly or temporarily, the employment is without pay, and also includes family members working from home, and working from home with pay.

In many cases, workers' problems in the informal sector are associated with their occupation condition; for example, the problems facing the street vendors differ from those who work from home. Also in the same occupation, men's conditions differ from women's conditions. Despite those differences, fragility and vulnerability apply to both the self-employed or those working with a third party in the informal sector, as long as they work outside the scope of legal and social protection.

¹⁹ ILO , 2013 , Women and Men in the Informal Economy : A statistical Picture .

- **Self-employed:** are the creators of their own business, they work alone or with labor without pay, mostly members of the family. The efficiency of their activities is always hampered by the deficiency in credit for small enterprises, and the lack of technical skills to run their project, raw materials, water supply, and electricity. Besides in general, they do not have opportunities to acquire loans from financial institutions, because they cannot afford to provide an adequate economic insurance. As a result, they are vulnerable to the exploitation of lenders, and they cannot afford the expenses of training courses at official institutions, also, it is possible that these courses are not suitable for their basic needs and their workplaces, and sometimes they are located in unattractive places to the customers.



Working place for one of the workers in informal sectors

- **Self-employed in rural areas:** lower trade barriers, reparation, and restructuring the global economy during the last decades led to a decline in the agricultural labor in many developing countries, including groups of smallholders, farmers, and rentals.
- **Street vendors:** represent a large proportion of the employment in the informal sector. These vendors are more noticeable in the informal sector; they are playing an important role as a source of a large number of goods for middle and low income families. But they are always considered a nuisance source and are usually under security threat from the police. Also, shop owners consider them unfair competition, therefore, they are always a subject to harassment and expulsion from public places where they work, and their products are subject to destruction, distortion, or theft. Their most important need is to provide a location, facilities, and basic services such as water and electricity.
- **Paid employees in small businesses:** always abused and work under unsafe conditions. Generally, they are deprived from a lot of benefits that are available for workers in the formal sector, such as pensions, health insurance, number of working hours, paid holidays, paid overtime, and the protection of motherhood; their working conditions and rewards are always determined by the employer, and they can work fulltime or casually.
- **Unpaid workers:** mostly that category consists of family members, where women and children represent a significant percentage of these workers. This kind of employment is not necessarily recorded in statistics; they are usually unpaid as a result of the traditions and culture. The unpaid workers spread in the rural areas.

- **Workers from home:** in developing countries, women represent the largest percentage of those workers. According to the International Labor Organization, workers from home are defined as "working at home or any place chosen by the employer, which produce a good or service as determined by the employer, regardless of who provides the equipment, raw materials and other inputs." The majority of workers from home are employed, according to verbal agreements, and do not have secured working conditions or social insurance. Working conditions are often unhealthy and they always complain about the work pressure and stress, plus working for long hours.
- **Working in the field of home services with a pay:** women represent the largest percentage of those workers, which also represents a large percentage of the women labor in the informal sector in developing countries. The biggest problems they face are long working hours, low wages, and the daily threat of expulsion, also the vulnerability to exploitation and abuse.

1.4 The Impact of the informal sector on the economy

The country considers the informal sector as a sector that operates outside its umbrella and it should be included, because the annexation will result in new sources of income for the country through establishing fees, insurance packages, taxes, pensions and other expenses, in addition to the easy accessibility to reach the owners of private enterprises in the case of low quality products or issues related to products imitation or any other problems that may be caused by workers in the sector, as well as the need to know the fields, so that no one can work in the production or distribution of dangerous, contaminated materials, or cause any harm to public health, security, are against the production and distribution rules for products, or waste the consumers' rights.

Switching towards the official sector achieves the following benefits:

- Increases the financial resources of the country, whether in the form of fixed or unfixed payments from insurance and taxes.
- Firms benefit from the advantages obtained by the formal economy, such as the protection of intellectual property rights, access to infrastructure provided by the country's official facilities, access to credit services, and the ability to expand in the market and other various features.
- Increase in economic growth rates and poverty reduction, since the informal sector registration process will provide realistic data about the economic production volume in the sector and employment, besides a true estimation of the extent of poverty, as the country's awareness that there is a group of people who are working while they are already registered as unemployed, having no jobs or income, will change the country's poverty strategies, so the country will try to provide services differently in different regions.
- More protection to the marginalized groups of workers and employers. The informal sector is characterized by weak enforcement of contracts due to lack of written contracts

between buyers and sellers, and thus, this exposes the sector workers to the inability to collect the money of their goods frequently. On the other hand, formal labor and registration allow entrepreneurs in the sector to write valid contracts and resort to the judiciary or tradition in case they were exposed to evasion from payment problems.

Sometimes the activity of the informal sector generates negative effects like:

- **The safety of products affecting public health:** total percentage of illegal merchandise in a country such as Egypt - according to estimations- is nearly 80% of the total volume of food factories. The food industries in Egypt, particularly, face a critical position because of the dozens of problems, including the smuggling, unlicensed factories, which cause chaos in the markets.
- **Commercial Fraud:** in the field of home appliances, investors confirm a number of projects in the informal sector producing imitated products, originally produced by projects in the formal sector and they place well-known brands on them, which harms the reputation of the licensed factories and the reputation of any trader is exposed to such a fraud. Some of the chemical industries are exposed to fraud, particularly chemical paints, and the leather industry.
- **Promoting goods out of law umbrella:** where the sector promotes for some smuggled goods and cargos, and some other unsafe products that are often harmful to the consumer's health, which does not comply with the Egyptian standards, including many items such as domestic cookware manufactured from waste, second-hand clothes, soaps and detergents used in household hygiene.
- **Informal sector competition:** the informal sector directly affects the profitability of enterprises in the formal sector, where the informal sector promotes products with lower prices from those promoted and produced by the formal sector, and several areas in Cairo, such as El-Attaba and Downtown markets, witness a considerable influence of street vendors on the registered shops. This is because the informal sector does not include the cost of rents or labor wages or even electricity costs or any other aspects. Thus, given the marketing difficulties faced by small businesses in general, these practices may threaten the formal factories to the extent of closure.
- **Export products do not meet the specifications:** exporting some goods to foreign markets containing some defects caused by the use of some of the informal sector output leads to damaging exports of the formal sector and damaging the reputation of the Egyptian industrial sector as a whole.
- **Distribution of unsafe products:** developing markets have witnessed waves of cheap priced products, beginning with clothes, home plastic tools, and ending with other commodities, such as gifts, furniture and cosmetics.
- **Loss of employment rights:** the employment issue in the informal sector is vital, given that workers in this sector do not get the controlled working conditions. Furthermore, sometimes they are exposed to dangerous materials in the sector, such as hygienic materials or plastic manufacturing. They are also subjected to long working hours that extend to midnight in summer seasons and school holidays. Moreover, women working in houses are exposed to unsafe working conditions, where they are exposed to accusations of theft and neglect, and even harassment from some employers.

Although there are efforts by the private sector, in its formal shape, to criminalize the informal sector, due to severe competition between the two, as owners of formal entities feel that they are committed to all the legislations, laws, and the consequent payments, however, the country leaves their competitors from the informal entities uncommitted, but we must be careful as the informal sector acts as:

- **Bulwark against poverty:** Instead of the extreme poverty of the families, they find through the informal sector a way to provide for their basic needs, and it provides a minimum level of living without joining the criminal community or begging, or any other illegal activity. We should not deny the workers in this sector the minimum right to live in dignity .
- **Youth employment:** a critical issue that Egypt is not facing, but many countries in the developing world face. And in the absence of the country's ability to secure job opportunities for young people, it cannot deprive them the chance to earn a living, especially with the difficulties and lengthy procedures to establish and finance small enterprises.
- **Business basket:** despite of the fact that the informal sector is witnessing many of the distortions and risks, but it is a real experience of doing business and knowing the chain of suppliers and distributors to reach and understand the production, distribution and other costs, which creates a generation of business owners, who can be formal business owners if they were supported.
- **It provides cheap goods substitutes:** a basic feature of the informal sector is to provide goods at a low cost level because of the inexistence of administrative costs, as the items' price for sale is easily negotiable.



Informal Worker at Macaroni Factory

1.5 Work in the informal sector globally

According to the International Labor Organization, we will find that, setting China aside, 75% of the total informal employment is in six countries (India, Brazil, Mexico, Vietnam, Pakistan and the Philippines). From the total of the countries studied by the organization, studies have found that in 15 countries informal employment represents at least two-thirds of employment in non-agricultural sectors, with the lower rates in countries of the Middle East and Europe.

In 30 of the countries studied by the organization, we can find that female ratios in informal employment in non-agricultural activities are more than males. And when we look at informal employment divided according to the sector in the largest developing countries, we can find that the percentage of females in the informal sector (manufacturing sector) is more than males, for example, in Brazil, 48.6% females have informal jobs in the manufacturing sector compared to 31.7% for males, while in India the percentage among females counts to approximately 94%.

By studying the difference, it was found that informal employment is associated with low per capita income, and the existence of high levels of poverty. There are many explanations for this, including that people living in extreme poverty do not have alternative options than working on an informal basis, as they are not aware of their legal rights or their social benefits.

According to ILO estimates, the informal sector comprises nearly 90% of employment in fewer developing countries, and the informal sector currently includes about half of the world employment where it is estimated at 1.8 billion people compared with 1.2 billion workers in the formal sector.

Table 6: Labor in the informal sector in non-agricultural activities, in accordance to gender and the latest year available data for a number of countries in the world

Country (Year)	Gender	Total informal labor % Of non-agricultural labor	Labor in the informal sector% of non- agricultural labor	Informal labor outside the informal sector% of non- agricultural labor
Argentina (2009)	Females	49.6	25.7	24.3
	Males	49.8	36.9	13.2
Armenia (2009)	Females	12.7	5.2	7.5
	Males	24.8	13.7	11.1
Bolivia (2006)	Females	78.5	53.6	25.2
	Males	72.4	51	22.1
Brazil (2009)	Females	45.9	20.1	25.8
	Males	39.2	27.7	11.6
China (2010)	Females	35.7	23.1	14.7
	Males	30.1	20.9	10.8
Colombia (2010)	Females	62.7	51.2	13
	Males	57	53.1	6
Costa Rica (2009)	Females	46	35	15.5
	Males	42.2	38.4	8.2
Ecuador (2009)	Females	63.7	35.8	28.2
	Males	58.8	38.4	20.9
Egypt (2009)	Females	23.1	None	None
	Males	56.3	None	None
Salvador(2009)	Females	72.5	58.1	16
	Males	60.1	48.5	13.5
India (2010/2009)	Females	84.7	59.4	26.2
	Males	83.3	69.4	14.7
Indonesia (2009)	Females	72.9	63.9	14
	Males	72.3	65.4	11.1

Source: International Labor Market Statistics, 2012

In developed countries working in the informal sector is dominated by the most impoverished classes as means to earn a living, while in developing countries it is popular between everyone except the wealthy urban population, as it is considered vital for the poor rural and urban areas as well as women and farmers. The size of the informal sector in any country is very much connected to the levels of development in that country, in developing countries the informal sector counts for about 41% of the total national income in the period between 1999 - 2004.

Table 7: Informal employment and poverty, compared with some of the Countries						
Country	Informal Labor	Labor in informal sector	Participation rate in Labor force	Unemployment rate	The average GDP per capita	Poverty
	% Of non-agricultural labor	% Of non-agricultural labor	% Of the population of working age	% Of the economically active population	Dollar Rate (2010)	% Of population living below the national poverty line.
Argentina	49.7	32.1	46.0	7.7	9138	None
Armenia	19.8	10.2	59.2	18.7	2846	26.5
Bolivia	75.1	52.1	56.9	7.9	1858	60.1
Brazil	42.2	24.3	62.0	7.1	10816	21.4
China	32.6	21.9	70.1	4.1	4382	2.8
Colombia	59.6	52.2	62.7	11.8	6273	45.5
Costa Rica	43.8	37.0	60.5	7.8	7843	21.7
Côte d'Ivoire	None	69.7	40.7	22.6	1036	42.7
Dominican Republic	48.5	29.4	64.3	14.3	5228	50.5
Ecuador	60.9	37.3	65.3	6.5	3984	36.0
Egypt	51.2	None	33.0	9.0	2789	22.0
El Salvador	66.4	53.4	42.4	6.4	3701	37.8
Ethiopia	None	41.4	46.0	16.7	350	38.9
Honduras	73.9	58.3	37.9	2.9	2016	60.0
India	83.6	67.5	39.1	4.3	1265	27.5
Indonesia	72.5	60.2	67.8	7.3	3015	13.3
Gorjistan	None	59.2	64.4	8.4	864	43.1
Lesotho	34.9	49.1	42.3	25.3	837	56.6
Liberia	60.0	49.5	62.8	3.7	226	63.8
Macedonia	12.6	7.6	55.7	32.0	4431	19.0
Madagascar	73.6	51.8	86.9	2.3	392	68.7
Mali	81.8	71.4	49.4	8.8	692	47.4
Mauritius	None	9.3	59.8	7.7	7593	None
Mexico	53.7	34.1	58.7	5.5	9566	47.4

Source: International Labor Market Statistics, 2012

The informal sector is growing in developing countries, and in developed countries at lower rates, and the reason behind this is that the formal labor markets have become unable to provide jobs to accommodate the growing numbers of workers, especially workers who are not highly skilled. In the five countries that created the European Union before the expansion in 1995, we can find that the rate of employment in the informal economy increased from 25% to 33% of total employment in the period between 1988 and 1998, and the correspondent percentage in the United States reached 25%, which highly increased during the 1980's, but it

did not increase in the period between 1995 and 2001²⁰. Developing countries also witnessed a growth in the informal sector, for example, 21% of employment in Sahara region in Africa were working in the informal sector in 1990, which is about 227 million people²¹.

In Kenya, for example, we can find that the informal sector has grown at a rate of 9% annually during the period from 1985 until 1990, and 16.1% annually during 1991-1994. This represents 10 times more than the formal sector, which grew 1.6% during this period. In the nineties, the informal sector has grown in Urban Switzerland by 10% of the state's employment that has grown average of 15% annually, which is completely contrasting with the decline in the formal paid employment by 1% annually.

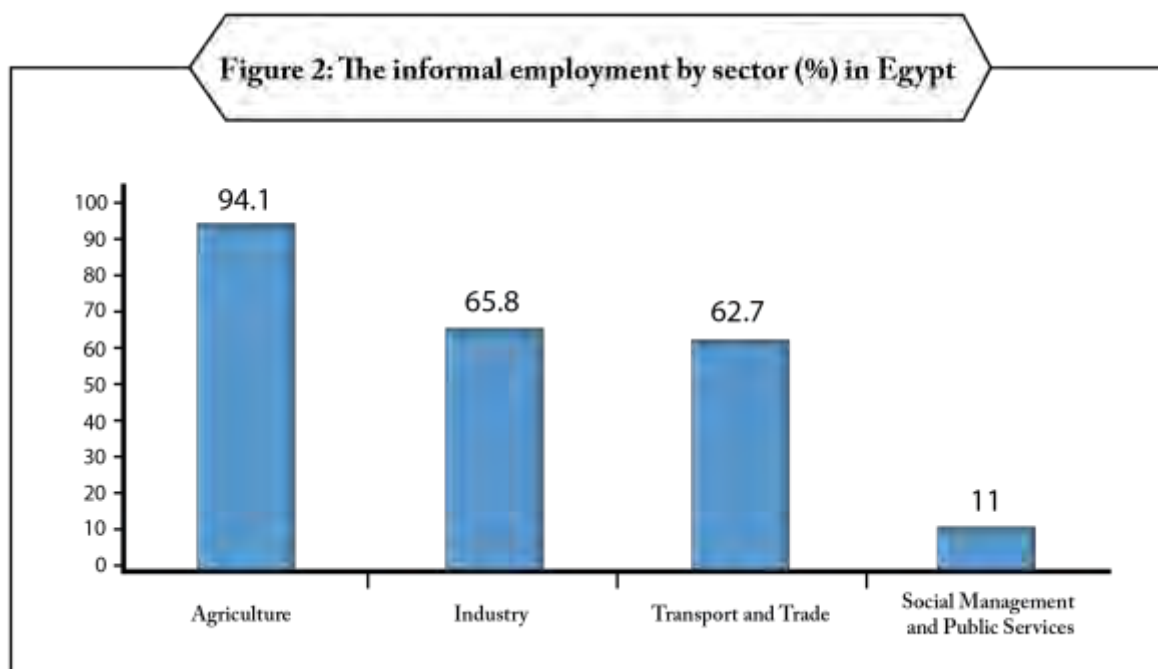
Countries in the Middle East and North Africa constitute the largest informal economies in the world, where the informal employment rate in the Middle East is about 67% of the workforce that produces 27% of GDP. This means that more than two-thirds of the workers in the region lack the access to health insurance, social security and pensions, which secure their income after reaching retirement age. We can also find that about one third of the economic output in the region is unknown and not registered to avoid paying taxes.

1.6 Workers in the informal sector in Egypt

According to a World Bank report in January 2012 entitled "Employment determinants for informal employment in Middle East and North Africa region," there are several indicators on informal employment in Egypt and the region. The report compared a number of Middle Eastern and North African States regarding informal employment ratios, and positioned the informal employment according to different concepts such as non-paid labor, the proportion of self-employed, and the proportion of workers who do not receive social security. The report also compared the informal employment with reference academic qualifications, where the results indicated that people with a primary certificate or less are accounted for the highest within informal employment when compared to higher school qualifications. Additionally, findings indicate the concentration of the informal employment in the agriculture sector more than all other sectors, while it decreases in social services and public administration sectors.

²⁰ International Labour Office 2002. Women and men in the informal economy: a statistical picture. Available at: <http://wiego.org/publications/womenand-men-informal-economy-statistical-picture>

²¹ Chambwera, M., Macgregor, J., Baker, A., 2011, The informal economy.



Soucre: World Bank Data, 2012

As for wages, in general wages in the informal sector are less than the formal, whether in the public or private sector. It is less for women than men, although the proportion of women in the informal sector is more than men. In general women have less negotiation skills, and their ability to assemble or organize collective working relationships with employers are weak due to several factors, especially the low educational level.

According to the World Bank estimations in 2008, Egypt has 8.2 million people working informally, 68% of them are working in informal enterprises compared to 22% in formal ones, and 10% are working in circulating sales activities. The informal sector, in fact, constitutes a major economic activity, it is estimated that 49% of the paid labor in the private sector are working in informal enterprises so the sector is enlarging compared to the efforts done to register its enterprises.

The informal sector is homogeneous, it includes different types of enterprises, also the workers who have been taken out or have chosen to leave the formal sector, and therefore there has to be a more extensive analysis for the reasons for leaving the official framework and giving it up. According to the latest estimations for Egypt, the size of the informal activities counts for about 40% of GDP, produced by 2.7 million institutions that employ 5 million workers, representing 66% of the non-farming employment in the private sector. Thus, it is necessary to change the perception about the informal sector as worthy only for microfinance; it is a hidden wealth and there must be a way to facilitate its registration.

The informal sector is also associated directly and indirectly with the production, services and trade in the formal sector, factories rely on some manufacturing processes from the informal sector to reduce costs and to create more flexible production methods. On the

other hand, the informal sector provides many goods and services at lower prices suitable for low-income workers in the formal sector.

When analyzing to what extent small and medium enterprises are subjected to registration procedures, it is found that only 21.6% of the enterprises are committed to the four criteria that make the enterprise of official status, where the criteria are, the availability of practice work permit, trade and industrial registration, tax card, and regular account statements. 18.4% of the enterprises did not comply with any of the four conditions, and thus are considered a part of the informal sector, while the remaining 60% complied with one condition or more. Results have confirmed that the most absent condition is the availability of regular account statements, and submitting them to the tax authority collectors.

The extent of which the small and medium-sized companies are formal or not depends positively on the size of the company and the educational level of its owner. Companies that are located in urban areas are more formal than companies located in remote areas. When analyzing the dynamics of the Egyptian labor market, focusing on formal and informal aspects in labor market between 2006 and 2014, it was found that the majority of workers remained in their initial working sectors except for the private informal sector and unemployed workers. In other words, the Egyptian labor market is steady in its structure, the probabilities of transition from paid employment in a formal private sector to informal is similar to the transition probabilities from informal private paid work to formal paid work. Meanwhile, the transition from unemployment to informal private paid work is higher than the transition from unemployment to formal private work.

In Egypt, authorities never dealt systematically with the informal sector, but there have been efforts of microfinance support, as part of the anti-poverty activities. The vast majority of microfinance institutions in Egypt, which are more than 400 organizations, serve a limited number of active customers, much less than 50,000 customers. There are two types of micro lending institutions available in Egypt; associations and banks. Beside this, the large number of associations that provide the same service with the support of donors, or companies that provide these services in collaboration with some banks has increased.

1. Associations working in the field of microfinance, most of which are supported by the Social Fund for Development, serve 23% of the active borrowers, and 24% of the total active portfolio size.
2. The second group includes six large associations that serve more than 50 thousand borrowers and acquire 56% of the active borrowers and 43.6% of the active portfolio of clients for small-size lending, and are mostly funded by the US Agency for International Development.

Table 8: Major associations that finance informal micro-projects for the purposes of poverty				
Association	Active borrowers	Active borrowers (number)	Active portfolio (%)	Active portfolio (Egyptian pounds)
Businessmen Association in Assiut	% 17	254880	%15.4	336563636
LEAD Foundation	% 11.5	172691	%5.6	121525441
Businessmen Association in Alexandria	% 9	134701	%9.7	210591085
The Egyptian Association for the Development of Small Enterprises	%7	104957	%5	108084724
Businessmen and investors in Dakahlia Association for Community Development	%7	104175	%6	131694096
Solidarity Association	%4.5	70000	%1.9	42000000
Total	%56	841404	%43.6	950458982

For example, the Business Association in Assuit helped in many economic and development projects and projects of information technology such as programs for developing small and craft enterprises, to help in expanding and modernizing the scope of work of such enterprises, and thus, increase the ability to absorb more labor. The project works on providing necessary development for small and craft enterprises to raise their financial abilities, in addition to non-funding services represented in technical consultancy, and training programs for beneficiaries. Their lending standards are as follows: loan size ranging from 2000 to 25000 Egyptian pounds, the loan period ranging from 4 to 18 months, monthly payment (without grace period). Whereas, for technical support the Association helps with marketing the clients' products, as well as, giving the necessary training to beneficiaries, to help in developing the level of technical performance.

The Businessmen Association in Alexandria has also conducted similar efforts, where it began its credit program to serve this national goal in January 1990. This program is considered one of the best programs in the field of microfinance, given the diversity of the various credit programs, in addition to using innovative tools in order to achieve the project objectives. The project is currently providing services in six provinces (Alexandria, Kafr El-Sheikh, Behera, Menoufia, Marsa Matrouh, and Gharbia).

Banks offering direct microcredit acquire 14% of the active borrowers and 26.5% of the total active portfolio. The program of Cairo Bank in micro lending is one of the largest programs offered in the banking sector, where the number of active customers are more than 99 thousand borrowers and the size of its active portfolio is 332 million Egyptian pounds (or roughly 6.8% of the number of active borrowers and 15.2% of the total active microcredit portfolio in Egypt).

The service companies has recently constructed two companies to provide microfinance services; "Reefy" Company, offering the service in cooperation with the Commercial International Bank, and "Tanmya" Company, which is cooperating with the

Egyptian Gulf Bank. Both hold 3% of the active borrowers and 5.8% of the total active portfolio.

In the field of micro-insurance, to protect low-income people from specific risks, in exchange for regular financial payments (insurance premiums) suitable for the cost and the possibility of such risks, each of the Businessmen Association in Alexandria with Alico Company for insurance, and the first Institution for Microfinance in collaboration with Allianz Egypt, and Planet Guarantee association provide a document for life insurance and disability to their active borrowers.

Some civil society organizations have sought to strengthen the organization and the negotiation skills of the informal sector, such as Street Food Vendors Association, which has been able to organize this sector and develop it. It cooperated with the government to protect its participants' rights, and worked on solving the issue of congestion in the streets, and safety of food, under an agreement between the Association and officials. It became possible for health officials to get associated with vendors and organize training courses for them, in such a case, the municipal authorities stopped chasing vendors as long as they follow the rules agreed upon.

In addition, the Egyptian Fair Trade Organization managed to train informal workshop owners, to improve their productivity, as well as marketing their products to ensure fair profit for them. COSBE institution in Egypt was awarded Fair Trade certification from the World Trade Organization in 2008, and it works with more than 34 Egyptian workshops offering them craft and marketing training.

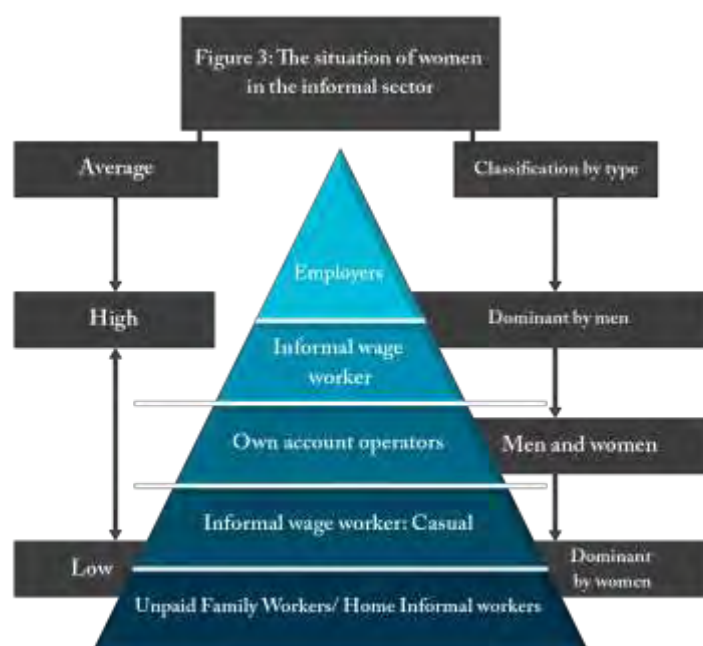
1.7 Women in the informal sector

Among the reasons for women's accession to the informal sector and their concentration in specific areas (in addition to what was already mentioned) are:

- Women are less likely to compete than men in the labor market, capital, and markets.
- This is because of women's access to lower levels of education and skills.
- Women are less likely to own the project.
- Women are less familiar with the market needs.
- Movement and time span of women are restricted with traditions, social and cultural norms that define the responsibility of women within the family and reproduction, which does not encourage investment in the training and education of women.

There are challenges facing women working in the informal sector, where the previous reasons for the women's accession to the informal sector are also the challenges facing them generally in the formal and non-formal sector, which are identified as follows:

- Unequal opportunities in setting up projects, and the difficulty in accessing the productive resources.
- Lack of awareness, expertise, and project management skills.
- Lack of funding.
- Lack of awareness of registration rules, legislation and labor laws.
- Lack of time, due to the lack of awareness of their rights guaranteed by the law (on maternity leaves and working hours...etc.).
- Lack of markets access, due to their exclusion from the most profitable activities.



1.8 Women and access to markets

Accessing goods market

There are many factors that may limit the access to the goods market, or raise the cost of this accession. For example, the distance that separates such markets from the women concerned to reach them, this may limit their ability to sell or buy at these markets, and also there are certain markets, the accession of which requires getting specific approvals and licenses, and therefore, if they cannot get these approvals this will constitute a hindrance for them to enter the market²².

The amount of trade transactions in the market is another factor. Some markets have a high trade exchange that overcomes junior capability; this imposes an obstacle for entering this market, especially the global market or other major central markets. Sometimes, there is a difficulty for women just to know the quality of products and prices, and it is even difficult for them to know where they are sold, and how they are traded.

From the barriers that are also limiting women to engage in the markets, in some markets there is collusion among the traders, which leads to blackmailing women who wish to access the goods markets, this may reach the point of preventing them from accessing this market.

The above-mentioned drawbacks are closely linked to gender, in areas in the countryside of Asia, North Africa and the Middle East, we can find restrictions on women's movement habits, and they are sometimes not allowed to move unless there is a man with them. However, this is not the case when it is a small child or an old woman, and therefore habits like these would restrict the possibility of women's access to goods markets. This is also found in

²² Enhancing Women's Access to Markets: An Overview of Donor Programs and Best Practices, USAID, 2005.

the regions of Latin America where working women in the field of selling fish gain too little profit because their entry into the resale market is restricted by brokers who use these women in the markets for their own benefit, and determine for them the price, and thus benefit the bulk of the profit. Women who work in fishing are much restricted than men are, as they fish on a small scale and close to the beach, and the possibilities of storage and movement is limited, and thus they sell in the market at lower prices²³.

Accessing service markets

Women in particular have confronted many obstacles that limited their access to service markets providers, for example, we find women working in agricultural activities in the regions of Northern Africa produce mainly for self-consumption or may sell or trade such products in the nearby local markets only, and they face many obstacles to acquire the required finance, labor, and any other necessary inputs for the production process²⁴.

The weakness of women in terms of communication with male workers in the field, or the difficulty of accessing the services needed for production would weaken their production capacity and limit their freedom to respond to market signals and changes in prices, and upgrade their products. Similarly, the women are the least beneficiaries of the skills development and capacity building initiatives, as they are often busy with the household activities and productivity, which hindered the upgrading of their productive skills and their taking advantage of any initiatives presented in this regard.

Another type of services that women need to access markets is the household services, such as childcare. In this respect if the women did not find someone to help her, this will have a significant effect on the possibility of accessing the field of work and production.

1.9 The agricultural sector as a model for the informal sector

The Egyptian agricultural land in the past was characterized by small holdings divided by the Ministry of Agriculture and Land Reclamation into four categories: very tiny holdings (less than one acre), small holdings (an acre to three acres), medium holdings (three acres to less than five acres), and large holdings (five acres and above). The distribution of farms differs according to the size of the holding with a sort of difference between Lower and Upper Egypt; the holdings of land are distributed evenly in terms of size in Lower Egypt. In contrast, in Upper Egypt very tiny holdings represent more than 42% of the total number of farms, also, very tiny and small holdings together comprise more than 78% of the farms in this region. The majority of small holdings farmers implement poor farming patterns.

²³ See for example papers from ICLARM Global Symposium on Women in Fisheries which was held in November 2001, Kaohsiung, Taiwan.

²⁴ Look at the following References :

Brown, L., H. Feldstein, L. Haddad, C. Peña, and A. Quisumbing. 1995. "Generating Food Security in the Year 2020: Women as Producers, Gatekeepers, and Shock Absorbers," 2020 Vision Brief 17, May 1995.

Quisumbing, A., L. R. Brown, H. Sims Feldstein, L. Haddad, and C. Pena. 1995. "Women: the Key to Food Security," International Food Policy Research Institute.

It seems that farmers who grow non-traditional crops have a greater ability to increase their income. Nearly 92% of the cultivated area in Upper Egypt is cultivated with traditional crops, which produces only 85% of the total net income of the cultivated area, while the area cultivated with untraditional crops (8%) generates almost 15% of the net farm income. The same applies to the Lower Egypt region, where the expansion of non-traditional crops production helps farmers improve their opportunities to increase their share of the total net farm income in this region. However, the non-traditional crops (fruit and vegetables, mostly) are easily damaged, especially in light of the lack of effective means of transportation and storage. The problems of transportation and storage increase with products that are easily damaged when the distance between the site of production and consumption centers is long, and the market segmentation increases. The long distance between the main centers of consumption of these products, especially in Cairo, Alexandria, and Upper Egypt, leads to reducing the level of expansion in the production of the fruits and vegetables in this region. For this reason, the integration of agricultural producers in the South with the main consumer markets in the north is very necessary. But to achieve this large capital, investment is required.

Agriculture provides about 83.2% of the female working opportunities, while males are less than half the number, about 43.3%. For females, the majority is working without wages (35.9%), or as self-employed in agricultural activities (40.2%), and lower rates were paid for employment (2.5%), or operate other agricultural workers (4.6%). While for males, working for their own account in agriculture, mainly managing others (19.9%), or as paid employees (11.1%), or as employees of family members without pay (10.5%), and there is a small percentage of males (1.8%) who are self-employed in owned farms.

The non-farm activities provide employment for more than half of the males in rural areas (56.7%), and most of them are paid workers (44.8%), and with a much less percentage as self-employed without a third-party (6%), or with employing other workers (4.7%). A small percentage of the workers in non-farm activities are not paid (1.2%). The percentage of females in the non-agricultural activities is relatively few (16.8%), where they are paid in most cases (12.1%). So, there is a concentration of females in agricultural activities unlike males in the countryside, whose majority work in non-agricultural paid employment (44.8%) and to a lesser extent in agricultural activities (43.3%). The increase in agricultural production affects other non-agricultural activities in the rural economy through various channels, including:

- Backward and forward linkages of production: agriculture requires physical inputs and services for agricultural production and services processing, storage and transfer of production to the market.
- Consumption links: farmers and agricultural workers spend their income on goods and services produced within the local rural economy, and hence rendering growth to other production activities within the local community.
- These links expand with the availability of rural infrastructure and population density in the countryside. Whenever the agricultural production is easily damaged, there is a

greater need for an immediate local treatment. These links also depend on the viability of agricultural land, and the output of goods and services to be tradable in the local rural community. Strong local ties are founded, especially when the demand is focused on non-tradable commodities, which is prevailing particularly in rural areas which are smaller and isolated more than that in Lower Egypt.

- Also, the increase in employment and income at the farming level will lead to more gains in welfare and in human capital. This increase allows better nutrition and health as well as increase in the spending on education among the people of the rural areas, leading to direct improvement in the well-being health, and the rise of labor productivity in the rural economy, and thus indirect income increase.
- Another result of the presence of a more vital farming sector is social capital. The increased interaction between farmers and input suppliers of goods and services, manufacturers and banks, generates means of communication that develop the confidence needed to start a new business, thus strengthening small and medium enterprises, non-agricultural and household activities. In addition, this will reduce unemployment and provide new opportunities for the rural employment.
- The increase in agricultural output and farmers' income could generate more tax, allowing the allocation of more public investment for infrastructure, where it is a demand driven by the growth of the farming sector. However, this link exists in other countries, and may not be directly related to the Egyptian situation because the limited taxes and central government allocations for rural localities revenues are not necessarily driven by domestic demand.
- The last impact on the rural economy is caused by lowering the price of food. This effect may become more important in case the rural economy got more isolated from the national and international markets.

Legislative and Institutional Framework



Chapter Two

Legislative and Institutional framework

2.1 Legislative framework

The legislations did not give clear attention regarding protecting or organizing informal workers. But in the general, some labor laws may apply to the informal sector without direct concern to informal workers, or ways to protect them. Legislations, in some cases, acted as restriction on switching to formality, either because laws are very old and they lack clarity, or because they are left in the hands of localities to take the decision. However, developing the current frame is a promising opportunity to support the informal sector, and to facilitate and simplify the registration process procedures. The following is a critical presentation for the most important official legislations that hold back the informal sector, as sometimes they are used to punish the informal sector for not abiding by them.

Addressing the institutional legislative framework that is good enough to be applied on the informal sector if it switched into formal or if the State accepted to enclose it under such legislation as it is, includes:

- legislations for regulating the commercial shops
- legislations regulating labor rights
- legislations for financing tiny and small projects
- legislations for investment and business environment

2.1.1 Legislation regulating the commercial shops

There are numerous legislations and laws that organize opening shops, where the most important legislation is Law No. 453 of 1954 on industrial and commercial shops and Law No. 371 of 1956 on the general shops, amended by Law No. 359 of 1956.

- Law No. 371 of 1956 that regulates the work of shops, cafes, hotels, motels and furnished houses, states the terms of which it is not allowed to open restaurants and cafes except in the streets that are determined by the Minister of Municipal and Rural Affairs (currently ministry of local development), which is with the approval of the concerned governor.
- In Article 11, the law closes the door in front of former convicts or those who had passed a criminal penalty involving moral dishonesty, or who had a crime inside the shop, to have approvals to open general stores.

The Law No. 453 of 1954 for commercial and industrial shops has set a number of requirements for the organization of these shops as follows: **General Requirements**, the requirements that must be met in all the shops or in a kind of them and in their locations. These requirements are issued by the Minister of Municipal and Rural Affairs, and he can decide on the exemption of all or some of these requirements, in case there are reasons to justify the exemption. **Special Requirements**: requirements that the authority entitled to issue the license ensures they should be available in the shop that needs the license, and for the Director-General of the Department responsible of licenses or his depute to add new requirements that must be met in any

authorized store. The law was satisfied with the availability of General and private conditions without stating any of these conditions. The law gave the administrative body a duration of 60 days to respond to the applicant, and stated that if a year passed after the submission of the application without the owner being able to complete the procedures of the license, it is considered null, so the question is, why did the legislature give a very long period of one year to complete the procedures? The law did not put the license terms, but left it in the hands of the Minister of Municipal and Rural Affairs (currently ministry of local development) and allowed him to mandate it to the competent authority, which is the neighborhoods who are facing real problems with law enforcement. The list of stores covered by the law included stores that no longer work like: shops for ironing fezzes, warehouses and stores that sell molasses, public stables, public laundries, public kitchens, shops for cooking and selling lupine, stores for sorting and drying onions.... etc. and other examples of shops that no longer exist. On the contrary to the presence of many industries that have risen recently and have not been prescribed by law yet, and the law has not been amended to accommodate them.

As for the Trade Act, the main law governing the majority of trade contracts No. 17 of 1999, it is difficult for any woman, even if she is educated, to be able to handle the law, so how could a woman, who only reads and writes, understand the provisions of law that is made of 772 articles written with a legal language difficult to understand. In addition to the presence of more than 80 laws (Appendix 1) governing the investment situation in Egypt. Some of the said legislations were not developed or re-examined, and some of which have so many clauses that it became more complex.

2.1.2 Small and Microsmall Enterprises Legislations

Originally, the informal projects are managed in a formal way in the context of small and micro businesses. The first real initiative for financing small, medium and micro enterprises is Law No. 141 of 2004 on the issuance of the Small Enterprises Development Act. The law initially defined the micro and small enterprises to which the law is applied, and how they are funded, and the competent authority that is entitled to develop these entities, which is the Social Fund for Development, which will be tackled later.

- **In Part III - financing small and micro-enterprises in the text of the law, Article 5:** In each province, a fund or more is established, by the decision of the Governor, in coordination with the Social Fund for Development, to finance small and micro enterprises, through institutions and associations in accordance with the rules and procedures, which are specified in the decision to organize the finance, collection and follow-up processes.

Fund resources are composed of:

- Funds that are available from the Social Fund for Development.
- State allocated credits for financing these funds to finance small and micro-enterprises.
- Local councils allocated resources.
- Donations and grants offered by financial institutions to support small and micro enterprises

The law specified in Article II the Social Fund for Development as the competent authority to work on small and micro enterprises development. Another law in 2014, to support micro enterprises and methods of financing them, is Law No. 141 of 2014 that refers to microfinance activity. The law defined what is meant by microfinance, the role of the General Authority for Financial Supervision, as well as the conditions that must be available in the companies that want to practice the business of microfinance.

Where Article 2 defines Microfinance as: All financing for economic productivity, service or commercial purposes in the fields with a value determined by the Board of Directors that shall not exceed one hundred thousand pounds. And it is allowed for the Prime Minister after the suggestion of the Board of Directors according to economic conditions and market requirements to increase it with a percentage that shall not exceed 5% annually.

Where Article 3 states: companies that are licensed, in accordance with the provisions of this law, to practice microfinance activity; associations, and civil institutions that include within their objectives providing funding for others, can exercise the activity of microfinance after obtaining a license from the Commission to engage in this activity. Civil society institutions may establish or contribute to the capital of microfinance companies. These provisions are not applied to banks that are subjected to the supervision of the Central Bank and the Social Fund for Development.

Article 4 pointed: The General Authority for Financial Supervision alone grants practicing the activity to companies that apply the law provisions. The microfinance firms are considered companies that work in the market field, and non-banking financial instruments. According to the provisions of Law No. 10 of 2009, in all cases, companies licensed to carry on the activity of microfinance are prohibited from deposit-taking or doing any activity other than the one the license or approval is issued for.

The law in Article 5 specified the characteristics of the companies that want to practice the activity of microfinance as follows:

- Takes the form of a joint stock company.
- The activity of the company is limited to microfinance.
- The company's capital should not be less than the amount determined by the Board of Directors which is at least five million pounds.
- The company has to have the technical capabilities, information system, risk management, and abilities to collect funds, and follow-up on customer complaints according to the rules issued by Board of Directors.
- The availability of appropriate expertise and good reputation for each of the Chairman, members of the Board, Managing Director, and managers responsible for finance and risk management, in accordance with the regulations approved by the Board of Directors.

Article 6 identified the procedures where the company has to apply for a license from the Commission on the prescribed form for such purpose. The Board identifies the rules and licensing procedures and fees which shall not exceed 1% of the company's capital. The Board

shall give the applicant a certificate ensuring documents submission or a statement with the necessary documents that should be submitted, then the Commission decides on accepting the application, in light of the market needs, for the licensing of new companies, and it has the right to reject the application in the following cases:

- The unfulfillment of the conditions or resolutions set forth in this law.
- The lack of criteria determined by the Board of Directors on the experience and professionalism of the company's managers.
- Bankruptcy of any of the founders of the company applying for the license during the past five years to the submission of the application, unless he has been compensated.
- Issuance of a final sentence on one of the founders of the company applying for the license or its directors or one of its board members during the five years prior to the application for a license on a crime involving moral dishonesty, unless he has been compensated.

The law specified in Article 7: The Board of Directors sets the rules that control microfinance activity and the appropriate standards which licensed companies are committed to follow, as well as the control and supervision rules, and in particular the following:

- Necessary rules to ensure the proper operation of the company's business and ensuring the rights of creditors and customers.
- Owning (50%) or more of the company's shared capital.
- Conditions and regulations regarding licensing the company's management and those in charge of credit and financing.
- Maximum value for transactions per single customer.
- Rules and limits of funding and other services introduced by the company to workers.
- Basics of calculating allocations in the light of credit and financing operational risks.
- Disclosure rules and data should be published and how to publish them.
- Rules of advertising on the services and the financial products, and the consequences of breaching the commitments.
- Rules of participation in the credit information system.
- Conditions and procedures necessary to conclude group contracts with the number of customers enrolled in financing and payment.
- Governance rules in which the company has to comply with.

2.1.3 Private employment of women laws

With regard to labor law and women's rights and rules of operation, the Labor Law no. 12 of 2003 in Chapter II of the Act stated several special items related to women's employment. Where the law ensures non-discrimination, as well as clauses about the business and the time in which it may not be applicable for employing women, and maternity vacation and lactation. The law gave women the right to terminate the contract in the case of exceptional situations such as marriage or pregnancy without prejudice to her insurance rights.

Resolution No. 183 for 2003 on the organization of the employment of women at night stated the following:

- Article 1: it is prohibited to employ women at night in any industrial facility, or one of its branches, in the period between seven in the evening and seven o'clock in the morning.

- Article 3: in cases where the women are employed at night, the employer must provide guarantees of protection, care, transport, and security for women workers. In this case, a license for night operation must be issued from manpower and immigration directorate after checking the availability of all warranties and conditions.

- Article 4: the previous provisions of the articles shall not apply in case of emergencies, where the work stops in a company because of unpredictable issues, which normally won't be repeated, or when this action is necessary to maintain the raw materials or materials in the role of processing from damage.

- Article 5: these provisions do not apply for women who hold supervisory administrative positions or technical jobs.

- Labor Law No. 12 of 2003²⁵ stated in Article 90: Concerned Minister shall issue a decision determining the harmful businesses whether concerning health or morality, as well as, the hard jobs and other jobs where women should not be employed. Decree No. 155 for 2003 was issued regarding identifying the jobs that women may not be employed at.

2.1.4 Trade unions and labor legislations

1- Professional syndicate

Regarding the law concerned with the establishment and organization of trade unions, Law No. 100 for the year 1993, amended by Law No. 5 of 1995, were issued on regulating trade unions elections, and to ensure democratic trade union organizations' practices. In January 2011, the Constitutional Court ruled the previous law unconstitutional. Which was considered by a number of trade union activists an authoritarian law, as it takes away the right of trade unions to hold their elections according to its own law. The unconstitutionality of the law restored the freedom of unions to organize and hold elections by themselves. It is noteworthy that the last created union was the Physical Therapy Association in 1994. There were no new unions created after the decision of the unconstitutionality of the law for professional organizations No. 100 for the year 1993. Suggestions for the current Parliament regarding passing a law to regulate the trade unions of workers in the informal sector, especially for women, will be worthy as one of the ways to regulate the status of workers in the informal sector, and as part of the attempts to convert the informal sector gradually, or help the sector in meeting the challenges and problems it faces.

²⁵ الوقائع المصرية – العدد 220، 27 سبتمبر، 2003.

2- Labor syndicates

Law No. 12 of 1995 has been issued to amend the Trade Unions law that was issued; law No. 35 of 1976. The law stipulates that the competent minister concerned with trade unions is the Minister of Manpower, and the competent authority is the Man power ministry. The law identifies the terms of reference of the union in general, in addition to union membership conditions. The text of the law is as follows:

The law defined the entity as any project or facility run by a public or private legal figure. Any established branch located in the city, where the main center is, as well as areas in the services sector is treated as the entity. The General Syndicate is responsible for identifying the branch in which the features for establishing the committee union are available, taking into consideration the regulations laid down by the General Union. The General Federation of trade unions is responsible for settling any dispute in this regard.

- Trade Union Organization: Any trade union organization established in compliance with the provisions of the law.
- Formation of Trade Union Organizations: General assemblies, boards of directors, and bureaus of trade union organizations.
- Qualitative proportional representation: The representation of different professions and industries covered by the union classification.
- Geographical proportional representation: The representation of workers in different governorates of the Republic.

Article 2. The provisions of this law shall apply to:

- Civilian employees in the government, units of local administration bodies, public institutions, and government agencies that have a special budget.
- Employees of public sector companies.
- Public enterprise sector employees, and workers in economic activities that are created by law.
- Private sector employees.
- Cooperative sector employees.
- Employees in the field of investment and joint venture sector.
- Agriculture workers.
- Household service workers.

2.1.5 legislations for practicing Businesses

Most of the legislations focusing on investment highlight foreign investors, means of support, and mechanisms of attraction as a base for the laws that guarantee and incentives of investment, specially Law No. 8 of 1997, as well as the Companies law No. 159 of 1981, and its amendment. Most of the legislations omitted the fact that during the period from 1970 to 2000 the Egyptian investment accounted for 73% of the projects in Egypt, where the foreign investment did not exceed 15% of the investments, compared to 12%

for Arab investments. Although Egypt enjoys a powerful framework regarding investment guarantees and incentives, in addition to an advanced tax system, but such legislation can not be read, understood or used by regular citizens as a procedure guide; so how can the informal sector, the sector that is experiencing real problems in the level of education recognize it? The desired development to transform the informal sector to formal will happen only if the State makes major efforts in creating public awareness, and simplifying these laws.

The cost of starting a business: Until 2004, business owners from various governorates of Egypt had to travel to the capital in order to register their projects, but now we find the one-stop outlets available in Alexandria, Ismailia, Assiut, and Cairo. The main factor behind determining the amount of time and money needed by the business owners to register their projects is how far this business is from the nearest branch. This is the main reason behind the difference in time taken to register between regions; in Cairo, Alexandria, and Giza the registration process lasts for eight days, while that process takes 11 days in Port Said, Aswan and Gerga. The cost varies as well; in Cairo, Alexandria, Assiut, and Giza it is about 9.7% of the per capita income, while in Aswan it is about 10.5% of the per capita income, this is because investors in areas where there are no one-stop outlet have to bear costs of travel²⁶.

As a result of years of reform, the registration process in Egypt now can be summed up in 7 or 8 procedures. This is just because there is a bank within the one-stop outlet that deals with business owners who want to register, thus enabling founders to pay all the costs from one central place. This is the case in Cairo, Alexandria, Damietta, Fayoum, Giza, Mansoura, Tanta, and Zagazig, but for Assiut, Aswan, Ismailia, Gerga, Port Said, Sohag, and Suez, the number of these procedures increases by one step because the one-stop outlets that cover those areas – Port Said, Assiut, and Ismailia- do not include any bank branches. For investors in Assiut and Ismailia, steps end at the Commercial Registration Office in the one-stop outlet, where they fill-in notification templates of incorporation, then go to pay the required fees.

Dealing with construction permits: The procedures required to build a store and link it to other services is easy in Suez and Mansoura compared to Alexandria and Aswan, this classification is in accordance with the size of the required procedures and time taken to get it done. There are large and noticeable differences in the amount of the required approvals before the construction engineer has the permission from the municipality. In Suez, the owner does need any approvals as the lay-out of the building is approved by the municipality, the body authorized to issue approvals for construction, while in Alexandria, there are five different actors who must agree on the design of the building before acquiring the final approval of the municipality. The number of inspection procedures also differs from one place to another; in Mansoura, Suez, and Zagazig it is only once, while it reaches up to 7 times in Cairo, Giza, Ismailia, and Damietta. It takes less than four months to deal with construction permits in Ismailia, while it takes more than seven months in Alexandria, Assiut, and Aswan. Moreover, obtaining the primary permits for construction take several more days. Obtaining permission

²⁶ Dr. Walid Abdel Ghaffar, the ex- head of the SCC technical secretariat, in an interview in Akhbar El Youm, February 23, 2012.

from the Civil Aviation takes about two months in Alexandria, Aswan, and Gerga, while in Cairo and Aswan, civil defense and firefighting permissions take about a month.

Construction permits time varies from one city to another. It is found that building and construction laws limit this period to 30 days, but about half of the cities are committed to this duration and the rest are not. There is also a big difference in the cost between the areas. They range from 58.9% of the individual per capita income in the Suez, whereas in Aswan it is about 22.3% of per capita income, and this difference is due to the cost of obtaining approvals for the building design, or the cost of other services.

Property registration: Registration procedures do not differ among 15 different cities, but there is an additional inspection procedure by the Egyptian association for surveys in Assiut, Aswan, Cairo, Damietta, and Suez. The procedures for property registration are the easiest in Port Said while they are the most difficult in Damietta. Also, time taken to register property differs from one city to another. In Sohag, ownership of companies can be transferred within 18 days only, while this process takes in Damietta about 4 months. Despite the fact that the paperwork of the registration procedures works on slowing down the registration process in all the cities, however, there are differences in the time taken in each city, depending on the size of the required documents. In Damietta, Ismailia, Tanta, and Zagazig, this process takes too long due to the lack of a competent staff regarding the registration of real estate. Inspection of the Egyptian association for surveys, which aims at assessing and documenting the ownership under survey leads to further delays, from 11 to 25 extra days. It is also important to highlight that Egypt is one of the 25 countries that are the least in the registration cost²⁷.

Enforcement of contracts: Despite the similarity measures and laws across the State but there is a difference in the management system, because each city follows a different court. There are 42 steps in order to enforce the contract in Egypt, but the time taken to complete them in addition to the cost differs greatly across the regions. The enforcement of a contract is less difficult in Damietta, where it takes 810 days -more than two years- while it is more difficult in Cairo, where it takes about 1010 days. As a result of the large number of cases before the judges, with the incompetence of some of them, and the need to take the opinion of experts, more disruption happens, which leads to the increase in time required by 706 days in Ismailia, and 1105 in Zagazig²⁸.

2.1.6 Irregular labor Unit²⁹

The law of the Ministry of Manpower is concerned with the irregular employment. Its aim is to protect and care about the irregular employment (seasonal agricultural workers, and temporary workers in the construction sector) especially construction employment, as it works on preserving their rights, and abolishing the idea of individuals' contractor. As well as the care introduced to irregular labor to include social, cultural, and health care, providing subsidies and bonuses on holidays and seasons, in addition to financial assistance in cases of

²⁷ Decree no. 144/2013, amended by decree no. 267/2013.

²⁸ Doing Business in Egypt 2014 , World Bank , 2013 .

²⁹ <http://www.sharkia.gov.eg/modiriat/Manpower%20and%20Immigration/Kadamat.aspx?ID=2>

marriage, death, according to labor force laws and regulations. Also, holding different cultural seminars, in addition to health care for the beneficiaries enrolled in the unit.

Decree No. 327 for 2015 was issued on the care and operation of irregular employment.

The most important text of the resolution is as follows:

Article 2:

- Proposing the rules governing the operation of these categories, and the requirements of the Safe occupational, health, transportation, and continuation policy that should be taken regarding them. In addition to the financial, and administrative regulations governing its operation, and presenting it to the minister to issue the necessary decisions.
- Investigating the problems facing the irregular employment, and developing appropriate suggestions.
- Studying the legislations of irregular employment, and making the proposed recommendations.
- Studying the Arab and international labor standards, and submitting proposals on ratification.
- Proposing the rules regulating irregular employment, and their implementation mechanisms in preparation for the issuance of ministerial decisions.
- Coordination with the concerned authorities that are concerned with inspecting any work related to the affairs of irregular labor.
- Studying the license applications for offices seeking the employment of irregular employment.

Article 5: No employer is allowed to employ irregular labor through a contractor or an individual working supplier, and that who violates this, is subjected to penalties stipulated by articles (240, 241) of the Labor Code. The Minister of Manpower has the authority to give licenses for members of associations, institutions, and organizations to establish offices for operating the unemployed, taking into account the provisions of the labor law, and the provisions of this resolution, and upon the submission to the Commission, as elaborated in the law.

Article 7: The employer who employs irregular labor is committed to provide them with transportation and subsistence without deduction of the agreed wage.

Financial and administrative regulations were released with regards to operating irregular employment by decision No. 329 for year 2015 ³⁰; the most important articles stated that:

Article 2: The provisions of this regulation apply for:

- 1- Construction workers: carpenters – blacksmith - electricians - plumbers - welders - painters - builders - insulation labor - drivers of mechanical equipment - paving labor - concrete workers - drilling workers - cutting and carving stone workers - glass workers - Installation, repair and maintenance workers - machines and equipment operating workers - bleachers - auto body mechanic - normal workers

³⁰ الوقائع المصرية – العدد 240، 25 أكتوبر، 2015.

- 2- Seasonal agriculture workers: whether in farms or gardens, workers in animal's farms, poultry, honey producers, land reclamation, sorting and packing of fruit and vegetables by hand.

The same regulations apply for the following labor who works at:

- Cleaning and purification of seeds.
- Irrigation, drainage, and the establishment, maintenance and clearing of irrigation and drainage, and digging artesian wells.
- Employees in industries based on agricultural raw materials in rural areas as wicker, fiber and rice straw industries.
- Cotton gin workers.
- Fishing workers and fishermen.
- All temporary and seasonal workers.

Article 3: The Minister of Manpower and Immigration in coordination with the competent minister are to determine the beginning and end of the agricultural periodic seasons in particular.

- Sorting onion and garlic season.
- Sorting fruits, vegetables and packaging season.
- Juicy season of beets in the sugar factories.
- Juicy season in sugar cane factories.
- Work season in cotton gins.
- Planting or harvesting crops season.
- The sanitation season of canals and drains

Article 4: prohibits receiving any amount of money from seasonal and temporary workers in exchange for employment or retention.

Article 10: without prejudice to the provisions of the Social Insurance Law No. 79 of 1975, as amended, the employer on his own expense, has to provide first aid to any injured worker during work, or because of it, and move him to the prescribed point of treatment.

Article 11: the competent department at the Directorate supervises providing the health and social care for workers subjected to the provisions of this regulation, according to the plan drawn by the competent ministry's central administration.

Article 15: inspectors specialized in inspecting the activity of the irregular employment are entitled to follow up on employing these workers, and applying the operating rules guiding them in particular:

Ensuring that the workers have been paid for the actual working days, and the overtime in case of working after hours. Providing means of transportation from place of residence to work and vice versa. Ensuring that the employer provides means of subsistence if the workers worked more than eight hours, or in remote or distant areas, or in the cases where there is a need to keep the worker in the workplace. The application of the provisions regarding occupational safety and health, and ensuring a secure working environment in accordance with the provisions of the fifth book of the Labor Law No. 12 of 2003 and the ministerial decisions for implementing it. Applying the provisions of the law regarding employing children and women. Prohibiting employing workers through contractors and operators supplying workers. The

preparation of statistical data indicating employees' numbers, health conditions, and the social care provided, in addition to clarifying the problems and difficulties, as well as proposing appropriate solutions.

Article 17: The financial resources of the accounts referred to in Article 16 related to the area of employing and caring about the employment under the provisions of this regulation are several and comprise:

3% of the total workers' wages up to a maximum of 15% of the total process, in accordance with the decision of the Minister of Finance No. 554 for the year 2007, issued on the determination of wages, in return of their protection, care, and employment, in case the process is not completed the wages are calculated at a maximum limit of 15% of the total process.

Article 24: Without prejudice to any financial rights or material rights to be forced in accordance with the provisions of any other law or resolution, the approved percentage of social and health-care is paid to the irregular workers under the provisions of these Regulations, and the exchange is in all aspects of health and social care and in particular the following:

- In case of the death of the worker, his family is paid 3000 pounds.
- In case of kidney failure resulting from work injury, the worker is paid of 3000 pounds.
- In case of partial disability resulting from work injury, the worker is paid 1500 pounds.
- In case of undergoing a major operation, the worker is paid a sum maximum of 1500 pounds.
- In case of the death of a spouse or any of the children, the worker is paid 1000 pounds.
- In the case of the first marriage only, the worker is paid 500 pounds.
- In the case of the birth of the first and second baby, the worker is paid 300 pounds.
- Al-Adha feast holiday, El Fetr feast holiday, workers day, and the birth of the Prophet, the worker is paid 200 pounds.

2.1.7 Health insurance for supporting women

Law No. 23 of 2012 was issued specially for the health insurance system to include supporting women. In its first article, the law defines supporting women as women who spend on themselves or their families, are registered with the competent ministry of insurance and social affairs, and do not have any health insurance scheme under any other law³¹.

The law stated in Article 2 that health insurance for supporting women is a symbiotic system that provides all services provided by the General Authority for health insurance to its beneficiaries nationwide. Article 11 came to define the contributions of supporting women, in which the Ministry of Insurance and Pensions levy at 1% of their income with a minimum of 12 pounds per year paid to the General Authority for Health Insurance.

³¹ <http://www.hio.gov.eg/Ar/News/Pages/for.aspx>

In the current parliament discussions on the draft of the Health Insurance Act, there are different views about whether health insurance for supporting women will be part of the new health insurance law or will it be an independent law itself.

Law No. 39 of 1975, as amended by No. 49 of 1982, emphasizes that the country is committed to provide the social, psychological, medical, educational and vocational services for people with a disability to be able to overcome of their inability. This law includes 21 articles; the following is a summary for the highlights of these articles:

- State's commitment to providing social services, psychological, medical, educational, and professional aid to the disabled person and his family.
- An institutional framework to protect and regulate the rights of disabled people, through the formation of Supreme Council for the Rehabilitation of disabled people, the law assigned the Ministry of Solidarity and Insurance as the authority of licensing the institutes, organizations, or rehabilitation bodies.
- Counting all disabled people in the Republic, the Ministry of Solidarity and Insurance issues a certificate for the disabled person to show the profession he can perform. In addition, all disabled people shall register in the workforce office to assist them in finding the suitable jobs.
- A commitment to employ disabled people in both the public and private sector, where business owners who have 50 workers are committed to employ 5% of the total workers in all branches separately with disabilities. The law also imposes a penalty on anyone who violates the provisions of employment of one hundred pounds and imprisonment for a period not exceeding one month, or either one of them.

2.2 Associations' role in supporting interventions

Many associations are working on supporting the finance of small and micro enterprises. These projects are in the informal sector, including the Fund of Social Development, The Authority of Financial Supervision, Nasser Social Bank, and the General Authority for Investment.

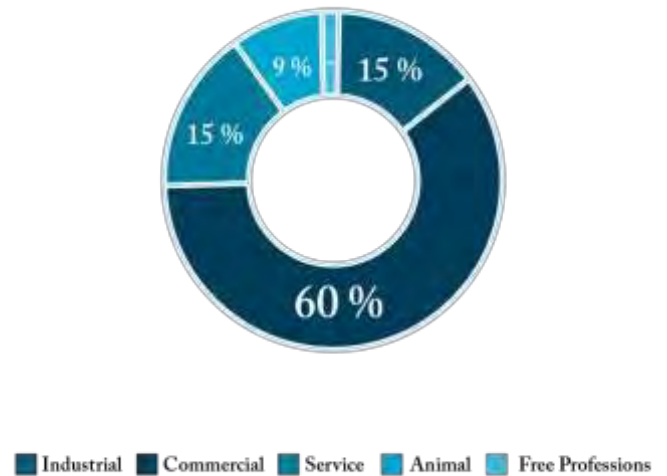
1.2.2 The Social Fund of Development

The Social Fund of Development was established by the Presidential Decree No. 40 of 1991 as a social and economic safety net. It fights unemployment, poverty, and working to improve living standards, developing, and financing small and micro enterprises. Under Law No. 141 of 2004 about developing small enterprises, The Social Fund was assigned to support the small and the micro small enterprises and provide them with financial and non-financial services³².

³² الصندوق الاجتماعي للتنمية، <http://www.sfdegypt.org/web/sfd/micro-financing>، تاريخ الاطلاع: 7 مارس، 2016.

- **In the field of microfinance³³**: the Social Fund for Development provides financing services to the intermediaries, as these intermediaries provide credit finance facilities for the existing and new micro enterprises in addition to the end-borrowers.
- **Funding size for intermediaries**: the maximum financing size is 5 million pounds, and the funding amount can be increased to 10 million pounds, according to special conditions, depending on the application request submitted by the intermediary, and assessing the performance standards of the Assembly in accordance to the Giraffe system.

Figure 4: The Ratio of total outgoing by nature of the activity for 2015 (%)



The intermediaries that can apply for the raise of credit limit for more than 5 millions and a maximum of 10 million pounds are:

- Associations that have other branches in the same governorate.
- Associations which have existing branches in other governorates and need the finance for Micro-lending projects for these branches, subject to the availability of administrative and operational capacity to re-lend at the branch which is requesting the fund.
- Associations that are financing amounts of 10 thousand pounds as a loan for one beneficiary

The identified Conditions to raise the financing limit for more than 5 million to a maximum of 10 million pounds are:

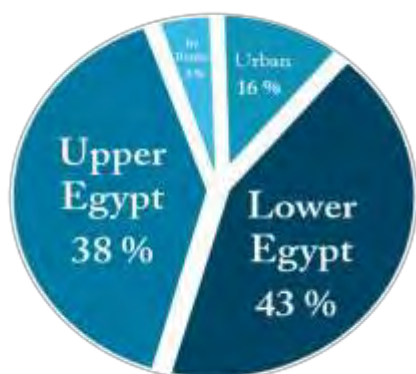
- The association has to obtain grade A+ as per Giraffe evaluation criteria.
- The percentage of late payments, not to exceed 30 days, is 8% of the total credit portfolio of the concerned party.
- The association has to hand precise final accounting records through an internationally accredited auditing office.
- The enquiry results have to be negative or the party's payments have to be regularly paid.
- The interest rate of the Social Fund for Development to intermediaries is the same usual interest rate in the local market.

Micro-finance Target groups from the National Association:

- Women in general, and especially the women supporting their families
- The poor who are economically active
- Crafters and hand-making workers

³³ الصندوق الاجتماعي للتنمية، تمويل متناهي الصغر، <http://www.sfdegypt.org/web/sfd/micro-financing>، تاريخ الاطلاع: 7 مارس، 2016.

Figure 5: The Loans disbursed by the geographical range during 2015 (%)



- Fresh graduates
- Special Needs
- Small farmers
- People with low income

The required conditions for the loan applicant:

- To be a resident of the same governorate where the project will be established.
- To be already managing an existing project, or having sufficient skills to manage a project.
- To be serious and have good reputation.
- Provide a simplified study about the project, or a simplified financial statement stating the

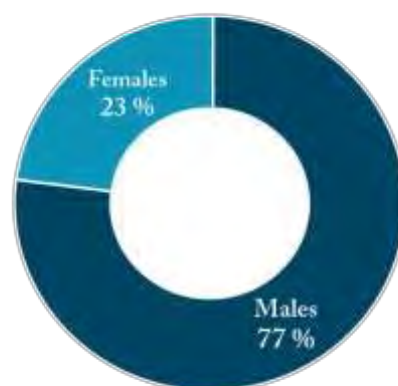
feasibility of the project.

- To be fully aware of the terms and penalties of the loan (in the case of non-payment).
- To sign a loan contract between the borrower and the Assembly that provides the loan.

In the case of financing a customer with a second loan, while they have an existing project, a second-time borrower has to meet the following conditions:

- Regularly paying the previous loan installments.
- Project has to be successful and profitable.
- The market accommodates the project expansion.
- The ability to market the products.
- A simplified study of the project or a simplified financial statement stating the feasibility of the project.
- Determination of the number of workers that the project needs.

Figure 6: The values of loans disbursed to small and medium enterprises (%)



The requirements and operational procedures for the final customer to obtain the microfinance from the civil assembly:

The customer visits the intermediary, which covers the geographical area of the project, to apply for the loan, and to know the general conditions to obtain it. Then, the association's credit employee inquires about the client's reputation, then visits the beneficiary customer to clarify the general conditions for granting the microfinance loans, and the required documents. The credit employee helps the customer to prepare these documents. The credit employee studies the client's payables, and assists in the preparation of conducting a simplified feasibility study for the loan use. He then submits the final study to the credit Committee of the intermediary with a recommendation to approve or reject the request.

The Non-financial services provided by the central sector of microfinance at the Social Fund for Development:

- Developing the intermediaries' capabilities at managing the micro-financing of loans.
- Disseminating and applying the principles of microfinance fine practices.
- Supporting the developing capacity for the existing technical support parties.
- Enhancing the institutional and organizational capacity of the intermediaries associations.
- Developing the financial and operational efficiency, and applying the performance standards for the intermediaries associations.
- Providing marketing services, and launching exhibitions for the end-beneficiaries and civil assemblies through exhibitions management at the Social Fund for Development³⁴.

The Fund program to support women in microfinance field:

- **Supporting women's programs:** The Social Fund is implementing programs, which are concerned completely with women, for example, a program of microfinance loans for supporting women. These programs have targeted about 1,400 women, and were implemented in several governorates including: Menoufia, Fayoum, Qena, and Qalubia, and included activities for literacy, health and environmental awareness, and providing health services for women.
- **Group lending:** the Fund is implementing Women group lending programs. These programs targeted about 12 thousand women, to overcome the problem of providing the necessary guarantees for microfinance loans. Through this program, the borrower enjoys other services such as assistance in issuing personal identification card, and participation in health programs, increasing awareness of the importance of savings and its impact on improving the living conditions of the family.
- **Lending and the heritage protection:** the Fund has funded the lending program that is directed at the women of North Sinai governorate, which suits the nature of projects in the governorate, like hand crafting (handmade carpets and covers). The program depends on dividing the target groups to three groups; the first group takes care of wool collection from shepherds, the second group manufactures and produces Sinai needle products, while the third group's task is marketing the products.³⁵

2.2.2 The Authority of Financial Supervision

The General Authority of Financial Supervision, established by Law No. 10 of 2009, is concerned with controlling and supervising the markets, non-bank financial instruments, including capital markets, and contracts markets, insurance activities, mortgage, leasing, and securitization, with the aim of achieving safety and stability for these markets and tools, plus organizing activities, and developing and expanding their competitive advantages to attract more local and foreign investments, and working on reducing the risk caused by the lack of

³⁴ الصندوق الاجتماعي للتنمية، المرأة ومشروعات متناهية الصغر، <http://www.sfdegypt.org/web/sfd/women-and-microfinance-projects> ، تاريخ الاطلاع: 7 مارس، 2016.

³⁵ الصندوق الاجتماعي للتنمية، ملخص تقرير عن أداء الصندوق الاجتماعي للتنمية خلال عام 2015، القاهرة، يناير 2016.

coordination, also, dealing with the problems caused by different methodologies or supervisory methods³⁶. According to the Law No. 141 for year 2014, the Supervision Unit was established inside the General Authority for Financial Supervision to monitor the microfinance activity for the associations and civil assemblies, where the unit aims to develop the microfinance activity in Egypt.

Unit specialties³⁷:

- Organize, monitor and follow up with associations and civil assemblies through:
 - Creating conditions for issuing the licenses.
 - Creating the fundamentals and the criteria to practicing the activity and rules of inspecting and monitoring.
 - Creating mechanisms for protecting the dealers, and the regulations of the contribution of associations and civil assemblies to the micro-financing companies.
- Preparing an updated database that includes data and information about the microfinance activity, and the performance of microfinance associations and civil assemblies.
- Adopting microfinance awareness initiatives and publishing newsletters supporting training programs, and developing skills for the workers in the microfinance field.
- Following up on the performance and practices of associations and civil assemblies engaged in microfinance activities, and taking the necessary practices to verify the compliance with law provisions, rules, regulations, and standards set by the supervision unit to practice the activity

The licensing requirements for new associations or civil assemblies³⁸ :

- Associations and assemblies have to apply for the available license application through the Authority of Financial Supervisory site, and complete all required attachments, which include:
 - An original copy of the Assembly's civil declaration, which was issued by the ministry concerned with applying the associations and foundations law.
 - A copy of the primary system of the association or the civil association, certified by the specialized concerned administration, which includes the practice of microfinance activity within the civil Assembly or the association's fields of work.
 - Last financial statements, certified auditor's report for the civil assemblies and associations, which have been established for at least one full financial year.
 - Approval from the Executive Director or the project manager who is concerned with the project micro financing for the Assembly or association as the person in charge of the actual management, and to be totally devoted to this job.
 - Pay an amount of 500 pounds for the application license inspection services.

³⁶ الهيئة العامة للرقابة المالية، التمويل متناهي الصغر، <http://www.efsa.gov.eg/jtags/microfinance/index.html> ، تاريخ الاطلاع: 7 مارس،

2016

³⁷ <http://www.efsa.gov.eg/jtags/microfinance/unit/index.html>

³⁸ <http://www.efsa.gov.eg/jtags/microfinance/unit/Forms.html>

2.2.3 Nasser Social Bank

Nasser Social Bank is a subsidiary to the Ministry of Social Solidarity. Nasser Social Bank was established to contribute in the expansion of social solidarity among citizens. The bank has several programs, including the bank productivity loans and participation loans. Productivity Loans are: to facilitate access to loans to own durable goods at low or without deposits, and to be paid over 36 months at low interest rates.

As for Participation Loans: The bank stimulates the owners of the existing small projects to expand their projects and develop it, in order to create new job opportunities and develop their products and workshops³⁹. In 2014, after issuing the activity law of microfinance, the bank has provided micro-loans without interest through the bank branches, which reach up to 90 branches throughout the country⁴⁰. And in the past year, the bank aimed to pump 600 million pounds to the loans portfolio and credit facilities to be upgraded to 10.5 billion pounds this year. These targeted funds will be distributed among small and medium enterprises, along with the ability of owning the means of production, transportation, and applying interest-free loans, personal loans, and mortgage for individuals⁴¹.

2.2.4 The Authority of Investment

In April 2002, Presidential Decree No. 79 of 2002 was issued. It indicated to establish an investment services complex at the General Authority of Investment along with the branches in the new governorates and urban cities, and for the concerned ministries of investment to have an authorized representative at the complex to achieve the required services. In January 2003, work has begun in the investment services complex in Cairo.

The Investment Services complexes take over the establishment of companies and enterprises that want to work under free zones system, which have to be located in the free zone geographical area. The Investment Services complex also certifies the minutes of the board of directors' ordinary and extraordinary general assemblies, modifies their establishment contracts, their systems, and company liquidation, after the approval of the free zones Technical Permanent Committee, and the free zone board of directors.

Investment Services complex is also responsible for providing services to investors, whether in the companies' establishment phase or after establishment services, and its most important objectives are:

³⁹ http://www.egypt.com/egyptana/services/naser_bank.asp

⁴⁰ اليوم السابع، وزيرة التضامن: توفير قروض متناهية الصغر لبنك ناصر الاجتماعي دون فوائد، <http://s.youm7.com/1972298>، 30 نوفمبر، 2014، تاريخ الاطلاع: 7 مارس، 2016.

⁴¹ جريدة البورصة، بنك ناصر الاجتماعي يستهدف زيادة قروضه 600 مليون جنيه العام المالي المقبل،

<http://www.alborsanews.com/2015/06/14/%D8%A8%D9%86%D9%83-%D9%86%D8%A7%D8%B5%D8%B1-%D8%A7%D9%84%D8%A7%D8%AC%D8%AA%D9%85%D8%A7%D8%B9%D9%89-%D9%8A%D8%B3%D8%AA%D9%87%D8%AF%D9%81-%D8%B2%D9%8A%D8%A7%D8%AF%D8%A9-%D9%82%D8%B1%D9%88%D8%B6%D9%87-60>، 14 يونيو، 2015، تاريخ الاطلاع: 7 مارس، 2016.

- Gathering all the government agencies, which the investors deal with, in one place to be able to obtain the necessary approvals, permits, and necessary licenses for establishing and operating companies from one site.
- Facilitating the access to an integrated service to investors, and enhancing the services on permanent basis.
- Overcoming the investor obstacles through the existence of government agencies in one place, developing its work to reach the investor's satisfaction, and improving the investment climate through facilitating the provided procedures by the government.

2.2.5 The Industrial Development Authority

The General Authority for Industrial Development established a department specialized in supporting small and medium projects, which will have an important role regarding the transformation to the formal sector.

- Participating with the specialized technical managements in suggesting small industrial projects to promote them to small investors, in order to provide new job opportunities, which reduces the unemployment and raises the industrial development rates.
- Holding specialized seminars and conferences for developing small-scale industries and preparing the necessary worksheets.
- Preparing all the reports, and studying the topics which are related to the development of small industry projects.
- Studying the experiences of the developing countries in the development of small industries, and studying the possibility of applying and taking advantage of them to support and develop the small industries in Egypt
- Providing all necessary data, information, and statistics for small industrial enterprises in various industrial activities, as defined by Law No. 141 of 2004, through the Information Technology Center Authority, and making this information available to small investors and young graduates free of charge, or at an appropriate cost.
- Providing all the necessary technical consultancy to the investors to solve any problems they could face to ensure the quality of their products, to be able to compete in the local and foreign markets.
- Legalizing the existing situation for firms in the producing villages in different governorates, which are specialized in the traditional and heritage industries, and helping them in obtaining approvals, creating industrial records, the diagnosis of problems facing them, and finding solutions, in order to develop, and raise the products' quality, to protect these products from extinction.
- Participating in activating the Small Enterprise Development law No. 141 of 2004 with the Social Development Fund by proposing small industrial projects to be set up in the allocated 10% in the governorate's industrial areas as mentioned in the law.

- The association established the national project of industrial complexes of specialized small and medium-sized industries: The project aims to set up 22 industrial complexes in 14 governorates according to the following sectorial classifications:
 1. Clothes, furniture coverings, and garments specialized industrial complexes
 2. Specialized industrial complexes of feeding industries for house appliances
 3. Specialized industrial complexes of automobile components and the feeding industries
 4. Specialized industrial complexes of food industries
 5. Specialized industrial complexes for marble and construction materials
 6. Specialized industrial complexes for aluminum and household items
 7. Specialized industrial complexes for electronic software and programing industries
 8. Specialized industrial complexes of spare parts for heavy transport vehicles
 9. Specialized industrial complexes for engineering and petrochemicals industries
- Tasks of knowledge transfer centers within communities:

The idea of industrial communities is about attracting a number of factories and industrial productive workshops, linked by the same industrial activity, inside the same industrial complex, which gives the opportunity for industrial integration and sharing experience between the manufacturers. This improves the efficiency of production, also, allows the Authority and relevant agencies to provide services for these factories by establishing specialized centers of knowledge transfer and training centers in the complex. Furthermore, these centers provide technical support for the development of the industry through several axes:

- Developing and deepening the local manufacturing in manufacturing production lines, machinery, and equipment.
- Developing the feeding industries through supporting the engineering designs and modern manufacturing methods.
- Supporting small and medium enterprises and developing products, plus the creation of new products.
- Designing and producing molds, especially in plastic and glass industries.
- Creation and the production of electronic circuits to automate production lines.
- Providing technical support for the Egyptian manufacturers in the field of engineering design for the developed products.
- Providing technical solutions for industrial micro and medium factories to overcome operational problems, and maximize production efficiency and product quality.
- Disseminating the innovation culture to the industrial society.
- Monitoring the development movement of the global products to maintain the same level of modernizing the Egyptian products to be able to compete globally.
- Transferring knowledge from universities, research centers, and technological partners, small and medium-sized industrial factories.

3 Women characteristics in the Informal Sector



Chapter Three

Women characteristics in the informal sector

There is a convergence between the ratio of women workers and female project owners whether small or micro in the informal sector. The female projects accounted for 56.2% of the total sample, while women workers accounted for 43.8%. This distribution at the level of each province is different, in Minya, Beni Suef, and Qalubiya the proportion of female projects is greater than the proportion of women workers, as the percentage of female projects in Qalubiya reached 71.9%, in Beni Suef it reached 62.8%, and in Minya it was 59.5% from the total of entrepreneurs in the informal sector of each province. But in Cairo and Giza the percentage of women workers is larger, 60.1% in Cairo, and 57.1% in Giza; this is due to the availability of companies, factories, and job opportunities in urban areas more than in the countryside.

Table 9: Women's distribution percentage according to the woman's status (Worker / project owner) per governorate

The woman's status	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	The Average of the five governorates
Project owner	39.9%	71.9%	42.9%	62.8%	59.5%	56.2%
Worker	60.1%	28.1%	57.1%	37.2%	40.5%	43.8%

3.1 Social conditions of women in the informal sector

Regarding the **demographic and social characteristics** of women in the informal sector in the provinces under study: first with reference to **age**, it is found that the ladies at the age 45 years and older accounted for the least percentage 10.2%, the age of most of those who belong to this sector ranged between 25 and 44 years at about 63.1%.

When analyzing the age distribution within each province, it is found that in Minya, Beni Suef, Giza, and Cairo women aged 45 or more are the lowest percentage, ranging between 10.9% in Minya and 4.4% in Cairo, but the women in the range between 25 and 44 years accounted for the largest percentage within each province, the proportion exceeded 59% of the total workers in the sector in each province, reaching 67.2% and 66% in Qalubiya and Beni Suef, respectively.

Table 10: Women's distribution percentage according to age per governorate

Age	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	The Average of the five governorates
15-24	36.3%	12.4%	34.5%	24.8%	26.2%	26.7%
25-34	30.8%	29.3%	31.8%	40.1%	31.7%	33.1%
35-44	28.6%	37.9%	27.4%	25.9%	31.3%	30.0%
>=45	4.4%	20.5%	6.3%	9.2%	10.9%	10.2%

For **education**, the biggest percentage of women in the informal sector didn't complete any educational stage successfully, this proportion constituted 46.9% of the women in the sector. Women with secondary education represented 27.9%, and women with junior education represented 10.65%.

This distribution did not differ much on the level of each province, where the largest percentage goes to the uneducated and those who didn't complete any educational stage successfully. The proportion of uneducated women in each province ranged between 33% in Giza, and 57.8% in Minya, while women with secondary education came as the second highest percentages in all provinces at rate ranging from 26.5% in Minya and 30.1% in Giza. As education is directly linked to the future of the families and their choices, thus, low levels of education interpret many of variables, especially the inability to find jobs in the formal sector, as well as decreasing women's options.

Table 11: Women's distribution percentage according to the educational status per governorate

Last educational stage completed successfully	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	Average
Did not complete any stage	33.7%	47.6%	33.0%	53.1%	57.8%	46.9%
Primary	10.9%	11.4%	14.6%	8.7%	7.0%	9.9%
Junior / preparatory	18.3%	9.3%	14.0%	8.0%	6.3%	10.6%
High school	28.8%	28.6%	30.1%	27.0%	26.5%	27.9%
Post-secondary	2.2%	1.2%	3.0%	.7%	1.3%	1.5%
University	5.6%	1.9%	5.4%	2.6%	.9%0	3.0%
Post graduate studies	0.6%	.0%	.0%	.0%	0.1%	0.2%
Do not know	.0%	.0%	.0%	.0%	.0%	.0%

It is noted that the ladies belonging to the informal sector often belong to a **family large** in number, and this is very much linked to the poor living conditions and economic situation, and also to what extent these **women support their families**. In general, it is found that the average number of family members of the women belonging to the informal sector is about five members. It is also found that 19.7% of women belonging to the informal sector in the provinces are the main supporters of their families, and 31.9% of them support their families in conjunction with their spouse. Considering this issue at the level of each province, it is found that large proportions of women belonging to the informal sector are the main providers of their households, whether alone or in conjunction with the spouse at a percentage that ranged from 44.4% in Giza, 61.2% in Qalubiya, 57.4% in Beni Suef, 49.4% in Minya, and 44.6% in Cairo.

As for the **Marital status** of women in the informal sector in the provinces under study, it is found that married women accounted for the largest proportion, their percentage reached 63.4% of the women in the informal sector in the provinces, in exchange for 10.9% of widows and divorced women, and 23.5 % of them were never married. Reviewing this distribution at the level of each province, it is found that largest proportion has always been the share of married women, where their percentage ranged from 75% in Qalubiya, and 50.6% in Cairo, regarding widows and divorcees they have accounted about 10% in Beni Suef, 11.6% in Minya, 16% in Qalubiya, 9.3% in Giza, and 7.6% in Cairo. The percentage of women who were never

married in the provinces also varied ranging from 13.8% in Beni Suef, 39.7% in Cairo, and 6% in Qalubiya.

Table 12: Women's distribution percentage according to marital status per governorate

Marital status	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	The Average
Married	50.6%	75.0%	53.3%	74.5%	61.2%	63.4%
Widow	2.6%	11.2%	5.1%	6.1%	8.2%	6.7%
Divorced	5.0%	4.8%	4.2%	3.9%	3.4%	4.2%
Separated	1.2%	3.1%	1.8%	1.7%	1.9%	1.9%
Engaged	1.0%	.0%	.9%	.0%	.0%	.3%
Never married	39.7%	6.0%	34.8%	13.8%	25.3%	23.5%

Table 13: Women's distribution according to the family's main supporter per governorate

The family's main supporter	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	The Average
The woman	19.00%	25.50%	18.50%	15.10%	21.30%	19.70%
The Husband	15.50%	31.70%	19.60%	27.40%	26.60%	24.50%
The woman and husband	25.60%	35.70%	25.90%	42.30%	28.10%	31.90%
Father / father in law	39.90%	7.10%	36.00%	15.10%	24.00%	23.90%

In general, for 55.5% of women in the informal sector in the provinces under study, their income constitutes more than half of their families' income. In all provinces under study, for more than 50% of the women belonging to the informal sector, their income is more than half that of the household to which they belong, as it reached 64.5% in Qalubiya and more than 56% in both of Giza and Cairo. This is a pivotal indicator to the role played by women in supporting their families, and that the decision for a woman to engage in work was not an option as much as reflecting the physical family need and the high dependency burden.

Table 14: Women's distribution percentage according to Woman's contribution in the family's total income per governorate

Contribution to family income	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	The Average
Less than a quarter	22.60%	16.90%	18.20%	24.70%	23.40%	21.70%
Quarter	20.60%	18.60%	25.60%	24.80%	23.80%	22.80%
Half	35.70%	40.00%	38.70%	33.30%	34.50%	36.00%
Entire	21.00%	24.50%	17.60%	17.20%	18.30%	19.50%

As for the issue of **pensions**, it is found that 89.4% of the women in the informal sector in the provinces under study do not receive any type of pension (whether their husband's or a father's pension or social security....).

Table 15: Women's distribution percentage according to receiving pension per governorate

Source of pension	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	The Average
Husband	0.40%	1.90%	2.40%	3.40%	2.50%	2.20%
Father	4.00%	0.20%	0.90%	1.90%	1.90%	1.90%
Social insurance	4.20%	5.50%	4.20%	3.20%	7.40%	5.00%
Other	0.20%	0.70%	2.70%	2.60%	1.30%	1.50%

As for the transportation for the purposes of work within the informal sector, the majority of the answers were "on foot" 62.9%, this is because most of the ladies live close to their workplace or the time taken to go to the workplace is less than 30 minutes.

Table 16: Women's distribution percentage according to the type of transportation mean per governorate

Transportation type	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	The Average
Bus	5.8%	.0%	3.6%	.0%	1.2%	2.4%
Micro bus	21.2%	16.3%	36.6%	20.8%	12.6%	21.3%
Subway	7.4%	.0%	.7%	.0%	.0%	2.1%
Tuk Tuk	5.5%	11.6%	15.5%	12.4%	17.4%	12.0%
On foot	64.4%	74.4%	50.2%	68.7%	56.0%	62.9%
Cart / Train	.7%	.0%	.0%	.0%	.3%	.2%
Tiny pick ups	.2%	1.3%	1.3%	2.3%	15.6%	4.0%

3.2 Health characteristics

Speaking about the **health status** of women belonging to the informal sector, it is found that, in general, there are 85.4% of those belonging to the informal sector in the provinces under study who do not suffer from diseases. Examining different provinces, it is found that Qalubiya is the biggest in terms of the proportion of women in the informal sector who suffer from diseases or disabilities, where the percentage reached 18.8%, versus only 9.2% in Giza, and 11.4% in Beni Suef province. With regards to the diseases and disabilities that women suffer from, it is found that 24.6% of the female patients in the informal sector in Beni Suef suffer from blood pressure, and 13.8% of them suffer from herniated discs. While in Cairo, approximately 16.2% of the female patients in the informal sector suffer from blood pressure, and the same percentage suffer from diabetes. As for Qalubiya, it is found that 26% of the patients suffer from stress, and 20.8% suffer from herniated discs.

Table 17: Women's distribution percentage according to work risks per governorate

Your work exposes you to	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	Total
Carry heavy weights	43.1%	56.1%	49.1%	54.8%	42.9%	48.7%
Falling risks	27.6%	21.5%	22.0%	23.5%	16.5%	21.9%
Dangerous tools	14.3%	10.7%	11.6%	8.5%	11.8%	11.3%
Dust	58.5%	38.4%	51.2%	41.3%	38.1%	44.7%
Smoke and irritating smells	45.4%	22.2%	32.7%	20.2%	22.0%	27.7%
Chemicals	2.8%	3.6%	2.1%	6.3%	5.4%	4.3%
Noise	72.4%	39.9%	67.0%	31.6%	40.6%	48.3%
Others	.2%	.5%	.6%	1.4%	1.9%	1.0%

It is noticeable from the above table that the common risks that women are subjected to in the sample are: carrying heavy things (48.7%), noise (48.3%), and dirt (44.7%), and smoke and nuisance odors (27.7%), and falling at work by (21.9%). Moreover, 13.5% of women, on whom the survey was conducted, were exposed to injuries due to work. On top of these injuries came bruises or breaking bones by 39.9%, superficial or deep cuts 33.1%, and because of those injuries some of the ladies were absent from work. Furthermore, it is found that 89.9% of women who had injuries due to work were treated on their own expenses, and only 5.8% were treated on the expense of the employer.

Table 18: Women's distribution percentage according to exposure to injuries at work per governorate

Exposure to injuries	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	Total
Yes	13.9%	11.5%	11.6%	18.9%	10.9%	13.5%
No	86.1%	88.5%	88.4%	81.1%	89.1%	86.5%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Most of the work-related injuries are bruises, fractures, superficial and deep wounds, in addition to tearing muscles and ligaments, and also burns.

Table 19: Women's distribution percentage according to type of injuries at work per governorate

Type of injury	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	Total
Torn muscles or ligaments	18.6%	37.5%	17.9%	35.1%	13.7%	25.5%
Bruises or breaks	48.6%	29.2%	35.9%	37.8%	43.8%	39.9%
Superficial or deep cuts	34.3%	22.9%	46.2%	23.4%	46.6%	33.1%
Amputated part of the body	1.4%	.0%	.0%	3.6%	.0%	1.5%
Burns	2.9%	14.6%	2.6%	6.3%	5.5%	6.2%

Data regarding absence from work after an injury determine the severity and / or the lack of injury, where the treatment needed was for more than one day of rest in most provinces especially Minya and Cairo.

Table 20: Women's distribution percentage according to absence from work due to injuries per governorates

Absence from work due to injuries	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	Total
Yes	51.4%	43.8%	46.2%	49.5%	60.3%	51.0%
No	48.6%	56.3%	53.8%	50.5%	39.7%	49.0%

With regard to the average number of days lost from work due to injury, in Cairo it was 22 days, 44 days in Qalubiya, 41 days in Giza, 32 days in Beni Suef, and 35 days in Minya. By analyzing the extent to which the employer was committed to the treatment of the workers, it was found that female projects owners bore the cost of treatment themselves, as well as a large proportion of women working in the sector.

Table 21: Women's distribution percentage according to bearing the medical expenditures per governorate

Medical expenditures	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	Total
Worker	92.2%	94.4%	84.8%	93.1%	82.5%	89.9%
Company owner	6.3%	5.6%	9.1%	4.6%	5.3%	5.8%
Others	1.6%	.0%	6.1%	2.3%	12.3%	4.3%

3.3 Disabilities in the informal sector

The World Health Organization defines disability as an inclusive term that includes under its umbrella the various forms of disorders, limited activity, and restrictions that limit their participation. Disability here refers to a problem in the body's function or structure, as it varies according to their pattern, while the term "limited activity" refers to the difficulty that the individual faces in performing a task, whereas "restrictions that limit their participation" means the problems faced by the individual to participate in life situations. Thus, disability is a complex phenomenon, reflecting the interaction between the features of a person's body and the features of the surrounding community.

The ILO has defined persons with disabilities as, everyone with decreased potential for suitable employment and enjoying being stable in this work as a result of a physical or mental disability. In the same context, Egyptian Act No. 39 of 1975, defines a person with a disability, as any person who became unable to rely on himself and to engage in his work or do another job and be stable in it, or that whose ability decreased due to the presence of organic, mental, or sensory deficits as a result of a congenital anomaly.

Census estimation of the population for the year 2006 includes over 475 thousand people with disabilities in Egypt. Those estimates were reduced compared to the census of general population estimations in 1996, in which people with disabilities counted more than 2 million people, which may raise many questions about the reasons behind the decrease in the number of disabled people between the two censuses.

In another variation of official estimates (joint study of the National Council for Childhood and Motherhood with UNICEF staff), the number of people with disabilities was estimated at about five million people, while World Health Organization estimated people with disabilities from 6 to 7 million.

It is clear from the foregoing estimations that there is difficulty in reaching exact statistics regarding the number of people of with disability, mainly due to the absence of a specific conception of disability, and a person with a disability in Egypt. Some of these difficulties are due to customs and traditions prevailing in the society, which tend not to announce that the person is disabled.

Regarding the nature of the disability, Central Agency for Public Mobilization and Statistics indicates that motor disabilities represent more than 33% (more than 161 thousand people), followed by mental disability more than 22% of the total number of people with

disabilities, then comes the visual impairment and audio disability by 13%, and 12%, respectively⁴².

Regarding the distribution of persons with disabilities geographically, the provinces of Lower Egypt come at the forefront of governorates in terms of concentration of people with disabilities. 43.7% of the total of persons with disabilities are in provinces of Lower Egypt, followed by the provinces of Upper Egypt by 36.1%.

Males represent the largest share among people with disabilities in Egypt, 305 thousand males, representing 64% of the total of persons with disabilities in Egypt. Whereas, there are 170 thousand females with disabilities, representing 36% of the total of persons with disabilities in Egypt. It is clear that the males' percentage exceeds that of the females, because they are more in the population, in addition, families prefer not to state their girls' disability to preserve her social image.

As for the nature of the illness or disability for women in the informal sector in the provinces under study, it was noticed that crippling disease due to work were spread, such as herniated disc and Osteoarthritis, in addition to the physical disability of a large number of women, as well as to spread of hypertension and diabetes, as these diseases are very much linked to weight and life pressure in a direct way. Some women confirmed that the onset of these diseases resulted from sudden crises that made the family suffer, rather than as a result of a physical disease. Not to mention the spread of heart diseases, chest allergies, and the spread of gastrointestinal illnesses such as gall bladder and liver problems, where these diseases are mainly associated with pollution, infection, and malnutrition.

Table 22: Women's distribution percentage according to suffering from illness per governorate

Are you suffering from Illness	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	The Average
Yes	14.90%	18.80%	9.20%	11.40%	17.30%	14.60%
No	85.10%	81.20%	90.80%	88.60%	82.70%	85.40%

Table 23: Women's distribution percentage according to type of illness and governorates

Type of Illness	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	The Average
Breast tumor / uterine tumor	2.70%	3.90%	0.00%	3.10%	0.90%	2.30%
Endocrine diseases	2.70%	2.60%	0.00%	1.50%	0.90%	1.70%
Stomach ulcers	0.00%	0.00%	11.10%	3.10%	5.40%	3.10%
Hernia	1.40%	0.00%	0.00%	0.00%	1.80%	0.80%
Pneumonia	0.00%	2.60%	0.00%	0.00%	0.00%	0.60%
Epilepsy	0.00%	1.30%	0.00%	1.50%	0.00%	0.60%

⁴² الجهاز المركزي للتعبئة العامة والإحصاء، التعداد العام للسكان لعام 2006، القاهرة، جمهورية مصر العربية.

3.4 Political participation

As for the ladies belonging to the informal sector memberships in community entities, associations, unions, and political parties, it was found that more than 99.7% of women do not belong to any party. Only 0.7% of those belonging to the informal sector in the provinces enjoy membership of one association, in exchange for 99.3% non-participants. Also, in Cairo governorate only 0.4% of women in the informal sector participate in a syndicate in exchange for 99.6% non-participants. It is remarkable that at the level of all the provinces under study, there is not a single woman affiliated with a political party.

Table 24: Women's distribution percentage according to association / syndicate / party membership per governorate

Membership	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	The Average
Association	0.40%	0.00%	0.00%	0.20%	0.70%	0.30%
Syndicate	0.40%	0.00%	0.00%	0.00%	0.00%	0.10%
Party	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other	0.20%	0.20%	0.60%	0.20%	0.00%	0.20%

When the women were asked in the focus groups about their memberships in any community entities such as the Unions, association, or cooperative unions, in Cairo their answers were centered in one direction, which is worship assemblies, as they are close to their homes and do not require any complicated procedures. Most of these women exchange information about these associations among themselves, and they submit the necessary paperwork. The Assembly then reviews their circumstances and gives them monthly financial assistance to help them support their families. These aids are low; as they do not exceed 50 pounds per month per child, in addition to material assistance, along with home supply products in the holidays and special occasions. Most of the experiences of these women were concentrated in joining charities associations and not joining an organized community association to stand for their rights. It was also noticed that most of the association's efforts are focused on fighting poverty, and not economic or small projects development.

In Qalubiya, it is found that the ratios of women's contributions to the political parties almost do not exist. The low percentage of contributions is as a result of the intervention of members of the People's Assembly, since they act as a mediator between those women and the parties. The member of the parliament advises women regarding necessary paperwork, and then hands it over to the party, where there is a symbolic subscription fees. Women benefit from that, as they receive financial and material assistance in the holidays and special occasions, as well as awareness of serious diseases such as virus C, and how to prevent themselves from contracting it, in addition to medical convoys to treat the poor.

Other ladies participate in the assemblies of local development, charities, or houses of worship for small monthly contributions. These associations provide some services to them in return, such as connecting water pipes, setting up nurseries and cemeteries for the burial of the poor, contributing in general to cleanliness, through cars for waste collection, in addition to subsidizing the poor and providing food commodities at lower prices. They also provide clothing and financial assistance in occasions. Notably, they work on spreading religious awareness as well as providing health care to those in need through medical subscriptions. Last but not least, they help in cases of illness, death, marriage, and orphan-hood.

Some of the ladies took part with their husbands in the street vendors association in exchange for 20 pounds per month for each subscription, and they have membership cards. This association helps them pay their children's expenses, whether schools or therapy. It also helps them open steady projects such as stalls. On the individual level, some university professors offer free classes to strengthen the people's educational level in the region.

Most women do not receive charities, services, governmental, or businessmen aid, and they see that there must be a role for the government and the business sectors. Some of the ladies are aware of some associations and community entities in the area of their residence, but they do not trust them and do not want to participate in any of them.

In Giza Governorate, answers did not differ from the previous answers. Few women in Marg area added that they are all participants in southern Egypt association, a charity association that does not require monthly or yearly subscription. The association provides them with many services, including: sacks of Ramadan, blankets, trips, clothing, etc. Some of the ladies said that they were attending some seminars in Dahshur Association, and that they also benefited from the fund provided by the Assembly.



Project Owner at Giza

In Upper Egypt, there is not a single lady who is subscribed, or willing to, in any of these associations. However, they ensure that if there is a benefit from the Assembly, either by increasing income, and providing jobs and training, especially in their field of work, they will participate.

4 Working Women Conditions in the Informal Sector



Chapter Four

Working women conditions in the informal sector

Workers in the informal sector include women working in the formal or informal institutions without registered working contracts that allow them to access all social benefits such as insurance, health care, vacations, and taking into account the women's situation and conditions in cases of pregnancy and lactation.

The largest proportion of workers in the informal sector is in Cairo (60%), and 57% in Giza. This is due to the commercial and service nature, in addition to the presence of facilities in both governorates. Whereas, the ratios drop to reach 28% in Qalubiya, 37% in Beni Suef, and 43.8% in Minya.

“The Informal Sector is the sector that doesn't belong to the government ... We do not have any rights that is given to those working in the governmental sector”

Informal worker at Qalubiya

4.1 Economic activities of workers in the informal sector

The agricultural labor represents the largest proportion of workers in the sample and the poorest among the women's category, as they are less educated and working for the family in unpaid or low paid jobs, with a ratio of 56% of the workers in the sector, followed by workers in agricultural land requirements, and workers in poultry farms, livestock, and goats.

Table 25: Women workers in the agricultural sector				
	Qalubiya	Beni Suef	Minya	Total
Agricultural worker	80%	78%	35%	56%
Preparing dairy and margarine products			18%	9%
Land agriculture requirements		8%	5%	5%
Farmland kits		3%	35%	19%
Worker in poultry farms		5%	0%	2%
Grain processing	7%	5%	3%	4%
Milk / eggs / beans Production	13%	3%	2%	3%

For workers in the industrial sector, women are concentrated in finishing and mobilizing clothing sectors with a ratio exceeding 50% of the women, followed by collecting cartons, and sorting garbage. In addition to workers in ceramics and hand-made carpets, as well as the activities of cutting, weighing and packing in food factories, such as pasta and vinegar.

	Table 26: Women workers in the industrial sector					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	The Average of the five governorates
Handmade carpets	0%	0%	0%	0%	6%	3%
Bread baker	0%	33%	0%	15%	3%	4%
Workers in textile factory, finishing and packing	35%	33%	33%	62%	0%	52%
Workers in food factory such as vinegar and pasta	2%	0%	0%	0%	12%	6%
Workers in ceramic factory	2%	0%	14%	0%	0%	3%
Street cartoon collectors / rubbish sorting	42%	0%	0%	15%	14%	20%
Workers on cutting machine	0%	0%	0%	0%	9%	4%
Workers on balance machine	2%	0%	5%	8%	9%	6%

As for workers in commercial activities, women are mainly concentrated in the business of selling clothes, furniture, stationary, photocopying, selling groceries, and fashion accessories. In addition to selling vegetables and fruits, which is usually managed by rural women, or women farmers who work in trade with their families.

	Table 27: The most important activities of female workers in the commercial sector					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	The Average of the five governorates
Selling poultry / liver / birds skeletons	0.50%	7.80%	0.00%	6.50%	7.30%	3.40%
Selling vegetables and fruits	5.70%	18.20%	13.50%	15.10%	10.90%	11.20%
Selling electronics / House ware	5.70%	3.90%	2.30%	2.20%	5.50%	4.20%
Selling groceries	3.80%	16.90%	4.50%	26.90%	21.80%	12.20%
Saleswoman in stores / retail / furniture / Shoes / clothing	57.10%	6.50%	48.90%	17.20%	25.50%	39.80%
Pharmacy worker / Medical Supplies office	3.30%	5.20%	3.80%	7.50%	3.60%	4.30%
Selling accessories / makeup / Perfume / Toys	11.80%	2.60%	1.50%	4.30%	2.70%	5.80%
Saleswoman in a stationary store / photocopying	1.40%	3.90%	16.50%	2.20%	0.90%	5.00%

In the services sector, women's work is focused on cleaning the shops and clinics, then repairing new and old clothes activities, followed by guarding properties, household and factories services. In addition, activities like cleaning, cooking, caring after children, buying some supplies, and working in a cafeteria or a kitchen. Household and factories services, in addition to cleaning activities, constitute 52.1% of the total workers in the service sector. Risks of working in the services sector are not limited to low wages as in the agricultural sector, but it extends to health risks regarding the transmission of diseases like hepatitis and other infectious diseases, as well as, harassment and verbal abuse problems. Finally, physical exposure to the risks of doing business, including injuries with sharp instruments, or carrying heavy weights, where the study observed on some of the ladies working in activities related to goods transfer.

	Table 28: The most important activities of female workers in the service sector					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	Average
Repairing Women's clothes	14.9%	5.0%	5.3%	15.1%	15.2%	12.3%
Household worker / Factories Servicing	12.8%	45.0%	26.3%	28.8%	.0%	21.8%
Hairdresser	12.8%	10.0%	7.9%	1.4%	6.1%	6.6%
Typist at diagnoses lab	2.1%	.0%	5.3%	.0%	3.0%	1.9%
Laundry worker	.0%	.0%	.0%	2.7%	.0%	.9%
Cleaning worker at store / Clinic / nursery	19.1%	20.0%	36.8%	35.6%	33.3%	30.3%
Data entry	4.3%	.0%	5.3%	1.4%	6.1%	3.3%
Door keeper	23.4%	10.0%	2.6%	.0%	.0%	6.6%
Supervisor in nursery	4.3%	.0%	10.5%	9.6%	9.1%	7.6%
Nurse / medical analysis Specialist	2.1%	.0%	.0%	4.1%	.0%	1.9%
Photography worker	2.1%	.0%	.0%	1.4%	.0%	.9%

4.2 Work and wages properties

For women working in the informal sector, the results showed that most of the workers who joined the labor market post 2010 are young people, and it is unclear whether the economic pressures of 25th of January Revolution, represented in pressures of unemployment, made workers accept jobs without contracts under poverty burden, or the institutions benefited from the decline of supervision and pushed in the direction of informal sector.

Work starting year	Table 29: Women's distribution percentage according to the work starting year in the informal sector per governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	Average
1981-1990	0.3	2.9	0.5	1.4	2.6	1.4
1991-2000	3.8	5.9	5.8	7.4	6.0	5.6
2001-2010	22.4	31.4	25.9	17.6	20.3	22.4
>=2010	73.4	59.8	67.7	73.6	71.1	70.6

Regarding the reasons behind choosing their activities, the first reason was that this work corresponds to the skills and capacity of 57%, followed by that the family works in this activity 25.4%. In the focus groups discussions conducted with women workers, it was clear that many of them desire to get out from the informal sector and have their own project, probably due to the fact that many of them are young women who are able to work, and have faith in their individual skills that enable them to set up private businesses instead of working for others. This is also an indicator of the lack of desire to continue in the same job in the future.

Table 30: Women's distribution percentage according to the reason of choosing the activity per governorate

The reason of choosing the activity	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	Average
Family activity	20.1%	47.5%	20.8%	23.3%	26.5%	25.4%
Individual skill	63.0%	42.4%	60.9%	56.2%	54.4%	57.0%
Profit	6.3%	4.2%	6.3%	5.9%	14.0%	7.9%
Stable income	10.6%	5.9%	12.0%	14.2%	5.1%	9.7%

A question was posed to working women with third parties about whether this activity is permanent, temporary, or seasonal; the largest proportion of workers said that it is permanent 62.7%, while 30.4% said it is temporary work, followed by it is being a seasonal activity among 6.9%. The spread of permanent activity in Cairo (75.6%), Giza (79.7%), Qalubiya (71.2%). While in Minya, and Beni Suef, the ratios were divided between permanent and temporary. The women responded that their activity was "permanent" in Minya 47.8% and in Beni Suef 43.8%, while those who answered "temporary" reached 41.5% in Minya and 47.5% in Beni Suef, due to the seasonal nature of agricultural employment.

Table 31: Women's distribution percentage according to the activity (permanent / temporary) per governorate

Permanent or temporary Activity	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	Average
Permanent	75.6%	71.2%	79.7%	43.8%	47.8%	62.7%
Temporary	18.8%	22.9%	18.2%	47.5%	41.5%	30.4%
Seasonal	5.6%	5.9%	2.1%	8.7%	10.7%	6.9%

Also, the vast majority of women examined in the study perceive their working place as a fixed place by 90.2%, while 9.8% of women in the sample move from one place to another. 60.3% of women work in a factory / shop / office / workshop.

Table 32: Women's distribution percentage according to the place of activity (fixed / mobile) per governorate

Fixed or mobile activity	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	Average
Fixed	96.7%	85.6%	96.9%	82.6%	86.4%	90.2%
Mobile	3.3%	14.4%	3.1%	17.4%	13.6%	9.8%

Concerning whether the entities, where women are employed, are formal or informal, the vast majority of women are working in the informal sector. A situation that imposes further marginalization on their situation with a rate of 43.2%, while those who are employed in a registered entity are 33.2%, and 23.6% of them do not know if the entity is registered or not. These are the results for all provinces except Cairo, where the proportion of registered entities is the highest 37.6%.

Table 33: Women's distribution percentage according to registered work place per governorate

Registered work place	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	Average
Yes	37.6%	16.1%	15.6%	37.9%	44.5%	33.2%
No	35.3%	42.4%	48.4%	50.2%	43.0%	43.2%
Do not know	27.1%	41.5%	35.9%	11.9%	12.5%	23.6%

Most of the women (34.2%) usually work from 8 to 10 hours per day on average, while 24.5% of women's working hours exceed 10 hours. This means that 58.4% of women in the sector are working more than the working hours specified by law of 8 working hours, including one resting hour. Meanwhile, workers in Cairo and Giza are exposed to additional working hours more than the rest of the provinces.

Table 34: Women's distribution according percentage to number of working hours per governorate

Working hours number	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	Average
<6	8.3%	28.8%	10.9%	27.4%	17.3%	16.9%
6-8	12.5%	30.5%	24.0%	29.2%	31.3%	24.4%
8-10	44.2%	28.8%	34.4%	26.5%	31.6%	34.2%
>=10	35.0%	11.9%	30.7%	16.9%	19.9%	24.5%

Financial and materialistic returns differ depending on the nature of labor, and the sector. The study recognizes that the vast majority of workers (79.4%) receive cash returns. Whereas, only 3% of women receive materialistic returns, and 5.6% of women receive a combination of cash and materialistic returns. This varies in each governorate, in Beni Suef 11% of women are receiving their salaries in the form of materialistic returns, especially in the agricultural sector, and 16.9% a mix between financial and materialistic returns. Also, 12% of the women in the sample, on the level of all the provinces, do not take returns at all, where these women help their family members at work; this proportion increases in Qalubiya 36.4%, and 21.3% in Minya.

Table 35: Women's distribution percentage according to income type from work per governorate

Work income type	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	Average
Only cash	92.4%	59.3%	90.1%	70.8%	73.2%	79.4%
Mixed	1.0%	.8%	3.6%	16.9%	5.1%	5.6%
Materialistic	0.7%	3.4%	1.0%	11.0%	0.4%	3.0%
No income	5.9%	36.4%	5.2%	1.4%	21.3%	12.0%

There is an increase in the financial and materialistic returns in urban provinces (Cairo and Giza) more than Upper Egypt (Beni Suef and Minya). Beni Suef represents the least for the financial returns with an average of 468 pounds per month; an average of 15.6 pounds for each working day, an amount representing less than \$ 1.5 (11 pounds to the dollar).

Table 36: Women's distribution percentage according to income type per governorate

	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	Average
Average income in cash	858.75	503.29	862.03	467.92	491.43	671.33
Average of materialistic income	366.67	450.00	210.00	209.74	188.89	230.50

4.3 Social protection for workers in the informal sector

The vast majority of the ladies 97.2% do not have health insurance, compared to only 2.8% of women receiving medical services when needed. The largest percentage of women, who receive health service when needed or if injured while working, is in Cairo Governorate with a rate of 7.6%, while there is not a single woman in the sample who has health insurance or receive medical service in Beni Suef.

When asked about the reasons for the lack of social insurance, the largest percentage's answer was "I do not know the required measures" (49.5%), followed by "the financial situation does

not permit" (45.6%). During the focus group discussions, some women made it clear that they are not in favor of deducting from their salaries for the benefit of insurance.

Table 37: Women's distribution percentage according to the non-existence of social insurance per governorate

Reasons for non-existence of Social insurance	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	Average
Plenty of required documents	3.6%	9.3%	10.6%	11.2%	17.4%	10.3%
Unknown requested procedure	60.6%	38.1%	58.2%	28.4%	53.0%	49.5%
Uncooperative employees	6.0%	1.7%	14.3%	10.2%	6.7%	8.0%
Shortage of financial capabilities	36.8%	45.8%	34.9%	69.3%	44.1%	45.6%
Others	3.6%	13.6%	1.1%	1.4%	5.9%	4.4%

When women were asked about their willingness to participate in an optional social insurance system, the vast majority of women, 74.4%, refused to participate in the insurance system, while only 25.6% of women in the sample approved. The largest rejection proportion was represented in Qalubiya (85.6%), Minya (84.4%), and Beni Suef (81.4%), while there was less rejection in Cairo and Giza, 30.5% and 47.1%, respectively.

Table 38: Women's distribution percentage according to the willingness to join social insurance per governorate

Willingness to join social insurance	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	Average
Yes	30.5%	14.4%	47.1%	18.6%	15.6%	25.6%
No	69.5%	85.6%	52.9%	81.4%	84.4%	74.4%

Concerning the reasons for refusing to participate in a monthly insurance system, the answers were similar to why they do not have social security insurance. Where the "financial situation doesn't allow" resembled 67%; women think that the part deducted from their wages for the benefit of insurance will be more beneficial for them and their families than paying it as insurance fees. This is followed by "do not know the required actions" 31.4%. In general, women prefer to receive the social insurance value on the spot more than in the future. Poverty pressure is not the only motivation, but their inability to verify the existence of a social insurance, even if the employer told them that he did. Generally, the company conducts insurance for a specific number of workers, as to meet the requirements of authorities. In fact, they do not insure the remaining workers, not only because of additional related costs, but also because of the unstable nature of employment, as employees may prefer to steer within the various entities within the sector to take advantage of the wage differentials.

As for the women, who have expressed their willingness to participate in monthly security system, 89% can pay less than 100 pounds monthly for insurance, and 11% of women can pay a range between 100 and 200 pounds per month, 14 % of which are in Cairo, and finally, none of the women are willing to pay more than 200 pounds for insurance.

Table 39: Women's distribution percentage according to the amount they are willing to pay for insurance per governorate

Financial capability for joining insurance	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	Average
<100	85.9%	94.1%	88.9%	95.0%	88.1%	89.0%
100-<200	14.1%	5.9%	11.1%	5.0%	11.9%	11.0%

Regarding the questions posed by the study to women to measure the degree of their awareness of their rights, labor laws in general, and the rules of women employment in particular, women were asked about whether or not they would leave work if they were pregnant. Half of the respondents answered that they do not leave work, 36.4% said that they did not know, while only 13% of women said that they would leave work for reasons related to their inability to come to work, or to the desire of their families. Sometimes, the unwillingness of the employer was the reason behind leaving work while pregnant. The largest percentages of women leaving work after pregnancy was found in Beni Suef and Minya governorates, 20.5%, and 18.4%, respectively.

Table 40: Women's distribution percentage according to continuing work during pregnancy per governorate

Pregnancy as a motive to leave work	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	Average
Resignation	8.6%	7.6%	8.9%	20.5%	18.4%	13.3%
Continue	57.1%	39.8%	50.0%	52.5%	45.6%	50.3%
Do not know	34.3%	52.5%	41.1%	26.9%	36.0%	36.4%

Concerning the arbitrary expulsion, women were asked if the employer could terminate their jobs without a reason. The vast majority (92.8%) said no on the level of the five provinces. While those who answered: yes, the employer can terminate workers without a reason, resembled 7.2%. The highest proportion of those who said: no, the employer can't terminate workers without a reason was found in governorates of Beni Suef (95.9%) and Minya (95.2%), while the largest percentage among those who said yes were Qalubiya, Giza, 13.6%, and 10.9%, respectively.

Table 41: Women's distribution percentage according to being terminated without a reason by the employer per governorate

Termination without a reason	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	Average
Yes	6.9%	13.6%	10.9%	4.1%	4.8%	7.2%
No	93.1%	86.4%	89.1%	95.9%	95.2%	92.8%

As for the right to a paid leave, 67.7% of the women indicated that absent hours are deducted from their wages, versus 31.5% of women who said it was paid. The largest percentages of those who said they are paid are in Qalubiya 52.5%. While the largest percentage of those who said their leave of absence was deducted from their wages are in Cairo (76.2%), Giza (75%),

and Minya (74.6%). The Egyptian labor law gives workers in the formal sector the right to annual or casual holidays in the range of 30 days per year, in addition to sick leaves.

Table 42: Women's distribution percentage according to the deduction of absence hours per governorate

Are the absence hours deducted or not?	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	Average
Paid	23.8%	52.5	%25.0	%47.9	%22.4	%31.5
Deducted	76.2%	46.6	%75.0	%52.1	%74.6	%67.7
Not applicable	0.0%	8.0%	%0.0	%0.0	%2.9	%8.0

About the women's knowledge of the legal number for working hours, which is 8 hours including one resting hour. The women were asked about their knowledge of the number of legal working hours prescribed in the law, the bulk of the answers (81.3%) said they did not know the number of hours specified by law. Only 18.8% knew the number of working hours specified by law. And the largest percentage among those who know the number of working hours prescribed by law is in Cairo (28.4%), while the largest percentage of women who have no knowledge regarding this matter was in Minya (89%).

Table 43: Women's distribution percentage according to their awareness of the legal working hours per governorate

The awareness of the legal working hours	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	Average
Aware	%28.4	%14.4	%16.1	%19.6	%11.0	%18.8
Unaware	%71.6	%85.6	%83.9	%80.4	%89.0	%81.3

By analyzing the results of the focus groups, especially for workers in Cairo, Giza, and Qalubiya, the study found that most of the workers believe that labor rights are benefits for workers in the public sector and not for them. Some are familiar with the working hours prescribed by law; however, they believe it does not apply to them. They also know that there is a maternity leave, but do not know about its details, which is three paid months for the first and the second child. And they are aware that the legislation grants the mother one or two hours a day to breastfeed her child in his first years.

There is no obligation on the employer to comply with these rules, and thus, the accessions to those rights are under the decision of the employer. Furthermore, they do not enjoy any form of health care, even if the injury was caused by work, except in a few cases. There are no rights for them regarding holidays, and if they were absent from work, they might be terminated, due to the availability of alternative employment in large numbers. In other cases, the absent day and a day after are deducted from their wages as a punishment. This is along with the lack of social security, and thus, they spend their lives working, and when they age and retire, they do not find any form of protection.

Women working for a third party were asked about the problems they face at work and the services they need in the future. Regarding the nature of the problems that are faced by working women, there were many, but they were led by "low pay" as a primary problem facing women

in the sector, which counted for 53.2%. Followed by "The number of long working hours" (37.1%), then the problem of "lack of insurance" (19.5%), as the third most important problem facing working women in the informal sector. Beni Suef is considered the most governorate suffering from these problems, where the percentages are as follows: low pay (65.8%), long working hours (61.2%), lack of insurance (26.9%). These are the largest percentages among the provinces under study. While for Minya governorate, the most important problems facing the women in addition to what was discussed is "the difficulty of transportation" by 23.2%.

Table 44: Women's distribution percentage according to the nature of work problems per governorate

Nature of work problems	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	Average
Low wage	%50.8	%35.6	%60.4	%65.8	%48.2	%53.2
Long working hours	%26.7	%24.6	%31.8	%61.2	%38.6	%37.1
Distance between home and work	%5.0	%3.4	%5.	%11.0	%23.2	%9.7
Transportation difficulties	%5.6	%2.5	%1.0	%8.7	%7.7	%5.6
Bad treatment from employer	%13.5	%11.9	%14.6	%11.4	%3.7	%10.7
No social insurance	%18.8	%17.8	%17.2	%26.9	%16.5	%19.5
Others	%1.7	%8.5	%1.6	%5.	%5.9	%3.2

In addition, there were many answers in terms of what services do women need in the future regarding their work. The most important of these services are, firstly: financial aid (69.4%), then, health services (25.7%), and finally, training courses (31.1%).

4.4 Aid from the women's point of view

Financial aid came to be the most important service for women in the five governorates. Women perceive the availability of aid as providing funds for a project, in which they can work in accordance with the conditions of their lives. Health services were determined as the second most important aid. While training sessions came as the second most important needed service in Giza and Qalubiya.

Table 45: Percentage of females distributed according to the requested services and the governorate

Requested services	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	Average
Training courses	%30.4	%15.5	%41.0	%31.0	%30.2	%31.1
Financial aids	%53.3	%54.8	%57.9	%88.9	%82.5	%69.4
Health services	%26.1	%6.0	%16.9	%34.7	%30.2	%25.7
Marketing services	%2.9	%4.8	%3.9	%13.9	%5.2	%6.2
Others	%1.1	%3.6	%3.4	%0.	%1.9	%1.7
None	%27.5	%39.3	%12.9	%2.3	%20.9	%18.9

Throughout the focus group discussions in different governorates, when asked about the services they need, women answered with services to the region in general and not their work. In all provinces, women spoke about lack of sanitation, disruption of water, lack of adequately paved roads, inadequate schools and hospitals, and other public facilities especially in rural areas.

In Cairo, women of the study see that they are in need for more services; most of them suggest that they want to get help to have their own projects. They possess the required knowledge for many craft activities that could be converted into small projects. Since capital is the main obstacle, they proposed that some entities could give them loans at a low-interest. Those donors can collect their money from the profits of these projects; or take the ownership of these projects and give the workers enough wages. The women confirmed that they need follow up on these projects, in addition to marketing, and large-scale training.

In Giza, some women added the importance of:

- Workshops to teach and employ the women in the region.
- Training on simple crafts and professions.

- Awareness seminars, where participants said

that they benefited from such seminars and transferred what they have learned to their parents and friends.

- Introducing the Dahshur Association Fund again after it was stopped suddenly.

In Qalubia, women pointed to the need of health insurance, water, electricity, sanitation, and natural gas as basic needs for the province, as women, suffer from the high cost of gas cylinders, in addition to the distant warehouses from where they stay. They also need nearby schools for the education of their children, as well as, hospitals.



Focus Group at Giza

5 Entrepreneurs in the Informal Sector



Chapter Five

Entrepreneurs in the informal sector

Female projects are women who possess an unregistered project, which does not have a commercial registration, tax card and records. Entrepreneurs work either individually or with the help of other labor. Informal sector projects are characterized by the small size of capital and assets, in return a greater reliance on work. It typically includes a number of family members as unpaid labor, and some of the projects include a children's labor. The self-employed category is concentrated in the industrial, commercial, service or agricultural projects. This includes shops and vendors in the market for their own benefit, in addition to home manufacturing projects, sewing, livestock, and dairy processing projects.

"We hope that the project will expand and will be registered if this project grows, it could provide an asset for my son his life"

Project Owner at Beni swif

5.1 Economic activities for women projects

Commercial activity ranked first among female projects, followed by industrial activity, and there is convergence service and trade in the sample projects. The agricultural activity increases in Qalubiya, Beni Suef and Minya and with lower rates in Giza and Cairo. Service projects increases in Beni Suef and Minya, it is noticed that both sectors are meeting in poor provinces. The most important agricultural sector projects activities happened to be goats and cattle breeding, margarine and dairy products, sorting cattle milk, manufacture of cages and trade of grain, where the largest segment of the entrepreneurs is concentrated in the dairy, poultry and egg processing. Grain trade and dairy projects are related to activities that are seasonal and temporary in nature especially in the Beni Suef and Minya. It is worth mentioning, the presence of all the activities together in both urban and rural areas, where there are commercial, industrial and service activities in countryside and there is trade in agricultural products in urban areas. Therefore the study collected data of some women who owns agricultural projects in Cairo as they carry out the selling operations of their products.

Table 46: The most important activities of female project owners in the agriculture sector per governorate

	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	Average
Work at owned land	.0%	.0%	8.3%	5.7%	3.2%	4.3%
Cattle and goats breeding	.0%	.0%	.0%	31.4%	25.8%	20.4%
Processing dairy and margarine products	12.5%	28.6%	.0%	25.7%	25.8%	21.5%
Cattle milk sorting	.0%	.0%	.0%	.0%	12.9%	4.3%
Cage manufacturing	.0%	14.3%	.0%	.0%	3.2%	2.2%
Seeds trade	.0%	.0%	33.3%	22.9%	9.7%	16.1%
Processing milk / eggs / Poultry farming	87.5%	57.1%	58.3%	14.3%	16.1%	30.1%

As for industrial projects the activity of Cutting gypsum boards for ceiling is concentrated in Giza, Minya, while carpet projects in Qalubiya, the confectionery industry in Minya, garbage recycling activity in Cairo, as well as clothing and textile manufacturing activities.

Table 47: The most important activities of female project owners in the industrial sector

Project	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	Average
Cutting gypsum boards for ceiling	.0%	.0%	14.3%	.0%	20.0%	3.8%
Handmade Carpets	.0%	33.3%	.0%	.0%	.0%	3.8%
Sweets and pies industry	.0%	.0%	.0%	.0%	40.0%	3.8%
Bread baking	.0%	50.0%	14.3%	100.0%	40.0%	15.1%
Garbage recycling	93.9%	.0%	.0%	.0%	.0%	58.5%
Manufacturing of clothing and furniture coverings	6.1%	.0%	71.4%	.0%	.0%	13.2%

Regarding commercial activity it is the most likely to happen, a number of women works in selling vegetables and fruit, birds and poultry, groceries, textiles, clothing, accessories, beans and falafel in addition to electricity tools. As well as activities at lower rates, spice dealing such as Kosheri and liver sandwiches selling, trade of furniture, Paints and trade, frozen meat and trade of plastic bags and packaging materials, as well as veterinary medicines, toys, and Ramadan lanterns.

Table 48: The most important activities of female project owners in the commercial sector per governorate

Project	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	Average
Birds and poultry / liver / bird skeletons	2.0%	9.1%	6.6%	13.4%	17.3%	11.3%
Vegetables and fruit	39.5%	38.5%	40.5%	25.8%	26.7%	32.4%
Electric / House ware tools	5.4%	1.8%	5.0%	1.0%	2.2%	2.5%
Grocery items	8.2%	13.8%	9.1%	30.2%	24.2%	19.6%
Fish / grilling fish	2.0%	4.7%	5.8%	2.1%	4.1%	3.6%
Cloth store owner / Retail cloth store owner / and Furniture covering store owner	18.4%	7.3%	7.4%	8.2%	9.1%	9.5%
Shoe store owner	3.4%	1.5%	0.0%	3.4%	2.2%	2.3%
Falafel shop / fava beans cart	2.7%	1.8%	0.0%	3.4%	3.8%	2.7%
Cleaners Retail / baby diapers	0.7%	3.6%	0.8%	3.4%	3.1%	2.8%
Women accessories, makeup, and Perfume / Toys	4.1%	1.5%	3.3%	0.7%	1.6%	1.8%
Bread / chips / Konafa and Qatayef	4.1%	2.9%	5.8%	0.3%	0.3%	2.0%

With reference to service projects, it included custom-made and repairing of clothing in most provinces of the study. This is associated with the dynamics of poverty, where the poor cannot buy ready manufactured clothes and if happened it is mostly for outing clothes, while school and home clothes and proportion of outing clothes, in addition to home furnishings are still cheaper for poor people than the imported clothing and furnishings. Also females are active in the hairdressing projects for women in each of Minya, Beni Suef, Cairo, Qalubiya.

Table 49: The most important activities of female project owners in the service sector per governorate

Projects	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	Average
Tailoring and repair Women's clothes	23.1%	28.6%	0.25%	68.3%	69.6%	56.8%
Households / factories servicing	0.0%	14.3%	0.0%	0.0%	2.2%	2.5%
Hair dresser	30.8%	21.4%	.25%	24.4%	21.7%	22.9%
Paper Copying and selling notebooks	0.0%	0.0%	0.0%	0.0%	2.2%	0.8%
Laundry	.0%	.0%	.0%	2.4%	4.3%	2.5%
Fish Cutting and cleaning	7.7%	0.0%	0.0%	0.0%	0.0%	0.8%
Selling gas cylinder	7.7%	21.4%	50%	2.4%	0.0%	7.6%
Nursery owner	7.7%	0.0%	0.0%	0.0%	0.0%	0.8%
Coffee shop owner	23.1%	14.3%	0.0%	0.0%	0.0%	4.2%
PlayStation gaming shop Owner	0.0%	0.0%	0.0%	2.4%	0.0%	0.8%

5.2 Ownership of projects in the informal sector

Sample results shows that 79% of female projects in the informal sector possess individual ownership of the project without a partner. In all provinces under study, individual property was larger in ratio than joint ownership. Where women who possess their own projects without a partner sowed to be 58.2% in Cairo, 76.4% in Giza and more than 82% in of Minya, Beni Suef, Qalubiya.

Table 50: The distribution percentage for female project owners according to the project ownership per governorate

Project ownership	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	Average
Independent ownership	58.2%	83.8%	76.4%	83.5%	82.8%	79.0%
Joint venture	41.8%	16.2%	23.6%	16.5%	17.3%	21.0%

For women who possess projects in association with others, 61.3% of them possess these projects in conjunction with the spouse along, 35.7% in conjunction with the mother, father, or anyone else from the family. On the other hand, only 6.4% of the women possess those projects with individuals outside their families. This relative distribution did not differ much on the level of provinces under study. In all the provinces co-ownership with the spouse was the highest percentage reaching 44.1% in Giza, and surpassed 60% in Minya, Beni Suef, and Qalubiya reaching 67.9% in Cairo. Joint ownership with an individual from outside the family came in last place in all the provinces, the ratio ranged between 3.6% in Cairo and 12.2% in the Qalubiya

Table 51: The distribution percentage for female project owners according to joint ownership per governorate

Joint ownership	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	Average
Husband / wife	67.9%	63.3%	44.1%	60.7%	60.9%	61.3%
Father / Mother	14.3%	8.2%	20.6%	18.0%	5.8%	12.8%
Another member from the family	21.4%	20.4%	32.4%	16.4%	27.5%	22.9%
Not from the family	3.6%	12.2%	5.9%	4.9%	7.2%	6.4%

With regard to starting the project, about 92.8% of the females started such projects on their own, while only 5.6% had inherited it. A very small percentage of women have bought these projects from someone else with a ratio does not exceed 1.1 %, and this is the case in almost all the governorates under study.

Table 52: The distribution percentage for female project owners according to project foundation per governorate

Project foundation	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	Average
Founding	86.6%	93.7%	93.8%	94.0%	93.8%	92.8%
Inherited	11.9%	4.6%	6.3%	3.8%	4.5%	5.6%
Bought	1.5%	1.0%	0.0%	1.6%	1.0%	1.1%
Others	0.0%	0.7%	0.0%	0.5%	0.8%	0.5%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

5.3 Lifetime of the project and working hours

Half of the current female projects started during the last six years since 2010. The largest percentages of who newly began their projects are in Beni Suef (66.5%), and Minya (56.7%). It is clear that the main reason behind starting the activity was economic or poverty pressures, especially with the presence of women in relatively poor areas and low levels of education among female projects owners, most of the female projects owners are married, divorced and widowed.

Table 53: The distribution percentage for female project owners according to the starting year per governorate

Starting year for project	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	Average
1981-1990	1.0%	6.2%	4.3%	0.8%	2.0%	2.6%
1991-2000	16.5%	19.0%	17.0%	8.1%	13.6%	14.0%
2001-2010	36.1%	30.3%	36.9%	24.6%	27.7%	29.5%
After 2010	46.4%	44.5%	41.8%	66.5%	56.7%	53.8%

It is also noted that 91.2% of women possess permanent projects, while 5.7% of them possess temporary projects and about 2.1% of them their projects are seasonal or intermittent especially in the agricultural sector.

Table 54: The distribution percentage for female project owners according to project type per governorate

Project type	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	Average
Permanent	87.6%	91.7%	96.5%	92.4%	89.5%	91.2%
Temporary	1.5%	6.6%	2.8%	6.8%	7.0%	5.7%
Seasonal	9.0%	0.7%	0.7%	0.8%	0.5%	1.8%
Intermittent	2.0%	1.0%	0.0%	0.0%	3.0%	1.3%

When talking about working conditions, it is found that 52.7% of female projects in the informal sector are employed in their projects for more than 50 hours a week and almost every day of the week, and this is the case in all provinces under study. Always the largest proportion goes to women who work more than 50 hours per week, 53.5% in Qalubiya and Minya, about 68% in Giza and 38.2% in Beni Suef. In addition, this is an indicator of high working hours in these projects than the official projects that defines the work about 40 hours per week.

Table 55: The distribution percentage for female project owners according to weekly working hours per governorate

Working hours	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	Average
< 30	14.4%	17.6%	6.9%	20.6%	23.5%	18.5%
30-40	5.5%	10.3%	9.7%	16.0%	12.3%	11.6%
40-50	14.4%	18.6%	14.6%	25.2%	10.8%	17.1%
>=50	65.2%	53.5%	68.1%	38.2%	53.5%	52.7%

In addition, about 88.6% of the female projects in the sector work in fixed locations, this constituted the largest proportion in the provinces, with a percentage ranged between 81.4% in Qalubiya and 93% in Beni Suef.

Table 56: The distribution percentage for female project owners according to type of work place per governorate

Project place	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	Average
Fixed place	92.0%	81.4%	91.0%	93.0%	87.5%	88.6%
Mobile	8.0%	18.6%	9.0%	7.0%	12.5%	11.4%

As for the number of permanent employment, it is found that the vast majority of female women's projects are working alone or using one or two at the most to help them with a rate of 86.7%.

Table 57: The distribution percentage for female project owners according to the labor per governorate

Number of Labor		Governorate					
		Cairo	Qalubiya	Giza	Beni Suef	Minya	Average
Permanent	<=2	84.0%	100.0%	50.0%	81.8%	92.3%	86.7%
	>2	16.0%	.0%	50.0%	18.2%	7.7%	13.3%
Temporary	<=2	100.0%	100.0%	.0%	100.0%	87.5%	91.5%
	>2					12.5%	8.5%

5.4 Access to markets

Referring to the market access, the results of the study shows that most of female projects owners are working in the geographical scope close to their home. The reasons behind the choice of those workplaces have varied, for example, 46.8% of female projects sector reported that the non-availability of better places to work out. As well as other reasons, 37.5% of them, agreed on the insufficient capital to work in better places behind the choice of current place for their projects.

Table 58: The Distribution percentage for female project owners according to the reason behind choosing the work place per governorate

The reason behind choosing the work place	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	Average
Did not find a better place	55.6%	34.7%	49.3%	53.2%	45.0%	46.8%
Availability of customers	17.1%	41.1%	38.7%	30.1%	31.2%	31.9%
Lack of money for a better place	31.0%	40.1%	16.2%	41.4%	42.7%	37.5%
Others	4.3%	0.7%	2.1%	1.1%	1.0%	1.5%

To build marketing strategies that promote women's access to market, there has been a focus on the people who deal with the informal sector. The research found that women and families are most frequent groups dealing with women in the informal sector. When female projects owners were asked about the most likely groups whom they deal with these two groups were figured out among multiple answers mentioned by the women, with a percentage of 70% for families and 77.2% for women. At the provincial level, these two groups remained the most prominent between answers ranged from 47.3% in Cairo and 87.7% in Qalubiya for the benefit of families' category. As for the women category, the ratio ranged as follows 67.4% in Giza and 85.4% in the Qalubiya. Selecting families to deal with by women in the informal sector has strong relation with poverty. Families prefer to deal with women working in the informal sector because their products are relatively cheaper due low fixed costs, meanwhile packaging and product quality represents a quantum leap in the work of these women, taking into account that they do not receive the adequate support.

Table 59: The distribution percentage for female project owners according to the most categories dealt with per governorate

The most categories dealt with	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	Average
Ordinary families	47.3%	87.7%	68.8%	74.0%	64.8%	70.0%
Women	69.7%	85.4%	67.4%	83.2%	73.0%	77.2%
School students	10.0%	13.6%	6.9%	18.2%	9.3%	12.4%
Exporting offices	0.0%	0.0%	0.0%	0.0%	0.3%	0.1%
Companies	1.0%	0.0%	0.0%	0.3%	0.8%	0.4%
Intermediaries	15.9%	0.7%	2.1%	0.8%	0.8%	3.0%
Other	0.0%	0.7%	0.0%	0.0%	1.0%	0.4%

The percentage of women who do not consume much time in the transition from home to workplace increases in Upper Egypt governorates than urban provinces of proportion, in Minya 50%, in Beni Suef 47.6%. While the proportion of women who consumes less than 30 minutes from home to work increases in each of Cairo 68.1%, Qalubiya 70.4%, and Giza 73.7%. Generally, the proportion of who consume more than 30 minutes time to go to work increase in both Cairo and Giza from other provinces.

Table 60: The distribution percentage for females according to transporting duration per governorate

Duration to work in minutes	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	Average
None	14.1%	23.6%	9.9%	47.6%	50.0%	32.5%
< 30	68.1%	70.4%	73.7%	45.7%	38.4%	56.1%

Duration to work in minutes	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	Average
30-60	8.7%	4.8%	10.2%	5.1%	7.1%	7.0%
60-90	3.6%	0.5%	2.4%	1.0%	1.9%	1.9%
> = 90	5.6%	0.7%	3.9%	0.5%	2.5%	2.5%

A question was raised to women owning projects in the informal sector, if she had thought of launching a project before or not. Only 5.2% thought before in launching a project, while the vast majority 94.8% had not thought before in the registering the project and moving to formal sector.

Table 61: The Distribution percentage for females according to registration per governorate

Registration	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	Average
Yes	3.0%	5.6%	1.4%	6.0%	6.8%	5.2%
No	97.0%	94.4%	98.6%	94.0%	93.3%	94.8%

The study faced a challenge in dealing with women at a lower level of education. Where knowledge about registration was absent, as well as an understanding for the meaning of informality or registration. Researchers exerted much effort to simplify the issue of official entities during the data collection and through focus groups' discussions. This did not hinder women at lower level of education to move and try to register their projects. Where one of the women in Beni Suef resorted to the local unit to know the project's registration procedures. The strange thing is that the local employee was also not familiar with the issue of the informal sector, as he gave her incorrect information, in which she took the decision not to proceed in the registration process. The employee pointed out that the procedures for registration projects in the region have stopped and are no longer working. Thus, the woman thought that registration procedures are no longer valid, but he should have told her about the nearest place to provide her the service.

"The atmosphere here is not encouraging for issuing a license ... I went to register my project in Dallas registration office, they told me they stopped! I was so depressed to do anything after wards"

A project Owner at Beni Swif

5.5 Possibilities of transformation to formal sector

Concerning the degree of **awareness of the concept of the informal sector**, the study shows that 90.6% of women in the sector do not know the meaning of the informal sector, although they belong to it. About 93.9% of women in Minya do not know the meaning of the informal sector, and similar results were found in other provinces, 91.3% in Beni Suef, and 93.6% in Qalubiya, 83.9% in Giza, and 87.5% in Cairo.

Table 62: Women's distribution percentage according to awareness with the informal sector per governorate

Awareness with the informal	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	Average
Yes	12.5%	6.4%	16.1%	8.7%	6.1%	9.4%
No	87.5%	93.6%	83.9%	91.3%	93.9%	90.6%

During the discussion with female project owners through the Focus groups, it is found that the vast majority on the governorate level did not know the meaning of the informal sector or had not heard about it before, although they belonged to it. On the other hand in Giza and Cairo, the study concluded that – for them– the informal sector is the nongovernmental sector including the private sector, which does not enjoy the same advantages of the governmental. However, the knowledge about the sector and of registration procedures was generally higher in urban governorates (Cairo and Giza).

As for the ladies who know the informal sector, the study has pointed out that the informal sector for them is the lack of any form of protection and preservation of rights. As there is no health or social insurance, maternity leave, or breastfeeding hours, and no rights for vacations for any reason even if

"I want to expand my project, but I am afraid that the registration will be difficult on me and will cost me a lot of money and I could not afford it"

Project Owner at El-Minya

it were a disease or injury due to work itself. Consequently, their income is not stable and there are no available pensions. In general, they do not pursue a career nor or financial stability compared to government sector female workers.

In Qalubiya, most women do not know anything about the informal sector, although they belonged to it. However, some of them were able to distinguish between public and private sector, where health insurance and social pensions are available in both, and the unstable work with unstable they mean the informal sector.

Considering the issue of non-registration, and the reasons that hinder female project owners in the informal sector to shift to formality, ladies mentioned several reasons behind not registering their projects. The most prominent reason is the lack of their need to register; about 83.8% of women perceive that they do not need to register, and that registration is not useful. In addition, registration will slow down the work especially after being monitored by the state. In the second place, about 15.4% of women perceive that the cost is an obstacle in front of them. Viewing this matter at the level of the provinces, study concluded that most prominent reason, is that there is no need to register, where female projects owners think they do not need to sign up for something. This makes up the largest percentage within each province ranging between 71% in Minya, 91.9% in Beni Suef. Then the cost as an obstacle comes in second place, followed by abundance of papers and procedures, for example, in Qalubiya, 24% of the ladies perceive cost as the main obstacle, along with other obstacles, Followed by a 8.8% complained of the

large number of required documents. In Minya 21.7% of the women perceive the obstacle in the cost followed by a 15.4% perceive that the obstacle is the large number of required paperwork.

Table 63: The distribution percentage for female project owners according to non-registration reasons per governorate

The un-registration reasons	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	Average
No need for registration	81.3%	88.5%	91.3%	91.9%	71.0%	83.8%
Too much required documents	7.5%	8.8%	3.3%	4.4%	15.4%	8.7%
Large amount of money should be paid	12.5%	24.0%	6.5%	7.0%	21.7%	15.4%
Other	2.5%	0.5%	0.0%	1.8%	3.3%	1.9%

As for the benefits that would accrue for the women behind the registration of their projects, the ladies said many points in this regard. About 45.2% of women do not know the benefit from registration. As well as 34.3% of women think that there will be no benefit from registration. Regarding the provinces, 45.5% of women in Minya perceive that registration is useless, while 7% of them think see that benefits of registration is to ease the access to loans, while there are 38.8% of women who do not know the benefit from registration. The matter does not differ much in other governorates, as most of the women believe that registration does not has any benefits, or do not know exactly what the is the benefit behind it. Whereas a few percentages of the ladies were able to determine the benefit of registration, in Qalubiya 15% of the ladies see the benefit of registration in the possibility of renting places for work.

Table 64: The distribution percentage for female project owners according to registration benefits per governorate

Registration benefits	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	Average
Selling to companies with bills	1.5%	1.0%	.0%	4.9%	.8%	1.9%
Obtain a loan or training	1.5%	2.0%	.7%	8.9%	7.0%	5.0%
Rent work place	3.0%	15.0%	2.1%	4.3%	3.5%	5.9%
Social prestige	5.0%	3.3%	11.1%	12.5%	3.3%	6.7%
Other	.5%	1.3%	.0%	.8%	1.3%	.9%
Unusful	46.8%	16.9%	41.0%	27.1%	45.5%	34.3%
Do not know	41.8%	60.5%	45.1%	41.5%	38.8%	45.2%

5.6 Costs and benefits of the project analysis

By analyzing the cost paid by the women on their projects, it is found that 75.8% of women spend less than 3,000 Egyptian pounds a month, 43.3% of women spend less than 1000 Egyptian pounds per month and 32.5% of them spend between 1,000 Egyptian pounds and 3,000 Egyptian pounds, along with a small percentage 12.6% who spend between 3,000 Egyptian pounds and 5,000 Egyptian pounds. The issue does not differ much on the provincial level; the larger ratio always goes for spending less than a thousand Egyptian pounds per month, which varied between 34.7% and 37.5% in Giza and Qalubiya, respectively, and 53.9% in Beni Suef.

Table 65: The distribution percentage for female project owners according the project's monthly cost per governorate

The running monthly cost	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	Average
<1000	42.8%	37.5%	34.7%	53.9%	41.3%	43.3%
1000-3000	23.9%	36.2%	26.4%	32.8%	36.0%	32.5%
3000-5000	12.9%	14.6%	11.1%	7.9%	15.8%	12.6%
5000-7000	4.5%	8.0%	2.8%	3.0%	4.3%	4.6%
>=7000	15.9%	3.7%	25.0%	2.4%	2.8%	7.0%

As for the detailed cost spent by project owners per month, it was found that regarding rent, 76.7% of women do not spend any money on rent every month, while 16% of women spend up to 300 Egyptian pounds per month on rent. At the provincial level, it was noticed that the largest proportion of women do not spend money on monthly rent, at a minimum of 50.8% in Qalubiya. Women who spend on rent up to 300 Egyptian pounds per month have ranged from 8.1% in Minya, 13% in Cairo, and reached 40.2% in Qalubiya.

Table 66: The distribution percentage for female project owners according to rental monthly cost per governorate

Rental monthly cost	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	Average
Zero	68.2%	50.8%	81.3%	88.3%	88.3%	76.7%
<100	3.5%	14.0%	2.1%	1.9%	2.3%	4.8%
100-300	9.5%	26.2%	6.9%	7.6%	5.8%	11.2%
300-700	12.9%	7.6%	6.3%	1.6%	2.3%	5.2%
700-1000	2.5%	1.0%	1.4%	.3%	.0%	.8%
>=1000	3.5%	.3%	2.1%	.3%	1.5%	1.3%

Regarding the cost of raw materials and goods, it is found that 39.9% of female projects owners spend on the purchase of goods and raw materials between 1000-5000 Egyptian pounds per month.

Table 67: The distribution percentage for female project owners according to costs of raw materials / goods per governorate

Raw materials / goods cost	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	Average
None	11.9%	0.7%	2.8%	1.4%	2.0%	3.0%
<100	4.0%	2.0%	6.3%	7.9%	4.8%	5.0%
100-300	8.0%	8.0%	6.9%	11.7%	8.8%	9.0%
300-700	15.4%	20.3%	12.5%	23.6%	18.8%	19.2%
700-1000	14.9%	15.3%	14.6%	16.5%	13.5%	15.0%
1000-5000	29.4%	47.2%	29.2%	35.5%	47.5%	39.9%
5000-10000	12.4%	6.3%	17.4%	3.0%	4.5%	6.9%
>=10000	4.0%	0.3%	10.4%	0.5%	0.3%	1.9%

Regarding the cost of transportation per month, it is found that 34.2% of female projects owners do not spend on transportation. Meanwhile, 34.7% of them spend less than 100 Egyptian pounds per month on transportation. At the provincial level, the ratio of women who do not spend on transportation varied from 27.9% in Qalubiya, to 40.8 % in Minya. While women

who spend on transportation up to 300 Egyptian pounds count for 38.9% in Giza, and 65.6% in Beni Suef. The increased spending on transportation is an indicator of the popularity of the business.

Table 68: The distribution percentage for female project owners according to monthly transportation cost per governorate

Monthly transportation cost	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	Average
None	39.3%	27.9%	37.5%	28.2%	40.8%	34.2%
<100	23.4%	35.5%	20.8%	49.1%	31.5%	34.7%
100-300	22.4%	23.6%	18.1%	16.5%	14.3%	18.4%
300-700	8.5%	8.6%	10.4%	4.6%	10.5%	8.3%
700-1000	2.5%	2.7%	6.3%	0.8%	2.0%	2.3%
>=1000	4.0%	1.7%	6.9%	0.8%	1.0%	2.1%

Regarding employment, the study shows that about 46% of female projects owners employ workers. At the level of provinces, the largest proportion of women in Cairo and Giza use labor 64.3% and 58%, respectively. On the contrary, in Qalubiya, Beni Suef, and Minya, female projects owners do not employ any labor, 70% in Qalubiya, and about 59% in both of Minya and Beni Suef.

Table 69: The distribution percentage for females projects owners according to labor employment per governorate

Labor	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	Average
No labor	35.7%	70.0%	42.0%	59.2%	58.8%	53.9%
Labor	64.3%	30.0%	58.0%	40.8%	41.2%	46.1%

As for women who tend to use labor in their projects, it is noticed that the average cost of labor is about 805 Egyptian pounds per month, with values ranging from 373 Egyptian pounds per month in Giza and 1361 pounds per month in Cairo.

Table 70: average labor monthly cost for female project owners per governorate

Labor Cost	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	Average
	1361.90	478.57	373.33	454.76	660.00	805.61

About 54% of female women's projects spend on other things, notably electricity, which resembles a monthly burden on them, ranging from 42% in Giza, and 69.8% in Qalubiya. The average of these additional costs is about 170 Egyptian pounds per month.

Table 71: The distribution percentage for females projects owners according to bearing electricity cost per governorate

Electricity cost	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	Average
Paying Electricity	38.9%	69.8%	42.0%	58.5%	57.3%	53.9%
Not paying	61.1%	30.2%	58.0%	41.5%	42.7%	46.1%

Table 72: The average of other monthly expenses (electricity)

Electricity	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	Average
Electricity cost	136.00	185.00	166.67	160.60	189.80	170.04

In spite of all the costs incurred by the woman in the course of her project's growth, there are about 63.5% of women who claim that their earnings do not change from month to month. On the other hand, there are 27.9% of women who sometimes do not receive their money from customers.

Table 73: The distribution percentage for female project owners according to the profit of current month compared to the profit of previous month per governorate

Profit fluctuation	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	Average
Less than previous month	34.8%	17.9%	23.6%	37.1%	25.0%	27.9%
Same	56.7%	72.4%	69.4%	56.9%	64.3%	63.5%
More than previous month	8.5%	9.6%	6.9%	6.0%	10.8%	8.6%

At the provincial level, the largest percentage of women do not witness a change in their income, with ratios ranging from 56.7% in Cairo, to 72.4% in Qalubiya. And thus, one of the problems that these women face appears, which is the inability to enforce contracts. So, we find that the ratio of women who lost money because of their inability to enforce the agreed upon contracts with the customers ranged from 21.4 % in Cairo, to 31% in Minya, along with their inability to prove their financial rights from the customers.

Table 74: The distribution percentage for female project owners according to retrieve debts from customers per governorate

The inability to retrieve debts from customers	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	Average
Yes	21.4%	28.6%	25.0%	26.8%	31.0%	27.4%
No	78.6%	71.4%	75.0%	73.2%	69.0%	72.6%

It was also found that 93.7% of women perceive that their products' prices, are like or less than the market price, while only 6.4% of women perceive their prices to be more than market prices. At the provincial level, the largest percentage of women believes that their products' prices are less than market prices and their percentage in all governorates increased from 95%.

Table 75: The distribution percentage for female project owners according to the evaluation of their product prices compared to the market per governorate

Pricing	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	Average
Less	23.4%	9.6%	16.7%	13.8%	15.3%	15.0%
Same	74.1%	86.0%	82.6%	85.1%	68.0%	78.7%
More	2.5%	4.3%	.7%	1.1%	16.8%	6.4%

5.7 Challenges and opportunities for projects in the informal sector

Speaking about the problems faced by female projects, women stated many problems that they face. It was found that about 85% of women encountered the problem of capital availability. The most prominent problem in all provinces is capital, the proportion of women who perceive capital as the main obstacle and the biggest problem facing their projects counted for 69.7% and 79.9% in Cairo and Giza, respectively, and 88.3% and 91.6% in Minya and Beni Suef, respectively. Women also mentioned that the government's treatment, especially that of municipalities and the Ministry of Supply, is one of the important problems facing their projects, with ratios reaching 26.4% in Giza, and 19.9% in Cairo. Also the problem of the small place was tackled as one of the problems with rates of 36.8% in Minya, and 35.5% in Qalubiya.

Table 76: The distribution percentage for female project owners according to project problems per governorate

Project problems	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	Average
Lack of capital availability	69.7%	85.7%	79.9%	91.6%	88.3%	85.1%
Inability to operate the capital	5.5%	4.7%	.7%	9.8%	4.8%	5.7%
The difficulty to reach the customer who needs the service	9.5%	2.0%	5.6%	3.3%	8.8%	5.7%
Government's dealing method	19.9%	12.6%	26.4%	3.8%	3.5%	10.2%
Unavailability of labor	1.5%	1.0%	.0%	8.7%	1.8%	3.2%
The small size of the place	24.9%	35.5%	18.8%	32.8%	36.8%	31.9%
Other	3.5%	1.3%	0.0%	0.3%	1.8%	1.3%

As for solutions to these problems, women have stated many proposals. Availability of capital and a better place for the business were on the top of their proposals, about 47% for each proposed solution. This is the case at the level of each of the governorates under study, availability of capital come in first place in Minya and Beni Suef by 51.8% and 55%, respectively, while providing the best place for the business came at the head of the proposed solutions in Cairo, Giza, and Qalubiya representing 56.4%, 48.6%, and 53.2%, respectively.

Table 77: The distribution percentage for female project owners according to proposed solutions per governorate

Proposed solutions	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	Average
Project management training	1.0%	3.7%	1.4%	2.4%	5.0%	3.1%
Availability of tools	3.1%	5.3%	1.4%	4.1%	6.8%	4.7%
Availability and familiarity of technology	1.0%	0.0%	0.0%	.3%	1.0%	0.5%
Awareness of Market needs	3.6%	1.7%	3.5%	7.6%	6.0%	4.9%
The selling opportunity to key accounts	2.6%	0.7%	0.7%	3.8%	2.5%	2.3%
Activity Registration	0.0%	0.3%	0.0%	0.5%	0.3%	0.3%
Ads for the product	0.0%	0.3%	0.0%	0.0%	0.3%	.1%
Capital Availability	35.4%	37.9%	45.1%	55.0%	51.8%	46.7%
Provide better place	56.4%	53.2%	48.6%	40.9%	43.0%	47.0%
Other	1.5%	1.0%	2.1%	0.3%	0.3%	0.8%

One of the important issues that should be referred to is the problem of the workplace. Women stated many problems that they face in the places of their work. The most important of which is the instability because of government prosecutions with a rate of 24.8%. This problem is also available at the level of provinces with a rate of 40.4% in Giza, 38.3% in Qalubiya, and 28.5% in Cairo. In addition to other problems stated by the women, such as the problem of thefts at a rate of 13%, in both Cairo and Qalubiya.

Table 78: The distribution percentage for female project owners according to work place problems per governorate

Work place problems	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	Average
Bullying	10.5%	10.4%	9.2%	3.0%	5.3%	6.9%
Theft	13.0%	12.8%	7.1%	7.1%	5.8%	8.8%
Royalties	6.0%	7.0%	2.8%	2.7%	1.3%	3.7%
Drugs	8.5%	5.7%	1.4%	.5%	.8%	2.9%
Instability	28.5%	38.3%	40.4%	14.4%	17.1%	24.8%
Others	6.5%	4.0%	7.1%	7.9%	7.0%	6.5%

6 Training and Financing Services for Women in the Informal Sector



Chapter Six

Training and financing services for women in the informal sector

6.1 Training services provided to women in the informal sector

The study surveyed the views of women workers in the informal sector on the extent of services provided to them, where training programs are among these services that will help them in the field of their work. They were asked about whether they had received training before or not, and how satisfied they were from those trainings. In addition to the training they need in the future to help them to work and develop. The question was posed to the women in the sample, whether they participated in any training services during the last year or not. The vast majority (73.3%) of women's answers was no, they didn't receive training over the past year, 23.4% of women added that there are no training services offered in the region. While only 3.3% of women in the sample received training over the past year.

Table 79: women's distribution percentage according to participating in training per governorate

Receive training services	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	Average
Yes	%3.8	%2.	%1.5	%3.9	%5.4	%3.3
No	%75.8	%38.2	%88.4	%80.6	%79.3	%73.3
No training	%20.4	%61.6	%10.1	%15.5	%15.3	%23.4

Among women who have attended training over the past year, most of the training focused on technical skills of work 54.8%, followed by the use of a computer and languages learning 21.4%. The vast majority of them 45.2% received those services through the various regional-specific associations, and 38.1% through the private sector.

Table 80: women's distribution percentage according to training type per governorate

Types of training services	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	Average
Sales and marketing	%21.1	%0.	%0.	%8.7	%2.8	%8.3
Project management	%0.	%0.	%0.	%26.1	%16.7	%14.3
Technical work skills	%47.4	%0.	%60.0	%56.5	%58.3	%54.8
Computer and languages skills	%42.1	%0.	%40.0	%21.7	%8.3	%21.4
Reading and writing	%0.	%100.0	%0.	%30.4	%8.3	%13.1
Other	%0.	%0.	%0.	%0.	%16.7	%7.1

In general, more than half of women 88.1% were satisfied with the training services provided to them, where the level of satisfaction is higher in Qalubiya than other provinces, as 100% of the women were satisfied with the training services provided to them.

In contrast, some women expressed their dissatisfaction with the training they were involved in. The proportion of dissatisfaction increases in Giza to reach 20%. Regarding the reason for dissatisfaction, they mentioned three reasons: the low level of the trainers, and their ill-treatment, as well as the distant training place.

Regarding the types of training they need and that can help them with their work, answers varied, but at the top were marketing and sales skills, in addition to technical working skills 29.3% for each, and project management reached 22.5%. There is a rising proportion for the need of such training in Upper Egypt (Beni Suef and Minya) and urban governorates (Cairo and Giza,). The vast majority of women in the sample 45.7% have mentioned that the appropriate duration of the training would be several hours per day.

Table 81: Women's distribution percentage according to the requested training type per governorate

Requested training type	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	Average
Sales and marketing	%17.5	%21.3	%18.8	%46.6	%30.7	%29.3
Project management	%17.0	%15.5	%19.1	%33.3	%22.0	%22.5
Technical work skills	%24.0	%7.2	%31.1	%34.3	%40.1	%29.3
Computer and languages skills	%13.3	%5.	%25.3	%5.8	%5.3	%8.6
Reading and writing	%6.6	%1.9	%8.9	%11.3	%22.8	%11.8
Other	%5.	%1.3	%1.4	%0.	%6.	%6.
unknown	%34.7	%61.9	%15.0	%9.0	%17.8	%25.4

Table 82: Women's distribution percentage according to suitable training duration per governorate

Suitable training duration	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	Average
Few number of hours	33.9%	76.9%	52.6%	42.2%	43.7%	45.7%
Half day	1.5%	14.0%	1.2%	24.0%	6.8%	11.0%
A Day	1.5%	2.8%	2.0%	15.0%	11.1%	8.8%
Two days	2.6%	.7%	.4%	7.9%	14.1%	7.3%
More than two days	60.5%	5.6%	43.8%	10.9%	24.4%	27.1%

In general, the women were asked about the needed services in their region. Vast majority of women in the sample, at the level of the five provinces, 85.1% mentioned the need of health care, followed by the religious awareness 49.2% and literacy classes 43.7%. The percentage of need of health care is significantly higher in Beni Suef than other provinces 91.4%, in addition to the lack of religious awareness which reaches 75.4% in Beni Suef. While in Minya, the need for literacy classes is the highest 53%.

Table 83: Women's distribution percentage according to unavailable services per governorate

Requested services	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	Average
Religious awareness	%27.0	%16.3	%16.3	%75.4	%42.9	%49.2
Medical care	%77.0	%87.4	%87.4	%91.4	%79.7	%85.1
Literacy classes	%42.8	%22.2	%22.2	%46.1	%53.0	%43.7
Nurseries – schools	%37.5	%55.6	%55.6	%5.0	%17.5	%20.4
Others	%2.6	%0.	%0.	%6.	%6.5	%2.5

Through the Focus groups, it was found that, in most of the study areas, women did not receive any training. In some areas of the study, especially Minya, and Beni Suef governorates, women did not recognize the concept of "training", as a result, the team exerted much effort to explain it. In Giza, Some women said they had received training through the Southern Association of Egypt, such as the making of soaps, beads, candle-making, and birds and rabbits breeding. The team attended part of the training activities provided by the association. However, generally

there was no future benefit from the training, due to the inability and lack of financial resources to establish a project.

6.2 financing services for women in the informal sector

The women in the sample have been asked if they have obtained a loan before from a bank, an association, or the Social Fund for Development, 19.1% only answered yes, they got a loan before, versus 80.9% who did not get any form of loans.

Table 84: Women's distribution percentage according to obtaining a loan per governorate

Have you ever taken or applied for any kind of loans at any place (bank, association, assembly)?	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	Average
Yes	%17.9	%16.9	%11.9	%17.9	%26.0	%19.1
No	%82.1	%83.1	%88.1	%82.1	%74.0	%80.9

Regarding those who received a loan before, 66.7% of them, who are the vast majority, got the loan from associations, 26.2% from banks, including 4.2% from Nasser Social Bank, and only 3.5% of them got the loan from the Social Fund for Development. Not a single woman in the sample had a loan from the Social Fund for Development in Giza, also, not a single woman in the sample received a loan from Nasser Bank in Cairo, while the proportion of women who received loans from Nasser Bank is higher in Beni Suef (11.4%) than other provinces. On the other hand, there is an increase in proportions of women who receive loans from associations in urban areas (Cairo and Giza) than Upper Egypt (Minya and Beni Suef).

Table 85: women's distribution percentage according to the entity providing the loan per governorate

The entity providing the loan	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	Average
Social Fund for Development	%4.4	%2.8	%0.	%3.8	%4.0	%3.5
Nasser Bank	%0.	%2.8	%2.5	%11.4	%2.9	%4.2
Civil association	%86.7	%77.5	%82.5	%49.5	%58.9	%66.7
Other bank	%8.9	%15.5	%15.0	%33.3	%26.3	%22.0
Other	%0.	%1.4	%0.	%1.9	%8.0	%3.5

With regard to the guarantees that have to be offered to take the loan, the largest percentage (63.6%) was to provide a photo ID card, then a guarantor by 13.5%. The proportion of providing a photo ID card increases in Cairo to reach 92.2%. This is because, the largest percentages of loans received by the women in the sample were from NGOs, and a large proportion of them do not need many guarantees for loans with small amounts.

Table 86: women's distribution percentage according to the needed guarantees to obtain a loan per governorate

Guarantees	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	Average
Land	%0.	%1.4	%2.5	%2.9	%1.1	%1.5
House	%1.1	%8.5	%2.5	%11.4	%13.7	%9.1
Copy of ID	%92.2	%74.6	%82.5	%59.0	%42.9	%63.6
Guarantor	%0.	%2.8	%0.	%13.3	%28.0	%13.5
Residence guarantee	%0.	%5.6	%0.	%3.8	%2.3	%2.5
Other	%6.7	%7.0	%12.5	%9.5	%12.0	%9.8

6-3 Loans from commercial banks or governmental institutions

Questions were asked to women who had received a loan before from a bank regarding the loan and how it was spent. Among these women, the value of the loan ranged between 3000-6000 pounds 30.2%. The sample showed that 90% of loans in Cairo were less than 3,000 pounds, including 30% less than 1000 pounds. While loans of 9,000 pounds or more are concentrated in Minya 36.5% and Beni Suef 33.3%. Also, the value of one installment ranged between 300-500 pounds per month as reported by 29.6% of women who received a loan from the Bank.

Table 87: women's distribution percentage according to loan value per governorate

Loan value	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	Average
1000>	%30.0	%0.	%14.3	%9.8	%5.4	%8.0
1000-3000	%60.0	%25.0	%42.9	%25.5	%23.0	%27.2
3000-9000	%10.0	%50.0	%28.6	%27.5	%29.7	%30.2
6000-9000	%0.	%10.0	%0.	%3.9	%5.4	%4.9
9000=<	%0.	%15.0	%14.3	%33.3	%36.5	%29.6

Table 88: women's distribution percentage according to woman status per governorate

Woman status		Governorate					
		Cairo	Qalubiya	Giza	Beni Suef	Minya	Average
The recipient	Project owner	5.0%	6.0%	4.2%	10.8%	15.0%	9.5%
	Working person	.0%	1.7%	.5%	5.0%	5.1%	2.5%

Approximately 30% of the project owners received a loan equal to 9000 pounds or more, this ratio increases in Beni Suef province up to 40% and in Minya 35%. While for 56% of them, the loan amount ranges between 1000-6000 pounds. Regarding informal workers, approximately 40% of the loan value ranges between 3000-6000 pounds, and they are concentrated in Giza 100%. It is noteworthy that women workers always have access to a loan for social reasons that have nothing to do with the establishment of the project.

Table 89 women's distribution percentage according to loans value per governorate

Loan value		Governorate					
		Cairo	Qalubiya	Giza	Beni Suef	Minya	Average
Project owner	<1000	30.0%	.0%	16.7%	10.0%	6.7%	9.0%
	1000-3000	60.0%	27.8%	50.0%	20.0%	25.0%	27.6%
	3000-6000	10.0%	50.0%	16.7%	25.0%	28.3%	28.4%
	6000-9000	.0%	11.1%	.0%	5.0%	5.0%	5.2%
	>=9000	.0%	11.1%	16.7%	40.0%	35.0%	29.9%
Worker	<1000	.0%	.0%	.0%	9.1%	.0%	3.6%
	1000-3000	.0%	.0%	.0%	45.5%	14.3%	25.0%
	3000-6000	.0%	50.0%	100.0%	36.4%	35.7%	39.3%
	6000-9000	.0%	.0%	.0%	.0%	7.1%	3.6%
	>=9000	.0%	50.0%	.0%	9.1%	42.9%	28.6%

With regard to grace periods, most of the women have indicated that either there is no grace period, where they have to pay the month following the receipt of the loan, or the grace period does not exceed a month, and in very few cases, it is expanded to allow them more than the one-month period. While the period between two installments does not exceed a month for most women.

There was diversity in the channels where the loan was spent, but the vast majority of women 42.5% purchased additional merchandise for the enterprise, and 27.5% paid old debts, and 21.9% purchased new assets for the project. The previous channels increase in urban governorates more than in rural ones. Where the ratio of paying old debt increases in Giza and Qalubiya to 50%, and 42.9%, respectively. While there was an increase in buying new assets in Cairo (30%) and Giza (28.6%), also, the purchase of additional goods rises in Cairo and Qalubiya to become 60% for each.

Table 90: women's distribution percentage according to loan expenditures and governorate

Loan expenditures	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	Average
Purchasing new assets for the project	%30.0	%25.0	%28.6	%15.7	%23.6	%21.9
Purchasing of extra goods for the project	%60.0	%60.0	%0.	%39.2	%41.7	%42.5
House renovation	%0.	%0.	%0.	%9.8	%18.1	%11.3
Paying old debts	%10.0	%50.0	%42.9	%35.3	%16.7	%27.5
Purchasing food and home groceries	%0.	%15.0	%0.	%7.8	%4.2	%6.3
Social and educational reasons	%0.	%5.0	%28.6	%7.8	%4.2	%6.3
Other	%10.0	%5.0	%0.	%3.9	%8.3	%6.3

As for the impact of the loan, from the women's point of view, the first impact was the increase in production, then the increase of the new products and increase of profitability. None of the business owners spent any amounts of the loan on hiring somebody, while quarter of the women did not see a clear impact for spending the loan on the project.

Table 91: women's distribution percentage according to loan effects per governorate

How the loan from Nasser Bank / fund / another bank affected the project	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	Average
Increased the production	50.0%	65.0%	14.3%	49.0%	37.8%	44.4%
Added new products	10.0%	25.0%	28.6%	17.6%	14.9%	17.3%
Increased the profitability	30.0%	5.0%	.0%	2.0%	24.3%	14.2%
Hired new employees to help	.0%	.0%	.0%	.0%	.0%	.0%
Purchased new machines	.0%	.0%	.0%	.0%	2.7%	1.2%
Other	10.0%	.0%	.0%	9.8%	5.4%	6.2%
No effect	.0%	30.0%	14.3%	31.4%	24.3%	25.3%
Unknown	.0%	.0%	42.9%	.0%	2.7%	3.1%

For those who did not get a loan from a bank before, their reasons for not applying for a loan varied. At the top of these reasons was the fear of non-payment 45.9%, followed by the lack of need for loans 23.5%, and high interest rates 22.3%.

Table 92: women's distribution percentage according to reasons for not applying to loans per governorate

Why you did not apply for a loan?	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	Average
Difficult procedures	%10.7	%11.8	%11.6	%9.5	%30.4	%15.7
Religiously not allowed	%14.4	%35.3	%31.0	%19.0	%5.9	%19.1
High interest rates	%17.0	%19.0	%14.6	%29.8	%26.4	%22.3
A lot of requested guarantees	%26.3	%13.0	%17.3	%10.1	%16.9	%16.7
Do not need a loan	%35.0	%14.3	%29.5	%17.3	%22.2	%23.5
Fear of inability to pay	%23.7	%56.6	%18.2	%66.3	%54.2	%45.9
Other	%1.2	%1.5	%3.	%9.	%1.2	%1.1

From the results of focus groups, women indicated that in their communities there are some women who have been subjected to arrest and imprisonment for non-payment and this was the main reason behind the fear of not being able to repay.

6.4 Loans from associations

Women who received loans from associations for the sake of financing small projects were asked about the loan, installments, and channels of spending. 55.4% of women in the sample received a loan between 1000-3000 pounds, and 22% less than 1000 pounds. That category between 1000-3000 pounds is concentrated in Cairo 68.3%. Only 5.5% received a loan of 9,000 pounds or more, and is concentrated in Qalubiya province 8.2%, and in Minya 7.1%.

Table 93: women's distribution percentage according to loan value from any association per governorate

Loan value from any association	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	Average
1000>	%14.3	%23.0	%36.0	%35.9	%15.2	%22.2
3000-1000	%68.3	%54.1	%48.0	%50.0	%53.6	%55.4
6000-3000	%14.3	%11.5	%16.0	%7.8	%20.5	%14.8
9000-6000	%1.6	%3.3	%0.	%0.	%3.6	%2.2
9000=<	%1.6	%8.2	%0.	%6.3	%7.1	%5.5

In addition, the vast majority of women (46.8%) responded that they paid back the loan, most of which are in Beni Suef (62.5%). While 27.7% of them said that the remainder of the loan is less than 1000 pounds. The ratio of women who still have to pay more 9,000 pounds or more of the loan is 3.1%, and 7.9% of them in Cairo.

Table 94: women's distribution percentage according to the remainder of the loan per governorate

How much is left to be paid	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	Average
<1000	27.0%	32.8%	40.0%	12.5%	31.3%	27.7%
1000-3000	22.2%	13.1%	16.0%	21.9%	17.0%	18.2%
3000-6000	3.2%	4.9%	4.0%	1.6%	3.6%	3.4%
6000-9000	.0%	1.6%	.0%	.0%	1.8%	.9%
>=9000	7.9%	1.6%	.0%	1.6%	2.7%	3.1%
None	39.7%	45.9%	40.0%	62.5%	43.8%	46.8%

The following table shows a detailed view of the women with loans (project owners and women workers) in the informal sector and the remainder for the associations. 17.7% of those

respondents who received loans from associations are project owners in the informal sector, and 6.8% are women workers on an informal basis.

Table 95: The borrowing percentage according to the respondent per governorate

Woman status		Governorate					
		Cairo	Qalubiya	Giza	Beni Suef	Minya	Average
The respondent	Project owner	22.9%	17.3%	15.3%	13.3%	20.3%	17.7%
	Working person	5.6%	7.6%	1.6%	6.8%	11.4%	6.8%

More than half of the women owning projects (58.5%) received a loan between 1000-3000 pounds, most of them in Cairo 76.1%. In addition, 48.6% of working women received a loan between 1000-3000 pounds mostly in Qalubiya 62.5%.

Table 96: The average loan value for female project owners and association workers per governorate

Respondent Status	Loan value	Governorate					
		Cairo	Qalubiya	Giza	Beni Suef	Minya	Average
Project owner	<1000	10.9%	25.0%	36.4%	32.7%	11.1%	20.3%
	1000-3000	76.1%	58.3%	50.0%	49.0%	56.8%	58.5%
	3000-6000	8.7%	12.5%	13.6%	10.2%	23.5%	15.0%
	6000-9000	2.2%	4.2%	.0%	.0%	3.7%	2.4%
	>=9000	2.2%	.0%	.0%	8.2%	4.9%	3.7%
	Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Worker	<1000	23.5%	25.0%	33.3%	46.7%	25.8%	29.7%
	1000-3000	47.1%	62.5%	33.3%	53.3%	45.2%	48.6%
	3000-6000	29.4%	12.5%	33.3%	.0%	12.9%	14.9%
	6000-9000	.0%	.0%	.0%	.0%	3.2%	1.4%
	>=9000	.0%	.0%	.0%	.0%	12.9%	5.4%

Regarding the remaining payment of the loan, 44% of women owning projects paid the full value of the loan, and 50.8% of them still have to pay less than 3,000 pounds. As for women working informally, 62.7% paid the entire loan amount, and 21.3% of them have to repay less than 1,000 pounds.

Regarding the channels of spending the loan, the results were similar to the above channels regarding the bank loans. The vast majority of women (48.6%) said that they have purchased additional merchandise for the enterprise, followed by the purchase of new assets (27.1%), and then the payoff of old debts (18.2%).

There is a relative difference in the distribution of those channels among the provinces than the distribution of bank loan channels between provinces. Where repaying old debts increases in Minya (25.9%), and Beni Suef (21.9%) more than the urban provinces. While the ratio of buying new assets increases in the urban provinces than in Upper Egypt. Meanwhile, buying additional goods for the project didn't differ much among the five provinces.

Table 97: women's distribution percentage according to the loan expenditure from the association per governorate

Loan Expenditure	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	Average
Purchasing new assets for the project	%36.5	%34.4	%48.0	%25.0	%14.3	%27.1
Purchasing of extra goods for the project	%42.9	%55.7	%48.0	%42.2	%51.8	%48.6
House renovation	%4.8	%0.	%0.	%14.1	%14.3	%8.6
Paying old debts	%9.5	%14.8	%4.0	%21.9	%25.9	%18.2
Purchasing food and home supplies	%9.5	%6.6	%4.0	%7.8	%13.4	%9.5
Social and educational reasons	%3.2	%8.2	%0.	%6.3	%10.7	%7.1
Other	%4.8	%1.6	%0.	%1.6	%3.6	%2.8

As for the reasons behind not taking loans for Small Projects from the Associations; reasons were similar to the reasons concerning not getting a loan from a bank. At the top of the reasons came the fear of non-payment 47.9%, no need to take loans by 25.5%, and 18.8% of women stated that loans are forbidden in their religious context.

Table 98: women's distribution percentage according to loan expenditure effect from Nasser bank / social fund / another bank per governorate

Loan effect	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	Average
Increased the production	49.2%	57.4%	76.0%	56.3%	31.3%	48.0%
Adding new products	19.0%	27.9%	20.0%	9.4%	13.4%	16.9%
Increasing the profitability	7.9%	6.6%	.0%	1.6%	24.1%	11.4%
Hiring new employees	3.2%	.0%	.0%	1.6%	.0%	.9%
Improving the workplace	1.6%	.0%	4.0%	1.6%	1.8%	1.5%
Other	1.6%	1.6%	.0%	1.6%	3.6%	2.2%
No effect	15.9%	21.3%	4.0%	31.3%	29.5%	23.7%
Unknown	4.8%	3.3%	.0%	3.1%	2.7%	3.1%

Table 99: women's distribution percentage according to reasons for not applying to loans per governorate

Reasons for not applying to loans	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	Average
Difficult procedures	%9.3	%12.8	%11.6	%8.4	%24.6	%13.9
Religiously not allowed	%14.5	%32.1	%30.9	%19.3	%6.4	%18.8
High interest rates	%11.1	%11.7	%12.5	%24.0	%15.5	%15.6
A lot of requested guarantees	%13.2	%10.1	%10.3	%6.3	%7.9	%9.3
Do not need a loan	%41.1	%15.6	%31.8	%18.7	%22.3	%25.5
Fear of inability to pay	%28.0	%58.9	%24.1	%66.0	%52.9	%47.9
Other	%1.8	%3.1	%3.	%8.	%7.0	%2.9

6.5 Defaults and alternatives to societal lending

Women who received a loan before, whether from associations or banks, were asked whether one of them struggled with repaying the loan before or not. The vast majority of women 85.2% said they did not, while 13.2% said that they struggled with paying a loan to an association responsible of financing small projects, and 1.5% to the bank. This is because the bank takes guarantees that are more serious regarding defaults. Usually it has a legal team working continuously on the collection of non-performing loans or suing the owners.

Table 100: women's distribution percentage according to the inability to repay loan installments per governorate

History of defaults (inability to repay)	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	Average
Yes, From bank	%1.6	%1.6	%0.	%4.7	%0.	%1.5
Yes, From project financing association	%12.7	%24.6	%8.0	%12.5	%8.9	%13.2
No	%85.7	%73.8	%92.0	%82.8	%91.1	%85.2

As for borrowing from relatives, women in the sample were asked if they have ever borrowed from their relatives. The answers came to be 75.9% of women said that they did not borrow any money from members of their family or friends for establishing the project. While 24.1% of them answered yes, they have accessed some funds from one of their family members or friends.

Table 101: women's distribution percentage according to borrowing from relatives per governorate

Borrowing from relatives	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	Average
Yes	25.6%	15.8%	20.8%	23.3%	30.5%	24.1%
No	74.4%	84.2%	79.2%	76.7%	69.5%	75.9%

As for the women who had funds from one of their relatives or friends for the sake of the project, 35.3% of them have a remaining amount of less than 1,000, this percentage increases in Cairo (38.8%), and Giza (42.9%).

Table 102: women's distribution percentage according to the value of the remaining borrowings from relatives and governorate

The borrowing value from relatives	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	Average
<1000	38.8%	28.8%	42.9%	33.6%	33.7%	35.3%
1000-3000	19.4%	21.2%	20.0%	28.5%	24.4%	23.4%
3000-6000	7.8%	9.1%	11.4%	6.6%	11.7%	9.4%
6000-9000	5.4%	4.5%	5.7%	.7%	2.0%	3.1%
>=9000	28.7%	36.4%	20.0%	30.7%	28.3%	28.8%

Women were asked about the best ways to finance their own projects, if needed, 70.8% of the women answered "I work as much as possible so as not to need loans," while the rest were divided between borrowing from a bank or an association, or requesting funding from one of their family members or relatives 14.5% each.

Table 103: women's distribution percentage according to the suggested financing paths per governorate

Best financing way	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	Average
From relatives	19.0%	11.9%	23.8%	13.6%	8.5%	14.4%
From bank / association / social fund	22.2%	10.0%	9.8%	9.0%	18.8%	14.5%
no loans / self-dependent	58.7%	77.8%	65.2%	77.4%	72.5%	70.8%
Other	.0%	.2%	1.2%	.0%	.3%	.3%

The reason behind the vast majority of women 41.3% not borrowing is the fear of their inability to pay, or that they do not like borrowing 37%, as it could be unsuitable for her social image, from her point of view.

Table 104: women's distribution percentage according to the reasons for not borrowing

Reasons for not borrowing	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	Average
Do not have to pay high interest rates	19.0%	6.7%	10.3%	6.6%	8.5%	9.7%
Dislike to be followed up by a lender	16.0%	56.7%	17.8%	54.3%	28.9%	37.0%
Fear of inability to payback	43.9%	34.0%	27.6%	36.6%	55.1%	41.3%
Religiously loans are forbidden	9.5%	7.4%	29.9%	4.6%	4.5%	9.0%
Society does not help me	5.4%	.9%	12.6%	1.1%	1.9%	3.4%
Difficult procedures and guarantees	8.5%	.0%	4.7%	.7%	2.9%	2.9%

As for the women who chose to borrow money from a relative 14.4%, the most important reasons for such action were that there is no interest (39.9%), as well as it being safer, and that the lender can wait (36.3%).

Table 105: women's distribution percentage according to the Reasons for borrowing from relatives

Reasons for borrowing from relatives	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	Average
More guaranteed / trust in the person	25.8%	30.0%	28.4%	36.3%	25.0%	29.2%
Can be patient when it comes to payments / better and safer	26.9%	56.0%	44.6%	27.5%	35.7%	36.3%
No benefit	48.4%	18.0%	41.9%	41.3%	41.1%	39.9%

The reason for choosing borrowing from a bank or association 14.5%, is that they are guaranteed official bodies (37.6%), and that there is no alternative that can provide them with money (25.4%).

Table 106: women's distribution percentage according to the choice of financing source per governorate

Reasons for borrowing from bank or association	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	Average
No one can lend me within my social network	29.4%	42.9%	54.5%	13.2%	13.6%	25.4%
Bank / association allows to break down loans in installments	8.3%	28.6%	6.1%	11.3%	18.4%	14.4%
Official entity	46.8%	23.8%	27.3%	37.7%	36.8%	37.6%
Can obtain the loan quickly	5.5%	7.1%	9.1%	7.5%	11.2%	8.3%
Simple guarantees	7.3%	7.1%	6.1%	22.6%	5.6%	8.8%
Motive to keep paying liabilities	6.4%	2.4%	9.1%	9.4%	14.4%	9.4%

Most of the women in the sample did not ask for any help from the government before, only 5.7% of women asked for assistance from the government, 12.9% of them in Beni Suef, the largest province in the sample that asked for assistance from the government. Those aids ranged from financial assistance (44.8%), to getting a job (39.2%). Cairo and Giza provinces are the

highest in calling for financial aid (90%, 77.8%, respectively), Minya and Beni Suef are higher in getting a job (58.8%, 43.4%, respectively).

Table 107: women's distribution percentage according to assistance type per governorate

Assistance type	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	Average
Loans	5.0%	75.0%	11.1%	18.4%	20.6%	18.2%
Training	.0%	.0%	.0%	2.6%	.0%	1.4%
Getting a job	5.0%	25.0%	11.1%	43.4%	58.8%	39.2%
Financial aids	90.0%	.0%	77.8%	39.5%	26.5%	44.8%

Regarding Focus groups, when women were asked about the best ways of funding their projects from their own point of view, they stated the following:

- **Loans:** they said they need financial assistance, but they expressed their fears of loans and their high interest rates, as well as the fear of not paying the loan. They added that one of the ways of funding is a loan without interest.
- **Grants:** one of the women said the grants are mostly of very small amounts, and do not go to the project but to buy food or clothes.
- **Assistance:** they stated that this is the best kind of aid.

Some said they were getting loans from the Fund Association of Dahshur, without guarantees, and this was one of the ways that helped in improving their lives dramatically.

For savings in a bank account, the vast majority of women answered that no one in their families has an account in a bank or post office, only 3% said that one of the family members has an account in a bank or post office.

Table 108: women's distribution percentage according to one of family member owning a bank account per governorate

Relatives with bank account	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	Average
Yes	6.3%	1.7%	3.6%	.7%	3.1%	3.0%
No	93.7%	98.3%	96.4%	99.3%	96.9%	97.0%

In addition, the ratio was close when asked if they were saving money or not, where only 7.2% of women answered that they were saving some money, while 69.8% of those women save money at home. There is a rise in the ratio of women who save in Cairo and Giza Governorate, 15.1%, and 13.1%, respectively, than the other provinces.

Table 109: women's distribution percentage according to savings and governorate

Savings	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	Average
Yes	15.1%	2.9%	13.1%	2.9%	4.9%	7.2%
No	84.9%	97.1%	86.9%	97.1%	95.1%	92.8%

As for the saving place, most of the women resort to save at home. Some of them pointed out that they save with friends or a family member, a number participate in savings associations programs, there was not a woman who saves in post offices, and a very little number use the banks.

Table 110: women's distribution percentage according to saving place and governorate

Saving place	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	Average
Home	73.7%	41.7%	72.7%	70.6%	66.7%	69.8%
Association	10.5%	41.7%	15.9%	35.3%	6.1%	15.4%
Bank	5.3%	.0%	4.5%	.0%	15.2%	6.0%
Post office	10.5%	16.7%	9.1%	.0%	18.2%	11.0%

As for spending those savings, the vast majority of women who save, either buy food and household goods or spend it on education and social needs, 39% each. Meanwhile, 14.3 percent of women save to buy new merchandise for the enterprise. This proportion increases in Minya (24.2%), and Beni Suef (29.4%) than the other provinces.

Table 111: women's distribution percentage according to savings' expenditure per governorate

Savings' expenditure	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	Average
Purchasing new assets for the project	2.6%	.0%	4.5%	5.9%	9.1%	4.4%
Purchasing new goods for the project	11.8%	8.3%	6.8%	29.4%	24.2%	14.3%
House renovation	3.9%	.0%	2.3%	.0%	21.2%	6.0%
Paying old debts	6.6%	16.7%	15.9%	5.9%	9.1%	9.9%
Purchasing food and home supplies	31.6%	33.3%	50.0%	47.1%	39.4%	39.0%
Social and educational reasons	47.4%	66.7%	25.0%	29.4%	33.3%	39.0%
others	9.2%	8.3%	6.8%	.0%	9.1%	7.7%

6.6 Priority areas based on results of the study

- Wealth index for project owners to choose the intervention areas**

The study was based on several indicators to propose areas of intervention, led by the wealth index. The study relied on the ownership of electrical devices, means of communication and the availability of an asset account when calculating wealth index. The composite index aims at dividing the sample into five categories according to the level of wealth and the results were as follows:

Table 112: Wealth index

Wealth index categories	Governorate				
	Cairo	Qalubiya	Giza	Beni Suef	Minya
The poorest	%0.6	%4.0	%5.1	%40.1	%34.4
poor	%3.4	%12.4	%7.1	%28.9	%35.7
Intermediate income	10.7 %	%33.8	%17.6	%21.4	%18.5
Rich	28.6 %	%34.8	%33.3	%4.9	%10.0
The richest	56.7 %	%15.0	%36.9	%4.6	%1.5

Taking into account the fact that the wealth index does not belong to the woman working in the informal sector, but to her family, and determining the level of income of her family as a whole. The results of the index show the concentration of poverty, where the per capita income is less than one dollar a day, with 40% in Beni Suef, 34.4% in Minya, yet, much lower rates were represented in Giza, Cairo, and Qalubiya.

- **Availability of funding resources in the region**

The project financing is considered the main challenge facing women in the informal sector, and thus the presence of institutions that provide loans in the region represents additional opportunities to support the proposed interventions program. The following are areas where women have received loans services, whether from banks or associations, where the highest six regions in each governorate were chosen.

By arranging the availability of loans services, Minya ranked first, where the ratio of women receiving loans reached 40% in several areas of the county.

Table 113: The areas with the highest availability of loan services in Minya Governorate	
Area	Ladies percentage who obtained loans in the area
El-Awaam	42.9%
El-Abaadya	42.9%
El-Ekhsas	39.3%
Malawy	32.1%
Tiba Village	39.3%
Mttay	35.7%
Abo shehata	35.7%
Abo Aziz	35.7%
El-Adawa	25.0%
El-Hesabia village	39.3%
Manhary Village	25.0%
Magaga	25.0%
El-Shaklm	35.7%
EL-Matahra	25.0%

Then Beni Suef governorate came next in the availability of financing resources

Table 114: The areas with the highest availability of loan services in Beni Suef Governorate	
Area	Ladies percentage who obtained loans in the area
El-Shenawyah	39.3%
Abshna	35.7%
Bayad El-Arab	28.6%
El-Hakamnah	28.6%

El-Zatoun	32.1%
Bany Zaied	28.6%
El-Alalmah	25.0%
Ahnasia	21.4%
Barout	21.4%

Qalubiya governorate is the third

Table 115: The areas with the highest availability of loan services in Qalubiya Governorate	
Area	Ladies percentage who obtained loans in the area
Thla	21.4%
Banha city	25.0%
Kanater city	21.4%
Bygam shubra El-Khima	25.0%
El-Hassanyah	21.4%
Shubra El-Khima	17.9%
Qaliub city	17.9%

Then Cairo and Giza governorates

Table 116: The areas with the highest availability of loan services in Giza Governorate	
Area	Ladies percentage who obtained loans in the area
Imbaba Island	42.9%
Abo Rawwash	21.4%
Abo El-Nomros	17.9%
Been El-Sarayatt	14.3%
Kafr Hakim	10.7%
El-Omrana	10.7%
6 th of October	10.7%

Table 117: The areas with the highest availability of loan services in Cairo Governorate	
Area	Ladies percentage who obtained loans in the area
El-Marg –Industrial area	50.0%
Ismaalia Road – industrial area	67.9%
El-Sahel market	32.1%
El-Abbasya – El-Abbasya square market	28.6%
El-Matarya Neighborhood-El-Khamees market	17.9%
Vegetables market Roud El-Farag	35.7%
Ezzbet El-Nasr	17.9%
Abdel-Aziz Street	14.3%
El-Herafeen city	14.3%

- Number of standard employment in the project**

The existence of labor in the project gives an opportunity to serve a greater number of beneficiaries with the services expected to be provided for workers in the sector. The study showed the presence of informal labor at about 46% of the projects, with higher ratios in Cairo and Giza projects, and within 41% of projects in Minya and Beni Suef.

Table 118: labor's number in the informal sector

Labor	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	Average
Not available	35.7%	70.0%	42.0%	59.2%	58.8%	53.9%
Available	64.3%	30.0%	58.0%	40.8%	41.2%	46.1%

By distributing the projects where informal workers are employed, it was found that there were areas with larger projects than others, Minya came ahead of the rest of the provinces in the number of employees to the project.

Table 119: Concentration of temporary, and permanent employees, and number of labor according to the area

Governorate	Area	Permanent labor	Temporary labor	Number of labor in projects
Qalubiya	Degwa	Permanent	Temporary	Permanent Concentration less than 2
	Banha city	Permanent		
	El-Baradaa	Permanent		
	Basos		Temporary	
	Shubra El-Khima	Permanent	Temporary	Permanent Concentration less than 2
	First of Shubra El-Khima - Bigam	Permanent		Permanent Concentration less than 2
	Seconed of Shubra El-Khima – Bahteem	Permanent		
	Annan	Permanent		
	Qaliub city	Permanent		
Giza	El-Omrannah	Permanent		
	Abo Rawwash		Temporary	
	Been El-Sarayat	Permanent		
	Imbaba Island		Temporary	
Beni Suef	El-Dawalta	Permanent		
	Bedhel	Permanent	Temporary	
	Baha	Permanent	Temporary	
	El-Shenawyah		Temporary	
	Tansa El-Mlk	Permanent	Temporary	Permanent Concentration less than 2
	BanyZaied	Permanent		Permanent Concentration less than 2
	El-Zatoon	Permanent	Temporary	Permanent Concentration less than 2
	Ebeshna	Permanent	Temporary	
	Dallas	Permanent	Temporary	
	Abo Saleh Iland	Permanent		Permanent Concentration less than 2
	Abo Rady	Permanent	Temporary	Permanent Concentration less than 2
	El-Nahasseen Area	Permanent		
Minya	El-Awaam		Temporary	
	El-Abadiyah	Permanent	Temporary	Permanent Concentration less than 2
	El-Kashash	Permanent		
	El-Ekhsas	Permanent	Temporary	Permanent Concentration less than 2
	El-Barsha Deer	Permanent	Temporary	Permanent Concentration less than 2
	Malawy		Temporary	Permanent Concentration less than 2
	Samalout	Permanent		

	Tiba Village	Permanent		
	El-Adwa	Permanent	Temporary	Permanent Concentration less than 2
	El-Adwa – 7 th village	Permanent		
	Abo Shehata	Permanent		
	Magaga	Permanent	Temporary	Permanent Concentration less than 2
	Kom El-Khedr		Temporary	
	El Hasaybah Village	Permanent	Temporary	Permanent Concentration less than 2
	Manhary Village		Temporary	
	Abo Aziz		Temporary	
	Abo Kerkas city		Temporary	Permanent Concentration less than 2
	El-Matahrah		Temporary	Permanent Concentration less than 2
	Bany Mazar village – Elkees road street	Permanent		
	El_Shaklm	Permanent		
Cairo	El-Herafeen city	Permanent	Temporary	Permanent Concentration less than 2
	El-Zabaleen neighborhood – El-Manshia barrier – El-Razaz Nour Street	Permanent	Temporary	Permanent Concentration less than 2
	ElAssara – Ezbet El-Nakhl – Othman housing	Permanent		
	El-Abbasyah – El-Abbasyah square market – El-Waylyah El-Soughra marke		Temporary	
	Mataryya neighborhood- El-Khamiis market	Permanent		Permanent Concentration less than 2
	El-Marg – industrial area	Permanent		
	El-Ismailia desert road – industrial area	Permanent		
	Shubra Street – Dawaran Shubra	Permanent		
	Vegetables market – Roud El-Farag	Permanent	Temporary	Permanent Concentration less than 2
	El-Sahel market	Permanent		
	Mekkawy Market – Masr and Sudan Street	Permanent	Temporary	Permanent Concentration less than 2
	Ghazza Market	Permanent		
	El-Mosky	Permanent		
	Ezzbet El-Nasr		Temporary	

The top 10 areas with labor projects within the informal study:

- Al Abadeya, Minya
- Obo kerkas, Minya

- Herafyeen city, Cairo
- Ekhsas, Minya
- Shubra Al Khaimah (Shubra awel and Tani), Qalubiya
- Al adwa, Minya
- Maghagha, Minya
- Al Hasaneya, Minya
- Abu Radi, Beni Suef
- Matareya District, Thursday Market, Cairo.

With a need to elaborate the data in the context where in Cairo, and Giza there is a concentration of female workers more than female project owners, and that the sample is not equal in all governorates, where the number of women in Minya and Beni Suef is the largest. The study suggests to start with two working areas to implement the interventions according to the methodology of the three criteria, and considering it as a pilot phase to ensure the effectiveness of the following interventions.

Suggested Interventions to support women in the Informal Sector



Chapter Seven

Suggested interventions to support women in the informal sector

7.1 Literacy education:

The field study on education showed that there is a female concentration in the informal sector in two main segments: the first is the women who did not complete any educational level successfully, and the second segment includes those who completed their high school education. This leads to include literacy education in any custom programs for women in the informal sector. Training has to depend, not only on teaching the program, but also on making women able to read and write, and not rely on the official literacy certification, which is sometimes granted without the real ability of women to practice reading and writing effectively.

Table 120: women's distribution percentage to educational status per governorate

The last completed education level	Governorate					
	Cairo	Qalubiya	Giza	Beni Suef	Minya	Average
Never completed any level	33.7%	47.6%	33.0%	53.1%	57.8%	46.9%

The study has found that 60% of business owners have not completed primary school level, with a higher need to learn reading and writing. While there are about 39% of female workers who have completed the high school level, compared to 21% among women entrepreneurs for the same level of education.

Table 121: women's Distribution percentage to the last educational level completed successfully per governorate

The last education level completed successfully	Project owner	Worker	Total
Never completed any level	60.8%	29.0%	46.9%
Primary	8.0%	12.4%	9.9%
Secondary	7.1%	15.0%	10.6%
High school	21.5%	36.1%	27.9%
Post high school	1.1%	2.2%	1.5%
Bachelor degree	1.3%	5.1%	3.0%
Post graduate	.1%	.2%	.2%
Unknown	.0%	.0%	.0%
Total	100.0%	100.0%	100.0%

7.2 Health awareness and primary care:

Health care challenge is the most serious challenge among women working in the informal sector, because it is not linked to any services that the primary care services can deal with. It is concentrated in the field of chronic diseases, which is difficult for the program to deal with, as these diseases are related to the sick woman's life style and her life circumstances, which must be changed dramatically to be able to improve her health. Therefore, the study suggests that the program should have a special component of awareness about all of these diseases, especially the diseases associated with weight, and its relation to the age of older than 40. In addition to focusing on supporting the disabled women whose disability prevents them from working easily.

On the prevention level, such as the continuous injuries as a result of the risk of carrying heavyweights, or falling while working, in addition to raising awareness, the associations can play a role in providing a hand, or manual winches to be rented by women, through paying a symbolic sum of money, that should be returned after finishing the job. As for dust, bad smells, and other risks, the availability of normal wall suction devices could help a number of women to reduce the amount of dust when they are working indoors. As for problems like noise, it is difficult for women to use noise insulators in their working environment, and thus, the noise issue will remain a community problem until the community organizes itself against similar problems.

It is worth mentioning that there is needed awareness for women and employers, in the facilities where they operate, to deal seriously with work-related injuries, as it is not possible for a woman to work, and get injured, burned, or wounded during work, then she is left by the employer to deal with injuries by herself. It is an area where the Ministry of Manpower should play a vital role, to assure that the employer has to bear the cost of treatment for women injured during work. And the women entrepreneurs need to cooperate with local private health units, in case of superficial wounds, burns, and mild injuries.

The data related to work absence shows the fact that many of the women who are injured at work with severe or serious injuries that fall under the serious injuries section, which require absence from work for periods that exceed 20 days are sometimes exposed to termination because of their absence. This data indicates the vital role of the workforce to adopt and apply an appropriate policy for work safety.

The model of specialized medical convoys can play an important role in raising the women's awareness of various diseases and ways of prevention. The medical convoys' method is less expensive, and it can invite pharmaceutical companies to contribute with some medications for widespread diseases, and distribute them on women. The medical convoys have to be organized appropriately, and should be advertised for the convoys in advance to inform women about the convoys' locations and their work. These convoys have to, primarily, include a team of female doctors, or at least include one or more female doctor in the team or a nursing team, to be the first in meeting the women. Also, the location has to respect the women's privacy.

7.3 Support the political and community participation:

Supporting the process of women's political and social participation will not be an easy task, unless there is a political, societal, and religious supporting climate to empower women, not only on the parliamentary level, but also on the level of procedures, and civil associations located in each governorate, and to have active local parties as well. Despite of the large number of women winning in the current Parliament, the results of their work have not reached the women in governorates yet, because the female Members of Parliament are very busy with a crowded national agenda. There are more than 80 women who won in the last parliamentary elections, and it is a historical precedent in Egypt.

The coming local elections give a chance to achieve real political and social momentum, as Article 180 of the 2014 Constitution allocates quarter of the localities seats to women. But the concern of the electoral lists system, and the control of the political capital on elections are reasons to expect a decrease in the chances of promising women, and community female leaders who were chosen normally to reach their seats. However, this kind program is urgently required to be started in all applicable areas of the project, and suggests that women:

- 1- Women nominate themselves / associations nominate women.
- 2- Test their abilities and credibility to convince the public.
- 3- Choose the best criteria which they can compete with.
- 4- Communicate with parties / support of the National Council for Women.
- 5- Communicate with parties to make sure there are no other programs containing women's demands.
- 6- Move a wide range of the community to vote for their benefit.
- 7- Organize the numbers to avoid any conflicts between them.
- 8- Communicate with major and local parties in each governorate to communicate with the party's female candidates.
- 9- The program has to include women's awareness and women's problems as they are considered key components of local development.

The intervention to establish a union of some or all of the informal sector categories is a difficult task, unless this structure is established on a clear profitable managerial pattern with enhanced benefits for women, which is managed on a professional level financially, and achieves financial returns. The existence of similar structure provides services at less than the average price, which can be an acceptable option to many women and regardless of the naming, many women in the informal sector will not move unless there is an entity that provides enhanced benefits.

The only entities that gained women's appreciation are the civil associations, unlike political parties, syndicates, or even the private sector. Civil associations have gained such high appreciation from women, when most of them experienced that civil associations are the only entities, which can provide them with aid, especially in the absence of other entities. Women have spoken frankly about the absence of the role of the country, the political parties, and

members of the parliament of their areas. Nevertheless, women go to civil associations as beneficiaries not as members.

This does not mean it is impossible to have a syndical organization, but the lack of education may represent a burden to the organization's effectiveness. Although there are successful models in developing countries, as in Nepal where the household workers syndicate was established in February 2006. This syndicate organizes, and conducts campaigns for the registration of all household workers, under the supervision of the local development officers. It types employment contracts for them, it also monitors the extent of application of the minimum wage law, allows the participants to acquire the benefits of work; from health and social insurance, monitors the implementation of the rules regulating the working hours and holidays; where it has been approved for resident female workers to have a holiday twice a year to visit their families, and the employer has to pay for transportation expenses. In addition, the syndicate monitors the prohibition of child labor -to be less than 14 years old- in houses. Also, a consultancy organization for household workers ADWC was established in 2010, which is concerned with skills, trainings, and finding jobs for household workers. The main target is to provide a suitable environment for the development of household workers, and to assist them to become more professional.

7.4 Awareness of labor rights

Awareness of labor rights, and the request for an extra pay for overtime hours must be contained in any custom program for women workers in the informal sector, as 58.7% of women in the informal sector work extra hours, more than the eight hours stated by law, and this percentage increases in Cairo and Giza, compared to the rest of the governorates. The awareness of labor laws for all women workers must be spread through the whole sector, where 81.3% of women were unable to determine the number of working hours, which is stated by the law, and the higher percentages were in provinces of Minya, and Qalubiya.



Informal Worker

It is worth mentioning that the focus group discussions have shown that some women believe that the regulated working-hours, and the pay for overtime, insurance, and vacations are related to the governmental jobs only, and do not apply to the private sector. As, from their perspective, the private sector is an informal sector. Women also confirmed that the absence from work is not met with salary deduction only, but also with termination. Despite constant talk about women's low pay and the need for financial aid, the long working hours also present a problem.

The right awareness process is capable of empowering women to move to new, more convenient premises, or to claim their rights in the current workplace. As for the entrepreneurs, they suffer from the same issue of overtime, where most of them are working in the project for more than 50 hours per week, and therefore, awareness is important for the women workers and the employer women, as well.

The desire for societal promotion plays an important role in supporting the ambitious unmarried girls, as they have more ability than others to move to work at more convenient places. Awareness must include the following:

- Labor rights of insurance, pensions, and health care
- Knowledge about working hours, and paid overtime
- Knowledge about normal, exceptional, maternity, and child care holidays
- Knowledge about work rules during pregnancy and lactation
- Knowledge about the conditions of women employment
- Knowledge about the unemployment of women at dangerous occupations

7.5 Developing more dynamic social security systems

The awareness of the importance of social insurance, and how to join it, is very important for women, specifically when women cross the working age and become in need for being dependents on others. Some studies have monitored a concentration of poverty in the elder groups, especially with the increasing need for health care, although most of the women in the sector did not wish to join the social insurance system, so that their salaries do not decrease by the insurance amount deducted, in an obvious focus on the present value of money without any regard to securing their future, when they get older in age and become unable to work. As false information prevails, including that women have to bear all the insurance value from their salary, and that if a worker left work, the insurance value will be lost and will not be retrieved, therefore, most women refused to participate in an insurance system based on paying for subscription.

Awareness is not enough to convince women to participate in insurance programs, the benefits of which are unknown. Plus, women cannot get any amounts of the insurance at any time of need for the woman or her family, because of the rigidity of the system. Also, women can be deceived, as the employer may inform women that they are insured when they are not, and law enforcers do not facilitate a way to allow woman to be sure if they are participants in the insurance system or not. Furthermore, women working in the sector believe in the idea of tangible benefit, so under the current social security system, women will not think about joining the social security system willingly.



Focus Group for government officials at El-Minya

However, the new system of the irregular labor unit, at the Ministry of Manpower, represents a real hope to many women in terms of allowing the irregular labor to receive assistance from the employer at the time of need. However, the paid amounts are modest, plus it is not generalized at all sectors. In addition to that, according to the government sources focus groups, most of the beneficiaries from the new system are men, maybe this

indicates women's lack of knowledge, besides, and the new system is concentrated in sectors where men are concentrated, such as construction work. And the real challenge for this legislation is the funding challenge, where women in the informal sector do not work in facilities that have the financial capability to join such system.

The participation in any insurance system willingly remains a challenge until the rise of a true insurance system, which helps women in any time of need, and also in times of an economic crisis that leads to an interruption in the income under the difficult conditions of life and work. And this requires thinking about new insurance systems that are more dynamic, and combine the elements of saving for the time of need, and lending. The Financial Supervisory Authority can play an important role in launching financial instruments capable of supporting women in programs that focus not only on lending, but also on small amounts savings, and also focus on support at the time of a crisis as a part of the FSA supervision on associations, which engaged in lending activities.

Any system of social insurance has to contain the following for women:

- To respond to the emergency needs of women and their families.
- Women Care throughout their life span, and not just after reaching sixty.
- Combine mechanisms of savings and subscriptions.
- Fast response when the project is exposed to any kind of crisis.
- The ability to properly verify if the woman is in a real need or not.

7.6 Support the decentralization and support the role of localities:

Local officials represent an important role in the implementation of the program interventions. As the officials who are responsible of road occupation must give women adequate information about the overall rules for road occupation and the violation cases, the municipality has to organize public lectures for women to explain the conditions of violations and the permitted conditions, food inspection entities such as health monitoring and supervision

sectors at the Ministry of Supply plays an important role in organizing lectures within the associations, markets, and meeting points to enhance the credibility of the Supervisory Authorities, to empower the taken decisions by the necessary societal support, and also to supply women with the necessary information to reduce the size of errors done by women.

Brazil has provided a model worthy of praise in the local administration's role to monitor the implementation of traders' agreements in fishing areas, where the fishing area played a key role in the economy of the Amazon region in Brazil, for this sector is the main source of animal protein for rural and urban residents⁴³. In the sixties there was a great moral leap in this sector, due to the initiation of using technological methods as part of the governmental policy back then ⁴⁴- diesel motors, and modern methods and tools were used in the process of storage- this enabled the fishermen to access far places and to store fish for longer periods of time, thus the sector has thrived more than it was already.⁴⁵

At the beginning of the nineties, a project of cooperation was launched between the German government, the Brazilian government, the non-governmental organizations in Brazil and the Union of Fishermen, in order to develop the joint management of the fishing sector, and to integrate the fishing agreements under an official joint management for the sector⁴⁶. There were many challenges in this sector that had to be confronted and solved. Although the Catholic Church, and the fishermen Union provided a type of management, and regulation to this sector, in the region, the sector still lacked a formal institutional entity that supports the fishing agreements and follows up on their application. Besides any matters related to the fishing agreements, for these agreements were not legal or formal to the fullest, as the people trusted for the management and organization process would gather in order to set those agreements, and thus, people who did not attend or participate in those meetings did not feel that they were forced to follow their recommendations of the agreements related to fishing. This, along with another problem, which is that the traders in the local communities were competing, so they were rarely able to agree on the specific laws for the fishing sector, and they often avoid applying the terms of agreements, because fishermen were not sure that other traders will be committed to the agreements, accordingly, fishing agreements were suffering from the informality, and the lack of representation and application as well.⁴⁷

In the context of solving the previous problems, the "local councils for the fishing sector" were founded, which include representatives from all the small communities engaged in activities of fishing in lakes sector. The task of these councils is to reach agreements to rule

⁴³ Verlissimo, J..1970(1895) *A Pesca na Amazônia* . Rio de Janeiro, Brazil: Universidade Federal do Para.

⁴⁴ Meschkat, A. 1960. Report To The Government of Brazil on the Fisheries of the Amazon Region. Technical Report 1305. Rome: Food and Agriculture Organization, United Nations.

⁴⁵ McGrath, D. G., F. de Castro, C. Futemma, B. D. Amaral and J. C. Araujo. 1993. Fisheries and the evolution of resource management on the lower Amazonian floodplain. *Human Ecology* 22(2): 167 195.

⁴⁶ McGrath, D. G., A. Cardoso and E. P. Sa. 2004. Community fisheries and co---management on the lower Amazon floodplain. In: R. L. Welcomme and T. Petr (org.). *Proceedings Of The Second International Symposium On The Management Of Large Rivers For Fisheries*. Volume I, pp. 207–222 Bangkok: FAO Regional Office For Asia And The Pacific, Rap Publications.

⁴⁷ McGrath, D., Case Analysis on experiences of Formalization of Informal sector – Development of a formal co-management system for floodplain fisheries in the lower Amazon Region of Brazil , 2012 .

and regulate the activities in different lakes, monitor the implementation of these agreements, and make any modification that might be needed. Once these agreements turn into a law the localities urge people to apply these agreements in the region, the representatives discuss within the councils the ideas which have been discussed with others in their local communities -to solve the representation problem- and then offer proposals within the council and discuss these proposals with representatives from different communities, so the council can reach agreed proposals which are sent up to the officials in the region and if these agreements are approved they become complementary official laws valid for a period of 1-3 years. By 2001, the basic elements of the joint management for this sector locally were completely founded, and about seven local councils were created, covering about 2600 square kilometers of flood areas in south of the Amazon region, including nearly 180 small local communities that include 40,000 people⁴⁸.

7.7 The development of financing instruments more responsive to the needs of the informal sector

In general, women prefer the financial support of the community associations, as they are the safest source, where associations usually do not request many guarantees, and their procedures are easy and simple. For this reason, women prefer borrowing from them due to their weak legal mechanism in case of non-payment, and therefore women are not exposed to imprisonment.

- Seasonal lending: There is a real need to develop new financing tools more responsive to the project cycle. In the sense that the Assembly / Bank shall receive a real action plan for the project, where lending depends on the progress achieved in the project. These tools allow seasonal loans, and loans for less than a year, for several months, as well as loans for purchasing merchandise, and training programs, and they allow multi-stage loans in accordance with the project progress.
- Financing tools that combine savings and borrowing more like the experience of Africa's mobile banking system (family association) carried out by women to save a certain amount of money and the women receive the value of (family association) once. Thus, become a partner in the funding and get used to the concept of regular payment.
- Financial instruments related to emergencies happening because of the general economic conditions in which women are safe from the sudden rise of the Dollar value, and thus the rise in the prices of imported goods, decisions that prevent importing certain goods, local producer's crises, and fires as those that took place in Cairo in last period. As well as the rising prices of raw materials, and the termination decisions taken by the authorities of Investigation of Supply, or even being robbed or imprisoned because of non-payment.

⁴⁸ Look at previous Reference .

- Financing tools provided to the informal sector should preferably be of low financial values that range from 3-6 thousand Egyptian pounds repaid within a year to two years.
- Interest rates should be of logical values and do not exceed the limits of 5%, in most cases.
- Lending the women in the informal sector has to be with little safeguards, and simplified and uncomplicated procedures.
- The period for receiving the loan should not be so long stretching to months, there is a need to stay in the limits of a few days to two weeks.
- Associations play a major role in domestic lending rather than the banks, where this type of lending does not represent an opportunity for profit and therefore they do not accept it.
- However, the proposed loan structure requires, public debate about the economic feasibility with the banking sector.
- It can also be proposed that the cooperatives provide qualitative support functions associated with loans, especially in the case of specialized banks such as agricultural banks.

7.8 Linking funding to projects follow-up

In general, the funding should be connected to the progress of the project; hence, a mechanism of follow-up and evaluation of projects is needed. It must be created as a special unit within the Coptic Association, or any other significant association has to be established to play a key role in the follow-up of non-bank projects. Where this unit monitors and follows-up on the use of loans, whether for buying equipment or merchandises, as well as monitoring the bills, the impact on the production process, profit, and employment, and then developing constant reports and recommendations. Based on the recommendations, women are granted other loans bigger than the value of the first loan or the remaining stages of the current loan are stopped, or the required training and orientation are added to improve the packaging or to transfer the workplace or any other aspects. There is a probability to generalize the model of the project on all other participating associations, as to extend the follow-up period to 3-5 years. The establishment of such a unit will ensure ending the Hit and Run technique followed by many women who borrow once and spend outside the project framework. In addition to creating a financial stream in the opposite direction, in the sense that, the woman does not just take money from the lender, but she pays in the form of savings, and receive training to allow more participation.

In fact, this kind of financial instrument is not expected to be supported by banks, as they focus on the financial payment with a very high interest rate and the insistence on long periods of pay back, which brings up again the role of cooperatives, legislations' amendments, and providing support for associations working in the field of lending.

7.9 Improving accession to the markets

Concerning what is known as the Value Chain Analysis, in order to identify the women's opportunities to penetrate external markets. This type of analysis helps to access information on how to obtain a good or service, and all stages the product goes through until it reaches the consumer. This would clarify the points that could act as an initiative, including areas of women's empowerment to access markets, as well as providing training based on that information and available expertise, in an attempt towards reaching greater economic empowerment in general, for example, reducing trade intermediaries, and introducing improvements to transportation means, storage, introducing modern technological means, and access to resources needed for production.

- Working on empowering women at all economic levels, especially women owning small businesses on one hand, as well as connecting goods and service providers with those who need them on the other hand. This would reduce additional costs incurred by women owning small businesses. It is also working on improving the conditions of their businesses as they face the big entrepreneurs, and reducing doubts and concerns about the capabilities of these women, and their small businesses, which is a main reason in the reluctance to deal with them.
- Diversifying projects aiming at empowering women to access markets, while not focusing only on the inputs as improving the transportation, storage, and financing methods. However, focus has to extend to strengthening women's capabilities in small enterprises, and enabling them to acquire the skills that will help them to succeed in this area. Also, facilitating their access to information about the different markets, so that they can easily access and promote their merchandise at better prices, or getting what they need from the goods and services at lower prices, thereby maximizing their profits.

"I tried to open breeding and selling chicks project, but I stopped. I started by distributing among my family and friends, but then I couldn't Market for my product"

Project Owner at El-Giza

- Working on strengthening the idea of "Clustering and Networking" or what is known as business incubators, in order to group tiny junior products together, which strength and increases their ability to access some markets that are difficult for all of them to enter individually. In this way they will benefit from economies of scale resulting from grouping the projects, this compilation would also improve their negotiations skills with the providers of goods and services.

- The business incubators have played an important role in countries such as Thailand, where there is a major agricultural base that allows many families and women to work in agriculture to earn a living, or as a means to obtain additional income for the family. It is also found that knitting is one of the activities practiced by women in their houses to earn money; a profession that has been handed down through the different generations until it became an important industry of interest to the government when designing developmental policies to eradicate poverty.

Most tailoring and other handcrafts workers are concentrated in the poorest areas in the north and northeast of Thailand. Workers in this sector are characterized by a high level of efficiency as far as creating silk and hand-made cotton textile. In addition, they have a variety of skills and knowledge regarding sinking the textiles in the mud in order to improve its color and manufacturing looms with the available materials. The study also recorded families that are working in the agricultural sector, who produce wood engraving and baskets, in addition to their ability to produce organic dyes from plants. In spite of all those distinctive skills, the products end up not being sold, and then they disappear from the market. The Sustainable Alternative Development Association SADA encouraged a process for creating a network so that women can communicate among themselves, in the north part of the country, in order to empower marginalized women producers, and boost the social and economic development. The association introduced several initiatives in this regard; a learning center was established to be a center for enhancing skills, technology, and pushing the process of market development, as well as connecting people working from home to different markets.

SADA, in collaboration with supporting agencies, managed to bring in experts to study the sector and the market needs in order to provide necessary suggestions to work on the development of the sector. Among the important ideas in this context, is the idea of "projects assembly", which intended to assemble workers from home together, and divide the work between them in accordance with raw materials, and estimated productivity. The process of assembling would raise production rates - as a substitute for the individual production and display of products - and to facilitate the workers' accession to the large market, in addition to having influential voices. It also held training sessions in order to work on achieving those suggestions and recommendations. From the results of this training, is the increase of trust of the people working from home in their ability to produce in an efficient and organized way, as they have generated new productive ideas for the same raw materials they use.

- The Association created an organization to work on marketing the home workers' products. It has been taking steps on the ground with respect to the idea of projects assembly. The idea was applied to six regions of the State regarding baskets industries, and textiles, where all of this helped to further regulate the sectors and improve workers' income. Each of the six regions became specialized in the production of a certain commodity, or group of commodities, for example, workers in a specific area are focused on the production of home decoration and accessories for women, while other workers are specialized in the production of furniture for living rooms and kitchens, and so on for the remaining regions. The idea of grouping projects succeeded

to an extent that encouraged the State Government to cooperate in this regard, leading to more success. Traders from other countries such as Japan started importing the products of these networks -networks of home workers explained above- and created several-years-contracts with these workers.

7.10 Training and awareness for women in the informal sector

Despite the affirmation of the women working in the informal sector on the need for financial assistance and training, in fact, awareness and training should come on the list of priorities for the sector services. Giza and Beni Suef were the most governorates demanding training. However, training alone is not enough, as some workers pointed to the inadequate training, and that they are considering establishing their own business. It is better for women in this sector to receive interpersonal training. Training on communication, displaying and improving the overall outfit, training on the principles of accounting, as well as the principles of marketing and customer service skills, are considerably enough to shift these women to new businesses,

"I don't need to take a training program and then to forgot what I learn, and face a financial problem"

Project Owner at Cairo

which will be their choice after passing the trainings' tests.

7.11 The Use of technology

With the proliferation of technology, and transportation companies, it is now possible for each individual or organization to improve their chances to find a job, or market a project through different social marketing techniques. Various experiences in Thailand show the ability of women to create an organization representing women to help them export their products.

In Egypt, the geographical proximity with tourism zones in Sharm el-Sheikh and Hurghada can enhance opportunities for market access.

Any woman working from home can use the sales pages across Facebook, with the help of her children. She can display her products through the help of an assembly or family to reach sales websites whether Amazon, Jumia, or other sales locations in Egypt, which is considered a good entrance to the formal sector.

7.12 Intensifying activities

It is essential when implementing the study's interventions to begin with areas of activities that can be replicated. In other words, to strengthen a particular activity in a particular area to create an intense economic activity in the place. For example, by assembling all the industries related to crafting carpets in a certain area, then, the industry will spread from one street to the district, then the region, and this will create a temporary market. With the trend of trade, permanent markets creation will develop.

In addition, the establishment of licensed markets through the government instead of being pursued by the municipal. These markets should include bathrooms, firefighting point, and a police point to solve customers' problems in this market. There is also a need for the government's intervention to eradicate the phenomenon of royalty. In addition to the cooperation among businessmen, the government, and associations to circulate the benefit on everyone belonging to the sector, and not participants in community entities only, along with providing financial aid, and the availability of street vendors' union, introduced by the associations and parties.

7.13 The shift to formality

Women showed no desire in shifting to the formal sector, because of either taxes or insurance concerns, or because they see that the transformation process is useless, and that they will not get any returns. The State's role remains important in transforming the registration process from a disabling process for the project, to an aid, and in the creation of incentives to encourage women to join the formal sector and register. On the possibility of linking the process of granting loans with registration, only the big and medium projects' owners will benefit, while for the micro projects, such registration requirement will result in the opposite effect, where the ladies will be reluctant to borrow, which will cause a disruption of business. In an interview conducted with the Civil Registry Director, in one of Upper Egypt governorates, he was asked about the registration process, required paperwork, and the cost of registration procedures, as well as the extent of demand of women to register their projects in the commercial registry. The interview responses came as follows:

The Civil Registry Director explained that in the case of dealing with the bank or such entity, the woman is forced to register her project. As for the benefits of registration, he said that the registration is considered the birth certificate of the project; it secures the owners and protects their rights. As for the required documents, the commercial registry is one with the easiest procedures. For, those who want to register their project have to provide the following only:

- Holding a steady rent
- Tax card
- Copy of national ID (not expired)
- Practicing certificate from Chamber of Commerce

No application for the registration of a project was rejected. Any woman has a selling and a buying space, these places considered as project places, excluding their own houses. There are not any other conditions, as the existence of water, electricity, or security specifications, required to be registered in the trade registry, rather, these conditions could be a requirement of the city council, or neighborhood when issuing the work permit.

But we cannot simply rely on the simplicity of procedures, as by registering, the women are subjected to governmental control, especially from labor offices that monitor workers, tax authorities, and the control over supply authorities and others. Women owners of relatively large projects could be helped to register.

7.14 Creating an agency for the transition to the formal sector

There is a need for an agency under the State to follow-up on informal projects through phases of work. At the end, the project can be registered at this agency, taking into account that some projects face difficulty in registration, as such, the agency will need more time to play a real role in simplifying the procedures of labor offices, and taxes, as well as explaining them to women in the form of awareness campaigns. The agency should balance between registration and considerations of fighting against poverty.

7.15 Subsidizing links in the agricultural sector

The field survey results of the five governorates showed the concentration of women activities in the provinces under study in agricultural activities, livestock, goats, chemicals, dairy, and trade of grains. The sector witnessed a concentration of female project owners along with women workers, where it is found that despite the presence of many farm workers but a large number of them are working for their families, or in a property land.

As for women, especially in the agricultural sector, the vegetable and fruit processing, cheese and dairy products in hygienic packs are elements that give these women an extra edge and offer them a chance for new customers. It also connects them to markets outside their provinces. Focusing on introducing the concepts of customer satisfaction, product quality, packaging quality, health and safety is a necessity. While women in the countryside sell their products at the lowest possible price in the domestic market of the village, the major companies sell those products in urban capitals at prices higher by 3 to 5 Pounds, which is the case for some products reviewed by the study, including cottage cheese, margarine industries, the cultivation of okra, grape leaves, and other products of high quality. Related to this, participating associations should play a role in providing packaging, organizing courses on the foundations of project management, as well as building distribution networks similar to those used by the private sector, through creating partnerships with distributors in the cities to transport goods, on an ongoing basis to new markets.

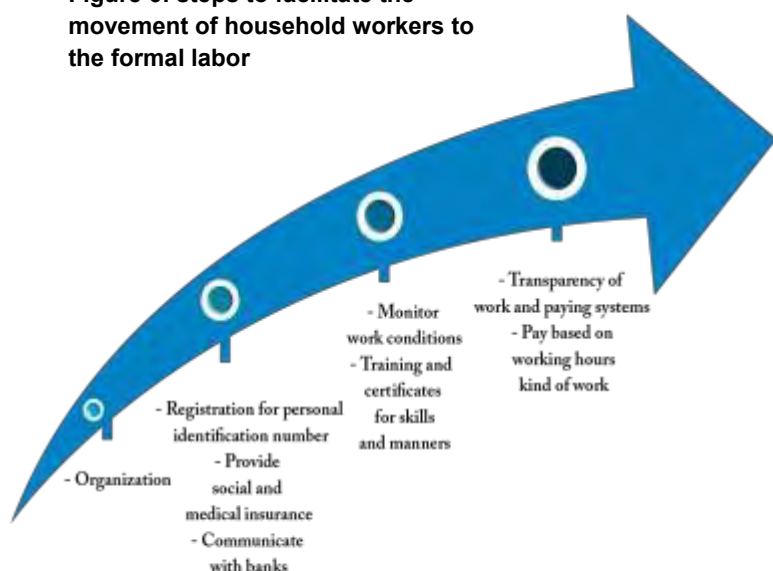
Furthermore, trading in agricultural inputs, such as retail of fertilizers, poultry's food, animals' food, and cartons for fruit harvest, and processing it to access the markets. In addition to selling cages, sacks, and containers, in order to shift towards the most profitable products regarding agricultural trade, especially the seedlings trade; such as bananas, mangos, guavas, peppers, and eggplant, which are side varieties grown by most farmers, as well as, large and small sacks used to pack rice, wheat, and grain for trade.

Briefly, the traditional agricultural sector suffers from the inability to generate new jobs because of the inheritance policies, fragmentation of tenure, building on agricultural land, and declining possibilities of expansion. Women's projects in the agricultural sector lie within the scope of small projects, which are less likely to develop. The woman can work 30 years without any growth to her project. As for workers in the sector, it is found that the most work for their family as unpaid labor. As for the paid jobs, the family prefers sending the man because men's wages are higher than those of women for the same job in the sector. Connecting the

agricultural sector with the agricultural inputs and outputs, as well as trade activities, is a key component to achieve the objectives of the current program in supporting poverty eradication policies within the sector.

7.16 Role of legislations in regulating the services sector

Figure 6: steps to facilitate the movement of household workers to the formal labor



Legislations play an important role in organizing the services sector. According to the results of the study a large proportion of women workers are present in household services, nurseries, beauty services, as well as factories service, as cleaning, canteens and cafeterias, and others. The role of legislation is the most important when dealing with the nature of the interventions in the services sector. Household services play a significant role in the global economy, according to the International Labor Organization the global demand over the past two decades has increased on the

household services, especially for women. The last estimations indicate that the household workers resemble 4%-10% of the total labor in developing countries, and from 1%-2.5% in developed countries.

The features of informal work are presented in the inability of household workers to have social or legal protection. In addition to the lack of regulation regarding the relationship between worker and employer, as well as the lack of legislations and policies, that determine the appropriate working conditions, working hours, and wages. In addition to the exposure to exploitation, indebtedness, child labor, and usually this ends by not registering workers⁴⁹:

Indian model has played an important role regarding transferring the household workers to the formal sector, by developing a comprehensive policy and rules to ensure the availability of social protection, minimum wage, and the rules for working hours.

In 2006, the National Committee for Unorganized Sector (NCEUS) proposed measures to protect workers in the informal sector through Labor and Social Security Law. As a result, in 2008, the Indian parliament passed a draft for a law on social insurance for informal employment, and informal household workers were recognized as one of the components of informal labor. The bill included pension issues, maternity insurance, general insurance, and

⁴⁹ Promoting Transition towards Formalization: Selected Good Practices in Four Sectors, International Labor Organization, 2014

health insurance. Along with establishing a new structure to participate in the decision-making process, which is the National Council for Social Security, headed by the Minister of Labor. The central government has issued guidance to the states to extend the current health insurance for household workers in 2011. According to the Ministry of Manpower, it is expected that the system will cover 4.75 million household workers in the whole the State. In addition, some states took a legislative action to bring household workers into the agenda of the law organizing minimum wage. The minister gave directives to the states to delegate the responsibility of registering household workers to syndicates and associations of residential care, or to the employers for household workers. Few states established a state council to take care of household workers, in terms of registering these workers, and providing them with social benefits, and a level of social safety. In the state of Kerala, more than 350,000 thousand household workers were registered in 2012 under this system. The state of Jharkhand issued 2966 smart cards for household workers in 2012.

Despite the sensitivity of the comparison with the model of the Philippines, it is estimated that the number of household workers in the Philippines is about 2.5 million workers, mostly women, and about one million children are working in the same profession. A national organization led by women, run by women, along with strong civil society organizations, conducted a wide campaign not only to pass a new law, but also to change the attitudes towards household workers. A number of organizations, along with the government support, established a Charter for household workers; it was signed in January 2013 to become a law. The law for household workers is considered an important milestone in the history of labor laws and social legislation. Workers' rights, social benefits, and protection have been extended to 1.9 million household workers in Philippines. The law provides protection for workers against abuse, the burden of debts, and works for the elimination of child labor. The law defines the minimum wage, the number of working hours, vacations, and other benefits. In addition to the social insurance for the sector, it also provides quick response mechanisms against violations. The law provides strict rules on the employment of household workers, the existence of contracts of employment, and fair living conditions. Since 2005, the local government issued a local decree to register and to provide programs for household workers in large cities. In 2006 the government announced the 30th of April as the international day for household workers.

7.17 Heading towards the commercial sector

The commercial sector represents a significant proportion of the women's activities in the informal sector, whether workers or project owners. The agricultural, industrial, and services sectors represent a large proportion of the projects that spend less than 1,000 Egyptian pounds. While it was found that for projects of commercial activities, funds are more and are distributed among segments of higher spending, as the spending of a large proportion of them reached more than 5000 and 7000 Egyptian pounds per month. This is a good indication that the commercial sector does not expose women to low wages, as in the agricultural sector; also, it does not subject them to the risks of production, as in the industrial sector. Likewise, it does not expose women to the problems of the services sector, where employment is concentrated in household activities. Instead, the commercial sector is considered safer as women exert less

effort, and receive more gains. Moreover, the commercial sector is considered the largest in terms of size, regarding women projects, which must be taken into account when designing interventions.

Table 123: Project running expenses according to economic activity

Project running expenses	%			
	Agriculture	Industrial	Commercial	Service
<1000	54.8	69.2	37.8	76.3
1000-3000	30.1	21.2	34.8	16.9
3000-5000	7.5	5.8	14.0	5.9
5000-7000	2.2	3.8	5.2	.8
>=7000	5.4	.0	8.2	.0

7.18 Industrial sector

In general, the sector is characterized by the low level of technology, whether in agricultural or industrial activities; such as clothing and other manufacturing segments, which are relatively



A model for an equipped Car for selling and saving fruits and vegetables

safe. Women face two main challenges in the sector, first, the ability to manage the project cost, and gain without losses; and secondly, the capability to produce a product that competes with that of large official entities, in addition to the risk of the inability to market the products, as well as products contamination, especially food or juices. This

does not mean the stagnation of the sector; on the contrary, it has space to develop and to meet the needs of poor masses while generating profit for the women. Special interventions, introduction of technology, and knowledge are elements that play an important role in the construction of projects, and in training women workers in the industrial sector, to enable them to compete, and access markets.

7.19 Public services and their role in helping women

All women in various provinces pointed out that poor public services, water connection, and sanitation affect them and their families, as well as their work places. All the provinces highlighted the lack of sanitation, water, paved roads, schools, hospitals, clubs, and other public facilities.

In Cairo Governorate, women said that they are in need of more services. Most of them suggested helping them in expanding their projects, as they possess the knowledge of many crafts and activities that can be converted to small projects. Since capital is the main obstacle, they suggested that donor authorities could lend them loans of no or low-interest. These

authorities receive back their money from the profits of these projects; or they can have a full ownership of these projects, and give the women enough wages. They added that they need a follow up on these projects, and they need help in training and marketing on a large scale. In Giza, some women added the importance of:

- A workshop to teach and employ women in the region.
- Training on simple crafts and professions.
- Awareness seminars; women said that they have benefited from those seminars and they pass on what they have learned to their parents and their friends.
- Re-providing the Dahshur Fund Association, after it was suddenly stopped.

In Qalubiya, they are in need for the provision of the basic needs of health insurance, water, electricity, sanitation, and natural gas, since the women suffer from the high cost of gas cylinders, in addition to the warehouses being distant from where they stay. They are also in need for nearby schools for their children's education, and hospitals.

As For female projects owners they pointed to the need for shared facilities, such as public bathrooms, clean water sources within the market, and a small place to rest and keep children. They added that they need to establish a market licensed from the government to work outside instead of being pursued by municipal. This market should include bathrooms, firefighting points, and a police officer to solve customer problems in the market. The interference of government is also necessary to eradicate the phenomenon of royalty.

As for Minya and Beni Suef, where public services are in the worst conditions. Women confirmed that there are no public schools in their areas, or nurseries for children, and in Giza women confirmed the existence of many private schools, compared to very few public schools.



The Proposed Governmental Policies to support the Informal Sector



Chapter Eight

The proposed governmental policies to support the informal sector

8.1 Mechanisms of fighting poverty through the informal sector

Strategies to reduce poverty through developing human resources in the informal sector:

- Developing a fair policy to develop the informal sector: The government has to develop a deliberate policy to enable the informal sector, through markets creation whether for production or skills in the informal sector, while granting equal rights or even more than those granted to the formal sector, for example, large factories -in most of the States- enjoy compensation for losses, and land areas for projects at affordable prices, as well as enjoying a full bundle of protection through the investment guarantees and incentives, in addition to tax exemption. Large factories also take advantage of situations such as preventing imports by the government in case of dumping the local market, thus, receiving trade protectionism. Moreover, the States design their special courts to deal with their issues faster than the normal judicial procedures pace. All this advanced system does not help the normal citizen owning an informal project.
- **Vocational training and women's empowerment:** Skills development, behavior, and knowledge of those who work in the informal sector are necessary. Ensuring that women have similar opportunities to professions dominated by men is also important. Training should be on a period of one year to ensure coverage of the basics and various aspects of the careers that are being worked on. It is possible that the duration of the training varies depending on the content. Positive measures for women's economic empowerment and decision-making processes through the education are necessary.
- **Health education and family planning programs:** There is a special need for additional health and family planning programs to ensure easing the burden of dependency.
For example, international organizations such as the International Labor Organization introduced "strategies and tools" in 1998, which is a program to combat Social Exclusion and Poverty – "STEP". It is a global program that acts as the executive tool for managing social insurance, with regard to combating social exclusion and extending social protection of the informal sector. Establishing and expanding the scope of the program is based on the assumption that extending social protection to the informal sector is not possible through national social insurance systems, in an attempt to shed light on employment in the informal sector.

8.2 Small projects program

- One of the International Labor Organization's programs, which developed a general framework through which countries can strengthen the promotion of transforming

informal projects to formal projects through small projects. And what distinguishes small businesses from the micro-small projects is that the possibility of transforming to the formal sector is more applicable, because of the size of the project .

Table 124: The International Program for small projects

Level of Intervention	Main types of intervention to support the existing projects to create job opportunities
Business environment	<ul style="list-style-type: none"> - Promote the assistance policies and the organization environment for small and medium enterprises <ul style="list-style-type: none"> - Encourage project culture - Encourage the tripartite framework of national production, and improve cooperatives - Design national strategies for small projects' development - Reform the cooperation policies and legislations - Provide tips for central banks to improve the provision of credit and finance regulatory framework
The ability to provide services	<ul style="list-style-type: none"> - Support the development of effective services' intermediaries, including the tripartite production centers - Enhancing capabilities for business owners, employees, and similar institutions <ul style="list-style-type: none"> - To strengthen trade - Development of human resources and promotion of effective cooperation - Development of credit windows for small and medium enterprises with commercial banks
Business Development Services	<ul style="list-style-type: none"> - Exercises to start projects and ability to expand - The development of leadership, production and management <ul style="list-style-type: none"> - Clarification of available opportunities - Facilitating accessibility by cooperatives to markets and export opportunities <ul style="list-style-type: none"> - Develop a system of credit guarantees - The design of micro-finance programs
Others	<ul style="list-style-type: none"> - Provide social protection and services to the self-employed and small businesses - Improving the working conditions of small businesses - Develop the Cooperatives system for the people in towns

8.3 Training on Projects Management

Small projects require supporting the development of human resources through skill building and training in the fields of management, project planning to ensure allocation of resources, marketing, credit, permits, and so on. One of the programs with the best practices in providing support to emerging, small, and expanding projects is the ILO's program "Start and Improve Your Business (SIYB)". It is a

series of effective trainings for the management of small projects. The training materials contain three elements:

Know About Business: Aims at raising the awareness of entrepreneurship and self-employment as a professional option, especially for trainees in institutions of vocational and technical training. It provides the required knowledge about features and challenges to start and run a successful project.

- **Start Your Business:** Developing skills to start a small project. It uses the participation method in the training, and combines the basic theories, related information, and effective activities. The course is considered cost-effective in helping prospective projects owners to think systematically about the most important issues when starting the project. One of the effective results of the training is conducting an action plan for potential projects, in a sense that could be submitted to a financing institution.
- **Improve Your Business:** This training covers the most important basics of business management such as marketing, costing, pricing, records, purchasing, and sales. The training material is flexible and adaptable according to the specific needs of the target group. Training methodology is dedicated to small entrepreneurs with a level of education that is relatively low. The curriculum provides a step-by-step explanation with illustrating real surrounding situations⁵⁰.
- **legal protection:** The final report of the UN Committee on the legal empowerment of the poor, designed three areas of priorities to the rights of legal empowerment of the poor in general, and poor workers in particular: property rights, workers' rights, and labor rights. The Committee felt that without property rights, the assets owned by the poor will stay untapped. Without workers' rights, the workers miss the advantages and conditions of an appropriate job. Also, without a recognized legal work, the workers cannot have access to credit markets, contracts, or to protect their business from bankruptcy.
- Extending the legal protection for workers of the informal sector needs a reform in the current legislative system in most countries. Most informal employment is not protected or secured under the current labor laws, which is based on the direct relationship between the worker and the employer. Most of the projects belonging to the informal sector are not protected under the current Labor Code, which is based on a commercial official contract.
- **Increasing the productivity and the income of the informal sector:** increasing the productivity and income of the informal sector employment needs several broader changes in the institutional environment as follows:

⁵⁰ International Vocational Education and Training Association, Conference Paper 2012 - Malawi Human Resource Development for Poverty Reduction; Strategies for the Informal Sector Harry Gerson Kamdima & Fanny Tasiye Nkunika.

- **The right environment:** the environment of the economic policies needs to be supportive to the workers of the informal sector, especially the poor. It should not be biased against them or ignore them. This requires handling the biases in the current economic policies, in parallel to, designing, and implementing targeted policies. In addition to ensuring that the overall government policies and measures are helping in creating demand for goods and services produced by the informal sector.
- **Improving terms of trade:** for effective competition in the markets, workers need, not only resources and skills, but also the ability to negotiate the best prices and wages for what they provide from goods and services, compared to the cost of inputs and living.
- **An appropriate legislative framework:** poor workers of the informal sector need new legislative frameworks to protect their rights as workers, or as project owners. This includes the right to work (for example, trade in public places), workers' rights, commercial rights, and property rights.
- **Protection against risk and uncertainty:** workers need protection from the dangers surrounding them at work, as well as against emergency situations such as illness, disability, and loss of property. In addition to the risk of enforcing contracts, which is strongly linked to this sector, because the sector does not have formal contracts for sales, and therefore faces problems related to the repayment of the customers. Thus, they may be subject to bankruptcy because of repeated inability to attain the money.

8.4 The Support of transforming to formality

To promote the formalization to the informal sector⁵¹:

- **Support the economic stability as a condition for economic reform:** governments must develop disciplined and targeted financial policies to decrease inflation, and achieve economic stability. Also, to reduce the governmental interventions in the economy, through free trade system, the policies of exchange, and interest rates, and to reduce the barriers and obstacles in front of foreign investment, which push the economy to grow and create more opportunities for the informal sector to head towards the formal sector.
- **Increase community participation and transparency in decision-making and legislation:** through materializing the principle of transparency, including in the decision-making procedures, and to provide opportunities to the public to comment on the current proposed laws and legislations.
- **Clarify and simplify the laws and rules by eliminating the doubled and unnecessary laws, which may increase the cost of doing businesses and open up a space for corruption:** The laws and regulations must be clear, so that the rights and

⁵¹ Informal sector support and Poverty Reduction, Niklaus Eggenberger-Argote, February 2005

obligations are clear as well. Also laws, and executive, and administrative procedures have to be specific and simplified, and all the extra, complex, and conflicting laws must be cancelled. Moreover, the necessary steps to apply the laws must be simplified in order to reduce the probability of different interpretations and applications of laws and rules.

- **Equity has to be available for all, clearly defined, and strictly applied:** the equity right is the legal medium, which enables assets to transfer to productive capital. Therefore, it must be restructured and strengthened, so assets can operate as an engine for growth and production. Equity rights must establish clear criteria to define the asset owners, and how to buy, sell, or transfer assets safely for productive purposes.
- **Facilitate business permits and licenses:** costs of starting up a business can be reduced if it is easier to obtain permits. The requirements for obtaining a permit should be simple, direct, well covered by media, and available to business owners in simple means. Plus when all the conditions are met, licenses and permits should be granted directly, and to be registered automatically in the Commercial Registry.
- **Reform the tax system, in order to encourage the profitable economic activities:** the tax system must be reformed by reducing the total tax rate, targeting corporate tax and income, and tax law has to be simple and explicit. The multi complex procedures of financial reporting should be eliminated. Also, strengthening the application of tax law by increasing the size of government administration, and reducing the absolute authorities of the officials. Such measurements do not reduce only the business sector's costs, but also increase the revenue by expanding the tax base on the long term. Increasing tax revenues will pave the way for better public services at higher quality.
- **Reform labor law to become more flexible:** the worker is the key to improve the business climate. In order to make the formal employment more attractive, labor laws should be more flexible for employment contracts, such as working part time, work for a short period, and contracts arrangements. Moreover, the right to founding associations or unions must be strongly protected. And individuals in any industry or sector should have the right to choose to join or not to join any of the labor syndicates or unions.
- **Open the markets and the fight against Nepotism by improving the enterprises governing legislations:** the insertion of enterprises governing procedures can dramatically help to improve the business climate in any country. There is a need for legislations to protect investors, shareholders, and other stakeholders through applying the internationally accredited accounting principles, disclosure standards, antitrust laws, internal trade prevention, and reforming bankruptcy laws. Clarifying the dispute over the stakeholder's law, applying the transparency international rules, adopting the World Transparency Organization laws, and supporting the Organization of Cooperation and Development anti-bribery principles, help to fight against nepotism and corruption.

- **Reform the extensive bureaucracy at the governmental entities, plus strengthen the administrative and operational capabilities:** the governmental entities, which have extensive and ineffective bureaucratic systems, should be reformed. This can be achieved through simplifying, and facilitating the internal processes and procedures of the entity, and evaluating the performance on a regular basis according to clear criteria. The success criteria will guarantee: the existence of employees at civil services with high qualifications, developing professional standards for hiring and promotions, providing professional training to public services staff, and paying appropriate wages to attract high-efficient employees and prevent bribery. Thus, promotion will be based on performance, not seniority. In addition to providing financial and technical resources to manage laws urgently .
- **Access to the business sector basic information for everyone:** to provide basic information about the business sector and the related training on how to obtain permits, how to create a legal commercial enterprise, how to invest, how to understand and comply to the laws relating to the business sector, will contribute significantly to increasing transparency and facilitating the compliance to the requirements.
- **Creation of new jobs, especially in the formal sector:** there is consensus of the need to create new job opportunities in the formal sector, through the growth of labor-intensive industries. Some believe that it could happen through the employment policies only, while others believe that the employment objectives have to be integrated on a larger scale with the development strategies programs. Also, a third opinion believes that a complete shift in the structure of employment opportunities should be made, to enable workers from the poor to take advantage of these available opportunities.
- **Recording Projects in the informal sector, and organizing the informal jobs:** longer recording and the imposition of taxes on projects in the informal sector is the common narrow approach to transform the informal sector to a formal sector. It must be done by simplifying bureaucratic procedures for registration, and providing benefits and incentives in return for paying taxes. It is also important to develop appropriate and reasonable laws, which do not inhibit business owners, both in the formal or informal sectors, from hiring labor informally, or converting prior formal jobs to informal jobs. But encourage business owners to contribute to health and social security, and offer other advantages for workers.
- **Expand the country protection to include the informal labor:** There are two types of country protection to the informal labor, especially from the poorer classes. The two types are being discussed currently and they are: the social protection, and the legal rights protection.
- **Social protection:** the interest has increased regarding the social protection by the development policies, especially after the global financial crisis that has affected the livelihood of many of the workers of the informal sector. In 2012, the International

Labor Conference adopted the recommendations about the minimum level of universal social protection, as to protect individuals at all stages of life. And among the development policies there is consensus on the need to:

- The Priority is to extend the social protection to cover marginalized groups.
 - To apply the social security, and the special insurance to include the informal employment through the provision of financial support and other incentives.
 - Coordination between the different forms and types of protection⁵².
- **Integration of strategies to promote job opportunities, create new opportunities, and include the informal sector into the development plans and macroeconomic policies through:**
- Supporting the economic growth through development strategies and macroeconomic policies.
 - Ensuring macroeconomic stability through strong institutions and effective policies.
 - Reducing the dependence on exports of minerals and goods through the diversity of production.
 - Exploring ways to add value to traditional exports through intensive labor ways.
 - The establishment of a strong banking system.
 - Supporting the development of the private sector, whether it is a formal or informal sector.
 - Review of the tax structure with a focus on the informal sector.
 - Improving the provision system of land and property.
 - Review the level and structure of import fares.
 - Strengthening community participation in development processes⁵³.
- **Reform policies and institutions to improve job opportunities and generate income to make it more responsive to the needs of the informal sector, plus removing or decreasing the restrictions of credit supply, education, training, technology, equipment, and markets through:**
- Linking training programs with market demands and action plans.
 - Assisting governments in planning, organizing, and the establishment of cost-effective training programs and self-employment.
 - Enhancing productivity through skills, credit, infrastructure, organization, and management.
 - The review of laws and legislations for business sector.
 - The compilation and publication of the best practices.
 - Feasibility studies for home industries, specialized markets, and the processing of agricultural products, which could provide opportunities for self-employment, and contribute to increasing exports income.

⁵² The Informal Economy: Definitions, Theories and Policies, Martha Alter Chen August 2012 WIEGO Working Paper N^o 1, V. Comprehensive Policy Approach

⁵³ Morris, Elizabeth, The Informal Sector in Mongolia, International Labor Office, International Labor organization, Bangkok, 2001.

- Organizing meetings between workers in the informal sector and government officials from tax collectors, health inspectors, market supervisors, and customs officers, to find ways to reduce bureaucratic procedures, and improve governance, transparency, and responsiveness.
 - Applying measurements, to improve the effectiveness and efficiency of the government officials who deal directly with the informal sector.
 - Ensuring that these policies and institutions are responding to the special needs of marginalized groups.
 - Removing the barriers, and eliminating discrimination, which stand in the women's way to start or expand their own projects within the informal sector.
- **Developing and strengthening the statistical concepts to enable the government to collect data about the informal sector, to analyze the labor market, and national income accounts, to compare it globally through:**
- Preparing a market information system for employment issues, markets, and to link the users of informal sector (decision-makers, administrators, employees, business owners, non-governmental organizations, donors, educational institutions, training programs providers, financial institutions, and others) with the producers through market information.
 - Conducting a survey for the labor force, including additional questions to define the workers in the informal sector.
 - Organizing an investigatory survey about the informal sector.
 - Evaluating, reviewing, and expanding the use of time scanning "Time-Use Survey."
 - Conducting continuous surveys of income, family spending, and the level of living standards.
 - Conducting studies and surveys to collect data of the number of working hours, productivity, costs, wages, profits, skills, and working conditions.
 - Ensuring that all Statistics are segregated by gender and age.
 - Disseminating the information of the informal sector in a clear, understandable, and useful manner to governments.
- **Promote and strengthen the institutions and networks which surround the investors and the workers in the informal sector; the alliances between enterprises owners, and industrial syndicates, and bonds with the supporting institutions through:**
- Encouraging the partnership between workers in the informal sector for defense and awareness.
 - Strengthening communication and ties with labor unions.
 - Encouraging the communication with business institutions owners.
 - Facilitating the communication with non-governmental organizations.
 - Educating workers in the informal sector of the Judicial and Legal Affairs.
 - Supporting women's efforts to form associations, or join organizations, and establishing partnerships for the enforcement of women's interest in the informal sector.
 - Encouraging efforts, which aim to eliminate discrimination at all workplaces.

- **Encourage savings and credit plans, and push other institutions to finance small projects available to the workers in the informal sector, especially women, through:**
 - A review of previous experiences of financing small projects.
 - Replication of the best practices, including the successful international experiences.
 - Searching for systems to find alternatives for the guarantees, to overcome the problem of the unavailability of guarantees faced by many women.

- **Develop practical methods with low cost to improve safety conditions and health through:**
 - Supporting integrated approaches to improve health, provide social protection, and increase employment opportunities.
 - Improving sanitation, and hygiene in the open markets.
 - Identifying the innovative measures to protect against disease, work-related injuries, and environmental hazards.
 - Applying the appropriate measures to fight against the worst forms of child labor in the informal sector.

- **Expand social insurance through reforming the social insurance system**
 - Review the existing legislation and proposed amendments to submit proposals to cover and provide social insurance for the informal sector, to go along with the international standards.
 - Studying the ways of non-conventional social insurance systems such as the strategies, and tools program of the International Labor Organization's program against Social Exclusion and Poverty (STEP)

8.5 The development of supportive trade union environment for the informal sector

During the past years, a number of national trade union centers began to re-examine and reform concepts and policies for the informal sector. A number of them have admitted that in the past they have had a negative view on this sector and now they noticed that bringing significant changes is necessary. However, this did not happen in all areas. In many countries, the perceptions and policies within the union did not change. There are several reasons why a number of trade unions is still skeptical about the informal sector.

- **The first reason: assumes that this sector is a temporary phenomenon**, and will melt into the formal sector by time, without the need for any reaction from the trade unions, or interference from the State, but this reason seems to be unrealistic. Instead of shrinking, the informal sector is growing, unlike the formal sector, which is shrinking due to outsourcing and subcontracting many of its activities. Here, it must be noted that the informal sector is a constant element of the labor market that will not be reduced, or dissolved within the formal sector without efforts of unions and significant changes in government policies.

- The second reason: the unions face big problems in trying to maintain their members in the formal sector, and not make them feel that they are in a position to use the scarce resources of the informal sector. Many consider this an inefficient use of human and financial resources within trade unions. There are several realistic reasons for that: the diverse nature of work relations, the difficulty of locating and communicating with workers of the informal sector, and obstacles regarding regulating the sector by the State. In addition, they are looking at the self-employed, as "project owners", and therefore they are not potential members for the union, or suitable partners for cooperation.

Even though this is a pessimistic perspective, yet it is a realistic one on the return expected by the unions to the investment in the informal sector. There are several other unions and trade unions at lower level that chose to participate and invest time and resources to organize and build a bridge between the official trade union movements, and workers of the informal sector. In many cases, the base is improving the workers conditions, which is in favor of the workers, as well as the owners of small businesses, or connecting them with basic services such as credit, training, management skills, marketing, new technology, information, advice on current legislation, dispute settlement, and educational support.

The International Confederation of Free Trade Unions does not consider the growth of the informal sector a result of the informal workers' choice to leave the formal sector, but they were forced to, in order to live, or that the formal sector does not provide them with chances for work. From the perspective of the Union, the primary responsibility lies on the government to reform the process of informal labor, the process that will lead to slowing the pace of economic and social development, as well as depriving the workers and their families from a chance of building a better life.

Regarding the role of the trade unions, the starting point for them is continuing to push for the maximum implementation of international labor standards, as well as the governments, and intergovernmental organizations efforts to formalize the economic activities and promote development. At the regional level, many of the unions under the confederation pursue organizing strategies that take into account the different forms of economic activities of the informal sector. The International Confederation of Free Trade Unions has positioned some activities that should be promoted and applied by the trade unions immediately if possible:

- Seeking to extend union recognition and bargaining relationships of companies and institutions of the formal sector to the contractors, subcontractors, and workers from home, and others who produce inputs for specific companies (and sometimes use the final products of those companies).
- Special advocacy and organized programs for workers from home.
- Organization of programs for workers.
- There should be a strong correlation between the union and the informal workers.
- To keep in contact with members, who were forced to leave the formal sector and shift to the informal one.

- Helping informal workers to form trade unions or organizations linked to the unions, and to assist them in seeking and obtaining work permits, and governmental services (e.g., training, education, health, and social services), as well as negotiating for a better income.
- Supporting mutual funds and cooperatives development.
From the Union's perspective, the success of such activities depends on the State's action to abolish the obstacles that sometimes prevent representatives of labor unions from organizing or representing the interests of all workers.

It is not surprising that the International Federation of Workers considers the informal sector, a sector full of opportunities, risks, and challenges. As this sector actually provides new job opportunities, income, and a means of living to a large number of poor workers, who do not have other alternatives. The sector also represents a number of risks, as it exposes workers to exploitation. For this reason the Federation called for the implementation of the minimum of legal norms in the informal sector, that's beside the positive incentives that aim at improving the usefulness of economic activities conducted by the informal sector, for example, the availability of credit, vocational, and management training.

The challenges that face trade unions are organizing those workers. The International Union for the Workers is committed to achieve this goal through diverse curriculums that reflect the specific characteristics of the informal workers. The Union believes that this could be achieved through a long process of communication, training, and exchange of information with the involved workers. This also means that the workers themselves should have full participation in the development, and implementation of organized strategies. In addition, the high proportion of women in the informal sector should be reflected in those strategies.

Many of the national bodies exposed to the World Federation of Labor have participated in the organization of the world's informal sector. In Cote d'Ivoire, in 1990, the "National Union of Women of the Informal Sector (SYNAFSI)" had a goal, which was to bring together women working in the informal sector according to the nature of the activity (e.g. fish salespersons, and fruit and vegetables sellers), and restructuring those groups. As an initial step, the Union tried to officially enroll them as cooperatives for selling and purchasing. Members have benefited from the provisions of economic activities and training mechanisms in both project management and household management.

In addition, the Union of Textile, Clothes, and Leather Workers was developed featuring voices of workers in textiles, clothing, or leather sectors, who are always subjected to exploitation in the form of low wages, long working hours, child labor, work in unsanitary and unsafe conditions, and other violations of workers' rights. In those sectors, the informal sector consists mainly of workers from home or self-employed, as well as employees working for the family, or in small workshops.

Textiles, clothing, and leather sectors have been affected by not enforcing labor standards, where business owners were seeking cheaper sources of production in the global economy. Subcontracting in these sectors was increased as a means to reduce labor costs. These practices

are largely scattered in the whole world, especially in developing countries. This is considered by the Union, as the worst form of violating workers' rights. A number of initiatives were applied in this respect. Among the initiatives applied by the Union, which had a significant impact, was the SA8000 system. The SA8000 is a global system that set the standards for companies to monitor social responsibility; it has been applied to a large number of merchants. It has been implemented through an independent agency certified from the United States. SA8000 monitors the conformity of the participating companies -in all phases of production- to a number of labor standards, including the right to organize, and bargain collectively, to the prohibition of child labor and forced labor, as well as other human rights violations.

Priority issues of the sector, including:

- **standards and labor legislations:** labor laws and practices must include the following:
 - All workers, including workers in the agricultural sector, unpaid workers, temporary workers, self-employed, and all workers who formulate the informal sector, have the same rights in the formation of groups, which are always available for workers in the industrial sector.
 - Granting adequate protection for all workers against acts of discrimination against trade unions for the benefit of their business.
 - Workers must not be forced to work under threat.
 - Prohibiting child labor of those less than 15 years old.
 - Implementation of International Labor Organization Convention on discrimination, in 1958. This means helping the informal sector through vocational training, without any discrimination based on color, sex, religion, race, or political opinion.
 - The principle of equal pay for equal work value.
- **Promoting good governance and the right management for work:** One of the reasons for not obeying rules and laws on the part of workers of the informal sector, in their perception, is that those rules are a cost on them without getting any benefits from them. Unions can act as pressure groups on governments to rationalize those rules and find other less costly alternatives. This applies for another problem that exists in the sector, which is corruption and the vague ways of law enforcement, this is sometimes accompanied by tax collection, and rules enforcement. Taking into account the above, instead of reducing the role of the government in the economy, policy makers need to focus more on improving the efficiency of government interventions. With regards to "governance", it is always linked, in the minds, to promoting democracy, law enforcement, as well as making the relationship between the government on one side, and the banking sector and industrial sector on the other side more open. On equal foot, governance is linked to the informal sector. Studies for ILO show that improving transparency, and appropriate implementation of laws and rules regarding permits, registration, licensing, and insurance, etc., will improve the image of government institutions responsible for those functions, which in turn contributes more to the compliance with such laws and regulations.

- **Tax policy and rules of local governments:** Some of the projects of the informal sector comply to a few simple laws on the local level, and get some permits that help them start working. However, they do not comply with other rules such as taxes, or labor law. Therefore, many believe that transforming the informal sector to formal sector requires gradual implantation of rules.
 1. Social Protection
 2. Encouraging SMEs

The ILO has created several programs to encourage small and medium enterprises. The goal of these programs is, not only to support the projects, but also to improve working conditions, and enforce the work standards on the informal sector. Of those programs; "the international program for small enterprises."

- **Human capital development:** Encourage the development of human capital through better education and training policies, as they are the most important needs of the informal sector workers. The trade unions policies, in this sector, need more development so as to make training more suitable to the special needs of workers in the informal sector. As members of the sector often receive simple education, and their ability to develop their production, and marketing operations depends on the lack of access to training. The official training institutions usually are of high costs, and are not designed for individuals who are illiterate, or have received few years of education. Reforming the vocational training programs, to better meet the needs of workers in the informal sector, is the most required thing.
- **Accessing credit:** One of the biggest problems facing small projects owners is the lack of funding, in addition to the difficulty to access credit institutions. A number of international organizations and non-profit organizations managed to create programs to extend small loans to individuals of this sector; global trade union supports such initiatives.
- **Identifying the organizing priorities and strategies:** labor force is diverse, traditional priorities and organizational techniques of trade unions need to be reviewed. Organization does not mean just adding new members and providing them with services. It also means contacting current members, prospective members, and other community groups that contribute to the common interests, in order to build a strong social movement. Thus, organization means that the unions need to refocus on workers, regardless of their employment status, or their attachment to a specific workplace. When considering time and resources regarding organizing the workers of the informal sector many factors should be taken into consideration. First, as voluntary democratic institutions, trade unions always need the support of their members in order to make any changes in their policy. Members should feel that they belong to the union, and that they are partners in the decision-making process. Internal support is a prerequisite for the development and implementation of strategies that aim at regulating workers of the informal sector. One way to build internal support is increasing awareness, and convincing members that the organization of policies will benefit them. The organization of unions might change the way they work, some unions created

independent entities responsible for organizing the informal workers, for example, unions in Benin developed special secretariats for the informal sector. Labor Union in Colombia established a special section for the self-employed. In Ghana, one of the national associations appointed a full time representative for the informal sector.

- **Making the membership formal:** In many countries, there are many legal obstacles preventing informal workers from joining trade unions. If the unions decided to amend their constitution and regulations to extend their memberships to workers of the informal sector, the base of trade unions should be enlarged to include a larger number of workers, regardless of their employment status; this should be a target on the medium range. However, on the short term, unions can help workers of the informal sector to create their own unions, and establish close relations with them. These initiatives can be tools for developing mutual trust, thus reducing the reluctance of those workers to join trade unions.
- **Building alliances and trade union community:** many of the workers in the informal sector do not want to join trade unions, as they do not see any solutions to the basic problems they face every day. Therefore, the first and the most difficult step for the unions, regarding workers of the informal sector, is communication. In practice, this means going and looking for them, but it is not always easy. In many cases, trade unions members have acquaintances or relatives working in the informal sector, who could be a link between the trade unions and informal workers. Also, workers who were forced to leave the formal sector and go to the informal sector can also provide contacts of potential workers of this sector. Another successful way to reach workers in the informal sector is to contact the craft associations already existing in the informal sector. Regarding building alliances, it became clear to the trade unions that there is a need to build strong alliances between the labor movement and the community around it, "to organize the unorganized sector," or to articulate social issues. Like any other union activity, alliances need clear objectives, and well-planned strategies. Building alliances between unions and community groups are mostly done for specific issues. In building alliances, trade unions must be mobilized by common interests. Evidence has shown, that cooperation and coordination between the various unions, especially with regard to justice and the dignity of workers, could lead to the mobilization of additional human and financial resources, as well as avoiding duplication of efforts. This also contributes to building solidarity among workers in the community.
- **The qualitative dimension:** in many poor areas, women work in informal sector, which means that there should be quality awareness at building strategies to enhance working conditions for workers of the informal sector. One of the strategies that have proven its efficiency in mobilizing poor women, especially in the rural areas, is to link between the cooperative economic activities and the syndicate work. In addition, cooperatives achieve economic goals and social goals simultaneously. Training on health issues, family planning, special facilities for child-care, and literacy courses are always organized by cooperatives, which proved their success at empowering women

and raising the awareness of benefits of the syndicate work. What has been proven as successful at reaching women is holding permanent events at convenient places, and time for them. Such small groups meetings, debates, seminars, and training sessions encourage women to express their points of view, and to listen to what matters to them at different events to express themselves, which is more effective than just telling them about their rights. Along with the urgent need to raise the awareness of women about the advantages of syndicate work.

- **Mobilizing youth:** young people of the informal sector are an important target group; as they represent the bulk of the new entrants into the labor market. Unions' membership among the youth category is very low in many countries. Therefore, the trade unions have to establish new structures to open dialogue channels and provide special programs for young people. Some unions already reach school students, and provide them with the advantages of syndicate work. In Australia, for example, officials from the Australian Council of Trade Unions made visits to schools, in order to explain the union's work, and how it is related to young people. An annual bulletin is offered for each student in public secondary schools in an attempt to increase students' awareness regarding the role of trade unions in the labor market. Music, sports, and entertainment are effective channels to establish good communication with young people all over the world. For example, in 1997, Britain organized several trade union activities, including concerts, as part of advocacy campaigns for minimum wages. Helping young people to find jobs, is another obvious way for unions to demonstrate the importance for young people. This may require training programs to search for jobs, job interviews, or more regarding skills development.
- **Raising awareness and media:** a prerequisite to convince workers to join unions is to make them aware of both their rights as workers, and the benefits they would receive. Objective media coverage plays a major role in raising awareness about the activities of trade unions. Trade unions need to be more visible to current, and prospective members, and to the community as a whole. Especially when unions are working to improve services or to implement policies that benefit the workers of the informal sector, getting the support of the people needs promotion, and awareness, not only organization⁵⁴.

⁵⁴ Source: Trade unions and the informal sector: Towards a comprehensive strategy, <http://www.ilo.org/public/english/dialogue/actrav/publ/infsectr.htm> , visited on the 5th of December 2003.

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About Cairo Center for Development Benchmarking

Cairo Center for Development Benchmarking (CDB) is a research and consultation company that works on consultation, training and publishing in the MENA region. The aim of the institution is to promote best practices and the outstanding models for development. For CDB Development doesn't refer only to the non-governmental sector; it is the common space shared by businesses, the government, civil society and international organizations

About the Coptic Evangelical Organization for Social Services

The Coptic Evangelical Organization for Social Services is a non-profit, publicly recognized Egyptian non-governmental civil association, registered in the Ministry of Social Solidarity number 468 Cairo. It was founded by the former pastor Dr. Samuel Habib in 1950 with the first nucleus project of literacy in one village of Minya province. The association is seeking, since its inception, to confirm the value of human life, – improve human life quality, work to achieve justice and equality, spread the culture of enlightened intellect, confirm the ethics of common human values advocated by religions, consolidate loyalty, respect diversity and accept others' values. It gives special attention for improving the living standards for individuals by increasing their awareness, and helping them to improve their living conditions. During more than half a century, the association developed its programs to keep pace with the rapid changes in society movement and to fit the needs of the marginalized and poor people

Project Background

Improving the Living Conditions of Poor Women Workers in the Informal Sector in Rural and Urban Egypt is one of the projects funded by the European Union, which seeks to improve the lives of poor working women in the informal sector in different governorates including Cairo, Qalubiya, Giza, Beni-Suef, and Minya. This study has been conducted to get the in depth knowledge about the status of the working women in the informal sector