



**Women in Informal Employment
Globalizing and Organizing**

**SOCIAL PROTECTION AND INFORMAL WORKERS
IN A POST-COVID WORLD:
FROM EXCLUSION TO INCLUSION**

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REMARKS: COMPARATIVE INTERNATIONAL PERSPECTIVE

- **Why Informal Workers & Social Protection?**
 - ▣ lack of social protection
 - ▣ share of workforce
 - ▣ links with poverty
- **Why Now?**
 - ▣ impact of COVID-19
 - ▣ inadequacy of COVID-19 relief & recovery
 - ▣ “COVID-19 moment”
- **Way Forward**
 - ▣ inclusive social protection: approach & principles
 - ▣ promising example: Thailand
- **Call for Better New Deal for Informal Workers – including inclusive social protection**

IMPORTANT MOMENT TO FOCUS ON SOCIAL PROTECTION & INFORMAL WORKERS

- **COVID-19 Pandemic-cum-Lockdowns – shown a spotlight on..**
 - informal workers
 - their *vulnerabilities*: major & disproportionate negative impact on livelihoods of the working poor in the informal economy
 - their *contributions*: as essential frontline workers
 - pre-existing structural injustices faced by the working poor in the informal economy, including lack of social protection
 - pre-existing structural weaknesses in health + social protection systems
- **COVID-19 Crisis ► calls for social and economic justice + pivotal moment for global community**

KEY MESSAGES

- **Pre-COVID-19**
 - majority of workers = informal
 - majority of informal workers = poor
 - BUT informal workers excluded from labour & social protections + economic plans and policies
- **COVID-19 “Pandemic Recession”**
 - disproportionate negative impact on informal workers
 - recognition of informal workers as essential workers
- **Post-COVID-19**
 - *integration of informal workers into social protection and economy recovery plans = key to economic recovery + poverty reduction + peace*
 - BUT informal workers excluded from most economic recovery plans & pre-existing social protection systems
 - AND real threats
 - that rich and powerful will seize recovery benefits
 - that informal workers will be further stigmatized as a drag on economic recovery and threat to public health

FIRST-EVER GLOBAL ESTIMATES: Informal Employment as Share (%) of Total Employment

Informal Employment = employment without social protection contributions (or paid sick and annual leave) through work

Countries by Income Level	Share % (average)
World	61%
Developing Countries	90%
MENA Region	68%
Emerging Countries	67%
Developed Countries	18%

Global Total = 2 billion informal workers

Source: ILO 2018; Bonnet, Vanek & Chen 2019

INFORMAL EMPLOYMENT AS SHARE (%) OF TOTAL EMPLOYMENT: ARAB COUNTRIES

ARAB COUNTRIES	ILO Estimates	ANND Estimates
Algeria	na	39
Bahrain	na	64
Egypt	na	59
Iraq	67	52
Jordan	45	57
Lebanon	na	73
Occupied Palestinian Territory	64	60
Syrian Arab Republic	70	66
Tunisia	na	34
Yemen	78	82

Source: ILO 2018, Appendix B; and ANND/Aita 2016a and b

THE INFORMAL WORKFORCE GLOBALLY

- **By Branch of Industry & Occupation:** percent distribution of informal workers

Services (44%)	Agriculture (38%)	Industry (18%)
Construction Workers	Smallholder Farmers	Manufacturing Workers
Domestic Workers	Agricultural Day Laborers	Artisans & Craft Makers
Cleaners & Janitors	Livestock Rearers	Ag and Non-ag Processors
Hotel & Restaurant Workers	Forest Gatherers	<i>Note: many are home-based</i>
Street Vendors	Fisherfolk	
Market Traders		
Transport Workers		

- **By Status in Employment:** percent distribution of informal workers

Employers (3%)	Employees (36%)
Own Account Workers (45%)	
Contributing Family Workers (16%)	
<i>Note: 64% = self-employed</i>	

Source: ILO 2018; Bonnet, Vanek and Chen 2019

WHY FOCUS ON INFORMAL WORKERS? HIGH LIKELIHOOD OF BEING POOR

- At the **country per capita income level**: informal employment is
 - ▣ highest in developing (low-income) countries: 90%
 - ▣ lowest in developed (high-income) countries: 18%
 - ▣ in the middle in emerging countries: 67%
- At the **household per capita income level**: in all country income groups
 - ▣ higher % of *informal* workers (than *formal* workers) are from poor households
 - ▣ higher % of workers from *poor* households (than *non-poor* households) are informally employed
- At the **individual earnings level**
 - informal workers have lower earnings, on average, than formal workers and national poverty lines – with the exception of those who are employers (only 3% of all informal workers)

Source: ILO 2018

Informal workers contribute to poverty reduction & economic growth

IMPACT OF COVID-19 ON INFORMAL WORKERS

- **ILO Estimates (April 2020)**
 - 80% of the global informal workforce -1.6 billion informal workers - could see livelihoods destroyed due to decline in work and earnings brought on by lockdowns/restrictions to curb spread of COVID-19
- **WIEGO-led 11-city study (mid-2020 with April and February 2020 recall)**
 - **Dire impact on work & earnings during peak lockdowns (April 2020)**
 - 74% of respondents not able to work
 - average earnings = 19% of pre-COVID earnings
 - **Slow recovery process as severe ‘lockdowns’ + restrictions eased (mid- 2020)**
 - 21% of respondents not able to return to work
 - average earnings = 56% of pre-COVID earnings
 - **Government relief measures were inadequate and uneven**
 - **Coping strategies:** borrowed money + depleted assets + postponed payments (with compounding interest) ► **”triple handicapped” for recovery**

GOVERNMENT RELIEF MEASURES IN 11 CITIES: INADEQUATE & UNEVEN

City/Country	Cash Grants	Food Aid	Re/Payment Waivers
Accra: Ghana		for market porters	free water bills: 3 mnths.
Ahmedabad, Delhi, Tiruppur: India	1-time small grant	free food rations	waiver for utility bills: 3 months
Bangkok, Thailand	US\$ 159 p.m. for 3 months		waivers by Thai banks
Dakar, Senegal		food aid	
Durban, South Africa	top-ups to existing cash grants + relief grant of US\$23 p.m. for 6 months		
Lima, Peru	cash grant for 1-2 months	food aid	
Mexico City, Mexico	2-month cash grant to “non- salaried workers” + loans for domestic workers & street vendors	food vouchers	
Pleven, Bulgaria	loans	food aid	
New York City, USA	1-time stimulus check + unemployment benefits for self-employed workers		
Range & Average	<i>cash grants</i> - 0% in Accra, 78% in Bangkok, 95% in Tiruppur = 41% average <i>food aid</i> – 6% in Pleven, 43% in Bangkok, 97% in Tiruppur = 42% average		

COVID-19 RECOVERY & INFORMAL WORKERS: ESSENTIAL BUT EXCLUDED

- COVID-19 Crisis ►
 - ▣ **recognition that many essential workers are informally employed** – e.g. many health workers + delivery workers
 - ▣ **recognition that many informal workers are essential workers** – who produce or provide essential goods and services – esp. street food vendors & waste pickers
- BUT informal workers not recognized as essential to economic recovery ► **excluded from most recovery plans and stimulus packages**
- Also, in many countries, **informal workers face continued restrictions and other punitive measures, including destruction of their workplaces and infrastructure** (in the name of public health or economic recovery)

ILLUSTRATIVE CASE: FRUIT & VEGETABLE VENDORS

- During peak lockdowns/restrictions, **deemed essential** in many cities/countries
 - cash grant for working capital – in India (but difficult to access)
 - operating rights – in Accra, Ahmedabad, Bangkok, Delhi, Durban, Lima and New York City (but not always realized in practice)
 - innovative schemes: Ahmedabad – [“Vegetables on Wheels” scheme](#) - 65 fruit and vegetable vendors allowed to sell in designated areas from e-rickshaws provided by the municipality
- BUT, as lockdowns lifted, **deemed “unsafe”**
 - not allowed to operate on streets - but restaurants allowed to operate on sidewalks
 - open-air markets not allowed to open – when retail shops and malls allowed to reopen + many open-air markets destroyed
- DESPITE safety protocol for open-air markets, making them safer than retail shops and malls, developed by WIEGO, street vendor organizations & public health officials <https://www.wiego.org/resources/covid-19-health-guidelines-informal-traders>

CALL FOR INCLUSIVE SOCIAL PROTECTION

- **inclusive coverage** – not just government & military & formal workers ► informal workers & unemployed
- **expanded benefits**
 - *social assistance*: cash transfers + public works + school feeding programs
 - *social insurance*: 9 core contingencies (ILO)
 - *public services*: health, child & elder care
- **integrated system** - from short-term crisis management ► systemic change
- **increased social spending (as % of GDP) + progressive & equitable financing**

Precondition: end stigma and discrimination against informal workers & their livelihood activities

APPROACHES TO EXTENDING SOCIAL PROTECTION TO INFORMAL WORKERS

- **Extension approach # 1** = modify current social protection schemes to cover informal workers, and other uncovered groups
- **Extension approach # 2** = establish new social protection schemes
 - ▣ *universal schemes*, offering benefits to all citizens or qualifying residents – e.g. *universal health coverage in Thailand*
 - ▣ *special schemes* to cover specific industries, occupations or other groups of informal workers - e.g. *industry-specific Welfare Funds in India*
 - ▣ *micro-insurance schemes*, administered by grassroots organizations or non-governmental organizations - with support from government – e.g. *Self-Employed Women's Association insurance cooperative in India*

PRINCIPLES OF EXTENDING SOCIAL PROTECTION TO INFORMAL WORKERS

- recognition as **important investment** in workers & citizens and eligible residents
- recognition as **economic right** of all workers + **human right** of all citizens and eligible residents
- **initial extension through mix of approaches building incrementally towards national universal schemes** (esp. health insurance and pensions) which combine **contributory and non-contributory benefits with government support to those who cannot contribute**
- **taxes raised from big business, including major export industries + wealthy individuals**, not just from ordinary citizens and informal workers

THAILAND: PRE-COVID & COVID RELIEF

□ **Pre-COVID**

- **Universal Health Coverage** – 4th. pillar for informal workers & unemployed (existing pillars - government, military, formal workers)
- **Social Security Act, Article 40** for informal workers
- **Occupation Health & Safety Scheme for Informal Workers**
- **Legislation for home-based workers & domestic workers** (based on ILO conventions)
- **COVID Relief-** cash transfers of US\$ 159 per month for 3 months (April-June 2020) for workers not covered by social security – highest of 9 cities/7 countries but still inadequate – “sufficient to cover rent but not food”, according to a street vendor in Bangkok

THAILAND:

GOVERNMENT RECOVERY PLANS

- **Prime Minister & Minister of Finance** introduced a “50-50 scheme” intended to help street vendors and small businesses (as retailers) and working poor (as consumers) - government covers half of each purchase by a working poor person from a street vendor or small business, including motorcycle taxi drivers
- **Minister of Labour** has proposed the following:
 - ▣ Amendments to existing Social Security for informal workers (Article 40 of the SS Act)
 - reduction of contribution fee by 40% for 6 months (during COVID)
 - right to use rehabilitation center for accident victims (designed for formal workers but under-utilized)
 - ▣ COVID-19 check-up center for formal workers and informal workers registered under SS Act, Article 40
 - ▣ Informal Worker Law, including fund for informal workers
 - ▣ Amendments to Street Vendor Decree: to stop evictions of street vendors in Bangkok
 - ▣ Inter-ministerial consultations regarding informal economy at which HomeNet Thailand and the Federation of Informal Workers invited to speak

A BETTER NEW DEAL FOR INFORMAL WORKERS

Post-COVID – 3 possible scenarios

- “Bad Old Deal”- return to old normal which was bad for informal workers
- “Worse New Deal” - reversals of gains made for informal workers
- “Better New Deal” - reforms to protect informal workers & promote informal livelihoods

Better New Deal: Fundamentals

- recognize + value informal workers
- integrate informal livelihoods into economic plans & policies
- include informal workers in social insurance + social assistance

Better New Deal: Guiding Principles

- “Leave No One Behind” – recovery from below
- “Do No Harm” – stop harassment, bribes, confiscations & evictions + stop negative narratives that stigmatize informal workers
- “Nothing for Us, Without Us” – include informal workers in policy-making processes

**Inclusive Social Protection for Informal Workers =
key plank of a Better New Deal for Informal Workers**



THANK YOU!