



▶ Social Protection Spotlight

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▶ Extending social protection to informal workers in the COVID-19 crisis: country responses and policy considerations

Key points

- ▶ The COVID-19 crisis and its economic and social impacts are particularly harsh for workers in the informal economy and their families. Almost 1.6 billion informal workers are affected by the lockdown and containment measures and/or are working in the hardest-hit sectors.
- ▶ The lack of social protection for workers in the informal economy and their families makes them particularly vulnerable to shocks, since they usually cannot count on the protection provided by social insurance or poverty-targeted social assistance schemes. Limited coverage impacts women in a particularly adverse manner.
- ▶ Their lack of health protection and income security during sickness encourages workers in the informal economy to work even when they are sick, thereby not only jeopardizing their health but also potentially undermining public health efforts to curb the virus.
- ▶ Many governments have put in place emergency measures to temporarily extend social protection to uncovered groups in order to provide income support and access to health care. The effective roll-out of benefits has been facilitated by innovative policies and measures to channel urgently needed support to affected workers and their families through practical and safe identification and delivery mechanisms.
- ▶ The crisis has stressed the urgency of reinforcing national social protection systems, including floors, to cover workers in all forms of employment through appropriate legal frameworks, effective administrative systems and sustainable and equitable financing mechanisms. This should be achieved through a combination of contributory and non-contributory schemes, taking into account the diversity of the informal economy and giving priority to the most vulnerable. Where national capacities are insufficient, international support may be needed.
- ▶ As the crisis recedes, governments should move from emergency stop-gap responses to sustainable mechanisms in order to close social protection gaps, in line with human rights and international labour standards and based on inclusive social dialogue.
- ▶ Longer-term strategies for the extension of social protection should be part of broader, integrated strategies to promote the transition from the informal to the formal economy.
- ▶ Countries should develop solutions for extending social protection through inclusive social dialogue, with the participation of those in the informal economy.

Introduction

As the COVID-19 crisis persists, governments face the double challenge of containing the health pandemic and coping with its economic and social impacts (ILO 2020a, 2020b). The crisis and its economic and social impacts are particularly challenging for workers in the informal economy (ILO 2020a).¹ Globally, about 2 billion workers (61.2 per cent of the world’s labour force²) work in informal employment, mostly (but not exclusively) in emerging and developing countries (ILO 2018).

According to recent ILO estimates, almost 1.6 billion workers in the informal economy in all world regions have already been affected by the lockdown and containment measures imposed to slow the spread of the virus and/or are working in the hardest-hit sectors. Many of them have suffered severe economic losses with hitherto no or limited access to social protection measures, resulting in potentially long-lasting negative effects on their households and livelihoods (ILO 2020e, 2020a).³

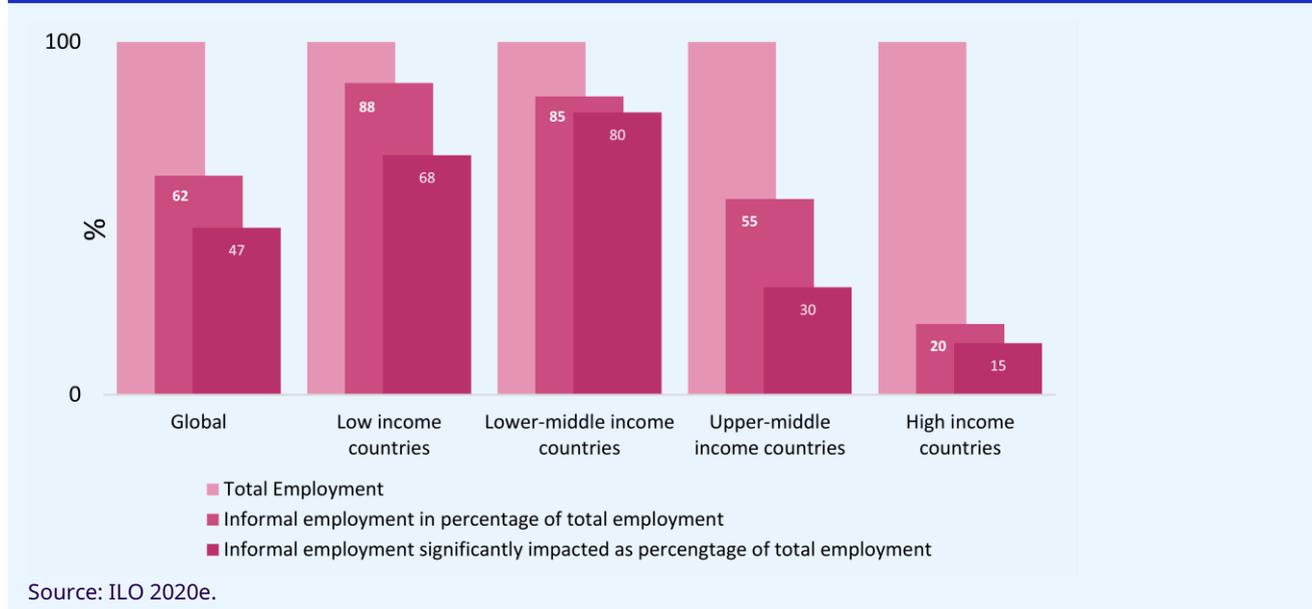
The crisis could push even more workers into informality, if a protracted economic downturn were to

decimate employment opportunities in the formal economy (ILO 2020e).

The harsh impact of the crisis on workers and economic units in the informal economy calls for appropriate policy measures to protect and support them in maintaining and regaining their livelihoods during the recovery period. Given the important contribution of the informal economy to our economies and societies, it is essential for the policy responses of countries to incorporate appropriate social protection mechanisms that cover workers in all forms of employment, including self-employed workers. Such mechanisms will help to address the health, economic and social impacts of COVID-19 and avoid the likely worsening of poverty and inequality, as well as the potential emergence of social unrest.

Building on two earlier and more broadly focused briefs (ILO 2020a, 2020i), this brief focuses on the immediate social protection policy responses to COVID-19 that countries can take to extend social protection to workers in the informal economy and facilitate their transition to the formal economy.⁴ It also emphasizes the importance of sustaining efforts beyond the current crisis in order to build

Figure 1: How many informal economy workers are affected?



¹ The informal economy refers to all economic activities by workers and economic units that are – in law or in practice – not covered or insufficiently covered by formal arrangements (ILO 2018). Workers in the informal economy include workers in informal, mostly micro and small enterprises (including own-account workers and the owners of informal economic units and contributing family workers), as well as undeclared workers in formal sector enterprises. Economic units refers to (a) units that employ hired labour; (b) individuals working on their own account; and (c) cooperatives and social and solidarity economy units.

² Including agricultural workers.

³ Earnings of workers in the informal economy declined by an estimated 60 per cent globally in the first month of the crisis (ILO 2020e).

⁴ The Social Protection Floors Recommendation, 2012 (No. 202), the Transition from the Informal to the Formal Economy Recommendation, 2015 (No. 204) and the Employment and Decent Work for Peace and Resilience Recommendation, 2017 (No. 205) are of particular relevance in this context (see box 1).

Box 1: Useful guidance provided by international labour standards on extending coverage to workers in the informal economy

International labour standards, which have been adopted by governments, workers and employers of the ILO's 187 member States, provide important guidance for coordinating policy responses and ensuring the protection of those in need. Two ILO instruments in particular highlight the need to extend social protection coverage to those in the informal economy: the Social Protection Floors Recommendation, 2012 (No. 202) and the Transition from the Informal to the Formal Economy Recommendation, 2015 (No. 204). They are based on the recognition of social security as a human right and the general responsibility of the state to guarantee the due provision of adequate benefits and the sustainability of social protection systems. The need to provide social protection to those whose jobs and livelihoods have been disrupted by crisis situations is also highlighted in the Employment and Decent Work for Peace and Resilience Recommendation, 2017 (No. 205).

In order to prevent future crises, enable recovery and build resilience, ILO Member States should establish, re-establish or maintain social protection floors and seek to close the gaps in their coverage, taking into account the Social Security (Minimum Standards) Convention, 1952 (No. 102), Recommendation No. 202 and other relevant international labour standards, such as Recommendation No. 204 (ILO 2017, 2019a).

comprehensive social protection systems for all, including floors, in line with human rights and international labour standards.

Multiple impacts of the COVID-19 crisis for informal economy workers

The COVID-19 crisis has added further challenges to the lives of the developing world's populations. Many workers in the informal economy, among the most vulnerable in normal times, now bear the added burden of this severe economic and employment crisis (ILO 2020a, 2020e). Those who have been particularly affected include waste-recyclers; street and market vendors; transport workers; domestic workers; and workers in the accommodation, food services and manufacturing sectors. Migrant workers (both domestic or international) have been particularly hard hit (ILO 2020p). Many informal economy workers are essential frontline workers, who ensure that life continues during the pandemic and are strongly exposed to health risks; yet they are often invisible to economic and social policies despite these valuable contributions.

Where governments have put lockdown and other containment measures in place, many workers and economic units in the informal economy have lost most or all of their earnings, further exacerbating their economic insecurity (ILO 2020d). Workers in seriously affected sectors and occupations already face significant income losses and/or a high risk of job loss, while women are overrepresented in the worst-hit sectors (ILO 2020d, 2020l, 2020e). The lack of social protection coverage for workers in the informal economy and their families makes them particularly vulnerable to shocks, since they usually cannot count on the protection provided by social insurance or poverty-targeted social assistance schemes (ILO 2019b; OECD and ILO 2019).⁵ Without alternative income sources, more and more workers will fall deeper into poverty (ILO 2020e). For many of them, not only their livelihoods but their very survival is threatened.

Many workers in the informal economy face the dilemma of choosing between working or losing their income and are compelled to work even when they are sick in order to continue paying their food and basic expenses (Belser 2020). This not only jeopardizes their own health but also undermines preventive public health measures to reduce the spread of the virus (ILO 2020g).

Workers in the informal economy also face high health risks, including those who must continue working, whether in public spaces (such as street and market vendors, waste-pickers and taxi and delivery drivers) or elsewhere (such as domestic workers). Even if they stop working due to lockdown measures, in urban areas many workers and their families live in cramped situations, sometimes with limited access to water, making it almost impossible for them to practice self-distancing and increasing their risk of contagion. Migrant workers may be stranded far away from their homes; may lack proper shelter and appropriate protection, such as masks and disinfectants; and may have limited awareness of appropriate prevention measures (SEWA 2020; Chen 2020). Without appropriate policy measures, for many workers getting sick means a significant loss of income and possibly poverty and hunger as well. The risk of impoverishment is exacerbated for those not covered by social health protection schemes, who must bear the costs of health care themselves, and for those who lack income security in the form of sickness or employment injury benefits (ILO 2020k, 2020g; Alfors 2020).

Extending social protection to informal economy workers in the COVID-19 crisis: immediate policy responses

Recognizing the particularly vulnerable situation of workers in the informal economy, many countries have taken steps to extend social protection to them, based on international country experiences and in line with the guidance provided by ILO standards (see box 1). Given the large-scale impact of the crisis, it is essential

⁵ Because of this double exclusion, workers in the informal economy are often referred to as the "missing middle".

to design policy responses in a way that prioritizes protection for vulnerable categories of workers, taking into account the diversity of characteristics, circumstances and needs of workers and economic units in the informal economy. Rapid assessments may help to identify priorities, determine the extent and nature of crisis-related impacts and design policy interventions (ILO 2020f) (see box 2).

Box 2: Rapid assessment of the impact of COVID-19 on enterprises and workers in the informal economy

The ILO has developed guidelines that provide a step-to-step approach to rapidly assess the impact of the crisis on workers and economic units in the informal economy. More specifically, rapid assessments are tools to identify the needs and priorities of the groups in the informal economy that are most affected. They apply remote information collection methods and involve workers and economic units in the informal economy and their organizations in the process, aiming to make their voices heard in the development and implementation of immediate and medium-term responses for the informal economy.

Source: ILO 2020f.

Extending effective health coverage and ensuring access and financial protection for all

Guaranteeing access to quality health care without financial hardship for all is key to protecting people from the health and economic risks caused by the COVID-19 crisis. Even before COVID-19, informal workers were among the 100 million people who fall into poverty each year because of medical expenses (WHO and World Bank 2017). The crisis has exposed significant gaps in social health protection coverage for workers in the informal economy and their families. Not only their financial but also their geographical access to quality health care is limited, particularly for those living in rural and remote areas (FAO 2020; ILO 2020o, 2017).

In response, many countries have already taken measures to close gaps in social health protection and extend financial protection. However, further measures may be necessary to remove legal, administrative and financial barriers to effective health care, particularly for those who are vulnerable to exclusion, such as low-income groups, refugees, migrants, persons with disabilities or chronically ill persons. A number of countries, such as Kenya, have provided free testing and treatment for the entire population. However, measures to enhance access to affordable health care should go beyond testing and treatment for COVID-19. They should also provide access to a comprehensive benefit package that covers the full range of communicable and non-communicable diseases that in many cases act as comorbidity factors (ILO 2020a). In view of broader

challenges, it is essential for countries to sustain and transform emergency measures into permanent, collectively financed mechanisms that will continue beyond the crisis in order to move towards universal health coverage.

Many countries, such as China, Ghana, Japan, Mauritius, the Republic of Korea, the Philippines, Singapore and Viet Nam, have channelled additional fiscal resources into their health systems in the form of COVID-19 stimulus packages that will enhance the availability, accessibility, acceptability and quality of health services for all (ILO 2020j; 2020l). Although it is often unclear to what extent such support packages will protect workers in the informal economy, the resources allocated may need to be scaled up further, including through international support (ILO 2020a).

Countries that had social health insurance systems or national health systems in place that already covered the majority of the population were able to respond in a quick and inclusive manner.

- Thailand has taken steps to enhance financial protection against health care expenses by granting COVID-19 patients access to the Universal Coverage Scheme for Emergency Patients, including both nationals and non-nationals (United Nations 2020).
- China, the Philippines and Viet Nam have integrated COVID-19 testing and treatment into their health care benefit packages, which are also available for informal economy workers (ILO 2020j).
- Mexico has also extended health coverage and conducted awareness-raising campaigns in rural areas (WIEGO 2020b).

Ensuring at least a basic level of income security for those who are sick or (self-) quarantined is important, not only for protecting workers but also for safeguarding public health (ILO 2020g). Although workers in the informal economy usually do not have access to sickness benefits, some countries have extended or introduced new benefits to close this gap. This avoids putting informal workers in the all too real dilemma of choosing whether to “die from hunger or from the virus” (ILO 2020a).

- Ecuador established a special “contingency benefit” for COVID-19 for both infected and otherwise affected workers in the informal economy and their families.
- Peru provided a “Stay Home” payment (about US\$110) to waste-pickers during the quarantine period (WIEGO 2020b).
- Countries such as the United Kingdom and Ireland have extended sickness benefits to all previously excluded workers, including workers on digital platforms, in order to ensure adequate protection of workers in new forms of employment (ILO 2020g).

Providing income support to informal economy workers

The current crisis calls for adequate and rapid income support for workers in the informal economy and their families, especially for women and children who face the highest risk of economic hardship (ILO 2020a). Although many countries have put broad income support measures financed by general government revenues at the centre of their COVID-19 policy response,⁶ those with established contributory and non-contributory social protection schemes were better equipped to facilitate the quick and effective roll-out of benefits, thanks to existing administrative and delivery mechanisms (ILO 2019a). This allowed urgently needed income support to be channelled to affected workers in the informal economy and their families through existing programmes and schemes, such as universal pensions, child or family benefits, social health protection schemes and social assistance programmes. Countries have also increased the adequacy of benefits, advanced the payment of benefits, relaxed eligibility conditions and extended coverage to those who were previously excluded.

- Thailand has increased the adequacy and duration of the unemployment benefits provided by its Social Security Office, including for self-employed workers who are covered under article 40 of the Social Security Act (United Nations 2020).
- In Morocco, workers in the informal economy benefiting from the RAMED medical assistance programme will receive a monthly cash benefit based on the size of household. In addition, income support has been extended to informal economy workers who have no RAMED health card (OECD 2020b).
- The Bahamas has extended unemployment benefits to informal economy workers who participate in skills development and training.
- In Argentina, a generalized one-off cash benefit has been provided through the existing channels of the national social security institution responsible for providing family benefits. This will also benefit domestic workers and self-employed workers.⁷
- Peru and Costa Rica have introduced an emergency cash benefit for self-employed workers who have lost their jobs or suffer from reduced working hours.⁸

Where comprehensive social protection schemes were in place prior to the crisis, coverage could be scaled up

to provide urgent income support for those who lost their jobs.⁹ For example, the successful extension of social insurance coverage to workers in the informal economy (and their formalization) prior to the crisis allowed domestic workers in South Africa and garment workers in Viet Nam to benefit from unemployment insurance. A number of countries were able to use unemployment protection schemes to support the retention of jobs through short-time work schemes, facilitating a quick recovery (ILO forthcoming; OECD 2020a). Viet Nam provided a monthly cash benefit to unemployed workers without unemployment insurance and self-employed workers who had to reduce their working hours due to COVID-19 (ILO 2020h).

Where it is not possible to provide income support through existing schemes or programmes, other mechanisms should be explored to provide the necessary support to vulnerable workers and their families. Some governments have provided one-off payments to large segments of the population, either as a universal benefit paid to the entire resident population (such as Hong Kong (China), Singapore and Tuvalu) or as a benefit to those not covered by other mechanisms (ILO 2020j).

- Togo has introduced a mobile cash transfer through its Programme de Revenu Universel de Solidarité, which benefits all informal economy workers. 1.38 million workers have already registered through the online platform, and the programme has paid benefits to about 567,000 workers to date, most of them women.¹⁰
- Thailand has introduced a monthly allowance of 5,000 THB for informal economy workers. While it initially targeted 3 million workers, 22 million workers had registered for the allowance through their mobile phones (ILO 2020j).

As demonstrated by these examples, designing appropriate eligibility criteria is essential to ensure that governments can deliver benefits effectively and fairly. For incentive and equity reasons, it is crucial to define eligibility criteria based on easily observable characteristics such as type of employment, sector of occupation or enterprise size, while avoiding the specific linkage of benefits to informality status. For example, some countries have provided benefits to self-employed transport workers or street vendors who have lost their earnings because of the crisis and do not receive any other support, independently of whether they are formally registered or not. Although the identification and registration of eligible groups,

⁶ For an overview of measures taken, see ILO, “Social Protection Responses to the COVID-19 Crisis around the World”.

⁷ See Argentina, ANSES, “Ingreso Familiar de Emergencia”.

⁸ See Peru, Ministerio de Trabajo y Promoción del Empleo, “Comunicado 01 – Bono Independiente”.

⁹ The ILO policy resource package “Extending Social Security to Workers in the Informal Economy: Lessons from International Experience” (ILO 2019a) can provide practical guidance in this respect to cover workers in all types of employment, including domestic workers (ILO 2019b); self-employed workers (ILO 2019c); and workers in small and micro enterprises (ILO 2019d);.

¹⁰ See Togo, “Novissi Program”.

especially those operating in the informal economy, has been challenging for many countries, an inclusive strategy that targets broad categories of low-income workers, independently of their formality status, can avoid creating incentives for workers to stay or become informal and can provide the basis for facilitating their transition to the formal economy (ILO 2019a).

In the context of the fast-moving COVID-19 crisis and beyond, universal measures that cover broad categories of recipients and are less prone to exclusion errors should be preferred to narrowly targeted approaches, whenever possible (ILO, forthcoming). Countries that had universal or categorical schemes and programmes in place prior to the crisis were better equipped to quickly bolster and extend benefits to reach everyone. A more universalistic provision of benefits is also more practicable in contexts with high labour market informality, where the capacity to identify and reach workers is limited.

However, countries with a large informal economy may not have the institutional and financial capacities to cover all informal economy workers at once. Some countries, such as Burkina Faso, Ecuador, Jamaica, Peru and Viet Nam, are therefore implementing a sectoral approach that focuses on workers in occupations that are particularly affected. Although identifying such workers in the informal economy can be challenging, countries that could draw on pre-existing identification and registration mechanisms were better able to quickly channel the support to affected workers (see below). In many cases, however, the income support provided to date has not been adequate to meet the urgent needs of workers in the informal economy (ILO 2020a).

Reaching informal workers: adapting administrative procedures and mobilizing resources

The nature of the COVID-19 pandemic calls for rapid and effective implementation of policies on a scale that is large enough to reach the millions of people affected. Innovative policies that allow effective income support to be channelled to target groups through quick and safe identification and delivery mechanisms are essential for the rapid extension of coverage to previously uncovered workers.

Where possible, the use of existing identification, registration and delivery mechanisms for the rapid roll-out of benefits – such as social security databases, single registries, health cards and municipal tax registers – has facilitated a timely response. Appropriate and accessible modalities for registration are necessary to ensure physical distancing and averting infection risks.

- In Brazil, the emergency cash transfer programme cross-checked applicants' information against other government databases and deposited payments to eligible beneficiaries in bank accounts, including by setting up bank

accounts and distributing debit cards for recipients that had none.

In countries with extensive mobile or online penetration, innovative measures can facilitate the identification of beneficiaries and the delivery of benefits.

- In Colombia, Malawi and Morocco, cash grants were delivered through mobile phone transfers for those who did not have a bank account.
- Thailand developed a mobile application that requested workers in the informal economy to come forward and register for the allowance.

Where such technologies are not available or cannot be quickly scaled up, countries should explore alternative mechanisms to avoid the exclusion of those who are less likely to be able to afford or access them. Innovative solutions include partnering with associations of informal workers to reach specific groups within the informal economy, such as associations of artisans, taxi or rickshaw drivers or street vendors; waste-picker cooperatives; and unions or networks of domestic workers and home-based workers. In addition, collaboration with financial service providers (such as banks, mobile money providers and loan associations) may further facilitate outreach, support the identification and enrolment of eligible persons and provide target groups with information about government support measures (Alfers 2020; WIEGO 2020c).

- In Thailand, HomeNet, a membership-based organization of home-based workers, supported the enrolment of 3,500 members to receive the emergency cash benefit (WIEGO 2020b).
- In Mauritius, the social pension is delivered at home by the postal service to those who do not have bank accounts (WIEGO 2020b).
- Thailand and Zimbabwe have partnered with digital payment platforms to disburse income supports (IMF 2020; WIEGO 2020b). Namibia has collaborated with a service provider for mobile wallets and card-less transactions to facilitate registration, verification of applicants' information and disbursement.

Although many countries have used categorical schemes (such as universal pensions, universal child and family benefits) or social assistance schemes to facilitate the identification and delivery of benefits, some countries have used social security institutions as channels for identifying and delivering benefits to previously uncovered groups of workers.

- Cabo Verde has provided income support to low-income formal and informal workers, using the database of the National Social Security Institute (INPS) (for formal workers covered under the special regime for micro and small enterprises) and creating a pre-registry within the single registry to facilitate identification and delivery. A specific application was developed to allow the registration of informal economy workers that

were neither in INPS or the single registry (WIEGO 2020b).

- Mozambique proposed the provision of income support to low-income, informal own-account workers through their affiliation to the National Institute of Social Security.
- Cambodia proposed the use of the National Social Security Fund to identify and register informal economy workers in order to support the future formalization of self-employed workers and micro and small enterprises.
- In Jordan, the Emergency Unemployment and Employment Stabilization Fund will provide income security to workers who are currently not covered by the Social Security Cooperation (SSC). As a key step towards formalization, they are expected to register and contribute to the SSC (at least for unemployment insurance).

In addition to ensuring the protection of workers in the informal economy during the immediate crisis, such measures can facilitate the design of adapted solutions that meet the priority needs of informal economy workers in the medium and long terms. If policies are well designed, the current critical situation can offer an opportunity to encourage workers to participate and contribute and build trust. Including previously uncovered workers in the social insurance scheme is also essential for supporting the recovery. Although non-contributory (largely tax-financed) schemes are essential for providing a basic level of protection, social insurance usually provides higher levels of protection (ILO 2019a).

The expansion of social insurance mechanisms to larger groups of previously uncovered workers can also help to achieve a better financing mix for the social protection system by (a) alleviating pressures on tax-financed social assistance benefits and (b) creating additional fiscal space in the long term through social security contributions and a broader tax base (ILO 2019a).

Effectively extending coverage to all, including workers in the informal economy and their families, will require the combination of both non-contributory and contributory schemes. Such an integrated approach promotes decent work and facilitates the transition of workers and enterprises from the informal to the formal economy, in line with Recommendation No. 204.

Ensuring the participation of social partners and all relevant stakeholders

The meaningful participation of social partners and other stakeholders in the design and implementation of policy responses is essential to ensure that the voices of workers and employers in both the formal and informal economy are heard. This will in turn

ensure that their needs are adequately addressed in policy responses, facilitating an effective and swift crisis response that leads to recovery and social stability (ILO 2020m; 2020n), and that the measures adopted effectively reach the most concerned workers and enterprises (ILO 2020a). For example, as a response to the crisis, Argentina has created the Emergency Social Committee, which includes stakeholders from both the formal and informal economy in the governmental COVID-19 response (WIEGO 2020a).

Informal workers' organizations have increased their advocacy efforts at both the global and national levels, calling for the implementation of social protection policies as part of a wider package that can support workers in the informal economy (Alfers 2020; WIEGO 2020c). For instance, StreetNet International has called upon governments to provide universal health care and a basic emergency living cash grant to all informal economy workers, regardless of their nationality and residency status (WIEGO 2020c).

Ensuring coordination with other policies

Extending social protection to workers in the informal economy is part of a coordinated response¹¹ across four pillars (ILO 2020a):

- (1) Reducing the exposure of workers and their families to the virus and the risks of contagion;
- (2) Ensuring access to health care, including testing and treatment for COVID-19;
- (3) Providing income and food support to individuals and their family to compensate loss or reduction of economic activity;
- (4) Reducing and preventing the damage on the economic fabric and preserving employment.

Although social protection measures mainly relate to pillars 2 and 3, coordinating them with other policy measures is critical to effectively address the health, social and economic impacts of the crisis on workers and economic units in the informal economy. This includes providing support to micro and small enterprises and self-employed workers in the form of grants; subsidized loans; grace periods on outstanding loans, as observed in Colombia, Indonesia, Namibia, Thailand, the Philippines and Viet Nam (ILO 2020a; WIEGO 2020b), or the suspension or reduction of loans, rents or utility bills, as observed in Brazil, El Salvador, Nepal, Senegal and the Bolivarian Republic of Venezuela (WIEGO 2020b). In addition to targeted financing support, countries have also adopted training measures to strengthen the resilience of businesses and support business continuity, as well as occupational safety and health measures to protect workers at the workplace (ILO 2020a). For instance, the municipality of Bogota in Colombia has developed an

¹¹ These responses are aligned with the overall ILO four-pillar policy framework for coping with the COVID-19 pandemic in the world of work: (1) stimulating the economy and employment; (2) supporting enterprises, jobs and incomes; (3) protecting workers in the workplace; and (4) relying on social dialogue for solutions.

initiative to provide information and training on hygiene, safety measures and personal protective equipment to informal retailers (ILO, forthcoming).

Other countries have implemented innovative solutions that combine social protection and employment policies. The Philippines is implementing a public employment programme that compensates workers for 10 days of work on the disinfection of their houses/dwellings and the immediate vicinity of their houses, at the regional minimum wage. Singapore has provided self-employed workers with sustained financial support to train and upskill during the pandemic (WIEGO 2020b).

Where agri-food value chains have been disrupted, countries such as Indonesia, India, Jamaica, Trinidad and Tobago, and Viet Nam have sought to complement income with food support to prevent hunger among those most affected by the crisis (ILO 2020a; WIEGO 2020b).

Considering the large-scale closure of schools and childcare centres, childcare policies (ILO and WIEGO 2020) are particularly important for women informal workers who face difficulties to work due to childcare responsibilities. Such support is also important to prevent families from resorting to child labour to cope with the crisis.

Extending social protection to workers in the informal economy: lessons for the COVID-19 response and beyond

The COVID-19 crisis has highlighted the worrying implications of social protection gaps for workers in the informal economy and their families. It has painfully exposed the costs of inaction and the need for urgent measures to ensure adequate social protection coverage for workers in all forms of employment, which should be adapted to their circumstances and in line with international social security standards and the Centenary Declaration for the Future of Work (ILO 2020a; 2020k; 2019a; 2019f).

These social protection gaps serve as a wake-up call to the international community to the urgency of supporting countries in expanding coverage to informal workers and reinforcing their social protection systems through appropriate legal frameworks, effective administrative structures and sustainable and equitable financing mechanisms. Expanding coverage to the most vulnerable is particularly urgent. Such efforts will also help countries to be better equipped to deal with future crises (ILO 2019a) and are essential not only for developing

countries, but also for advanced economies that have struggled to cover workers in the digital economy (Behrendt, Nguyen, and Rani 2019).

Although many governments have adopted emergency measures to temporarily extend social protection to uncovered groups — in particular health protection, sickness benefits, unemployment protection and social assistance benefits, including cash transfers and food support — the capacity of such support to alleviate hardship depends greatly on the scope of its population coverage and the level and duration of the benefits paid. Even though the impacts of the crisis are still being felt by millions of workers in the informal economy and their families, social protection benefits will soon expire in many countries, leaving large groups of the population unprotected and more vulnerable.

As the crisis recedes, it is essential to transform temporary emergency measures into sustainable mechanisms that will close social protection gaps and guarantee the effective protection of workers in all types of employment. This will contribute to ensuring that all parties pay their fair share to the social security system (ILO 2016, 2019a; OECD 2018, 2019, 2020a).

Comprehensive social protection systems that combine contributory and non-contributory schemes guarantee at least a basic level of social protection for all, while providing higher levels of protection to as many people as possible. Therefore, the extension of social protection to all should be based on equitable and sustainable financing mechanisms, broad risk-sharing and collective financing, which will in turn contribute to economic and social development, solidarity and greater social cohesion (ILO 2019a).

Countries should use a variety of different approaches to mobilize resources to extend social protection, while taking into account the contributory capacities of workers in the informal economy.¹² Adequate country responses will require stronger efforts, not only to support domestic resource mobilization but also to secure additional support from international financial institutions, bilateral development partners or other global financing mechanisms (ILO, forthcoming).

Finally, longer-term strategies for the extension of social protection should be part of broader, integrated strategies to promote the transition from the informal to the formal economy. Representative workers' and employers' organizations will play a key role in this process.

¹² Options include: (1) expanding social security coverage and contributory revenues; (2) increasing tax revenues; (3) eliminating illicit financial flows; (4) reallocating public expenditures; (5) using fiscal and central bank foreign exchange reserves; (6) borrowing and restructuring existing debt; (7) adopting a more accommodating macroeconomic framework; and (8) increasing aid and transfers (Ortiz et al. 2019).

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This issue brief has been prepared by Quynh Anh Nguyen and Christina Behrendt and has benefitted from comments from the Social Protection Global Technical Team, ACTRAV, ACT/EMP, ENTERPRISES and INWORK.

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The world of work response to the COVID-19 crisis
► [ilo.org/global/topics/coronavirus](https://www.ilo.org/global/topics/coronavirus)
► www.social-protection.org/gimi/ShowWiki.action?id=62&lang=EN