The Demographic of Urban Women's Participation in the Informal Services Sector on the Subjective Economic Well - being of Households

Ab. Razak Othman, Zuroni Md. Jusoh, Husniyah Abd. Rahim@Abdul Wahab and Wan Arnidawati Wan Abdullah

The Demographic of Urban Women's Participation in the Informal Services Sector on the Subjective Economic Well -being of Households

Ab. Razak Othman, Zuroni Md. Jusoh, Husniyah Abd. Rahim@Abdul Wahab and Wan Arnidawati Wan Abdullah

Faculty of Human Ecology, Universiti Putra Malaysia

Abstract

The informal sector is part of economic activities in Malaysia and there is still insufficient information on these economic activities. The informal economy is a label for economic activities that take place outside the framework of public and private institutions. Therefore, this study argues that the level of participation of women working in the informal services sector significantly affects the subjective well -being of household economies in urban areas. Factors of women's participation in choice and need based on Causal and Utility theory are seen to influence the subjective well -being of the household economy. This study aims to determine the demographic influence of women's participation in the informal sector, analyzing participation factors by choice and need. This study uses a quantitative approach. A total of 474 respondents representing informal women workers. The field study was conducted between October 2020 to March 2021 at a time when the Covid 19 pandemic was still plaguing Malaysia and the world. This research covers informal women workers in the cities of Selangor, Kuala Lumpur and Putrajaya Malaysia. Urban areas in the state have been selected in this study based on three factors namely major economic factors, geographical factors and strategic location and as a major urban center. One -way ANOVA test were used to look at the relationship and influence between the variables. The results of the study show that there a significant demographic influence of women's participation in the informal sector on the subjective well -being of household economy. The implication of the demographics of women's participation in the informal sector has taken into account by authorities to improve the decent income and providing the good support system for the family members in order to increase the economic wellbeing of the informal sector household in the future.

Keywords: Informal Sector, Women's Participation, Well -Being, Subjective Economy

Introduction

Since human life began, the roles of men and women began to take shape in daily routines. Over time, the role of gender and this task becomes so clear that human beings evolve in

social status (Mohyuddin & Ambreen, 2012). By possessing materialistic wealth, owning status, the formation of tribes and clans, the development of nations all begin to contribute towards the implementation of the duties and obligations of each individual making the "economy" the axis of survival in society (Fabrica & David, 2010). Women participation in the informal sector are more vulnerable to poverty, lower ability and a greater degree of coercion compared to men (Unni & Rani, 2003; Gunther & Launov, 2012). Past studies have found that women engaged in employment in the informal sector the opportunities for them to obtain credit facilities are more limited and insecure compared to men (Harriss-White, 2010).

Past research has found that women's salaries in the informal sector are usually one-third lower than the salaries received by men (Ferrant et al., 2019). Informal employment is widespread throughout developing countries where it involves more than half to three-quarters of non-agricultural employment. Recent data collection by the ILO (2013) and Women in Informal Employment Globalizing and Organizing (WIEGO), 2017 provides evidence that women are more likely than men to work in the informal economy, due to lack of opportunities to access better jobs and social security protection (OECD, 2018; ILO, 2019). This suggests that gender is used to reduce production costs, to reduce the likelihood of organizations avoiding the provision of minimum safety standards in the workplace as provided by the Labor Law of Malaysia 1955 as well as ignoring wage levels set by the Malaysia Minimum Wages Act and preventing access to social protection and security (Elangkovan, 2013).

Employment in the informal sector has shortcomings in the context of social protection as well as socio-economics that are more vulnerable to informal workers (Bauer Heidi M., et al. 2012) These disadvantages provide constraints that can impact the subjective well-being of the economy to enjoy the benefits of the pension system, obtain rights and justice, financial savings for the future and insurance coverage due to accidents and illnesses caused by their employment (De Soto et al., 2000). Gunther and Launov (2012) who used data to test the existence of segmentation in the informal sector. This research has found that there is a wide gap between gender pay, levels of education and experience in the informal sector compared to the formal sector.

According to employment statistics by the International Labor Organization (ILO), stated that as much as 61.2% of global employment are in the informal economy (ILO, 2018d). The World Bank estimates that 64.7% of workers in developing countries are in informal economies (World Bank, 2019). Based on the World Bank Enterprise Survey, 54 percent of surveyed companies reported competing with informal firms (World Bank, 2017) and the informal sector (including agriculture) was estimated to account for between 20 percent and 64 percent of the total Gross Domestic Product of developing countries in the 2000s (Charmes, 2012).

In the literature there are two cause of women's participation in the informal sector based on causal theory which is participation by necessity of life or a last resort strategy to escape from unemployment and poverty (Brown, et al cited Lewis model, 1954; Harris and Todaro, 1970). The second cause sees informal employment as a voluntary option for workers (Maloney 2010; Levy 2007). The literature also considers that the informal sector is a

combination of two strategies namely living necessities and employee choice products (Fields, 1990; Perry et al., 2007). Meanwhile under utility theory assumes that human beings have satisfaction as a result of the use of goods and services. Thus, human beings need money or income, wages and salaries to enable them to spend and meet the necessities of life.

Literature Review

Family economic well-being is a multi-dimensional concept, and each dimension of economic well-being itself is a collection of several underlying trends, in which the prevailing literature differs in quality of lives, comfort and also often varies from country, society or community, and even in the family (Osberg & Sharpe, 2002). Thus, academics sometimes apply family economic well-being to describe the macro-economic conditions of all families in a population or they use concepts to describe the exact micro-conditions in a family (Bauer et al., 2012). According to Rossi and Blum, in Zulkifli et al (2020), subjective well -being is viewed from the perspective of the poor and low-income groups. Furthermore, poverty and economic well -being are interrelated, as well as reflective of each other (Ahmad & Paim, 2012). By looking at the participation of their workforce, family and community characteristics, relationships with the general public as lower-class individuals (cited via Paim, 1995).

Household Economic Well -Being

Although the concept of household economic well -being is widely referenced, it does not generally set a definition of what it is, and the terms quality of life, well -being, happiness and life satisfaction are often applied interchangeably (OECD, 2013). But, Xiao (2013) defines family economic well -being as "the economic status of a family that has sufficient economic resources to live a comfortable life. This is one of the key components of well -being that governs the likelihood of individuals using and their command of resources (OECD, 2013). The OECD (2011) claims that income and wealth are important components of a family's economic well-being. People's income allows them to access their basic needs and pursue various additional goals that are important to them, while their wealth allows them to maintain these options over time. As a result, almost all institutions that produce well-being measures recognize the value of family economic well-being, but the relationship between family economic well-being and overall well-being is not necessarily simple (OECD, 2013).

According to the International Labor Organization (ILO) the weaknesses and shortcomings that occur in the informal sector should be given attention because the formal and informal sectors complement each other especially in addressing economic and social injustices (Hussmanns, 2014); Oviedo et al (2009). The majority of employment in developing countries is in the informal sector and informality is increasing in most countries around the world (World Bank, 2019). Welfare considerations may explain why individuals are more likely to choose to work informally than to work in the formal sector with better and more secure social protection (Zulkifly et al., 2020).

Informal employment is exposed to the greatest economic vulnerability compared to workers in the formal sector. This leaves a large part of the world's population in a situation of vulnerability uncertainty and disruption of enforcement evictions as well as job exploitation. High and persistent uncertainty in the region has resulted in informal workers being more vulnerable to being deprived of their rights from social protection, labor laws, access to finance and training opportunities as well as skills contributing to inequality.

Poverty in old age in Colombia for example is particularly high because workers are low - skilled and most of them work in informal employment, without pensions and social benefits (OECD, 2019). In Brazil and Argentina, informal workers retire more later than workers in the formal sector for financial reasons until they finally reach age without contributions and pensions for use in old age (OECD, 2019; OECD, 2018). Small companies in the informal sector also face competition with large firms in the formal sector, low productivity and difficulty in growing as well as high formalization costs. Average productivity in Latin American countries is at the level of 25 and 75 percent of total employee productivity, and productivity decreases as informality increases (Loayza & Norman, 2018).

Based on current statistical data, in Malaysia there are a total of 2.54 million people engaged in informal employment in 2019 which includes 1.26 million in the informal sector and the rest in formal sector establishments and as full -time housewives. This number accounted for 10.6 per cent of total non-agricultural employment or 8.3% of total informal employment. Despite its small size, the informal sector appears to be growing rapidly, growing at a rate of 4.5% per annum between 2011 and 2019 (Abiddin et al., 2021). These data indicate that the informal employment sector makes a significant contribution to the country's economic growth. The state of Selangor recorded the state with the highest informal employment in 2019 which was 208.9 thousand people or 16.6 percent. Meanwhile, Kuala Lumpur & Putrajaya contributed 4.6 percent. While in terms of strata, 75.2 percent of informal employment is in urban areas and only 24.8 percent involves workers in rural areas (Department of Statistics Malaysia, 2020).

The Research Questions
The purpose of this study is to answer the research question, that is, is there a demographic influence of women's participation in the informal sector on the subjective well -being of the household economy? While the objective of the study, whether there is a significant influence, demographics of women's participation in the informal sector on the subjective well -being of the household economy. The following are the hypotheses of this study;

Study Hypothesis
Ha 1: There is a significant influence between the age of female workers in the informal sector on the subjective well -being of the household economy.
Ha 2: There is a significant influence between the income of women workers in the informal sector on the subjective well -being of the household economy?
Ha 3: There is a significant influence between the level of education of women workers in the informal sector on the subjective well -being of the household economy?
Ha 4: There is a significant influence between the household size of female workers in the informal sector on the subjective well -being of the household economy?

Demographics and Well -being
Retirement Age and Pension schemes
Globally, as many as 68 per cent of the older population (aged 60 and above) receive a pension (ILO, 2017). The proportion of individuals with access to pensions is very different in each country. A large number of male and female beneficiaries are in Europe, Asia, Argentina, Chile and South Africa. Men were more likely to receive a pension than women in 12 of the 22 countries studied. While women are more likely to receive from seven

countries, namely countries in Latin America, Bolivia, Brazil, Chile and Peru. Next countries with pension schemes such as Armenia and South Africa make contributor and non-contributor scheme contributions (ILO, 2017). However, the benefits of contributions are usually low. In social protection schemes pensions and insurance schemes play an important role in ensuring adequate benefits earned by employees. This is in line with the results of the OECD study on social protection in Indonesia, which showed that older women experience a gender pension gap and are therefore more vulnerable to poverty in old age (OECD, 2019). The share of older women receiving pensions in Indonesia is lower than men of all ages but those aged 50-52 years, with the largest difference between those aged between 56-61 years (OECD, 2019).

Figure 1: Percentage of women in informal employment based on index and gender equality in social institutions

Share of women in informal employment, by index of gender equality in social institutions (SIGI) (2014)
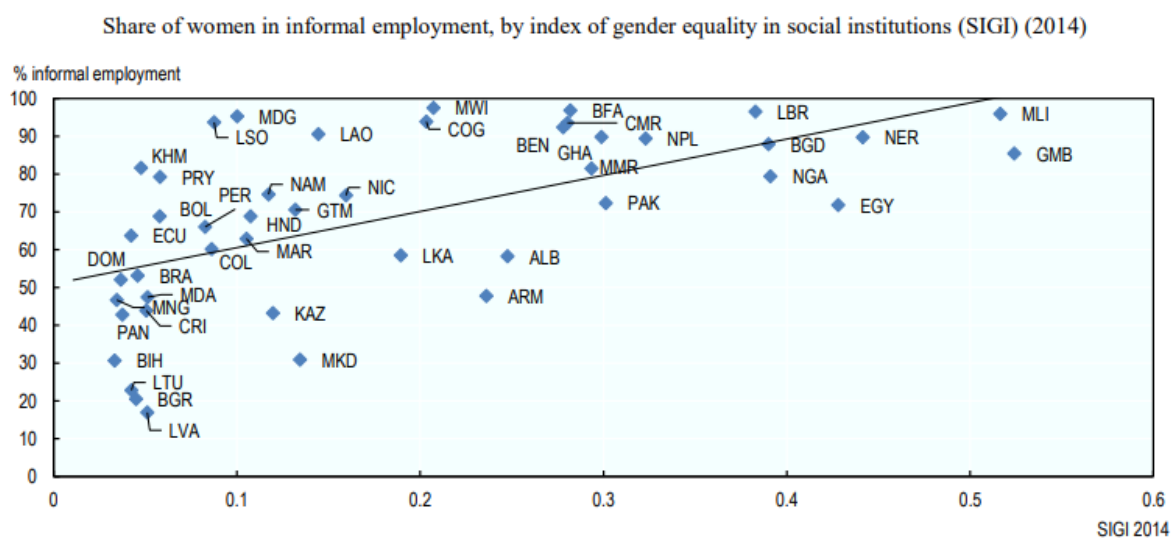
ILO Sources, 2018

Note: The OECD Center for Social Institutions and Gender Index (SIGI) measures five dimensions of discrimination against women in social institutions in 160 countries: discriminatory family codes, limited physical integrity, child bias, limited resources and assets, and restricted civil liberties. 0 = no inequality; 1 = complete inequality. Controls include GDP per capita (PPP 2011), GDP composition, geography, infant mortality rate, life expectancy, education, ILO estimates of labor productivity, 2017 Ease of doing business index, number of start -up procedures, youth share (aged 15-24) and Globalization Index KOF Economics. ILO (2018 [20]) and OECD (2014 [21]), 2014 Social Institutions and Gender Index (SIGI) (data set), www.genderindex.org/2014-results/

Income

Analysis conducted by Women in Employment Informal: Globalization and Organization (WIEGO) on the interaction between informal job types, income levels and poverty risk find income hierarchies and gender segmentation across all job types. The category of informal employers is at the top, with the highest income and lowest risk of poverty, followed by self -account workers, employees, other informal wage workers, industrial workers / domestic workers and, at the bottom, unpaid family workers (Chen, 2012; Chen et al., 2005). The needs of women in the informal economy are often overlooked in the planning and implementation of formalization strategies and social protection. Social protection policies

are rarely gender -neutral. Informal employment is often characterized by less stability, low levels of social protection, low incomes, and higher gender gaps. The United Nations (UN) on women (2016) found that the gender wage gap is 28 percent for the informal sector in sub-Saharan Africa, much higher than 6 percent for the formal sector. While some pay gaps can be explained by visible differences such as job characteristics, number of hours worked, and skills required for the job, gender pay gaps can also reflect gender discrimination particularly involving women (Ferrant et al., 2019).

One of the initiatives so call, cash transfer programs have contributed to improving the lives of vulnerable women and children, often making women the primary recipients. That programs carry out in Bolsa Família in Brazil show a positive impact on women's workforce participation and cause fewer women to leave jobs (Chen & Carre, 2020); Bastagli et al., 2016). Barriers to access to related women are due to the following:
> 1. As a woman they are too heavily represented in the most vulnerable forms of informal employment (family workers and domestic workers who often contribute, part -time, with very short hours and lower incomes) and therefore more likely to be outside the scope of legal coverage or meet eligibility requirements; and the
> 2. Ability to contribute, as women earn lower wages on average and have more work disruption due to maternity and nursing work. Yet, several countries, including Brazil, Mongolia and South Africa, have extended social insurance coverage to informal female workers through, for example, the participation of maternity provisions for domestic workers (ILO, 2016).

The high level of income insecurity among women in the informal economy makes it difficult in paid and unpaid employment before and after childbirth. Thus, many of them works until pregnancy or continue working immediately after childbirth, thus putting their health at significant risk (ILO, 2016). According to the ILO 2000 Maternity Protection Convention (No. 183), member states must provide at least 14 weeks of maternity leave, and part of the cost must be borne by public funds or the social protection system. However, only 28% of working women worldwide are effectively covered by cash benefits in the event of childbirth (ILO, 2017). A large number of informal workers do not have access to maternity benefits, although they are particularly vulnerable to the risks of income insecurity and poor health. Moreover, without maternity protection, women in formal employment may be forced to switch to lower -paying and more insecure informal employment. Although such shifts are often considered temporary, women with children tend to stay in informal employment for longer periods of time (ILO, 2016)

Level of Education
Lower level of education, traditional gender roles, discrimination, and the law that bias may explain the possibility of women working in the formal sector (Ferrant et al, 2019). While informal employment can offer attractive features such as opportunities to work closer to home and greater flexibility, the informal sector can be a poverty trap for women (ILO, 2012). Women workers may remain in activities that require lower skills and provide lower incomes, which could lead to fewer incentives to invest in education especially among young girls, create a persistent gap between men and women and reduce economic growth (Ferrant et al., 2019).

In sub-Saharan Africa, women work more in the informal sector than men. Many factors can explain this difference, including the low level of education of women (Fields et al., 2019). A study by McCaig and Pavcnik (2015) examining the job transition between the formal and informal sectors in Vietnam found that higher educated male workers in urban areas were more likely to shift to the formal sector compare to female workers who were initially in the informal sector. Meanwhile, the study of De Mel et al (2008), who studied a case in Sri Lanka and found that women's education was a more important determinant than male group when choosing between being wage workers in the formal sector versus workers in the informal sector as self -employed. Ahn el al (2019) studied the market results of youth workers in emerging markets and development economies using census data from 57 countries and found that female workers are more likely to work informally than male workers. Even younger and less educated workers are more likely to be employed in the informal sector. Further related to the labor market literature and gender gap in Senegal, Ferrant et al (2019) analyzed the trend of gender gap in education and the labor market in Senegal has simulated the macroeconomic impact of gender gap in education between men and women.

In Sub -Saharan Africa and around the world, informal jobs are held by low -skilled workers with zero or little formal education. According to the ILO (2018) more than 90 percent of low -skilled workers work in the informal economy in Sub -Saharan Africa. Among uneducated workers, 95 percent work in the informal sector, and for workers with only low education, 90 percent are in the informal sector. In contrast, only 27 percent of workers with higher education are in the informal economy (Ferrant et al, 2019). Women in sub-Saharan African countries, on average, are still less educated than men despite an increase in the last two decades. The gender gap in primary education completion rates has been addressed in most countries; however, the gender gap persists at higher education levels (Ferrant et al., 2019).

Household Size

In 2019, the number of households in Malaysia was 8.0 million of which 7.3 million were Malaysian households. Each household has its own household size which refers to the number of members in the household. On average, the household size in Malaysia is 3.9 people compared to 4.1 people in 2016 (HIS, 2019). In terms of percentage, the majority of households had four members and more (54.6%). Meanwhile, households living alone accounted for 7.7 per cent of total households. Households with two and three members accounted for 18.4 per cent and 19.3 per cent respectively. The average household size for urban areas was 3.8 people compared to 4.1 people for households living in rural areas. Typically, the more members of a household, the more expenses are needed to meet the necessities of life. Households are the activities of unincorporated household's enterprises which are also considered as an informal sector. Conceptually, unincorporated enterprises refer to the total activities *unincorporated* carried out by households. In relation to the matter as well, the International Labor Organization (ILO) defines the informal sector as a subset of *household's unincorporated enterprises* (Department of Statistic Malaysia, 2014 & 2017).

Based on the literature discussed above, and the hypothesis of a theoretical framework developed for the current study were as follows:

Figure 2: The Conceptual Framework of the Study
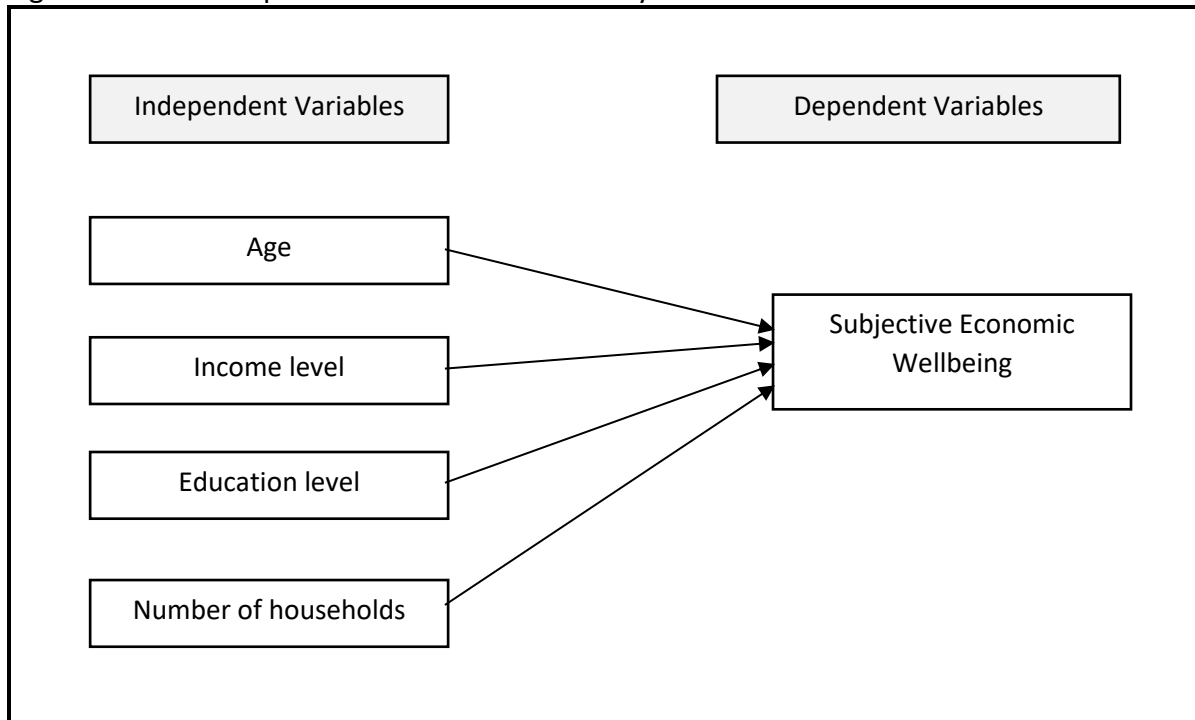
Method
The study used quantitative methods using questionnaires as an approach to understanding and interpreting data which has been quoted. These methods include, descriptive methods in which percentages, means and frequencies are recorded and discussed accordingly. Descriptive analysis is used to explain some of the phenomena of variables found in the survey form (Majid & Saari, 2000). All descriptive analyzes in this study are expressed in the form of frequency (mode/frequency), standardize the data (percentage), measure the central tendency (mean) and measure the scattering (standard deviation) to determine the results of the study on each question posed to respondents (Chua, 2014; Pallant, 2007). Descriptive analysis is a technique used in the initial analysis stage to understand the data and its statistical implications and aims to provide a systematic and accurate description of the facts and characteristics of a population (Hair et al., 2017). Data analysis of this study used *Statistical Package for the Social Science* (SPSS) Version 23 and IBM *Amos* Version 23 to obtain the best results. SPSS is a popular analytical instrument with researchers from various fields of study (Chua, 2014). SPSS also as a tools data analysis software, especially in the social sciences (Chua, 2014). Statistical analysis used in this study is divided into two parts namely descriptive analysis and inferential analysis.

This research method includes collecting, analyzing, interpreting and presenting information in the form of numbers or quantities (Chua, 2014). The reality of the quantitative approach is able to avoid bias in its empirical evaluation process, for which the researcher is independent of what is being investigated. The results obtained are evidenced through selective analysis in accordance with the goals and objectives of the study leading to generalization to prediction, explanation and understanding (Neuman, 2014).

The survey was conducted scientifically with probability sampling method. This study uses random sampling technique to achieve the objectives of the study. The random sampling

technique is easy to use because it is believed to provide equal opportunities to each individual in the population selected as a sample in this study. It is also said to save time, cost and be free from bias (Zikmund, 2003). Stratified *random sampling* was used because the respondents were based on the strata of the selected area. After isolating the respondents based on the locality of the place or area, a simple random sampling technique was performed to select 27 area zones representing the states of Selangor, Kuala Lumpur and Putrajaya. The total sample selection is proportional to the total population in the state. To ensure that the rate of return is good. Of the 800 questionnaires that were distributed, 505 forms were returned, representing 63 % of the rate of return.

Findings of the Study
Respondents' Socio Demographic
The level of subjective economic well -being based on demographic factors (age, respondents' income, education level and number of households) of women's participation in the informal sector was analyzed using one -way ANOVA test. One -way ANOVA test can determine whether there is a significant difference in scattering or vice versa with a value of p <0.05 as shown as in table 1.

Table 1: Variant homogeneity test results (Levene)

No.	Variables	Statistic Levene	DK1	DK2	P
1.	Age	.63	5.00	468.00	.68
2.	Respondents income	1.660	11.00	462.00	.01
3.	Education level	1.01	10.00	463.00	.43
4.	Number of households	1.53	3.00	470.00	.21

The results of Levene test showed that the subjective economic well -being of households based on the group of demographic variables had a uniformity of variance with a value of p <0.05. Based on one -way ANOVA test analysis showed that there is a significant influence for age factor F (5, 468) = 4.10, p = 0.001, respondents' monthly income F (11,462) = 9.24, p <0.001, highest educational level F (10, 463) = 3.58, p <0.001 and number of households F (3, 470) = 2.78, p = 0.041. These findings indicate that the assumption condition of uniformity of variance is met on the subjective well -being of the household economy (see in table 2).

Table 2: One -way ANOVA test results for demographic variable

Variables	Age Category	N	Mean	SD	F	P
Age	< 20	32	2.67	.69	4.10	0.001*
	21-30	137	3.08	.64		
	31-40	134	3.04	.63		
	41-50	95	3.02	.55		
	51-60	57	2.85	.56		
	>60	19	2.70	.61		
Respondent income	Less than RM 500	26	2.58	.57	9.24	<0.001*
	RM 501-1000	56	2.69	.59		
	1001-1500	108	2.84	.63		
	1501-2000	75	2.82	.62		
	2001-2500	44	3.08	.56		
	2501-3000	43	3.14	.58		
	3001-3500	25	3.42	.67		
	3501-4000	21	3.19	.34		
	4001-4500	19	3.30	.34		
	4501-5000	16	3.24	.43		
	5001-5500	15	3.52	.38		
	RM 5501& above	26	3.44	.44		
Education level	Not schooling	13	2.68	.51	3.58	<0.001*
	Primary school	22	2.57	.72		
	Lower Secondary Assessment	46	2.85	.59		
	Malaysian Certificate of Education	195	2.95	.62		
	Skills certificate	21	3.32	.57		
	Malaysia Higher School Certificate	34	2.86	.61		
	Professional certificate	4	2.98	.09		
	Diploma	78	3.17	.54		
	Bachelor/Degree	49	3.10	.59		
	Master	7	3.27	.86		
	PhD	5	3.16	.50		
Number of households	1-3	130	2.93	.56	2.78	0.041*
	4-6	288	3.05	.63		
	7-9	49	2.81	.65		
	>10	7	2.81	.91		

Descriptive analysis was conducted to provide an overview of the background and demographics of the respondents. Descriptive analysis can produce various forms of desired data distribution easily, quickly and accurately (Chua & Zitty Sarah, 2018). Women's participation and responses to women's participation in the informal sector descriptive analysis was used to identify and assess respondents 'perceptions of demographics. The

mean scale interval value obtained through the analysis conducted was used to determine the level of importance through the overall suitability scale as in Table 1.

Table 3: Mean Scale Interval

Mean Scale Interval	Level
3.68 - 5.00	High
2.34 - 3.67	Medium
1.00 - 2.33	Low

Source: Ashari and Mahmod (2013)

Based on table 2, the age of the respondents has been detailed as follows; The highest percentage of respondents are in the age group between 21 - 30 years which is (28.9%), followed by 31 - 40 years (28.3%), 41 - 50 years (20%), 51 - 60 years (12%), less than 20 years (6.8%) and more than 60 years recorded (4%).

Respondents 'Monthly Income
Respondents' monthly income showed that the highest percentage was recorded by income level between RM1001 - RM1500 (22.8%), followed by RM1501 - RM2000 (15.8%), RM501 - RM1000 (11.8%), RM2001 - RM2500 (9.3%), RM2501 - RM3000 (9.1%), less than RM500 per month and RM5501 and above each recorded (5.5%), RM3001 - RM3500 (5.3%), RM3501 - RM4000 (4.4 %), RM4001 - RM4500 (4.0%), RM4501 - RM5000 (3.4%) and RM5001 - RM5500 (3.2%).

Academic Level
The level of respondents and found that the highest percentage is *Malaysia* Certificate of Education (SPM-41.1%), Diploma (16.5%), Bachelor/Degree (10.3%), lower Secondary Assessment (SRP/PMR) (9.7%), *Malaysia* Higher School Certificate (STPM -7.2%), primary school (4.6%), skills certificate (4.4%), no schooling (2.7%), master (1.5%), PhD (1.1%) and professional certificates (0.8%). The highest academic level among individuals with SPM qualifications is a finding that is in line with the findings of the informal sector study released by the Department of Statistics Malaysia 2019. This is because the informal sector is filled with SPM graduates who do not get a place to further their studies to higher levels. In addition, those who are involved in family businesses, small-scale (micro) and help families to find income will face the problem of academic dropout and no longer interested in studying. Some individuals feel that SPM graduates have enough and do not need to further their studies.

Household Size
Each household has its own household size which refers to the number of members in the household. Table 2 displays based on household size, the findings show that more than half of the respondents have a household size between 4 - 6 people (288, 60.8%), followed by 1 - 3 people (130, 27.4%) 7 - 9 people (49, 10.3%) and more than 10 (7, 1.5%). In general, more than 90 percent of households in Malaysia are those who are brothers i.e. family members. Each household has its own household size which refers to the number of members in the household. On average, the household size for urban areas in Malaysia is 3.9 people

compared to 4.1 people for households living in rural areas. The findings of this study show that more than half of the respondents which is 60.8 percent have a household size between four to six (4-6) members. Meanwhile, followed by households between 1-3 people by 27.4 percent, 7 - 9 people 10.3 percent and more than 10 people, 1.5 percent. The findings of this study are in line with the findings of the study of average household size for urban areas in Malaysia which is 4 people per household

Is there a demographic influence of women's participation in the informal sector on the subjective well -being of household economy?
Participation of women in the informal sector are essential for promoting economic growth and diversification. It is also important for wealth creation, poverty eradication, self-sustenance and income dependence. The results of the Levene test analysis in the table below show that the level of subjective well -being of the household economy based on the group of variables of each demographic has a uniformity of variance with p> 0.05. This allows data from each of these groups to be tested using one -way ANOVA tests. Thus, the assumptions for the variance uniformity condition are met.

Subjective Economic Wellbeing
Subjective Economic Wellbeing is economic activity is studied based on four sub-dimensions namely income, expenditure, savings and assets. The findings of the analysis are shown in the form of mean scores and standard deviations for each dimension and overall mean scores of the subjective economic well -being dimension. The subjective economic well -being score clearly showed that the overall mean score was at a moderate level (M = 2.99, SP = 0.62). For the sub-dimension of "income" recorded a moderate score that is, recorded the highest mean score (M = 3.35, SP = 0.98). While for the sub-dimension of expenditure recorded the highest mean score (M = 3.15, SP = 0.91). Next, for the 'savings' sub-dimension recorded the highest mean score (M = 2.70, SP = 1.00). For the sub-dimension "assets" recorded a moderate level of mean score (M = 3.12, SP = 1.04). Similarly, the general satisfaction felt by urban women workers working in the informal service sector showed that the overall level of satisfaction was at a moderate level (M = 2.99, SP = 0.62).

The level of subjective well-being of the household economy based on demographic factors (Age, income, academic level and number of households) of women's participation in the informal sector was analyzed using one -way ANOVA test. ANOVA test or known as *Analysis of Variance* is one of the test methods to analyze the variance of the results of a study by involving three or more comparison groups. These findings clearly indicate that the overall mean score for the subjective economic well -being dimension is at a moderate level (M = 2.99, SP = 0.62). For the sub-dimension of "income" recorded a moderate score that is, recorded the highest mean score (M = 3.35, SP = 0.98). While for the sub-dimension of expenditure recorded the highest mean score (M = 3.15, SP = 0.91).

For the 'savings' sub-dimension recorded the highest mean score (M = 2.70, SP = 1.00). For the sub-dimension "assets" recorded a moderate level of mean score (M = 3.12, SP = 1.04) as well as the general satisfaction felt by urban women workers working in the informal services sector showed that the overall level of satisfaction is at a moderate level. (M = 2.99, SP = 0.62). The findings of the analysis found that there were significant differences for age, marital status, spouse's occupation, spouse's occupational type, spouse's estimated income,

household size, highest academic level, city of residence, type of residence and respondents' monthly income on household economic subjective well -being.

Findings of the Study and Discussion
Age Group
Labor force refers to the population in the working age group (15 to 64 years) whether working or unemployed. The findings of the survey show that more than half or as much as 57.2 percent of the age group of respondents are among the youth age that is aged between 21 - 40 years[1]. (Ministry of Youth & Sports Malaysia, 2007). The involvement of urban women, especially youths in informal employment, is attracting attention as jobs and businesses in the informal service sector such as street vendors, hawkers, *freelancers* and gig jobs such as e-hailing (delivery service) have grown. While the remaining 42.8 percent are women workers aged between 41-60 years. This group performs informal work for the purpose of daily needs and self -sufficiency of families and households. According to Easterlin (2006) in his study found that there is a decrease in happiness and well -being of individuals after the age of 51 years and above due to health conditions that tend to decline and due to expectations of mortality (death). This is supported by the fact that shows that as many as 75 percent of individuals aged between 18 to 51 years survive compared to only 50 percent of individuals aged 51-80 years who are still alive. In fact, this number will be reduced to 20 percent to individuals over the age of 89 (Aryogi, 2016).

Individual Income
In terms of income, the analysis shows that the income distribution of respondents is not uniform or uneven. The highest percentage of the income category is 38.6 percent, which is women workers earning an income of RM1001-2000 per month. This total income is in the B40 group (B1- ie income less than RM 2500 per month). While the income between RM2001-4000 per month is 28.1 percent. This group is on the B40 income threshold of category B2-B3). Furthermore, the income between RM 4001-5500 per month is only 10.6 percent. This income group consists of M40 (middle). The highest income is more than RM 5500 and above by only 5.5 percent, which is in the M40 group (medium high). Furthermore, income below RM 1000 per month is 17.3 percent. These findings show that the income of women in informal employment is much lower than the income of individuals working in the formal sector which is RM 4870 per month (HIS, 2019). This pay gap appears to be so significant that it is 4 times lower than employment in the formal sector.

Based on the 2019 Household Income and Basic Amenities Survey Report, the B 40 group in Malaysia comprises 2.91 million households and the B40 group only accounts for 16 percent of the total household income in Malaysia. To live comfortably in Malaysia, especially in urban areas single individuals need a minimum income of RM2,700 per month, childless couples must earn at least RM4,500 per month while couples with two children must earn not less than RM6,500 per month (LFS, 2021).

However, this analysis is not surprising because during the implementation period of MCO, many incomes have declined due to the loss of source of livelihood. Workers on temporary leave are paid half pay or no pay. This justification is in line with the findings of a study

---

[1], Youth is defined as individuals between the ages of (15-40 years)

conducted by DOSM that there will be a decline in the salaries of Malaysians in 2020 due to the Covid Pandemic 19 (DOSM, 2021). As many as 20 per cent of the M40 group of households earning between RM4,850 to RM10,959 switched to the B40 group, according to the Department of Statistics Malaysia (DOSM). Households in the T 20 group were also affected by the COVID-19 pandemic in which 12.8 per cent of households from this group switched to the M40 group (DOSM, 2021)

Sources of Household Income
Sources of household income of Malaysians can be categorized into four main sources of income, namely income from employment whether paid employment or self -employment, income from property & investments owned and receipts from current transfers (Household Income Survey, 2019). Income from paid employment includes all payments received either in cash or in kind received by individuals in a household as a result of their involvement in employment. Salaries received, allowances, bonuses and food as well as free accommodation provided by employers are among the components of income earned from paid employment. According to Frey (2008) explains that income is an influential basis for happiness and well -being. Factors that affect an employee's happiness come from that individual's income level. Frey revealed that a person with a higher income level will have a greater ability to acquire goods and services as well as will acquire a higher social status in society.

Level of Academic Achievement
Informal sector employment data 2019 at the national level according to the Department of Statistics Malaysia found that informal workers have at least Malaysia Certificate Education (MCE). However, the share of workers with higher qualifications has increased in the informal sector, compared to other non -agricultural sectors. Moreover, the informal sector workforce shows an increase in employees with at least a degree, while the workforce has higher educational qualifications. Between 2011 and 2019, the share of degree holders in the informal sector increased by 6.7 % and the increase in degree holders contributed about one-quarter of the growth of informal sector employment (Abiddin, et al., 2021).

Meanwhile, the share of degree holders increased by only 3.2% outside the informal sector and this indicates a significant growth in improving the standard of education in the informal sector. In 2017, primary school student enrollment amounted to 99.6 % and secondary school enrollment rate was 74.4 %. Over the past forty years, the respective percentages were 87.0% for primary school enrollment and only 37.1% for secondary school. The higher education enrollment rate is also increasing from 3.5% in 1979 to 43.7% in 2018 (Sazali et al., 2020). Conventionally, the level of human capital of employees can be assessed through the level of education and their qualifications, namely the highest education certificate or their highest level of education as an indicator to measure the progress of human resources for a country.

This study examines the influence of the participation of women working in the informal services sector on the subjective well -being of the household economy in the urban areas of Selangor, Kuala Lumpur and Putrajaya. There is a total of 474 female respondents who work in the informal services sector. Employment in the informal sector in Malaysia is among the 1.3 million workers and traders who cannot be absorbed into employment in the formal

sector even though this group has good academic performance. The findings of the study found that the highest academic level of respondents showed the highest percentage was MCE (41.1%), Diploma (16.5%), Bachelor/Degree (10.3%), SRP/PMR (9.7%), STPM (7.2%), primary school (4.6%), Skills certificate (4.4%), non -schooling (2.7%), Master (1.5%), PhD (1.1%) and professional certificates (0.8%). The findings of this study indicate that women working in the informal sector of urban areas have relatively high academic qualifications. This is because there are 31.7 percent of respondents have an academic qualification of at least STPM/Diploma to PhD level. This finding is in line with the findings of the study that informal sector employment has a secondary education achievement of 65.1 percent in 2019 (Department of Statistic Malaysia, 2019).

Number and Size of Households
In general, more than 90 percent of households in Malaysia are related to family members. Each household has its own household size which refers to the number of members in the household. On average, the household size for urban areas in Malaysia is 3.9 people compared to 4.1 people for households living in rural areas. The findings of this study show that more than half of the respondents which is 60.8 percent have a household size between four to six (4-6) members. Meanwhile, followed by households between 1-3 people by 27.4 percent, 7 - 9 people 10.3 percent and more than 10 people, 1.5 percent. The findings of this study are in line with the findings of the study of the average household size for urban areas in Malaysia which is 4 people per household. Typically, the more members of a household, the more expenses are required to meet the necessities of daily living. Large and productive households will help each other and work together to generate income to meet household spending needs.

Implication of this Study
Women in informal sector workers living in poverty are exposed to greater risks and vulnerabilities than their formal sector counterparts. By ensuring at least a minimum standard of living for beneficiaries the risk management function of social assistance is of particular importance to this population. Further, the incidence of relative poverty is greater in the informal sector than in the formal sector. This is particularly true of informal sector agriculture workers, who face the highest risk of poverty (Heintz and Vanek 2005; Vanek et al, 2012). Besides that, for household family and children require cash transfers encourage expansion of the stock of human capital and allow recipient children to be more productive workers later in life for informal sector workers. Education reforms aimed both at enhancing equality of access and ensuring that students remain in school until the end of the secondary cycle (and ample technical and vocational training opportunities) are particularly important to improve their economic wellbeing. Social pensions are particularly important for informal sector workers, as they are typically denied access to contributory pensions, and often continue to be employed in old age. In many developing countries in Asia, older workers are typically employed in the informal sector in less-attractive jobs that pay wages less than those received by individuals still of working age (Kidd et al., 2015).

Conclusion
This study focuses on the findings of previous studies related to demographics is because there are two objectives of discussing the importance of demographics. This suggests that demographics are an important basis for looking at profiles that are significantly related to

subjective economic well -being. All four hypotheses were evaluated as suggested in the framework of the study, supported empirically. Thus, the current study provides empirical evidence that demographic factors namely age, income, educational level and household size have a significant influence on the level of subjective economic well -being of households. Age demographics $F_{(5, 468)} = 4.10$, $p = 0.001$, monthly income $F_{(11, 462)} = 9.24$, $p < 0.001$, highest academic level $F_{(10, 463)} = 3.58$, $p < 0.001$ and household size $F_{(3, 470)} = 2.78$, $p = 0.041$).

Acknowledgements

References

Abiddin, N. Z., & Ismail, A. (2021). Gender and labour force participation in Malaysia: Current research and future direction on gender egalitarianism. *International Journal of Academic Research in Progressive Education and Development*, *10*(2), 348-360.

Ahmad & Paim, L. (2012). Income poverty status and well-being of the vulnerable households in Malaysia: A comparative study. In N. Sulaiman, N. Yahaya, MA Razak, NAANA Aziz, & T. Suhaimi (Eds.), *Seminar Proceedings* (p. 171). Malaysian Consumer and Family Economics Association (MACFEA).

Ahn, M. J., An, Z., Bluedorn, M. J. C., Ciminelli, G., Kóczán, Z., Malacrino, M. D., ... & Neidlinger, P. (2019). *Work in progress: Improving youth labor Market outcomes in emerging market and developing economies*. International Monetary Fund.

Aryogi, I. (2016). Subjective well-being individu dalam rumah tangga di Indonesia. *JIET (Jurnal Ilmu Ekonomi Terapan)*, *1*(1).

Bastagli, F., Hagen-Zanker, J., Harman, L., Barca, V., Sturge, G., Schmidt, T., & Pellerano, L. (2016). Cash transfers: what does the evidence say. *A rigorous review of programme impact and the role of design and implementation features. London: ODI*, *1*(7).

Fields, G. S. (2006) "Labour Market Dualism In The Lewis Model: Reply." *The Manchester School*, vol. 74, no. 3, June 2006, pp. 355–359, 10.1111/j.1467-9957.2006.00498. x. Accessed 21 Oct. 2019.

Charmes, J. (2012). The informal Economy Worldwide: Trends and characteristics. *Margin: the journal of applied economic research*, *6*(2), 103-132.

Chen, M. A. (2012). The informal economy: Definitions, theories and policies (Vol. 1, No. 26, pp. 90141-4). WIEGO working Paper.

Chen, M., & Carré, F. (2020). *The Informal Economy Revisited: Examining the Past, Envisioning the Future* (p. 326). Taylor & Francis.

Chen, M. A. (2012). *The informal economy: Definitions, theories and policies* (Vol. 1, No. 26, pp. 90141-4). WIEGO working Paper.

Chua, Y. (2014). *Research Methods and Statistics: Univariate and Multivariate Tests* (2 nd edition). McGraw-Hill Companies.

De Soto, & Hernando. (1989). *The Other Path: The Invisible Revolution in the Third World*. Harper Collins.

Department of Statistics Malaysia. (2018). *Informal Sector Workforce Survey Report.* Putrajaya.

Department of Statistics Malaysia. (2017). *Household Income and Basic Amenities Survey Report*. Putrajaya.

Elangkovan, K. (2013). "*A New Solution to Increasing Rate of Unemployment: Introduction of Minimum Wage Laws in Malaysia.*" In 3rd International Conference on Management, Economics and Social Sciences (ICMESS 2013), 98–102

Easterlin, R. A., & Zimmermann, A. (2006). Life satisfaction and economic outcomes in Germany pre-and post-unification.

Febrica, M., & David. (2010). The social innovations in Argentina's worker-recuperated enterprises: Cooperatively reorganizing productive life in hard times. *Labor Studies Journal, 35(3)*(295-321).

Ferrant, G., Fuiret, L., & Zambrano, E. (2020). The Social Institutions and Gender Index (SIGI) 2019: A revised framework for better advocacy.

Fields, G. S. (2004). Dualism in the labor market: A perspective on the Lewis model after half a century. *The Manchester School*, *72*(6), 724-735.

Günther, I., & Launov, A. (2012). Informal employment in developing countries: Opportunity or last resort? *Journal of development economics*, *97*(1), 88-98.

Harris, J. R., & Todaro, M. P. (1970). Migration, unemployment and development: a two-sector analysis. *The American economic review*, 126-142.

Harriss-White, B. (2010). Work and wellbeing in informal economies: The regulative roles of institutions of identity and the state. World Development, 38 (2), 170-183.

Heintz, J., Jhabvala, R., Bonner, C., Chen, M., Vanek, J., Lund, F. (2005) *Women, work & poverty*. New York, NY: Unifem.

International Labor Organization. (2013). Measuring informality: A statistical manual on the informal sector and informal employment. Geneva: International Labor Office.

ILO. (2013). Transitioning from the informal to the formal economy. Report V (1), International Labor Conference, 103rd Session (2014). Geneva.

ILO. (2018). Revision of the 15th ICLS resolution concerning statistics of employment in the informal sector and the 17th ICLS guidelines regarding the statistical definition of informal employment. In *Proceedings of the 20th International Conference of Labour Statisticians*. Geneva, Switzerland: ILO.

ILO. (2018d). Women and Men in the Informal Economy: A Statistical Picture Geneva: International Labor Organization. https://www.ilo.org/wcmsp5/groups/public/---dgreports/-dcomm/documents/publication/wcms_626831.pdf.

Neuman, D. (2014). Qualitative research in educational communications and technology: A brief introduction to principles and procedures. *Journal of Computing in Higher Education*, *26*(1), 69-86.

OECD, & International Labour Organization. (2019). *Tackling vulnerability in the informal economy*. OECD.

Vesperoni, E., Bluedorn, J., & MacDonald, M. (2018). Future of work: measurement and policy challenges. *Washington, DC: International Monetary Fund*

Kidd, S., Abu-el-Haj, T., Khondker, B., Watson, C., & Ramkissoon, S. (2016). Social Assistance in Viet Nam: a review and proposals for reform. *Development Pathways and UNDP*.

Laily, P. (1995), Definitions and Measurements of Wellbeing: A Review of Literature, *Journal of Economic and Social Measurement*, 21: 297-309.

Loayza, & Norman V. (2018). Informality: Why is it so widespread and how can it be reduced?: World Bank.

Maloney, W. F. (2010). Informal self-employment and macroeconomic fluctuations. *Journal of Development Economics*, *91*(2), 211-226.

Mohyuddin, A., & Ambreen, M. (2012). Contribution of women in economic activities in rural Balochistan: World system analysis at micro level in anthropological perspective. *Academic Research International*, *3*(2), 548.

Pallant, J. F., & Tennant, A. (2007). An introduction to the Rasch measurement model: an example using the Hospital Anxiety and Depression Scale (HADS). *British Journal of Clinical Psychology*, *46*(1), 1-18.

Perry, G. (Ed.). (2007). *Informality: Exit and exclusion*. World Bank Publications.

Study of Informal Sector Contribution to GDP, State Accounts Statistics Division Department of Statistics Malaysia September 2014.

Department of Statistic Malaysia. (2019). *Household Amenities and Basic Amenities Survey Report 2019*. Percetakan Nasional Berhad.

Hair, J. F., Sarstedt, M., & Ringle, C. M. (2017). Treating unobserved heterogeneity in PLS-SEM: A multi-method approach. In *Partial least squares path modeling* (pp. 197-217). Springer, Cham.

Hussmanns, R., Vanek, J., Chen, M. A., Carré, & F., Heintz, J. (2014). Statistics on the informal economy: Definitions, regional estimates and challenges. *Women in Informal Employment: Globalizing and Organizing (WIEGO) Working Paper (Statistics)*, *2*, 47-59.

Ministry of Youth and Sports Malaysia. (2007). *Youth Organizations and Youth Development Act (Act 668).* Percetakan Nasional Malaysia Berhad.

Majid, M. K. H. A., & Saari, C. Z., (2000). Epistemologi Islam Menurut Ibn Khaldun. *Jurnal Usuluddin*, *12*, 73-94.

OECD. (2011). *Development co-operation report 2011*. Retrieved on 31/08/2021 from https: //www.oecd.org/dac/developmentco-operationreport2011.htm.

OECD. (2013). *"Economic well-being", in OECD framework for statistics on the distribution of household income, consumption and wealth*. Retrieved on 31/08/2021 from https://doi.org/10.1787/9789264194830-5-en.

OECD (2018), *OECD Economic Surveys: Chile 2018*, OECD Publishing, Paris, https://doi.org/10.1787/eco_surveys-chl-2018-en.

OECD. (2019). *OECD Economic Surveys: Mexico 2019* (Issue 9264333541, 9789264333543, p. 128). OECD Publishing, 2019.

OECD. (2019b). *OECD Economic Surveys: Argentina 2019*. OECD Publishing, Paris. https://doi.org/10.1787/0c7f002c-en.

Osberg, L., & Sharpe, A. (2005). How should we measure the "economic" aspects of well-being? Review of Income and Wealth, 51 (2), 311-336.

Oviedo, A. M., Thomas, M. R., & Karakurum-zdemir, K. (2009). Economic informality: Causes, costs, and policies a literature survey.

Sazali, N. T., & Gen, T. Z. (2019). The Demise of Formal Employment? —a Literature Update on Informality.

Pallant, J., Khan, F., & Brand, C. (2007). Caregiver strain and factors associated with caregiver self-efficacy and quality of life in a community cohort with multiple sclerosis. *Disability and rehabilitation*, *29*(16), 1241-1250.

United Nation. (2021b). World Conferences on Women | UN Women - Headquarters. United Nation Women. https://www.unwomen.org/en/how-we-work/intergovernmental-support/world-conferences-on-women.

Unni, J., & Rani, U. (2003). Social protection for informal workers in India: Insecurities, instruments and institutional mechanisms. *Development and Change*, *34*(1), 127-161.

Vanek, J., Chen, M., Hussmanns, R., Heintz, J., & Carré, F. (2012). Women and men in the informal economy: A statistical picture. *Geneva: ILO and WIEGO*.

World Bank Annual Report. (2017) (English) | The World Bank. (nd). Retrieved February 26, 2020, from

http://documents.worldbank.org/curated/en/143021506909711004/World-   Bank-Annual-Report-2017.

Xiao, J. J. (2013). Family economic well-being. In *Handbook of Marriage and the Family* (pp. 573-611). Springer, Boston, MA.

Zikmund, W. G., Babin, B. J., Carr, J. C., & Griffin, M. (2003). Business Research Methods/William G. *Zikmund. South-Western Publishing*.

Zulkifli, A., Rosyidawati, D., Noor, N. B., & (2020). The Influence of Workload, Job Satisfaction and Work Motivation on Nurse Performance in Hospital Inpatient Installation. *Journal of Asian Multicultural Research for Social Sciences Study*, *1*(2), 56-63.