

# The COVID cost for Asia's informal workers

June 30 2023, by Dr Redento B. Recio, et al.



The pandemic decimated the livelihoods of urban informal workers in many Asian cities. Credit: Kazi Nazrul Fattah

As COVID-19 took hold across borders in 2020 and 2021, more than 1.6 billion informal workers were estimated by the United Nations to have been [impacted by mobility restrictions and other lockdown measures](#) to tackle the coronavirus pandemic.

The [International Labor Organization](#) defines the informal economy as a diverse set of economic activities, enterprises, jobs and workers that are in law or in practice not covered, or insufficiently covered, by formal arrangements.

Informal workers can include professions like minibus drivers in Africa, market stands in Latin America and the hawkers found at traffic lights around the world. In advanced economies, examples can range from, "[gig and construction workers, through domestic workers, to registered firms that engage in informal activities](#)".

Urban informal workers play a significant but unappreciated role in cities and they continue to be largely excluded from official statistics. They could not enjoy worker rights and protections—and this has become starker during the COVID-19 pandemic.

In the Global South, the pandemic severely affected the sprawling megacities in Southeast and South Asia where there is a very high concentration of informal workers.

In fact, [over 50%](#) of the labor force in the urban Global South relies on the informal economy.

Our research examines the responses to the pandemic impact on informal workers in five Asian megacities: Dhaka (Bangladesh), Hyderabad (India), Karachi (Pakistan), Jakarta (Indonesia) and Manila (Philippines).

We gathered voices and experiences from across these subregions and diverse worldviews on Southern urbanism, which included issues surrounding state measures to manage the COVID-19 crisis, unpacking gaps and lessons learned in addressing the needs of informal workers.

These voices also shed light on grassroots solidarity practices that have cushioned the devastating effects of the crisis. Findings have been published in *Regional Studies Policy Impact Books*.

## **Livelihoods on the line**

Over the last two years, much research has chronicled how the still-ongoing COVID-19 crisis has exposed urban inequities, compounded by [pre-pandemic institutional arrangements and social relations](#).

Amid the inadequate state support to cushion the health and welfare impacts, the [crisis decimated the livelihoods of urban informal workers](#) in many Asian cities.

Insights in all five cities reveal that informal workers [endured the following issues during the height of the pandemic](#): a high exposure to the virus, loss of livelihoods, mobility restriction, inadequate state support and exclusion from state aid.

While mobility restriction was a critical concern, many informal workers hardly remained locked down as they had to provide services to those who could work from home.

Arguably, these laborers are part of marginalized populations who had been [taken for granted even when times were good](#).

Issues surrounding informality involve gendered relations and other layers of power asymmetry; the notion of intersectionality attends to multiple causes of vulnerability—[race, gender, ethnicity, class and age](#)—which further entrench the overlapping layers of inequality and marginalization.





Informal workers like street vendors relied on various coping mechanisms to mitigate the impacts of a declining trade. Credit: Redento Recio

## **Common themes**

Several common threads emerge from the cities.

Notably, populist momentums underpinned by brute force interventions to secure the virus, for instance in the Philippines, resulted in widespread human rights violations and bolstered the involvement of the police and military.

Across these countries centralized forms of command and control or special agencies were established to coordinate policy responses and to

create a database that tracked the spread of the virus.

These interventions accelerated the uptake of digital transformation in urban health and more generally in urban management, but with underpinning inequalities in dealing with issues of protracted hunger and healthcare crisis for the poor and marginalized populations.

Another common thread across these countries was the layering of lockdown measures that ranged from curfews (Hyderabad), national lockdowns, stringent enhanced community quarantine (Manila) and large-scale social restrictions (Jakarta) to smaller scale interventions such as micro-smart lockdowns (Karachi), area-wise (Dhaka), to micro-enforcement of community activity (Jakarta) at a later phase to contain the spread of the virus in specified "hotspots" or red zones of the city.

These interventions not only proved to be disastrous for informal workers, but also led to panic and anxiety, especially among [migrant workers](#) (Hyderabad) who could not return to their homes due to restrictions on their movement and the closing of state borders.

However, informal workers like street vendors also relied on various coping mechanisms (Jakarta) to mitigate the impacts of a declining turnover of trade; for instance some switched to selling online to attract a wider range of customers and others adjusted the types of goods sold with items that were much needed during the pandemic.

## **Entrenched inequality**

Beyond the fundamental health crisis, the COVID-19 crisis has revealed and deepened existing inequalities for urban informal workers, exposing inadequacies in employment, shelter and social welfare services.

In Hyderabad, for instance, the lack of comprehensive social security

measures resulted in the phenomenon of massive "reverse migration," which occurred when thousands of migrant workers lost their livelihoods in urban areas and were forced to return to their rural villages.

The distribution of aid in the cities we examined was marred by irregularities that were partly caused by inaccurate estimates of the volumes of informal and migrant workers.

Many of these daily wage earners, like street vendors or rickshaw pullers, work in plain sight yet they are often statistically invisible and are "off the map."

## **Collective action**

While the crisis has profoundly affected informal workers around the globe and severely disrupted economies, there have also been hopeful narratives about how communities coped with the crisis through grassroots collective action, inter-class solidarity networks and infrastructures of care.

Informal communities already possess a high level of local organization when responding to the pandemic.

We recommend the deployment of a grounded, informal workers' needs-based approach in pandemic response and recovery strategy.

This can strengthen the urban informal workers' capacity to bounce back from the global crisis.

This entails a holistic appraisal of the needs of informal workers, their immediate families and socio-economic networks, which can then inform a coordinated effort in providing better support for their lives and livelihoods.

**More information:** Redento B. Recio et al, 1. Navigating the impacts of COVID-19 pandemic in Asia: state measures, grassroots responses and implications for recovery, *Regional Studies Policy Impact Books* (2023). [DOI: 10.1080/2578711X.2023.2196210](https://doi.org/10.1080/2578711X.2023.2196210)

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