

Informal workers in Southeast Asia: Resourceless, yet Resourceful

Article by Rosalia Sciortino* originally published in *The Jakarta Post* of 19 September 2021



'Becak' (pedicab) drivers wait for customers on April 13, 2020 in Ciputat, South Tangerang, Banten. The government has been providing social assistance for citizens affected by the COVID-19 pandemic, particularly the poor and informal workers. (JP/Dhoni Setiawan)

The government has been providing social assistance for citizens affected by the COVID-19 pandemic, particularly the poor and informal workers. Informal workers dominate the region's labor market in both urban and rural areas. More than half of the workforce in most Southeast Asian countries earns their living in the informal sector, with the proportion surpassing 80 percent in Cambodia and Myanmar. The exceptions are Singapore, Brunei and Malaysia, where formal workers dominate. Working as street vendors, construction and agriculture workers, waste pickers, home-based and domestic workers, drivers and increasingly, "gig economy" workers, their contribution to national economies is crucial. Yet, governments in the region barely recognize their value, as highlighted by the scant attention they were given in their country's COVID-19 response.

A review of the literature conducted for the Khon Thai 4.0 Project found that Southeast Asian governments followed a short-term approach directed at addressing only the most immediate socioeconomic impacts of the pandemic. Their response has entailed stimulus packages to sustain the economy and, to a lesser extent, social protection measures to somewhat shield those most affected. To hasten implementation, these measures have utilized and leveraged pre-existing systems, usually dominated by social insurance schemes such as pensions, social security funds, unemployment benefits and health insurance that favor salaried employees in the formal sector. Meanwhile, social assistance schemes for the poor, such as welfare assistance, cash or in-kind transfers, and health and disability assistance, have proven insufficient as a stopgap in view of the prolonged pandemic, especially in those countries that have scarce resources or are dependent on donor support for relief efforts.

Informal workers without secure contracts are “invisible” in government systems, lacking legal recognition and being ineligible to register for official schemes. Moreover, they tend to fall through the cracks, as they are not covered by social insurance schemes but are also not considered “poor enough” to qualify for social assistance. The delayed government response, often in the form of cash transfer social assistance, has been fraught with unreliable registration data, bureaucratic rules, miscommunication and in some cases, corruption. Complaints have been widespread among eligible beneficiaries unable to receive their entitlement, while those who did have been disappointed at the inadequate assistance.

Unable to work because of containment measures or diminished opportunities, informal workers across the region, many of them women, lost their livelihoods without receiving any income compensation or social security support. As for those who were able to work reduced hours when containment rules allowed, their incomes were no longer sufficient to buy food and healthcare needs for their families. Even if they were recognized as “essential workers”, such as delivery workers in the thriving gig economy, there has been a vacuum in support. Left to fend themselves, informal workers remain at high risk of infection and falling into increased debt and poverty. In Cambodia, a UNDP survey in late 2020 found that pessimism and anguish were rife among informal workers, with similar sentiments echoed in neighboring countries.

Despite the overwhelming Sustainable Development Goals (SDGs) rhetoric of “leaving no one behind”, the pandemic is showing that social protection systems in Southeast Asia are not tailored to the needs of informal workers and other vulnerable groups. With the realization that COVID-19 will last longer than expected, it is imperative to better protect such a large proportion of the workforce. Although

governments continue to dismiss their plight while worrying about disrupted macroeconomic fundamentals and shrinking state budgets, informal workers are not remaining idle.

Around the region, informal workers are organizing and taking action to support each other during the crisis, all the while working to ensure a more just and protected future. Their efforts in mutual assistance and sense of volunteerism have helped other informal workers to cope with COVID-19 infection and deaths, as well as to access vaccines. To make their plight visible, gig workers in the creative industries in Singapore, Malaysia and other countries have launched the “I Lost My Gig” campaign to publicly gather data on job and income loss and provide resources for financial support. Informal workers’ cooperatives in Tangerang, Banten, assisted their members to overcome the bureaucratic barriers in applying for government assistance, lobbied relevant ministries to distribute masks and personal protective equipment, and obtained loan and debt relief for members who had lost their incomes. In Thailand, networks of informal workers’ groups joined forces to raise funds to support their members, produced a video to help informal workers navigate the process to access government aid and lobbied the Ministry of Labour for more generous measures. IDEA, a group of tuk-tuk, taxi and motorcycle taxi drivers, street vendors, and small restaurant workers in Cambodia established in 2005 to promote and protect the rights of informal workers, is exposing the hardships its members have experienced as a direct result of the pandemic and demanding access to the same benefits granted to salaried workers.

To ensure that they do not remain unprotected, informal workers’ organizations are using their COVID-19 experience to advocate for legal and institutional reforms. They argue that governments need to finally recognize the existence, size, relevance and permanence of informal workers and reform the existing regulatory systems to fully integrate informal workers and their needs. The narrow aim to move informal workers into regular, formal employment does not reflect the dynamics of the region’s labor market. Homenet Southeast Asia, a regional network of informal workers’ organizations, is reviewing national social protection benefits for informal workers and comparing these benefits to that for salaried employees and the poor. Based on the resulting data, a common agenda is being formulated for advocating across the region that includes universal health care and social security, and inclusion in skills development and other government schemes. With this and other initiatives, informal workers are translating their activism born out of distress into a resourceful quest for a new social contract that assures protection and decent employment for all.

* Rosalia Sciortino is associate professor at the Institute for Population and Social

Research (IPSR) at Mahidol University in Thailand and Director of SEA Junction, emeritus Asia regional director of the International Development Research Center (IDRC) and the Rockefeller Foundation, and senior adviser to Australian Aid in Indonesia.