

## #4 Social Protection Responses to Covid-19

Multi-dimensional approach to protect informal workers

### Introduction

Responding to the COVID pandemic, many worker-based organisations across the globe are advocating for a multidimensional policy response as part of their platform of demands. This must cover the various dimensions of a person's needs; such as food security, accommodation, access to utilities, health, education, debt payments and income replacement. If properly coordinated multiple interventions have the potential to reinforce and amplify one another. This brief focuses on three countries that have adopted multiple responses to tackle the impact of the pandemic, assessing the impact and appropriateness of these responses in meeting the needs of informal workers, through the provision of cash transfers, food security measures, utilities subsidization and upskilling.

### Argentina<sup>1</sup>

Argentina confirmed its first case of Covid-19 on March 3<sup>rd</sup> and a few days later on March 14<sup>th</sup> it announced a set of social distancing measures, which culminated in a total lockdown on March 20<sup>th</sup>. In parallel with sanitary and containment actions, the government launched a set of economic and social policies to mitigate the effects of the lockdown on Argentinian people. Argentina was arguably the country of the region that implemented one of the widest combinations of measures.

### Income protection

The main emergency policy was the Ingreso Familiar de Emergencia (IFE, Emergency Family Grant), announced on March 23<sup>rd</sup>, only three days after the complete lockdown started. The IFE consists of a AR\$ 10,000 (US\$ 142) lump-sum payment, targeted at 3.6 million workers, including informal workers and domestic workers. The number of beneficiaries far exceeded the plan, and some 9 million people received the grant (or 20% of the Argentinian population). It is estimated that about half of the beneficiaries were informal workers, and half were newly vulnerable workers, coming from the middle-class. This payment was made throughout April. Within the continuation of the lockdown, the government announced on June 8<sup>th</sup> that a second instalment of AR\$ 10,000 would be paid until the end of that month. Informal workers organizations however have reported some difficulties in accessing the benefit, as many workers do not have bank accounts. The government has also set a AR\$ 3,000 (US\$ 42) grant for essential workers, which includes waste pickers. Many waste-pickers have decided to stop working on the streets, due to the risks and lack of proper protective equipment and work instead in the community "soup-kitchens", cooking and distributing food for people in need.

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<sup>1</sup> This case draws from the information collected from an interview with Carolina Palacio, from the Argentina's National Waste Picker Federation (FACCyR, Federación Argentina de Cartoneros, Carreros y Recicladores), UTEP and WIEGO team member.

## **Food security**

Indeed, across countries, food security has been identified as a common concern (See [Social Protection Responses to Covid-19 brief No. 3](#)). In the case of Argentina, the government implemented a range of policies in relation to food security. Firstly, it took the decision to supply food to community “soup-kitchens”. These are grass-roots initiatives, run by associations and unions, such as UTEP, that organise volunteers to prepare and serve food to people in need in their neighbourhoods. The government also made sure to determine these soup-kitchens as an essential service, to ensure they could continue operating during lockdown.

In addition to the measures described above, the government set price controls on the items of a basic food basket for 30 days, in order to avoid abuse in the first weeks of the lockdown. It also supplemented its existing food voucher programme “Tarjeta Alimentar” (food card) by AR\$ 4,000 and AR\$ 6,000 (US\$ 57 and US\$ 85) for families with one child and two children or more, respectively. Informal workers’ organizations, however, criticize the food card as the main response, on the grounds that they consider the card largely insufficient in meeting the needs of poor workers. They demand, instead, that the government provide more support to informal workers organizations who are organizing community “soup kitchens” in poor neighbourhoods, as the demand here is greater than the food the government has been supplying. In this regard it is important that governments do not just implement from above, but that their response incorporates support to existing grass roots initiatives which are already up and running on the ground.

## **Utility bills and rent**

As workers experienced income loss under quarantine, one key policy response was to ensure continued access to essential utilities. On March 24<sup>th</sup>, the government stated that no utility services could be suspended, even if the previous three bills had not been paid. Most importantly, the same measure was applied to rent payment: tenants could not be evicted from their homes if the rent payment was not made during the quarantine period. On May 18<sup>th</sup>, the government determined that utility bills, including internet and mobile phone, could not be increased until August 31<sup>st</sup>. Informal workers organizations state there have been no reports of mass evictions or interruption of services, which indicates that this measure has been successful in fulfilling its objective.

## **Double standards: Policies for formal workers**

Apart from the measures mentioned above, which mainly benefited informal workers, the government also introduced some policies to protect formal workers; such as paid sick-leave for workers over 60, an increase in pensions, and, most importantly, it set a wage subsidy for formal private sector workers, of 50% their monthly salary, up to two minimum wages<sup>2</sup> per worker. The subsidy applies to workers who earn the equivalent of at least two minimum wages and up to four minimum wages. This higher benefit triggered criticisms from informal worker

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<sup>2</sup> A minimum wage in Argentina today was AR\$ 16,875, or US\$ 240.

organizations, who claimed double standards in the application of emergency income for poor workers and middle-class workers.

## **Burkina-Faso**

In Burkina Faso the COVID-19 epidemic was officially declared by the Government on 10 March 2020. On 26 March a national curfew (7 pm to 5 am) was announced and a state of health emergency was declared. From 27 March all cities that reported at least one confirmed COVID-19 case, including Ouagadougou, were locked down for 14 days, and localised lockdowns remained in place in cities with COVID-19 cases. In Ouagadougou thirty-six main markets were closed.

### **Targeted cash transfer for fruit and vegetable sellers**

Burkina Faso has been lauded for its adoption of socio-economic measures to support workers employed in the informal economy during the pandemic. In a public announcement the government committed CFA 5 billion (US\$ 8,3 million) to cash transfers for five million informal fruit and vegetable sellers, many of whom are women. No details, however, were provided about how long the programme would last or how these groups would be identified.

This is a much needed and appropriately targeted intervention. Traders who deal in fruits and vegetables have been particularly hard hit by the COVID lockdown because their stock is perishable. This means that they have lost all their capital. Households engaged in this sector are also less likely to be included in social protection programmes because there is often no record of informal workers. Our Burkina Faso affiliate, Syndicat National des Vendeurs des Fruits et Légumes (SYNAVFL), however, has informed us that the delivery of this grant has been politicized, favouring government supporters and has therefore not always reached its intended beneficiaries.

### **Subsidised water and electricity**

The president also announced subsidies for water bills and water points, and subsidies for electricity bills (100% for certain types of connections, 50% for others), as well as the removal of penalties on water and electricity bills. Further measures included the reduction of costs of solar panel kits by 50% for poor households, and finally, subsidies on water and electricity costs for market vendors. Our Burkina Faso affiliate, SYNAVFL, reports that many people have benefitted from these measures, however they have not reached everybody in need. This is because the subsidies were geared towards households with electricity and tap borne water. Burkina Faso is one of the least electrified countries globally, and many of its citizens do not have access to safe drinking water. SYNAVFL has informed us that no water distribution tankers were provided for the very poor. They did have access to distribution points where water is normally sold. This was supposed to have been provided free of charge, but some individuals continued to charge, with little recourse.

### **Food security**

In terms of food security, the government announced the distribution of food relief, and price controls for staple foods and cooking fuels. It is unclear whether specific measures were actually taken by the government which failed, or if this was merely an empty promise. Our Burkina Faso affiliate, SYNAVFL, reports that food and fuel prices actually increased, while the distribution of food relief, once again favoured political party supporters.

## Indonesia

In response to the pandemic Indonesia has increased or expanded the coverage of existing social protection programmes as well as deployed new schemes. It has also increased utility subsidies, expanded the Jaminan Kesehatan Nasional (JKN) - the national health insurance scheme - , implemented food security measures, relaxed the terms for loans, and tax for all workers, and brought forward and expanded its unemployed workers upskilling programme. Here we assess the impact and appropriateness of the government's cash transfers, food security and upskilling initiatives for informal workers.

### Conditional and unconditional cash transfers

The Indonesian government has increased the benefits of its existing Family Hope Program (Program Keluarga Harapan PKH), a national-scale, anti-poverty program which uses conditional cash transfers. Transfers are approximately 15 to 20% of recipients' consumption and are received quarterly for between 6 and 9 years. As part of its COVID relief measures the government has announced an increase of Rp 50,000 (US\$4) to this existing national cash-transfer programme, bringing the total amount to Rp 200,000 (US\$ 14), to be distributed monthly. Some media sources have reported that this will be for a period of 9 months, while others have quoted 6. Eligibility is limited to those who have a PKH Card.

In addition to the expansion of existing conditional schemes, the government has launched cash transfers for those not covered by such schemes, but who are still included in the social registries (these are aimed at those who have lost their jobs or economic activities in Greater Jakarta and its satellite cities). These recipients have received a stipend of Rp 600,000 (\$38) a month for three months, distributed by the national postal service. The government has set aside Rp 19.4 trillion for the program, which is intended to cover around 30 to 40 percent of the poorest who are not beneficiaries of either the PKH or the government's Affordable Food Program. To cover rural areas, the Village Funds Unconditional Cash Transfer (BLT Dana Desa) has been established and is intended to reach 10-12 million households that are not in the DTKS social data welfare base, upon verification by a local administration.

Close to 24.8 million Indonesians currently live under the absolute poverty line of less than \$1 a day. President Widodo has announced that all of them are now eligible to receive conditional cash transfers and food aid. The question is how accurately the government can execute this expanded programme? Indonesia currently has two poverty data mechanisms for distributing social assistance: One is the DTKS, which contains data on the bottom 40 percent of the

poorest Indonesians, and the other is the digital social assistance system, which was developed as Program Sembako in 2019. Currently, however only 42.6% and 44% of people enrolled in the Family Hope Program and food assistance, respectively, actually receive the assistance. Part of the problem has to do with the capacity of local governments to actively update these databases. It has been reported in the press that at present only 50 regencies and municipalities actively update their data, and that millions of entries in the DTKS are still incomplete or inaccurate.

### **Food security**

Indonesia's Affordable Food Program (Sembako Murah), has expanded its coverage from 15.2 to 20 million low-income households in response to the pandemic. Sembako Murah uses e-food vouchers to enable households to purchase staple food products at discounted prices. The amount provided per household has also been increased from Rp 150,000 to Rp 200,000 per month. For those not already covered by the PKH or Sembako Murah there is the Bantuan Presiden (Presidential assistance) fund targeting micro businesses, seasonal creative workers and other informal workers, which aims to provide food aid to 1.9 million affected households in Jakarta and urban areas.

As with cash transfers this measure will only be as effective as the systems in place for its implementation. Labour experts in Indonesia caution that the existing bureaucratic processes for relief distribution are slow, and do not reach all those in need. This is a concern. With regards to the government's commitment to price stabilization this will only work if local supply chains are protected to avoid food shortages and food price inflation.

### **Funds for training and upskilling**

Indonesia is one of the few countries (together with Singapore) that have implemented subsidised training as a component of their COVID response strategy. Informal workers can now benefit from the government's pre-employment card programme (kartu pra-kerja) which subsidizes training and upskilling. The government has expedited the implementation of this programme (from August to late March) and has doubled its allocated budget. The aim is to aid job seekers and laid-off workers by granting them access and funding for vocational training. Skills such as coding, marketing and hospitality are to be prioritized. It has been announced that the program will be accessible to an estimated 5.6 million informal workers and small and micro enterprises who have been affected by COVID-19. While this only constitutes a small percentage of Indonesia's 70.49 million informal workers, the focus on training for upskilling is significant. Unlike many other governmental interventions, this is not merely a short-term emergency relief measure, but offers longer term impact, enabling workers to transition from the informal to formal economies, and to move into more secure and higher paying jobs.

### **Concluding thoughts**

For a multi-dimensional COVID response to be effective it is essential that the different measures introduced are properly coordinated to work together for maximum impact, and that

they do not contradict or undermine each other. Take for example the Burkina government's provision of free water as a COVID response. This is intended to enhance accessibility to water, especially crucial for PPE. However, the government's COVID curfew restrictions have worked to undermine the benefits that this free provision could provide. Burkina confirmed its first coronavirus case just as it was entering the dry season when water supplies can be limited. Reuters reports that the government's curfew, which went into effect on 27 March, and only lifted on the 3rd June, has prevented those in poor areas from accessing communal fountains that only flow at night in the dry season.

For maximum effect, measures need to be coordinated in their duration as well. So for example, when lockdown measures ease, consideration should be given to what kinds of support informal workers might need to return to work safely and effectively e.g. moving from cash grants to replace lost income, to loans or funding for the recapitalisation of workers businesses, and the provision of PPE for a safe working environment. When measures are coordinated in such a way, they have the potential to provide a mosaic of relief and support mechanisms, which address the multi-dimensional needs that informal workers face in a pandemic context.

## **COVID 19: StreetNet International and WIEGO engagement & updates**

- WIEGO's **Informal Economy Podcast: Social Protection: #16 Challenges To Protect Informal Workers Livelihoods In Peru And Mexico**, available in [English](#) and [Spanish](#)

## **ABOUT WIEGO**

Women in Informal Employment: Globalizing and Organizing (WIEGO) is a global network focused on securing livelihoods for the working poor, especially women, in the informal economy. We believe all workers should have equal economic opportunities and rights. WIEGO creates change by building capacity among informal worker organizations, expanding the knowledge base about the informal economy and influencing local, national and international policies. Visit [www.wiego.org](http://www.wiego.org).