

COVID-19 and Informal Work in 11 Cities: Recovery Pathways Amidst Continued Crisis

Executive Summary

WIEGO, alongside membership organizations of the working poor, has been monitoring the impact of the COVID-19 crisis on informal workers around the world. In mid-2020, interviews were conducted with domestic workers, home-based workers, street vendors and market traders, and waste pickers in 11 cities¹ - see [Round 1 findings](#). In mid-2021, interviews were conducted with the same workers to assess if they had recovered. Round 2 findings suggest that the economic fallout of the COVID-19 crisis remains deep and persistent for workers at the base of the economy.

Key Findings

Earnings for informal workers interviewed are still far below their pre-pandemic levels. By mid-2021, the typical worker was only earning 64%² of her/his pre-COVID-19 earnings.

Most respondents have not fully recovered their ability to work. The average number of days worked per week was only four in mid-2021, still considerably lower than the 5.5-day average in the pre-pandemic period.

Home-based workers have been particularly hard-hit, especially subcontracted workers. In mid-2021, typical earnings of this group were only 2% of pre-pandemic levels, reflecting the depth of devastation in this predominantly female sector. Subcontracted home-based workers, who depend on orders paid by piece rate, were hardest hit among this group.

¹ Accra, Ghana; Ahmedabad, India; Bangkok, Thailand; Dakar, Senegal; Delhi, India; Durban, South Africa; Lima, Peru; Mexico City, Mexico; Pleven, Bulgaria; New York City, USA; and Tiruppur, India. Surveys were also conducted with domestic workers in Dar es Salaam, Tanzania, and those findings are reported separately.

² All earnings data was calculated using the median or 'typical' value rather than the mean or average.



Street vendors and market traders' earnings have also been slow to recover, and they have faced restrictions and harassment. By mid-2021, while nine out of every 10 street vendors and market traders were back at work, their earnings had recovered to only 60% of pre-COVID-19 levels. Food vendors tended to fare better than merchandise vendors. Over one-quarter of street vendors reported harassment by law enforcement. Reports of harassment were particularly prevalent in Lima, Delhi, Ahmedabad and Durban.

Waste pickers faced difficulties in accessing waste, closure of collection and sorting spaces, and fluctuating prices. The lowest-earning group in most cities pre-pandemic had recovered 78% of their earnings by mid-2021. The state restricted access to dumpsites, collection sites and/or sorting spaces for waste pickers in Accra, Delhi, Dakar, Durban and Lima.

Domestic workers have lost work, income and their ability to bargain with employers. By mid-2021, domestic workers overall had recovered 91% of their median pre-COVID-19 earnings, though this varied considerably across cities. Median earnings in Delhi were at only 10% of pre-pandemic earnings, and at 55% for workers in Lima and 60% in Ahmedabad. "Live-out" domestic workers were more likely to lose their jobs and struggled to regain them, whereas "live-in" domestic workers struggled under deteriorating working conditions. Both types of domestic workers reported a weakening of their bargaining power with employers.

Women informal workers have been disproportionately impacted. By mid-2021 among both street vendors and waste pickers, women's earnings had recovered to a lesser degree than those of their male counterparts. One-third of informal workers interviewed – both men and women – reported increased direct care responsibilities in 2021, but care burdens impacted women's livelihoods disproportionately. Of those with increased caring roles, women reported working, on average, two days fewer per week than men.

Food insecurity threatens urban informal workers. Nearly one-third of respondents in mid-2021 said an adult and/or child in their household had gone hungry over the last month and 57% reported eating less varied food and/or skipping meals. Reports of food insecurity were most prevalent in Lima, Durban and Dakar.

Gaps in sanitation and health care contributed to the risk faced by workers. The majority of respondents reported having no access to water while at work and others described the challenges of dealing with overburdened public health systems. Frequently raised issues were mental health and isolation associated with the pandemic.

Access to relief measures is in decline. The findings show that in most cities, support measures introduced in 2020 were reduced or discontinued in 2021. Very few workers reported access to forgiveness of rent, utilities and/or school tuition, and the number of respondents who received food support declined. There was a slight increase in access to cash grants – from 37% of the sample in mid-2020, to 39% in mid-2021.

Only 7% of workers received government loans to support their work. Business support through loans has excluded many informal workers because of registration requirements. Respondents were often quick to point out the higher level of support offered to large formal businesses compared to their own survival needs and livelihoods.

The crisis has forced workers into damaging survival strategies. Since the beginning of the crisis, 52% of respondents drew down on their savings, 46% borrowed money, and 17% sold or pawned assets – all strategies that can entrap households in poverty. The vast majority (82%) of respondents who had drawn down on savings since the beginning of the pandemic were not able to replace any of the savings by mid-2021. The strategies have both immediate and long-term implications for well-being.

Informal worker organizations have stepped in to provide support, where the market or state have failed. Forms of direct material support included food, cash and personal protective equipment. Organizations linked members with government programmes for which they were eligible (including vaccinations), and some also provided direct legal, psychological, or alternative livelihood support.

Worker organizations provided health information and often took the lead on designing health and safety protocols in public spaces like markets. In many cases, they successfully lobbied the government for new forms of relief, access to workspace and/or greater inclusion within social protection systems.

Given the critical role played by informal employment in the households of those living under or close to the poverty line, investing directly in informal workers' livelihoods and well-being is the surest path for an economic recovery that is equitable and advances progress towards the Sustainable Development Goals.

Key Policy Recommendations

Provision of immediate material relief: Workers' most frequently cited demand of their governments was for immediate relief – food aid, cash grants and moratoriums on school fees, rent, utilities and debt repayments.

Support to recover existing livelihoods: Workers highlighted the need for support to recover existing livelihoods. While some suggested no-interest loans, many said – due to their current level of indebtedness – they needed grants to buy equipment, other inputs and stock.

Improved access to social protection: Priorities include expanding and upgrading social assistance programmes, reforming contributory social protection schemes (unemployment insurance, pensions, maternity support) to include informal workers, and improved access to essential services, specifically health care and child care.

Access to vaccinations: Workers from all sectors called for access to vaccinations as a pathway for livelihood recovery and health protection.

Worker group specific demands include:

Domestic workers emphasized their need for greater social protections but also policy, legal and administrative reforms to address low wages and poor working conditions.

Home-based workers prioritized access to stable work, particularly those home-based workers who depend on orders as subcontractors.

Street vendors and market traders exhorted governments to “do no harm” – an end to punitive practices of ticketing, confiscation and evictions in favour of access to workspaces with appropriate infrastructure and clear and fair regulations.

Waste pickers called for an end to displacement from their places of work and government support in accessing sorting space, equipment and regulating the price of recyclables.

A return to “normal” policy making would mean a lost decade for the 60% of the world's workforce who are informally employed. Governments and global institutions need a vision for recovery that puts workers – and investments in their livelihoods and well-being – at the centre.

See [COVID-19 and Informal Work in 11 Cities: Recovery Pathways Amidst Continued Crisis, WIEGO Working Paper No. 43](#) for a detailed analysis of Round 2 findings.

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Cover photo: Organ player in Mexico City in 2020. By César Parra.

WIEGO

Women in Informal Employment:
Globalizing and Organizing

Women in Informal Employment: Globalizing and Organizing (WIEGO) is a global network focused on empowering the working poor, especially women, in the informal economy to secure their livelihoods. We believe all workers should have equal economic opportunities, rights, protection and voice. WIEGO promotes change by improving statistics and expanding knowledge on the informal economy, building networks and capacity among informal worker organizations and, jointly with the networks and organizations, influencing local, national and international policies. Visit www.wiego.org.



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