



PROTECTING MIGRANT WORKERS IN THE INFORMAL ECONOMY: INCLUSION OF MIGRANT WORKERS IN COVID-19 RESPONSES

POLICY BRIEF II
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In Sub-Saharan Africa, most people are employed in the informal economy. Even when agriculture is excluded, informality still dominates employment: 78.8 per cent in Central Africa, 76.6 per cent in Eastern Africa, and 87 per cent in Western Africa. Women are more likely to be working in the informal economy and, discounting South Africa, more than 90 per cent of women work in informal employment in Sub-Saharan Africa, as compared to 86.4 per cent of men (ILO, 2018).

The socio-economic disruptions caused by the COVID-19 pandemic include loss of livelihoods, reduced remittances, disrupted travel and tourism, as well as an increase in unpaid care work. Furthermore, there are increasing cases of child marriages, early pregnancy, and gender-based violence. However, there are new emerging opportunities for cross-border traders, such as the African Women Speak Project implemented by three RECs: EAC, ECOWAS and COMESA, as well as the Africa Continental Free Trade Area (AfCTA).

INTRODUCTION

The informal economy¹ forms a large part of Africa’s job market but it is the least protected leaving many workers, including migrant workers in situations of vulnerability. COVID-19 has had significant impacts on global health and economies due to the measures implemented to contain the virus (IOM, 2020). Such measures have profoundly affected the most vulnerable social groups, particularly those in the informal economy, who lack secure employment and social protection (LMAC, 2020). With the mobility of cross-border communities being an essential aspect of daily life in Africa, informal cross-border traders are increasingly playing an important economic role on the continent, which is alleviating poverty and supporting food security (IOM 2020).

With public spaces closed, limited social interaction, and the disruption of global supply chains and local distribution networks, countless informal workers are locked out of livelihood opportunities (Moussié and Staab, 2020). While informal workers often contribute to market levies, business licenses and fees, this does not necessarily result in their inclusion in health insurance schemes, pension systems or other social welfare nets (Resnick et al., 2020). Such exclusion results in an over-reliance on informal coping mechanisms such as savings groups, village banking, and pooled funeral and emergency funds, leaving many informal workers stuck in a very precarious position in terms of exposure to COVID-19 (Ibid).

Measures to control the spread of COVID-19 – including lockdowns, border closures, and restrictions on movement – have negatively impacted the economy. They have caused loss of livelihoods, with the knock-on effect of a decline in remittances. With little or no social safety net, migrants working in the informal economy are left to make the impossible choice between either respecting COVID-19 rules, and their families going hungry, or breaching the rules to put food on the table, risking infection and sanction (Moussié and Staab, 2020).

THE INFORMAL ECONOMY ON THE CONTINENT

The informal economy is a significant part of the world economy, present in both developed and developing countries. Thus, it is crucial to examine this sector in the context of the current global pandemic. As a snapshot of the globe’s informal economy, Figure 1 shows the importance of including this sector in pandemic strategies.

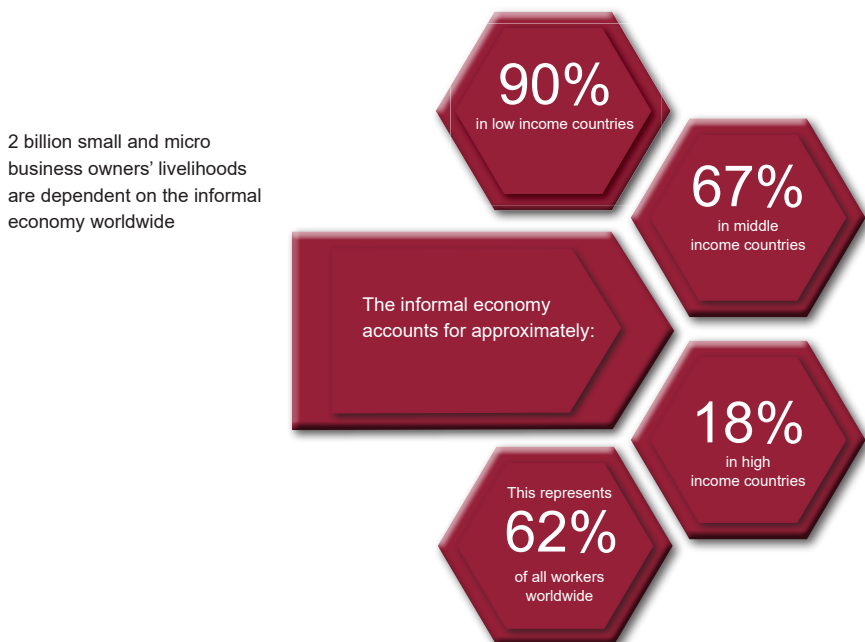


Figure 1: (Source: ILO, 2020)

¹ International Organization for Migration defines the informal economy as ‘all economic activities by workers and economic units that are – in law or in practice – not covered or insufficiently covered by formal arrangement’ (IOM, 2020: 1).

The informal economy's market share in Sub-Saharan Africa (SSA) is amongst the highest globally (Medina et al., 2017: 13). Informal work is the primary source of employment in Africa, particularly for women. Figure 2 below shows the composition of Africa's informal economy based on gender. Although data is scant, most migrant workers on the continent are found in the informal economy, are predominantly self-employed, offer their goods or services to citizens in the host country, or are seasonal workers in agricultural production (African Union, 2020). However, as social security systems do not include migrant workers, they face the burden of the virus alone (Ibid) increasing everyone's exposure to the virus.

COVID-19 containment strategies – particularly the closing of borders and travel restrictions – have significantly impacted migrants, deepened already existing vulnerabilities, and potentially increased the risk of transmission (Douglas et al., 2020). Furthermore, the loss of income has resulted in insecurity, rising debt, and increased risks of violence against this already vulnerable group, besides heavily impacting families who depend on remittances for survival (Ibid.).

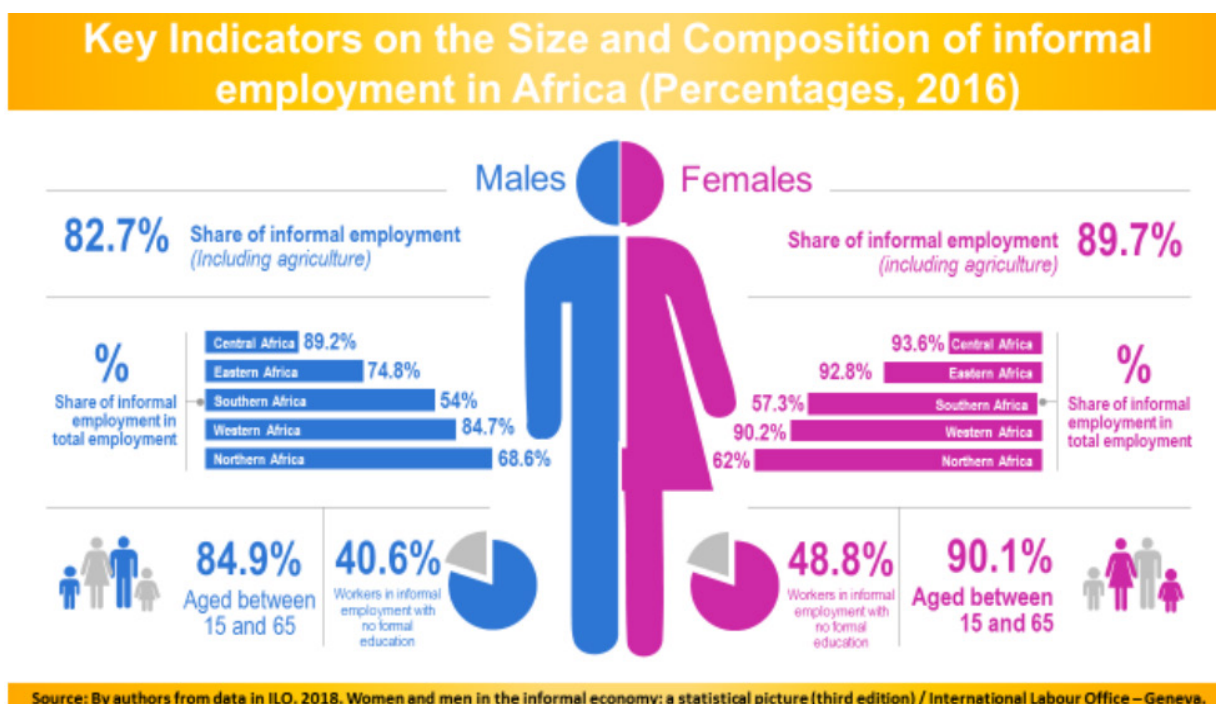


Figure 2: Key indicators on the size and composition of informal employment in Africa (ILO, 2018)

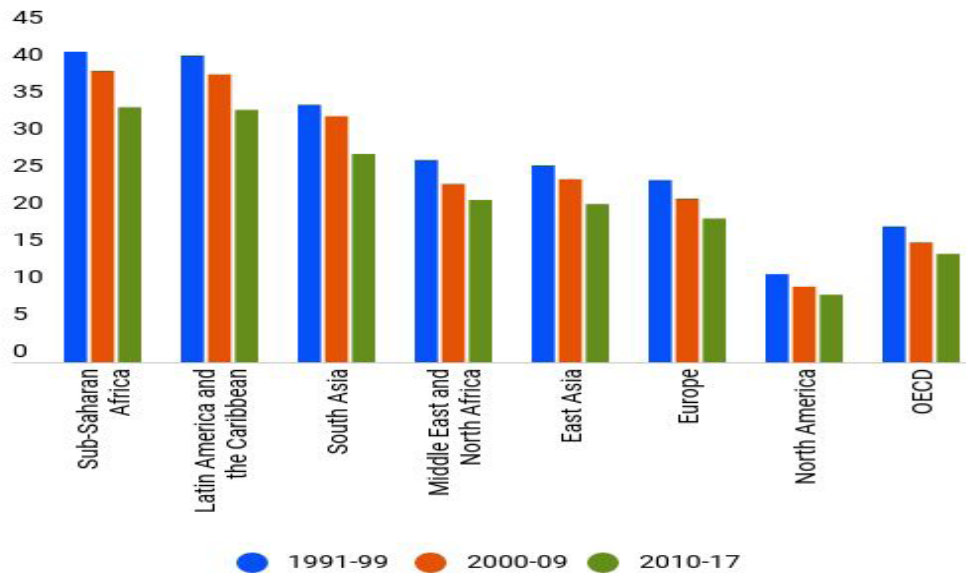
The IMF estimates that informal work in Africa reached nearly 38 per cent of GDP between 2010 and 2014; a percentage only surpassed by Latin America, at 40 per cent of the GDP (Medina et al., 2017: 13). Angola Benin, Gabon, Nigeria, the United Republic of Tanzania, and Zimbabwe are the countries in Africa where the informal economy comprises the highest percentage of the overall economy, ranging from 40 to 60 per cent of GDP. In North Africa, more than half the regional labour force works in the informal economy. Indeed, the International Labour Office estimates that 60 per cent of the total labour force in Egypt and Morocco work in the informal economy, with Tunisia at 53 per cent. Statistics for Algeria are less reliable, but results are similar to Tunisia (Gallien, 2018: 3). Additionally, North Africa is the only region on the continent where the percentage of women working in the informal economy is less than men (Ibid.: 4).²

2 This is in the context of a region where women's total labour force participation is already low, averaging at only 24 per cent (Ibid.).

Graph 2: Informal economy as an average per cent of GDP

In the shadows
 Informality has receded across all regions but remains large in sub-Saharan Africa and Latin America.

(informal economy, average, percent of GDP)



Source: Medina, Leandro and Friedrich Schneider (forthcoming 2019). "Shedding Light on the Shadow Economy: A Global Database." IMF Working Paper.



(Source: Medina and Schneider, 2019)

PROTECTION OF MIGRANT WORKERS

According to International Labour Organization (ILO) estimates there are currently 164 million migrant workers worldwide (58.5% men, 41.5% women).³ Clearly, migrant workers represent a large share of the workforce and carry out essential jobs in the healthcare, agriculture, transport and agro-food processing sectors (LMAC, 2020). However, migrants work predominantly in informal and unprotected settings affected by temporality, low wages, and an absence of social protection.

Migrant workers face a greater risk of contracting and spreading COVID-19 due to precarious housing and overcrowded migrant worker settlements that often lack adequate hygiene and sanitation, poor occupational safety and health hazards including absence of protective gear, and inadequate food and nutrition.

Labour migration in Africa is primarily intra-regional, with approximately 80 per cent taking place within the boundaries of the continent (IOM, 2019). Additionally, there is substantial irregular migration within the continent, particularly from West Africa to North Africa (with Libya as the primary destination), from the Horn of Africa (often en route to the Arabian Peninsula), and towards South Africa (Migration Data Portal, 2020). African migrants are important actors in stimulating economic growth and development in their destination, transit and origin countries through labour, skills transfer, consumption and investment (IOM, 2019).

In 2019, African countries hosted an estimated 26.5 million migrant workers, two per cent of the world's international migrant labour force (UN, 2019). Côte d'Ivoire is an example of a country that hosts many migrant workers, with

³ The ILO and OECD state that, due to informal employment arrangements in sectors such as agriculture, where many migrants work as seasonal labourers, official statistics largely underestimate migrants' contribution to the economy. In addition, significant drivers of migrant labour within the continent have been identified in the agriculture, fishing, mining, construction and service sectors (FAO, 2020: 2).

an estimated contribution of 19 per cent of the country's GDP. In contrast, migrants in South Africa are projected to increase their per capita income by 5 per cent (Ibid.). Outside the continent, African migrants tend towards Europe, North America, and increasingly the Middle East, particularly the Gulf region (FAO, 2020).

In the economic crisis that followed the outbreak of the virus, migrant workers were among the first to lose their jobs, but they remain the last to access testing and treatment (Ibid.). Furthermore, inadequate health insurance – often paired with insufficient personal savings – negatively affect migrants' ability to follow preventive protocol and obtain medical care when infected (IOM, 2020).

Lockdown measures disrupted provision of various services that had previously helped irregular migrants access healthcare, and the requirement to register with authorities has increased fear of deportation (IOM, 2020). Furthermore, as they also fear losing their livelihoods, migrant workers are also more susceptible to exploitation, including increasing wage gaps and discrimination (Douglas et al. 2020).

Workers in the informal economy are confronted with significant challenges, such as exposure to the virus as a result of precarious work environments, overcrowded transportation and living conditions, and lack of access to preventive information and healthcare (Ibid.: 3). Travel restriction and business closures have caused African migrant workers to lose income, often coupled with a lack of access to social protections and government response plans (Ibid.). Indeed, it is estimated that COVID-19 lockdowns have led to a loss of nearly 30 per cent of savings for the people of Sub-Saharan Africa (Resnick et al., 2020).

Some of the workers in the informal economy have also been affected by the destruction of their informal workspaces, predominantly informal market stalls, as part of enforcement of public health measures. This has increased the vulnerability of women and youth who are over-represented in the informal sector. Persons with disabilities also disproportionately suffer in terms of job losses and if they access the job market, they often do so in precarious working conditions.

ECONOMIC IMPLICATIONS

Informal, cross-border trade has been significant to African economies – as it represents approximately 40 per cent of regional trade – due to the flexibility, small start-up capital, and earning opportunities it offers where there are no other alternatives (Zarrilli and Linoci, 2020). Informal trading is primarily done by women, who represent as much as 70 to 80 per cent of such traders in some African countries (Ibid.). As countries implement regulations that limit cross-border trade, allowing only the movement of goods and services by large companies, these women's livelihoods are at risk (Ibid.).

The decline in remittances is a significant indicator of the economic shock caused by the pandemic. The World Bank (2020) predicts that remittance flows to SSA are expected to decline by 23.1 per cent (\$37 billion) in 2020 due to COVID-19. Furthermore, it is also expected that this decline will only exacerbate poverty in the continent, causing some who depend on this money to engage in harmful coping mechanisms, such as selling off assets and an increase in child labour (IOM, 2019). Thus, it seems clear that the reduction in remittances will significantly impact African economies.

CONTRIBUTIONS AND KNOCK-ON EFFECTS IN COUNTRIES OF ORIGIN

- Migrant workers contribute between 10 to 30 per cent of GDP in their countries of origin through remittances.
- A reduction in remittances will significantly impact rural and urban livelihoods, food security, and nutrition in areas of origin.

Furthermore, as the pandemic has resulted in job losses among low wage workers, urban to rural migration continues to gather pace in Africa, resulting in significant pressure on food security, family resources and overall livelihoods in rural areas (FAOa, 2020). Moreover, migrants who return are susceptible to stigmatization and discrimination, as they are perceived as potential COVID-19 carriers, risking the health of their home-communities (Ibid.).

GENDERED IMPACT

The COVID-19 crisis in Africa also presents challenges for women, who constitute a significant segment of the informal economy. In Sub-Saharan Africa alone, women make up 74 per cent of workers in the informal economy (UN Women, 2017). If restrictions on movement or isolation measures are prolonged, instances of gender-based violence (GBV) will likely surge. Many countries are already reporting a rise in cases of domestic and sexual violence, as well as violence against children (Wenham, et. Al., 2020). Special measures are needed to help protect women and girls, and support for their economic activities will be critical to restoring the continent's economy.

COVID-19 has exacerbated domestic, gender and sexual violence, particularly against women and children (Dube and Katende, 2020). Furthermore, with school closures and limited childcare options, most childcare responsibilities have fallen on women. Thus, COVID-19 has increased women's household and care duties and reduced their capacity to work and earn elsewhere (Moussié and Staab, 2020).

It is important to recognize that, despite the fact that informal workers often do not enjoy legal status or protection, informal traders provide many essential functions (Resnick et al., 2020). The pandemic has resulted in economic and labour shocks, with informal workers experiencing unemployment and underemployment (FAO, 2020). As of April 2020, it is estimated that approximately 1.6 billion workers in the informal economy (76% of informal workers globally) have been profoundly impacted by COVID-19, resulting in a projected 60 per cent decline in their earnings (ILO, 2020).

Self-employed and rural workers' livelihoods are particularly at risk, as agri-food supply chains and markets are disturbed by lockdown measures and restrictions on movement (FAO, 2020). However, while these are also considered essential systems that must remain operational (Ibid.: 2), closure of roads and local quarantine rules disrupt logistics, leading to potential adverse effects on micro and small intermediaries in aggregation and distribution. Furthermore, market and school closures lead to a loss in commerce and a decrease in the demand for agricultural products, thus reducing the demand for agricultural labour (ibid.: 2). Moreover, in places where the food for school meals programmes are sourced from local producers, adverse effects on informal workers in rural areas could be even more profound (Ibid.).

RECOMMENDATIONS

States must acknowledge that migrant workers are a vital part of the COVID-19 response and implement measures to protect them, regardless of gender, age or migratory status. It is vital that policy solutions are identified to protect those most vulnerable to the crisis.

SHORT TERM

Free or low-cost COVID-19 testing and treatment for migrant workers

Most often, migrant workers are the first to be laid-off and the last to get access to health care facilities for testing or treatment. Governments must establish safe and accessible ways for migrant workers to access testing and treatment. In these times, migrant workers are among those most vulnerable; so long as their health is not ensured, the crisis will take longer to end.

Anonymous testing for irregular migrant workers

Irregular migrants experience difficulties in accessing care and are often hesitant to visit medical facilities for fear of deportation. They also fear losing their livelihoods if they test positive for COVID-19 and are more vulnerable to exploitation through wage gaps and worsening discrimination. Therefore, it is crucial to develop ways for migrants to access safe testing irrespective of their status, as it is in everybody's interest that those who test positive take precautionary measures.

Inclusive social protection for migrant workers in the informal economy in origin, transit and destination countries

Migrant workers in the informal sector are often excluded from access to social protection and government programmes. This lack of protection is the greatest threat to the world's informal economies, as workers have limited access to regular employment and health benefits, which translates into insecurity and uncertain access to medical care. This leaves informal workers more vulnerable during the pandemic. This lack of protection also means that informal workers in various sectors – such as agriculture, construction, and domestic services – work in unsafe environments where they are exposed to health and safety risks. For example, a lack of access to water and sanitation increases the risk of contracting COVID-19. As the informal sector forms an important mainstay of African economic activities, informal workers must be included in COVID-19 responses. It is recommended that governments:

- Subsidize contributions to healthcare for the low income, as COVID-19 threatens the livelihoods of migrant workers in the informal economy.
- Extend the coverage of social protection systems to migrant workers and consider informal support mechanisms.
- Promote international cooperation and partnerships and establish frameworks for shifting informal workers into formal employment, and ensuring all are included in national safety nets, and can contribute to social security through their income and paying taxes.
- Assist with the transition from inform to formal economy through upskilling and retraining of people working in the informal sector which can be accomplished within skills mobility partnerships between countries of origin and destination.
- Ensure Member States ratify and implement all relevant instruments and international frameworks concerning social protection.

Avail pathways for the regularisation of migrant workers in the informal sector

In the medium and long-term, African states need to strengthen measures enabling transition into formal systems for migrant workers in the informal sector. This will ensure protection for migrant workers, as well as protect the economy from future shocks. Some of these steps include:

- African states must develop and implement Occupational Safety and Health (OSH) measures to create safer working environments for migrant workers in the informal economy. In the short term, health coverage must be extended to all workers and their families, regardless of employment status.
- African states must implement gender-sensitive, non-discriminatory policy measures, particularly for women overrepresented in high-risk, informal sectors. In the context of Africa, particularly Sub-Saharan Africa, women are the largest group involved in cross-border trade. However, their movements have now been restricted by COVID-19 lockdown regulations, which often only allow for the cross-border movements of larger commercial flows, resulting in a great risk to livelihoods.
- As gender, domestic and sexual violence have increased during lockdown, it is clear that policies specifically protecting those victims must be developed. As communities are forced to stay home during the pandemic, women and girls are at higher risk of domestic violence, child abuse and other forms of gender-based and sexual violence. As there is concern that the pandemic has led to an increase in already existing forms of gender-based and sexual violence, as well as created new scenarios, women and girls worldwide require protection. The pandemic makes women's access to help profoundly more difficult; therefore, policies that specifically target gender issues must be established.

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About LMAC

The Labour Migration Advisory Committee was established in 2015 to facilitate ongoing structured dialogue, exchange and technical consultations among social partners and relevant government entities, to monitor and promote better governance of labour migration as well as encourage regional migration and mobility regimes. LMAC is composed of various stakeholders including RECs, social partners namely Business Africa, OATUU and ITUC-Africa, representative of Diaspora organizations and cross border women organizations as well as relevant AU organs such as Pan African Parliament, Pan African University and ECOSOCC.

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