Informal Trade During C19: Minimizing Health Risks; Maximizing Livelihood Opportunities

Caroline Skinner, World Bank Round Table, 30 June 2020
Global Picture

- 61% of the world's workers are informally employed – representing 2 billion people. (ILO 2018)

- Services such as trade account for 71% of all informal employment in developed countries. (Bonnet et al, 2019)
Informal Economy in SA

5 million people work in the informal economy or 30% of the labour force. (Quarterly Labour Force Surveys)

This is made up of:

- **3 million** people working in informal sector / enterprises.
- **2 million precarious workers** – i.e. have no written contract, no paid leave nor medical aid. For example domestic workers.

Informal sector contributes +- 6% of GDP (Stats SA) + highly effective in reducing poverty (lots of dependents living in low income settlements, with high multiplier effects).
Informal Enterprises: Industry & Gender

- **Sector:** Four in every ten of those working in the informal sector are in trade.
- **Gender:** 36% of those working in the informal sector are women.
- This has been declining over time
- Women tend to be employed in less lucrative activities - women earned 75% of what men earned.

Informal Sector Employment in SA by Industry, Q4 2019.
Household food security surveys consistently show that low income households regularly source food in the informal sector. (e.g. Crush, et al, 2018; Haysom, 2016).

In JHB street traders were found to sell fresh produce at half to one-third of the price of the same produce in supermarkets. (Wegerif, 2020)
C19 Impacts

- With little or no cushion to fall back on, the impacts of measures to prevent the spread of C19 have been devastating on informal workers here and globally.
- Many have used their last resources to feed their families and are struggling to re-establish their informal businesses under lockdown easing.
Minimizing Health Risks

**COVID-19 Health Guidelines for Informal Traders**

**If Safety Guidelines Are Followed, Informal Traders Can Trade As Safely As Formal Traders:**

1. Wash your hands with soap and water often:
   - Wash your hands for at least 20 seconds. Clean all parts of your hands and fists, washing between fingers and fingertips and halfway up your forearms.
   - Wash your hands before you start your workday, throughout the day, and especially before eating.
   - Wash your hands after coughing or sneezing.
   - Wash your hands after any exchanges between customers (of products and cash).
   - Wash your hands as soon as you get home.

2. Avoid touching your face – especially your eyes, mouth and nose. When you cough or sneeze, cover your face with the inside of your elbow.

3. Wear a cloth mask that covers your mouth and nose. Avoid touching the mask. Wash and iron after use everyday. Have a few masks so that you always have a clean one to wear everyday. Ask customers to wear masks too.

4. Avoid touching people. Do not greet people by touching them. Keep two metres away from people. Where this is impossible, then at least keep at arm’s length.

**COVID-19 Health Guidelines for Informal Traders**

5. Street and market traders need to trade two metres apart, so local governments need to be flexible with trader layouts and locations.

6. Customers should keep two metres distance from each other, by queueing alongside trader/market stalls or outside spazas. Drawing lines on the ground is a simple way to show how people should queue and how far they should stay from you and your stall/shop.

7. Give priority to high-risk customers (such as pensioners, people with disabilities and pregnant women) by giving them preference in queues.

8. Ask customers not to touch products.
Priority interventions

- Water points, at trading sites, so that traders can wash hands, work places and products.
- Provision of sanitisers and/or bleach as a matter of urgency.
- Regular cleaning of trading sites.
- Consider health screening at trading sites.
Street traders around the world are designing their own solutions – work alongside them.
Creative use of public space

Myanmar

Indonesia
Policy principles

- Do no harm
- Minimize health risks
- Maximised livelihood opportunities:
  - Simplify licencing and suspend fees
  - Income support and grants to re-establish
- ‘Nothing for us without us’
Enabling Informal Trade during: Minimizing Health Risk; Maximizing Opportunities
Minimizing Risks, Maximising Opportunities

Do no harm:

- Stop police harassment re permits and sanitisers.
- No confiscations of traders goods.

Facilitate safe trading:

- Provide unlimited water points (open locked public toilets).
- Provide sanitisers and/or bleach as a matter of urgency.
- Be flexible (and creative) about trading layouts.
- Consider health screening at trading sites.

Address infrastructure needs:

- Paved surfaces, toilets and water, shelter, storage.
Minimizing Risks, Maximising Opportunities

Review street trader bylaws:

• Most bylaws across the country don’t align to the constitution nor latest jurisprudence (see Seri, 2018)

Simplify licensing

• Make the issuing of permits simple and fair.

Suspension of fees:

• Suspend trading fees (as eThekwini has) while traders re-establish themselves.
Minimizing Risks, Maximising Opportunities

Income support and grants to re-establish:

- Informal workers have been particularly hard hit by measures to prevent the spread of COVID and need direct income support.
- Traders have used their last savings over lockdown and need cash grants to start trading again. DSDB is launching this shortly.

‘Nothing for us without us’:

- Establish ongoing, regular engagement between traders and relevant local government departments – e.g. Gogo Lulama’s suggestion of a health desk; R204 negotiating platforms.
- Traders need to be involved in planning and policy decisions that impact on them.