

COVID-19 Crisis and the Informal Economy: Informal Workers in Ahmedabad, India



Left to right: Home-based Worker, Domestic Worker, Waste Picker, Street Vendor

Photo credits: SEWA Video, Indian Academy of Self-Employed Women

Key Findings

- 1 Only 7% of respondents were able to work during the peak lockdown in April and just under half (48%) were able to resume working in June, after the lockdown had been partially eased.
- 2 The average number of days worked per week in June (2.4 days) was less than half the average number of days worked per week in February/pre-COVID-19 (6.2 days).
- 3 Average earnings in June were around 30% of average earnings in February.
- 4 While 84% of sample households received food aid from the government, only 42% received cash grants.
- 5 Around 80% borrowed money, pawned or sold assets and/or drew down savings, depleting their resources and increasing their debt.

Background

COVID-19 Crisis and the Informal Economy Study is a WIEGO-led 12-city longitudinal study that assesses the impact of the COVID-19 crisis on specific groups of informal workers and their households, using a survey questionnaire and in-depth interviews. Round 1 assessed the impact of the crisis in April 2020 (the period of peak restrictions in most cities) and in June/July 2020 (when restrictions had been eased in most cities) in comparison to February 2020 (pre-COVID-19). Round 2 will assess continuing impacts versus signs of recovery in the first half of 2021, compared to the pre-COVID-19 period and Round 1.

In Ahmedabad, the study was carried out in partnership with the Self-Employed Women’s Association (SEWA): specifically, with the research team of SEWA’s Indian Academy of Self-Employed Women and some grassroots researchers from the SEWA Union. The research team surveyed 250 informal workers from four sectors who are members of SEWA. They also interviewed eight informal worker leaders and four other key informants from government and academia.

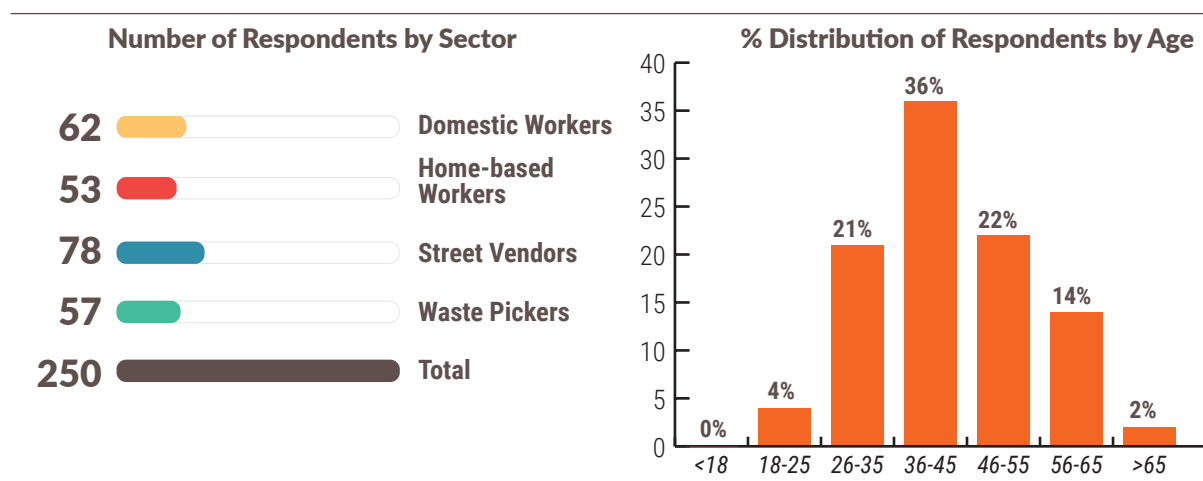
This report presents the summary findings of Round 1 of the study in Ahmedabad City, India.

Informal Economy in Ahmedabad

Ahmedabad City is the largest city and financial capital of Gujarat State in Western India. The economy of Ahmedabad – once known as the Manchester of India for its flourishing cotton textile industry – has diversified with the decline of the textile industry, except in the manufacturing of denim, and the rise of chemical, pharmaceutical and information technology industries.

Ahmedabad City is also the birthplace of the Self-Employed Women’s Association (SEWA), the largest trade union federation in India and the largest organization of informal workers in the world, with nearly 2 million women informal workers from over 80 different occupations or trades.

The study sample in Ahmedabad City included domestic workers, home-based workers, street vendors and waste pickers: all women and all SEWA members. These groups represent 19% of *total urban* employment and 36 per cent of *women’s urban* employment in India: domestic workers (3% and 9%, respectively), home-based workers (11% and 23%), street vendors (4% and 2%) and waste pickers (1% and 2%) (Raveendran and Vanek 2020).¹ Just over 70% of all workers in Ahmedabad are informally employed (estimation by G. Raveendran).



¹ Raveendran, Govindan and Joann Vanek. 2020. Informal Workers in India: A Statistical Profile. WIEGO Statistical Brief # 24.

Policy Responses to COVID-19

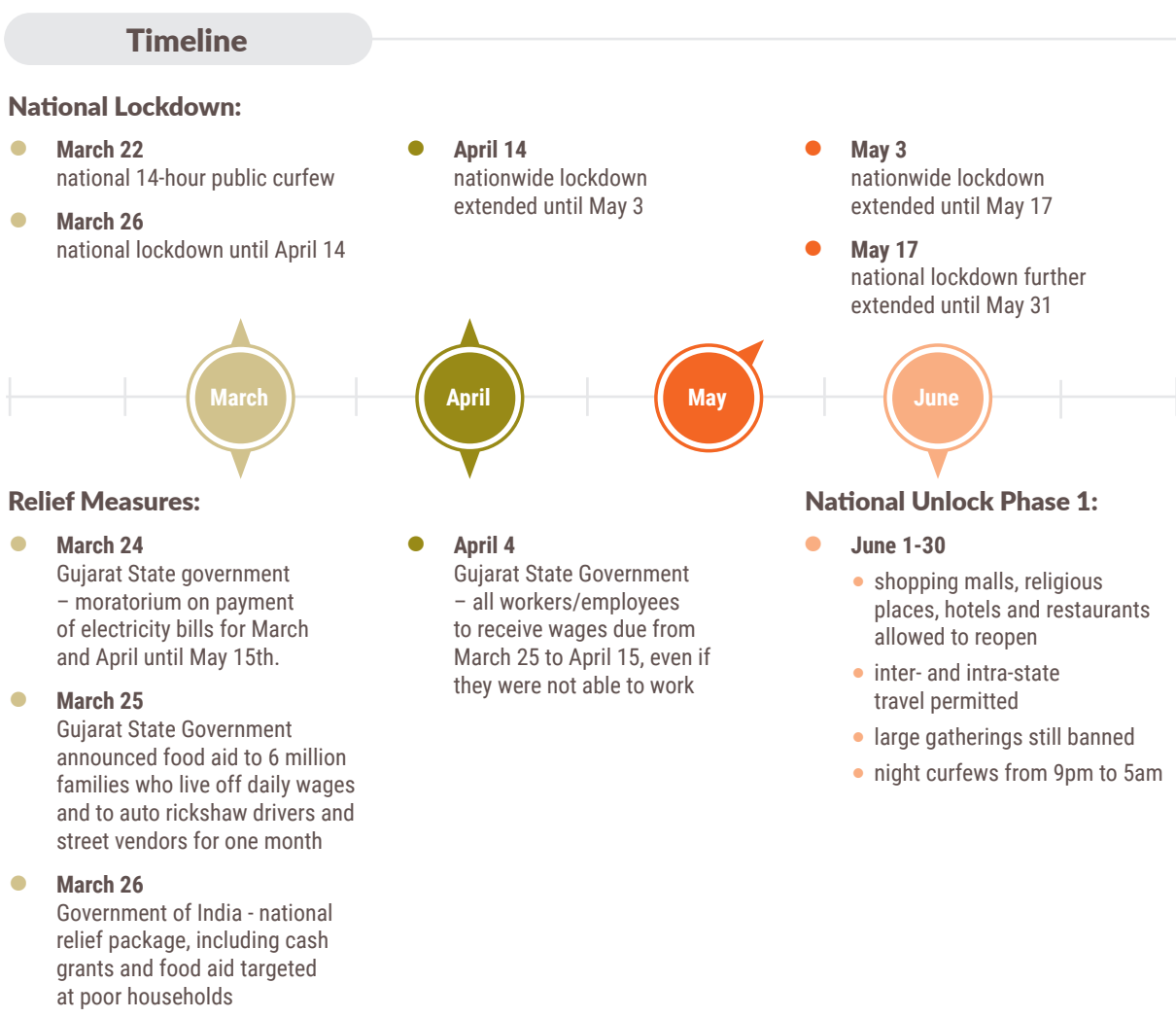
On March 24, [Narendra Modi, Prime Minister of India, announced a 21-day lockdown](#). With only four hours' notice, 1.3 billion people were expected to stay at home and not venture out for three weeks. The national lockdown was later extended to May 31. Since early June, the national lockdown has been eased in phases by the Government of India. On March 26, the Finance Minister announced a nationwide set of relief measures, most of which lasted for 2-3 months.

Throughout the lockdown, state and local governments were allowed to impose or ease restrictions as needed in their jurisdictions. They also mounted relief and recovery measures to supplement the national measures.

After the first confirmed case of COVID-19 in January 2020, the coronavirus spread slowly across India. By March 24, when the national lockdown was imposed, there had been only 519 confirmed cases and nine confirmed deaths in India. But the spread of the virus began to spike in early May. Ahmedabad was one of the harder-hit cities from the beginning.

“Due to corona, no one was allowed to go outside the slum area and the police patrolled outside.”

- Home-based Worker



Impacts of and Responses to the Crisis

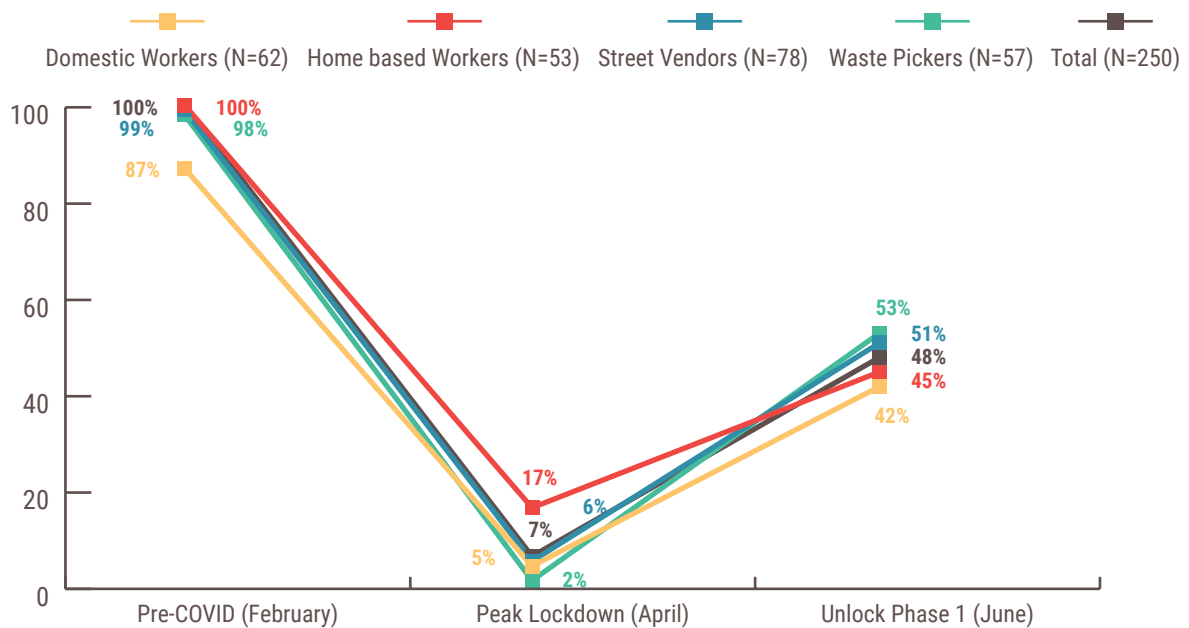
Lack of Work, Income and Food

Since most informal workers live off daily earnings, the loss of work led to loss of income and lack of food in quick succession. Unlike the middle class and elite, the working class did not have large stocks of food on hand and were not able to buy up large supplies of food when the lockdown was announced.

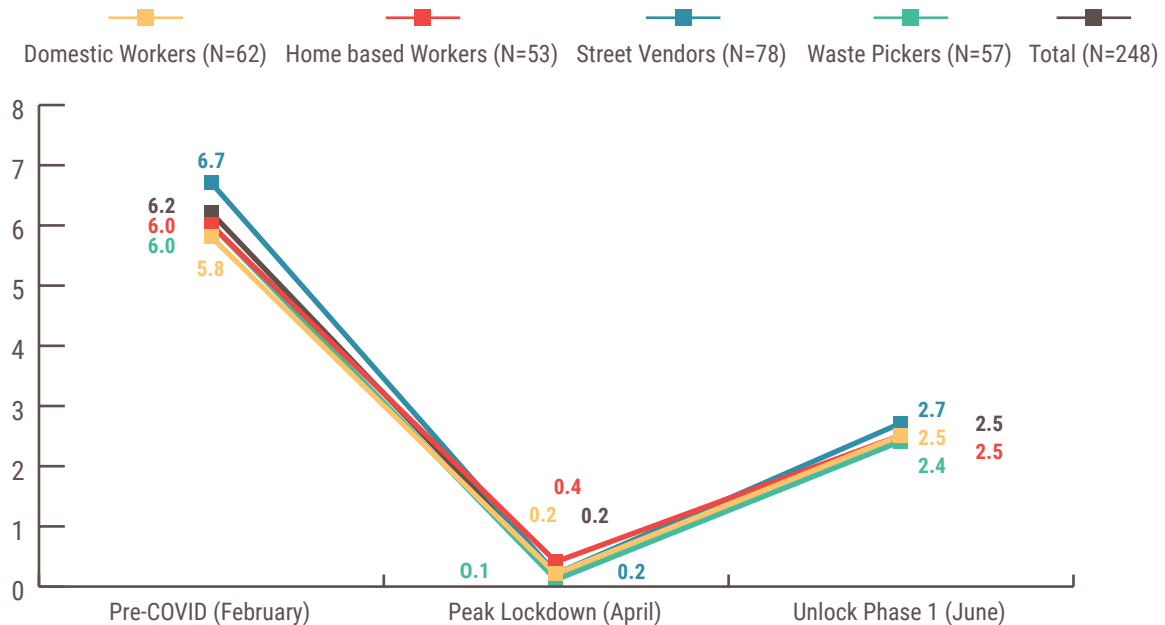
Impact on Work

Only 7% of the sample were able to work during the peak lockdown period in April and just under half (48%) were able to resume working in June, after the lockdown had been eased during Unlock Phase I. Further, the average number of days of work per week in June (2.4 days) was less than half the number of days in February (6.2 days).

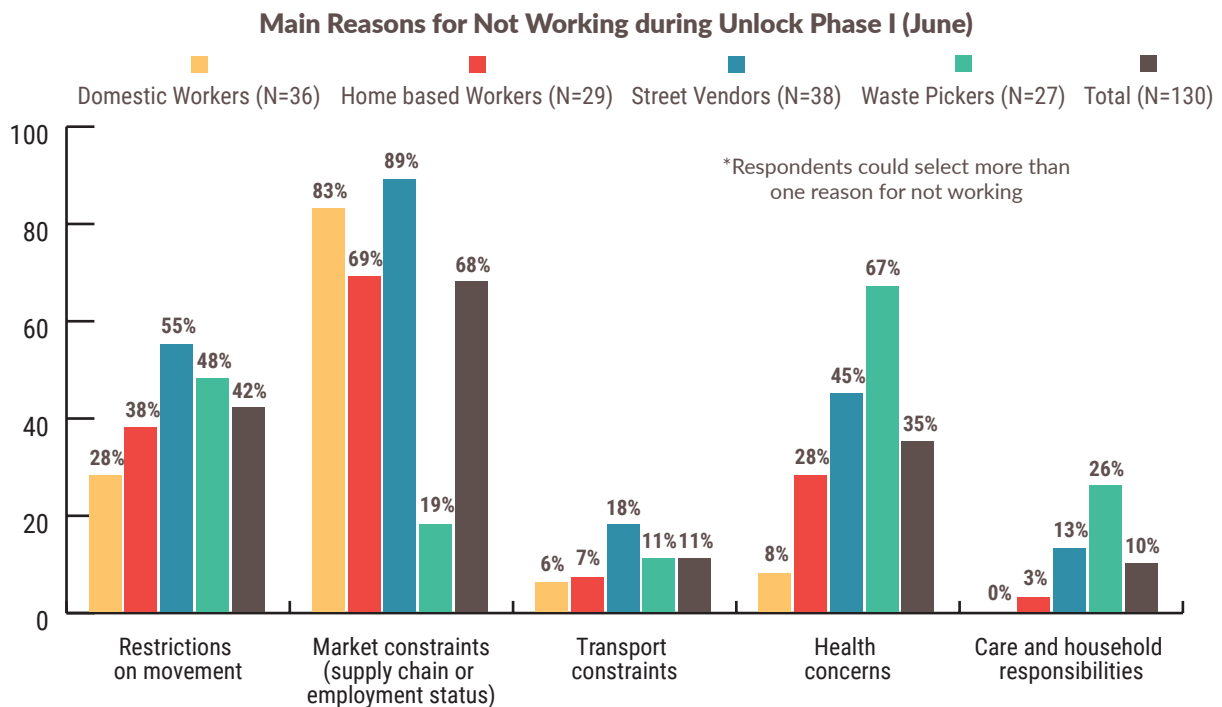
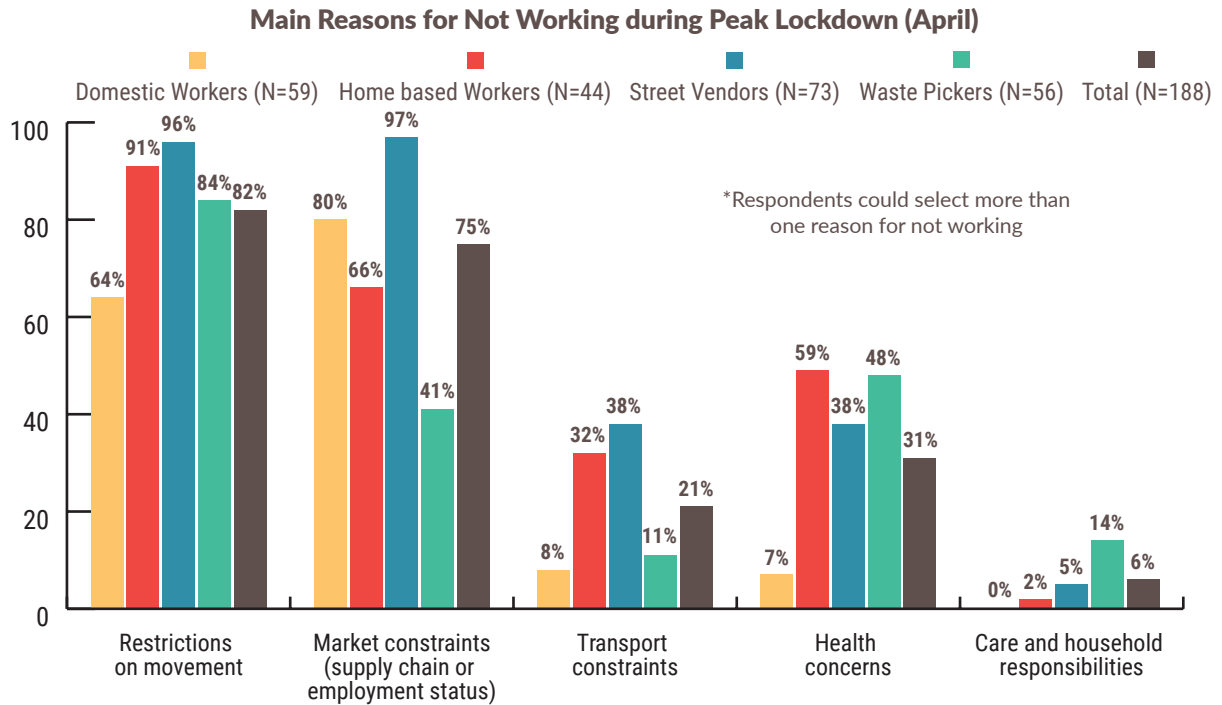
Percent Able to Work Pre-COVID-19 (February), Peak Lockdown (April) and Unlock Phase 1 (June)



Average Days of Work per Week Pre-COVID (February), Peak Lockdown (April) and Unlock Phase 1 (June)

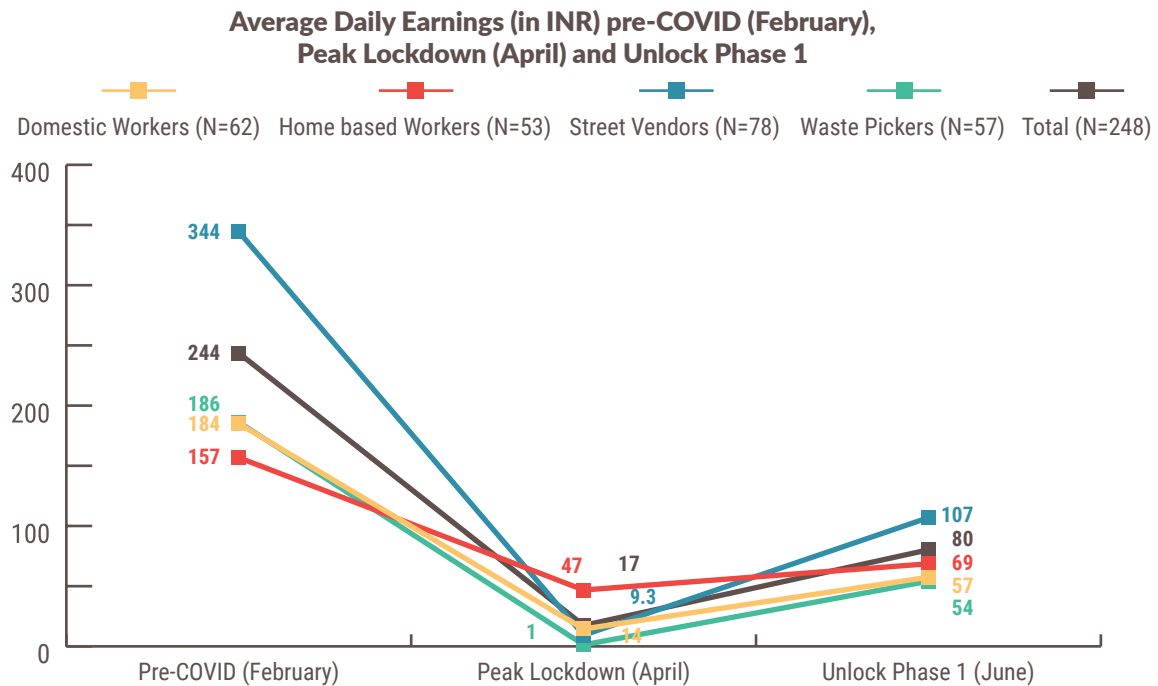


The main reasons why the respondents were not able to work during the peak lockdown (April) were restrictions on movement, constraints in markets (i.e. product or labour markets), health concerns and transport constraints. During June, under Unlock Phase 1, restrictions on movement and transport were eased significantly while market constraints were eased somewhat.



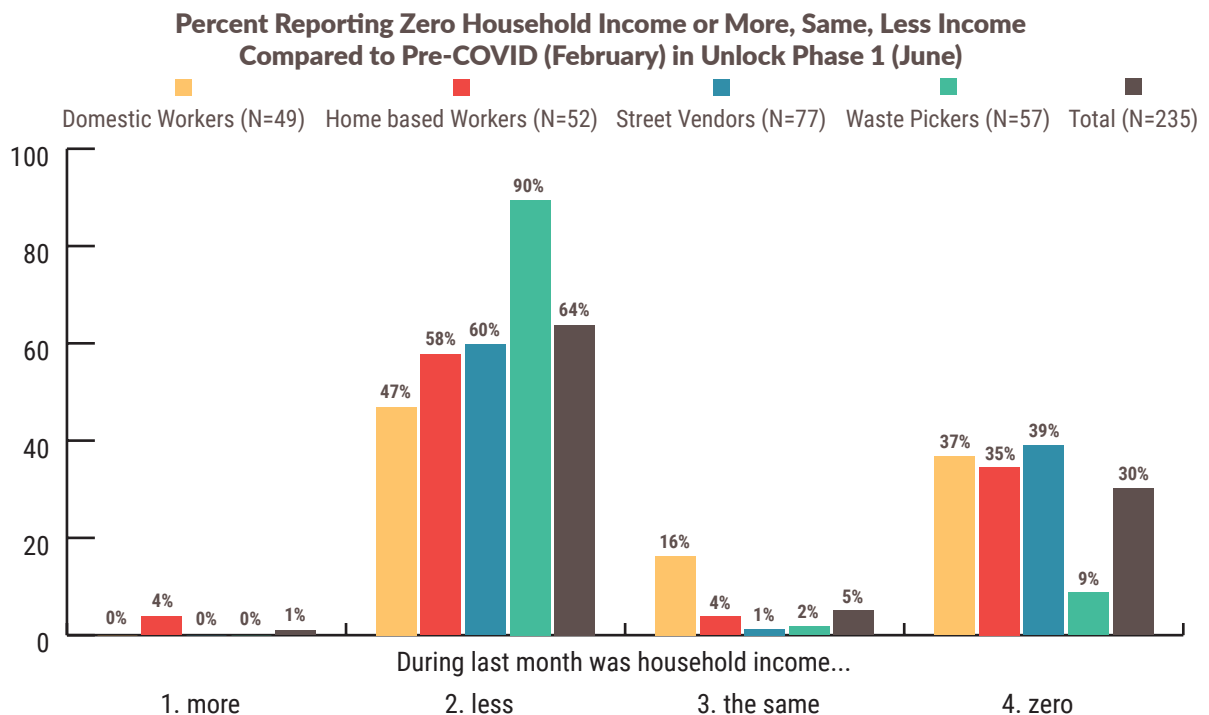
Impact on Earnings

Average earnings had dropped to 7% of pre-COVID-19 earnings during the peak lockdown in April and had recovered to 33% by June.



- The average earnings of HBWs, SVs and WPs are gross earnings and the average earnings of domestic workers are net earnings
- The US Dollar to Indian Rupee (INR) exchange rates were as follows across the three reference periods of the study:
 - Mid-February 2020: USD1 = INR 71
 - Mid-April 2020: USD1 = INR 76
 - Mid-June 2020: USD1 = INR 76

Household incomes also dropped markedly during the peak lockdown and had only partially recovered by June. Indeed, 30% of the sample reported zero household income in June.



Impact on Food

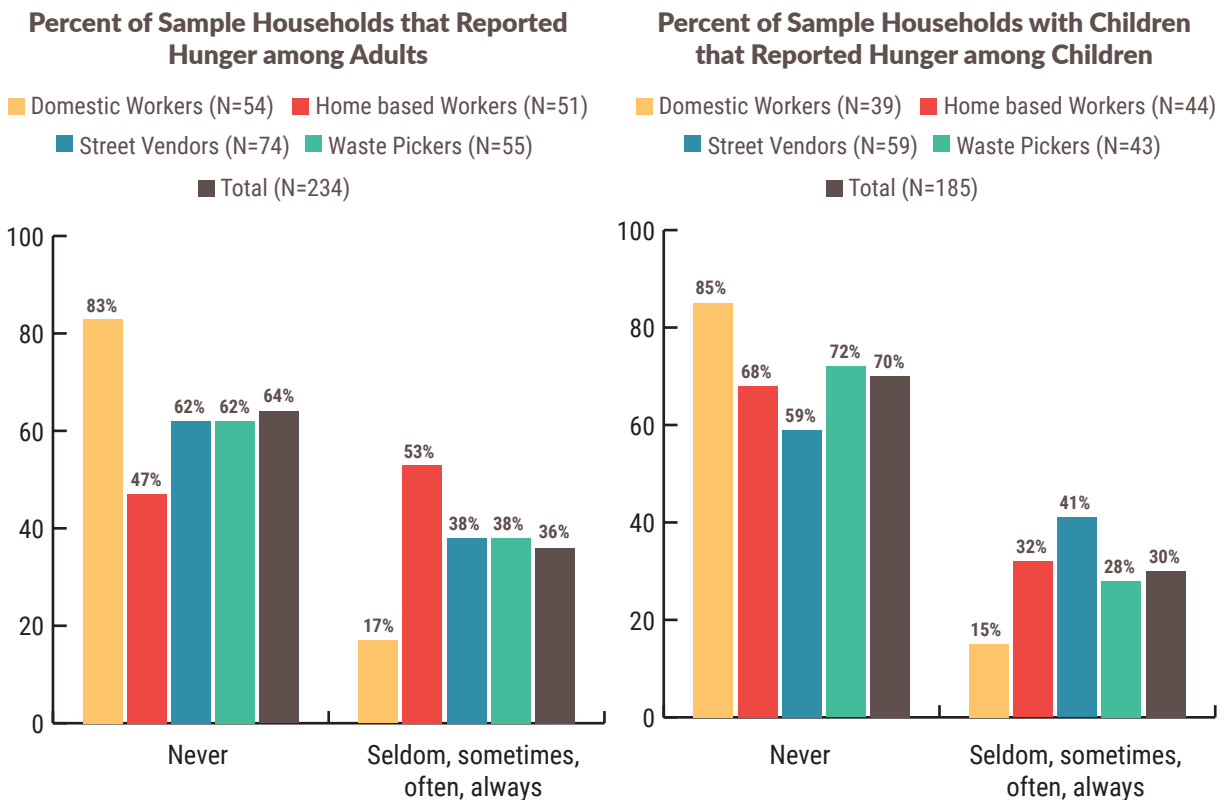
The loss of work and income soon led to a food crisis. Unlike the middle class and elite, the working poor had limited stocks of food and were not able to hoard food, medicines and other supplies when the lockdown was announced at very short notice. Further, food was not readily available or accessible during the lockdown as many grocery stores, most natural markets of street vendors and the main agricultural produce wholesale market in Ahmedabad were closed. During Unlock Phase 1, the markets of street vendors and the main wholesale agricultural market remained closed, while grocery stores, other shops and malls opened. Many households reported that inflation – notably, the rising cost of basic food items – was making their lack of income and savings and their ability to access food even more difficult.

Roughly one-third of the sample reported hunger among children and/or adults in their households.

Most households faced generalized hunger, especially during the peak lockdown period; and had to cut back on the quantity of food eaten each day and on basic items such as fresh vegetables, milk and tea. Several households reported that they lived off unleavened bread with chillies or chutney for many days.

“Food grains, sugar and tea are all finished in our house. Prices have increased. We pass the days without eating vegetables, consuming roti (unleavened bread) with chillies.”

– Street Vendor



Increased Health and Safety Concerns

Thirteen of the 250 (5%) respondents reported that one or more people in their households had suffered symptoms of COVID-19. In all but one case, family members sought and received health care for the infected person. Fortunately, all infected persons in the sample households survived the infection.

Many respondents reported non-COVID-19 health concerns, ranging from cancer to accidents. Also, many reported problems with seeking health care and getting medicines: as hospitals were over-crowded and busy with coronavirus cases, medicines were in short supply and prices had increased. Further, households were reluctant to go to hospitals as there was a widespread fear that they would be quarantined for COVID-19.

“During Corona, the ones who were suffering from diabetes or other diseases were scared to go to a hospital for their regular check-ups as they suspected that they might be diagnosed as corona-positive and be quarantined there...They feared getting Corona because, on one hand, of the poor quality of public/government hospitals while, on the other hand, they didn't have money to go to the private hospitals as they were barely able to eat. How can a person with no money for food go to a private hospital for treatment?”

– SEWA Home-based Worker Leader

Most respondents feared the spread of the virus, especially those who were allowed or tried to work outside their homes. More than 90% reported that they used personal protective equipment (PPE) when they moved about or worked outside their homes. Some received PPE from SEWA, the government or non-governmental organizations. Many had to buy the protective gear themselves.

“Whenever I go to pick waste, I am afraid of contracting the coronavirus. If I get infected, then who will look after me? Who will look after my children? I am greatly worried right now.”

– Waste Picker



Left to right: Domestic Worker, Home-based Worker

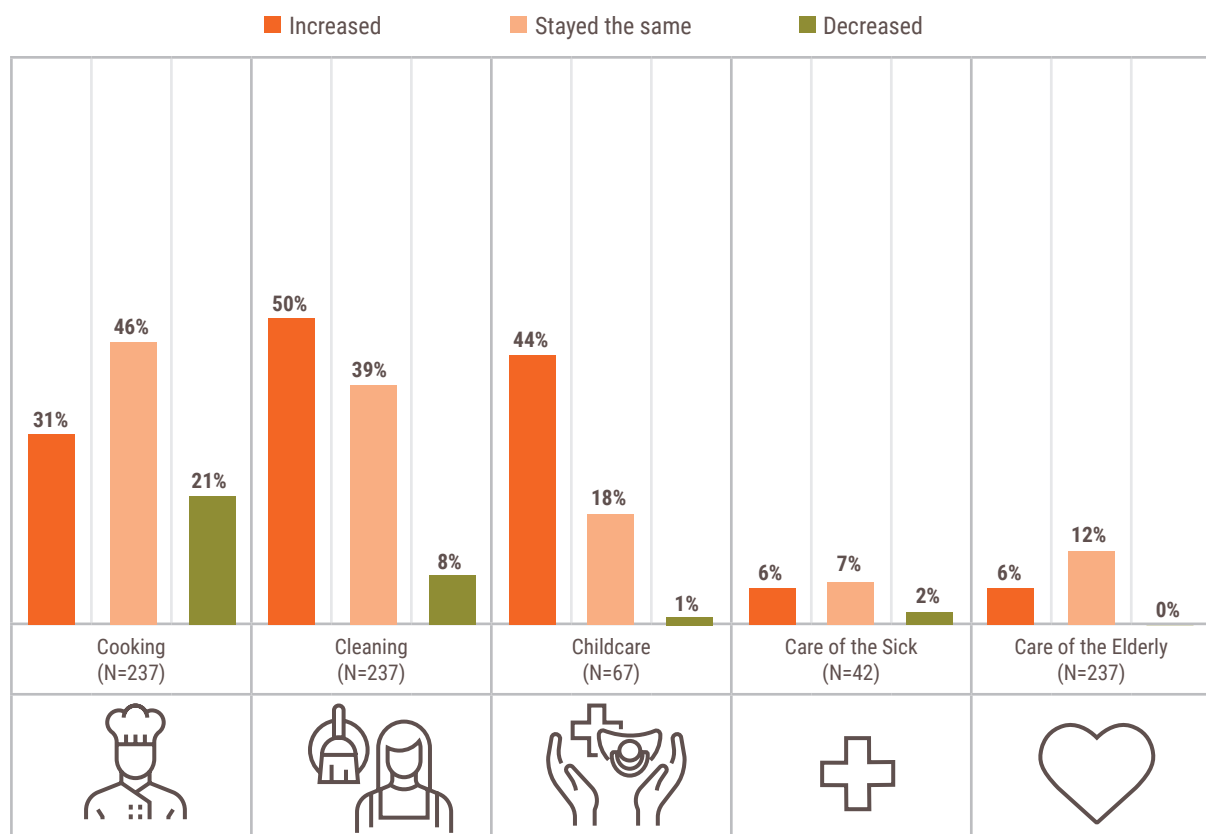
Photo credits: SEWA Video, Indian Academy of Self-Employed Women

Increased Household Responsibilities and Tensions

Increased Care and Other Household Responsibilities

While the amount of time spent in paid work decreased dramatically with the lockdown, the amount of time spent in unpaid work went up. Notably, half of the sample reported that they spent more time on cleaning; as a preventive health measure and because more family members were at home all day. Since the sample in Ahmedabad were all women, gender differences in increases in unpaid work are not available.

Percent of respondents who reported increased household responsibilities



The sample for cleaning, cooking, and care of the sick is all households, whereas the samples for childcare and elder care are households with children or elderly members respectively.

“Earlier they used to send their children to school and work freely at home. But, nowadays, they have to take care of their children, including making them attend online classes and helping them with their homework. During the online classes, the women have to leave their work and sit beside their children with a phone so that the children can study. Secondly, the women have to take care of the elders in the family. Earlier, the elders used to look after the children. But now the women have to take care of everything.”

– SEWA Home-based Worker Leader

Increased Household Concerns and Tensions

In addition to worries about work, income, food, health and safety, the respondents expressed two other major concerns:

Children

Concerns about their children included their schooling: not being able to pay school fees or to provide online learning due to lack of smart phones or tablets; their hunger and nutrition: not being able to provide them with enough or good quality food – or the snacks they like; and having to restrain them from going outside, particularly in the case of adolescents. Those who send their children to private schools reported that school fees had to be paid for the entire year whether or not the school reopened in person; and that they felt pressured to pay the school fees to retain their children's admission at the private school. Some respondents expressed a generalized concern about *“what will happen to my children?”*

Unpaid rent and bills

Not paying rent, electricity or gas bills and school fees for several months was a major concern to many workers and their families. A street vendor who had not paid her electricity bill for four months and had borrowed money worried: *“How will we repay the debt if we can't start our work and don't earn?”*

The cumulative toll of the COVID-19 crisis led to significant individual stress as well as generalized tension within the family: between the worker and her husband, parents and children, in-laws and other members of the family. As one street vendor noted: *“This year has made even normal people tense. How long will it prevail?”*



Left to right: Street Vendor, Waste Picker
Photo credits: SEWA Union, SEWA Video

Relief Measures

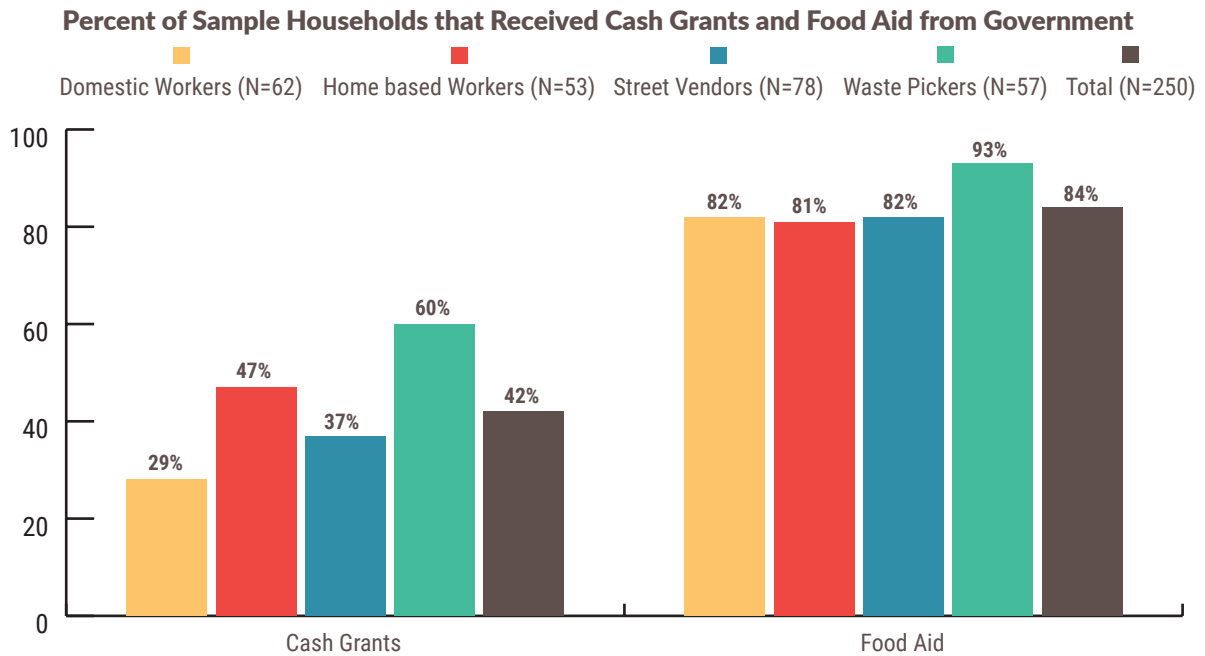
By Government

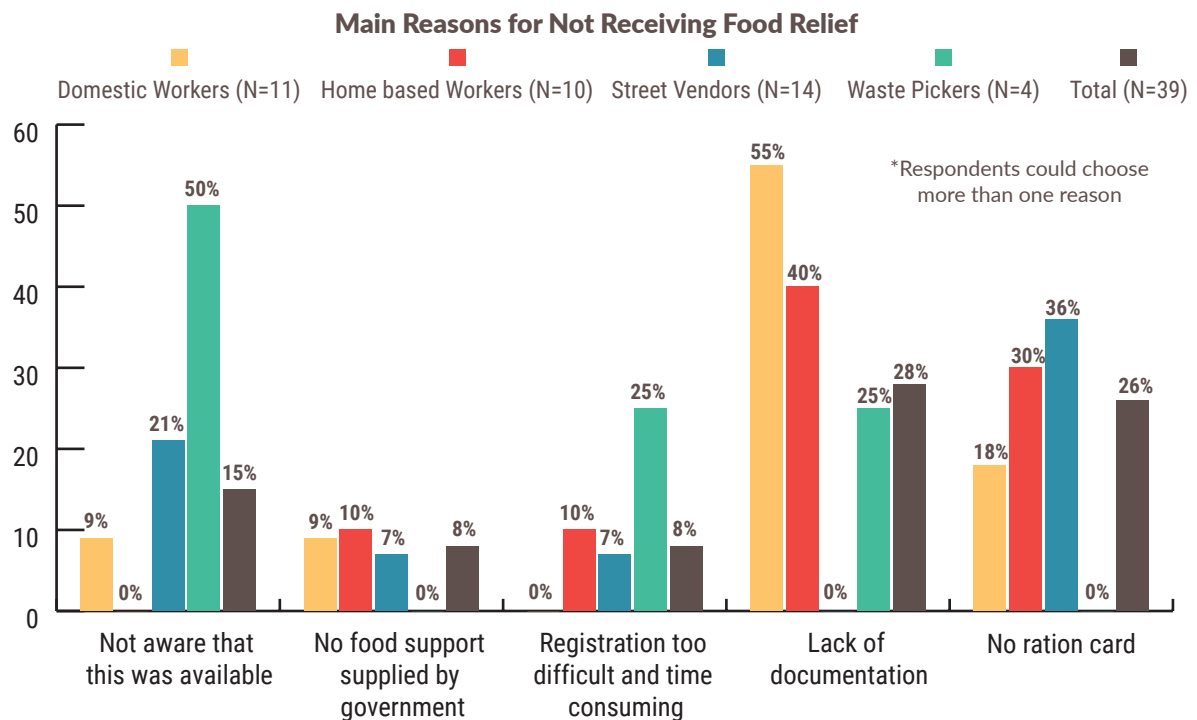
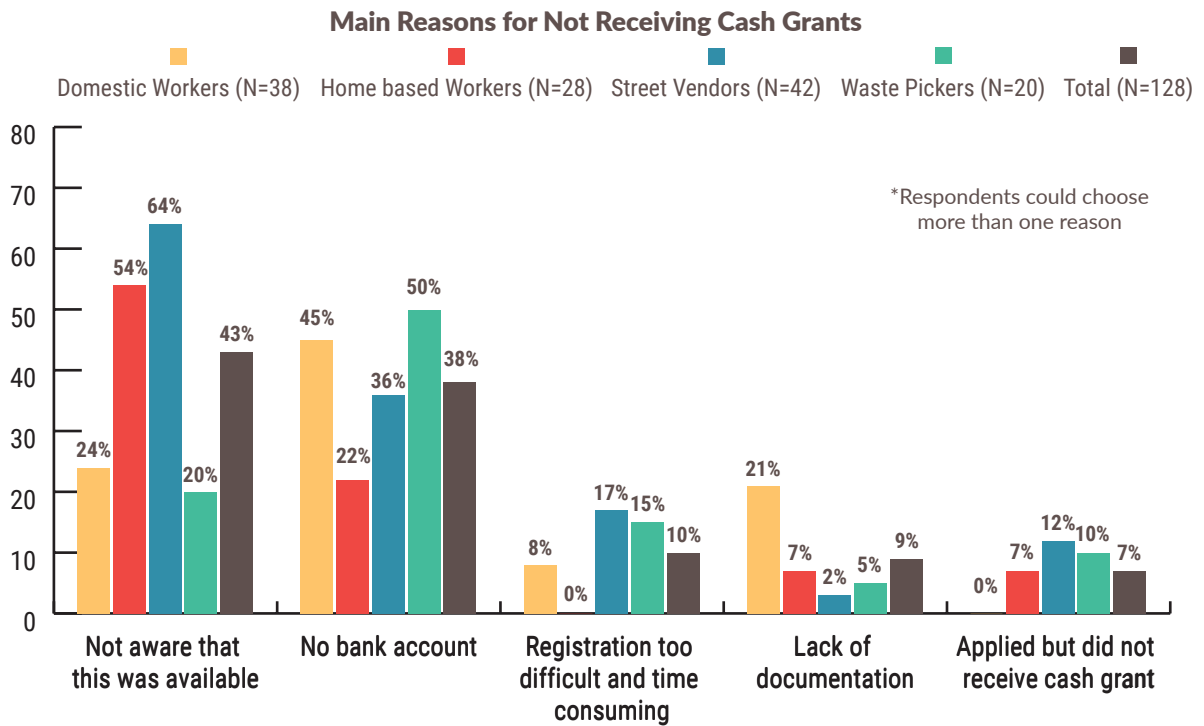
On March 26, the Finance Minister of India announced a national relief package worth INR1.7 trillion (USD23 billion): that is, 18 US dollars for each resident of India. The relief package included cash grants, food aid and other measures. But the package was more modest than it would appear; the relief measures were not implemented as widely as promised and accessing them proved difficult.

While SEWA helped many of its members to access government relief, the respondents reported the following constraints:

Cash grants – over 40% of respondents were not aware they were entitled to cash grants and nearly 40% did not have a bank account or access to digital financial services.

Food aid – around 15% of respondents were not aware they were entitled to food aid and over half (54%) did not have a ration card or other necessary documentation.





By SEWA

SEWA mounted a multi-prong response to protect the economic, physical and mental health of its members (see box).

SEWA Responses to Health and Economic Crises	
SEWA Responses to the Health Crisis	SEWA Responses to the Economic Crisis
<ul style="list-style-type: none"> ● public health messages and medical advice ● protective equipment and materials ● health care and medicines ● mental health support 	<ul style="list-style-type: none"> ● channelling of government relief measures ● delivering food packets and cooked food ● facilitating market linkages ● negotiating work permits for essential workers

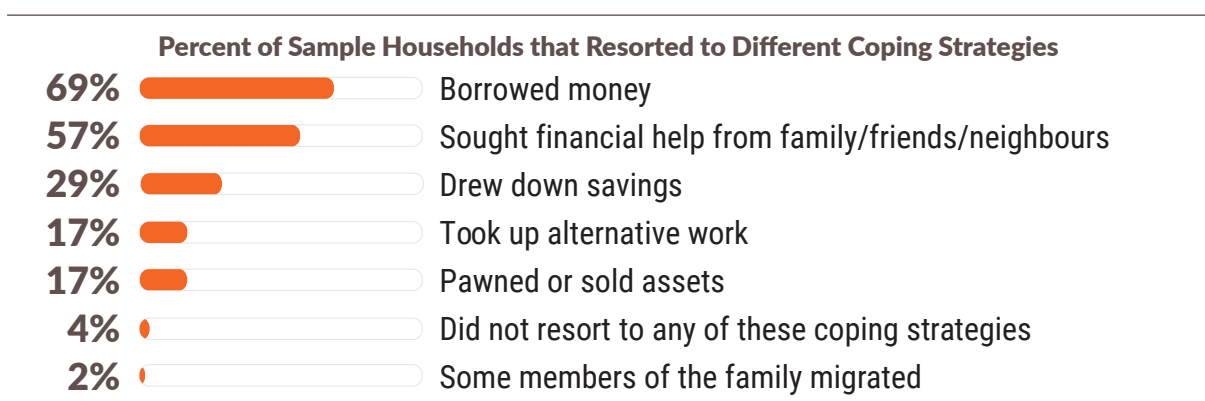
SEWA's local community-based leaders played a key role in facilitating government aid. They informed SEWA members what they were entitled to, how to apply, how to open a bank account; and approached local government officials, police and politicians on members' behalf.

"We are the area leaders and representatives of SEWA. It is our duty to help and support people. As the women cannot go outside their homes we used to check up on them via phone calls. We would check the newspapers for listings of ration card numbers and inform people via phone calls or WhatsApp messages to collect their free rations on such-and-such date as mentioned in the newspapers. We told women about the Free Food-grains Scheme. Under the Ujjwala Yojana (cooking gas) scheme, I have helped women with Below Poverty Line (BPL) cards to get gas cylinders by filling forms for them. I also informed women about the Jan Dhan (financial inclusion) scheme, whereby the women were paid 500 rupees monthly. And I encouraged them to get their bank accounts certified."

- SEWA Home-based Worker Leader

Coping Strategies

To cope with the situation, in addition to cutting back on food eaten, nearly 80% of the sample households drew down savings, pawned or sold assets and/or borrowed money; leaving them with depleted resources and/or in debt. Well over half sought help from family, friends or neighbours.



“Due to the many members in our family, I had to mortgage my jewellery to cover expenses related to food, electricity bill, gas bill.”

– Domestic Worker

Many households also coped by postponing – or simply not paying – their housing rent as well as their electricity and gas bills. However, as one waste picker noted:

“Paying over-due electricity bills and repaying loans will create difficulties. The lockdown is over but now, ironically, the lockdown of poorer people will begin. People will come to collect the money they are owed.”

Recovery and Beyond

Worker Needs and Demands

In open-ended questions at the end of the survey, the respondents voiced the following needs and demands:

- ability to resume work (93 mentions)
- grants or loans (90 mentions), including to restart businesses (27 mentions)
- food assistance (16 mentions)
- moratoriums on repaying electricity bills and loans (6 mentions); assistance in securing ration cards (4 mentions); assistance in opening a *Jan Dhan* (financial inclusion scheme) bank account (1 mention)
- skills training (4 mentions); secure place to vend (4 mentions, all street vendors); higher prices for recyclable waste materials (1 mention, waste picker)

SEWA Vision for the Future

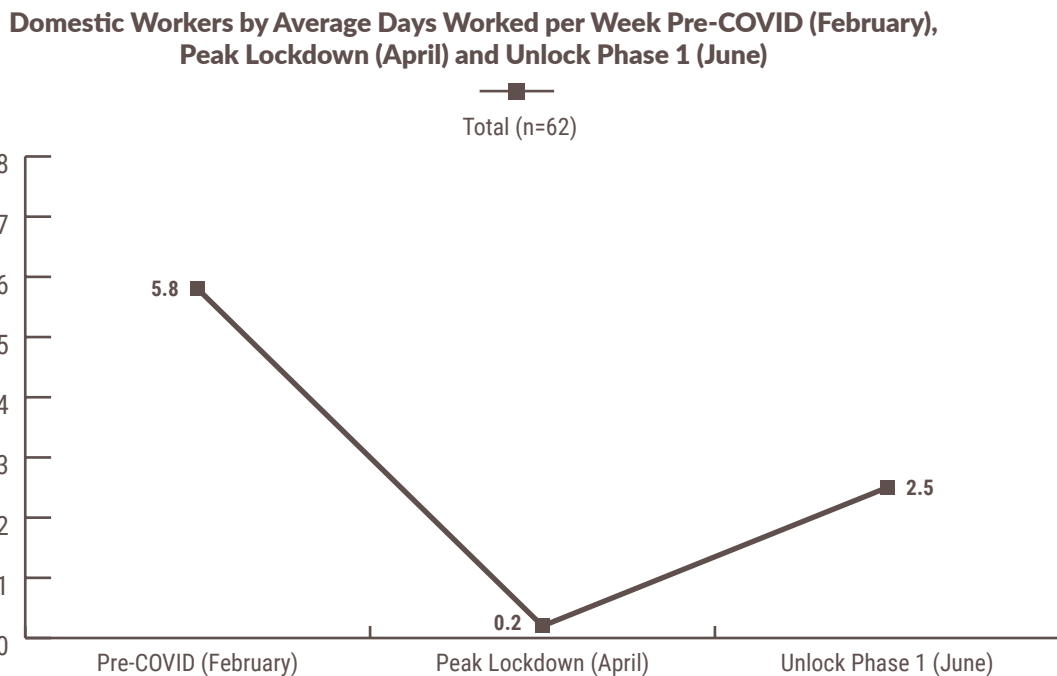
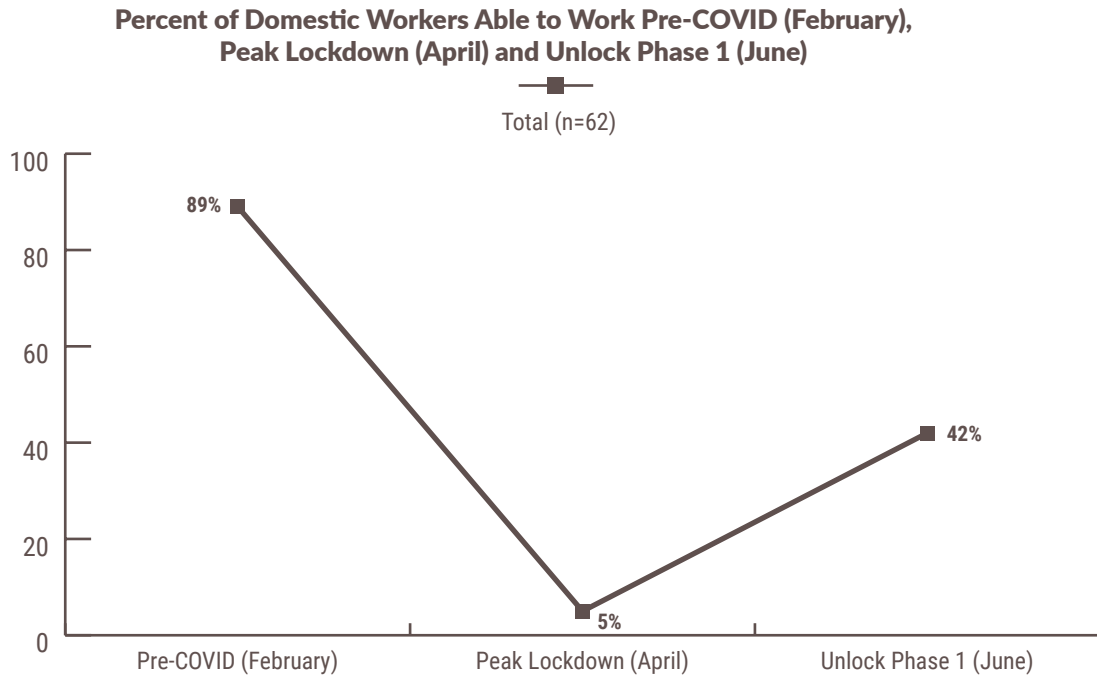
SEWA is calling for recovery cash grants for the informal self-employed, rehiring of *informal wage workers*, and the continuation of social safety nets for all informal workers.

SEWA is also calling for fundamental reforms – a reimagining and resetting of existing approaches to economic and urban development, health care and social protection – as articulated by Ela Bhatt, the founder of SEWA:

“The current COVID-19 pandemic has become a wake-up call for every country, big and small, rich or poor, developed or developing. It has opened our eyes to the fragility of our health-care systems, the instability of our economic structures, rising communal hatred, and to the vulnerabilities of our society. How well we cope with this crisis will depend on how we respond to local – not only global – realities, and how well we recover from the crisis will depend on how willing we are to reorganize our priorities when we rebuild.”

Domestic Workers

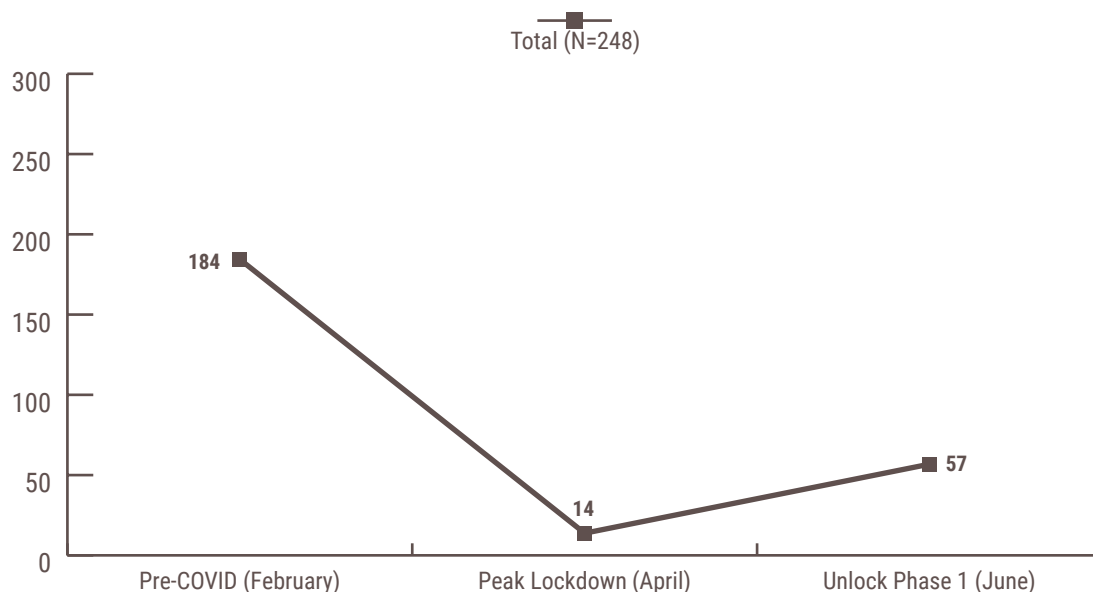
Domestic workers depend on their employers for work. Many employers refused to rehire domestic workers due to health concerns. Also, many employers who were not working preferred to do household chores themselves. Some domestic workers who had more than one employer pre-COVID-19 had at least one employer who allowed them to continue working through the crisis; sometimes doing different tasks and often outdoors.



“I used to do domestic work at four houses. Now, I have got work from only one house. I am not allowed to work in other houses. Thus, my work has been greatly affected.”

- Domestic Worker

**Average Daily Net Earnings of Domestic Workers (in INR)
Pre-COVID (February), Peak Lockdown (April) and Unlock Phase 1 (June)**



Domestic Worker Demands

- legal and policy recognition as workers who provide essential care and household services
- fair wages and, if dismissed, payment of all wages and compensation due
- safe and hazard-free workplaces, including provision of protective gear, measures and training
- paid sick leave and access to health care, including when quarantined due to virus contact or infection
- safe, affordable and accessible public transport between home and workplace

“Housewives in many homes have managed to do all the household chores on their own, so now they want to continue like this. They realized that for a few months they had been able to save money by doing the work themselves.”

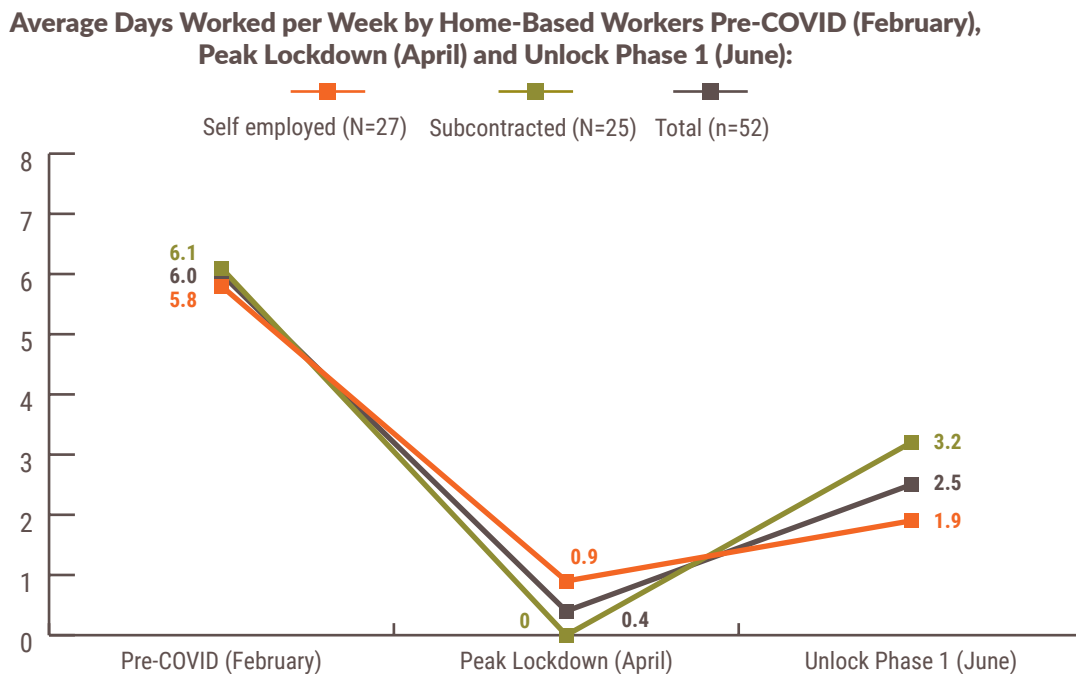
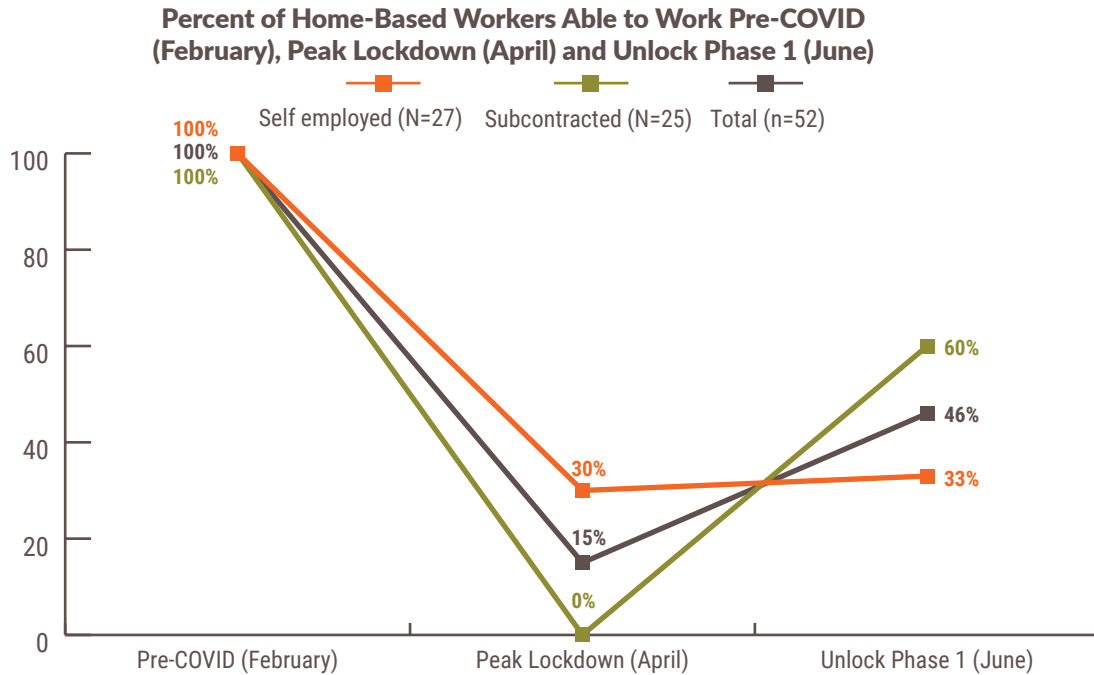
– SEWA Domestic Worker Leader

“The domestic workers now do sweeping and mopping work in hospitals and other places. If they don’t work, how can they eat? If they don’t get any work, they eventually pick up a gunny sack and start picking waste... They go for whatever work they can get.”

– SEWA Domestic Worker Leader

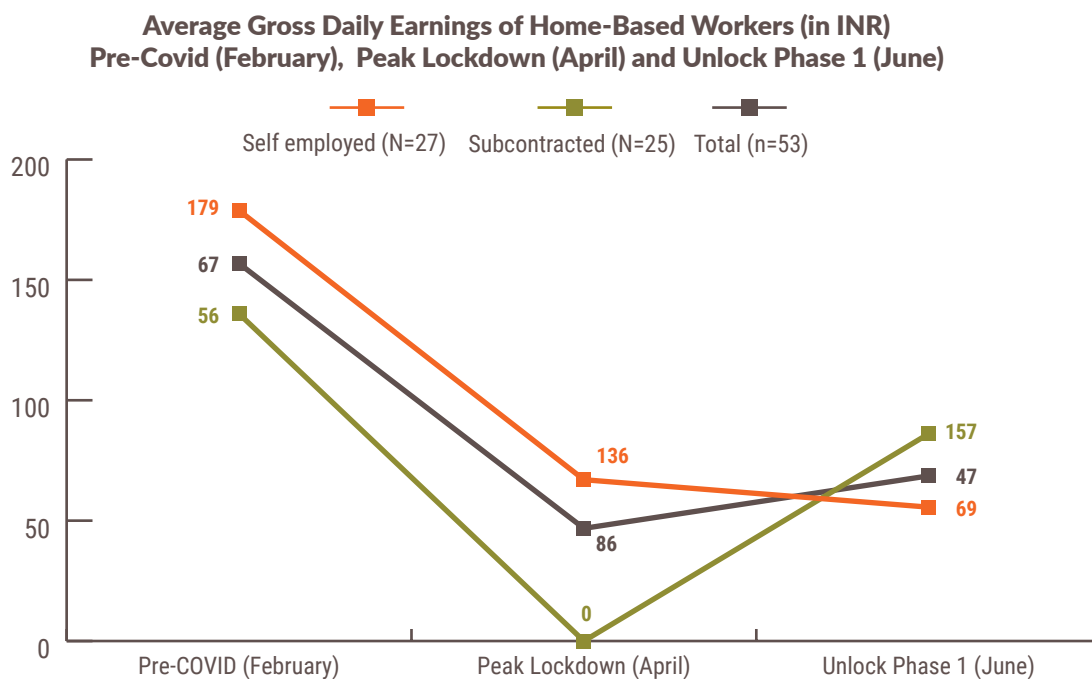
Home-Based Workers

While they normally work at home, few home-based workers were able to work during the lockdown as they depend on others for work orders and many supply chains were disrupted by the crisis. Compared to other sectors, however, the average earnings of home-based workers had recovered the most by June (to 44% of pre-COVID-19 earnings). But the average earnings of home-based workers were the lowest pre-COVID-19 and the second lowest in June (after waste pickers). Among the sample sectors, home-based workers reported the highest incidence of hunger among both adults and children.



“Nobody came with clothes that need to be ironed. The housing society was in lockdown and, thus, my ironing work got closed.”

- Home-based Self-Employed Laundress



Home-based Worker Demands

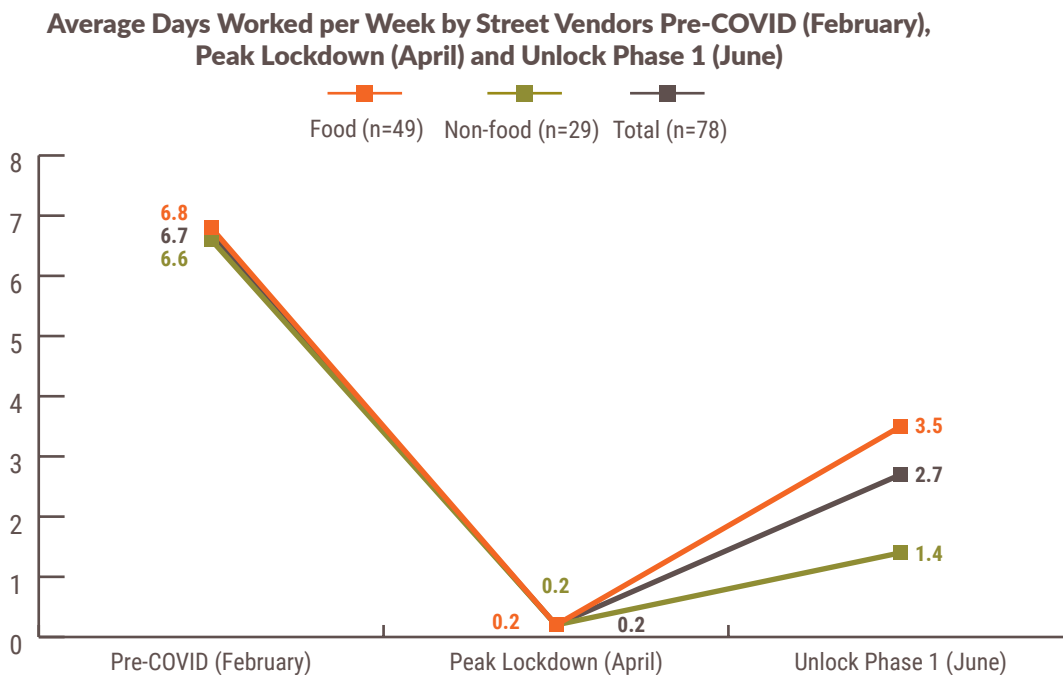
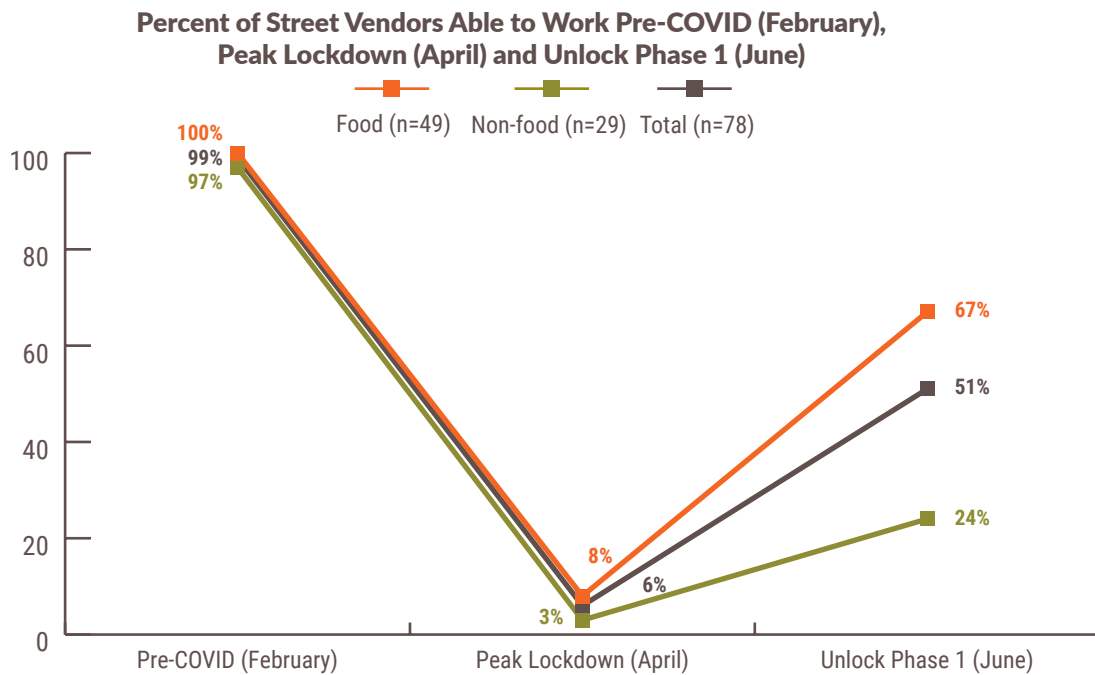
- legal and policy recognition as workers who produce/provide essential goods and services for domestic markets and domestic plus global supply chains
- minimum wages and social protection for home-based workers, including those who work in the supply chains for brands and large corporations
- recovery fund and cash grants
- secure housing and basic infrastructure services for their homes, which double as workplaces
- no-interest loans and tax exemptions for home-based worker cooperatives and producer companies
- childcare and health services

“Even though in many ways the lockdown has been lifted, the traders tell us that they don’t have raw materials. For sewing work, the big traders buy cloth and, after cutting it, provide it to the home-based seamstresses along with a sample so that we can understand how the cloth needs to be sewed. They notified us that they were not getting any cloth, as the textile markets remain closed: so how can they provide any work? As of now, work has begun but at a slow pace for the sewing workers but the rest of home-based work like agarbati (incense-stick) rolling, bidi (cigarette)-rolling, remains shut.”

- SEWA Home-based Worker Leader

Street Vendors

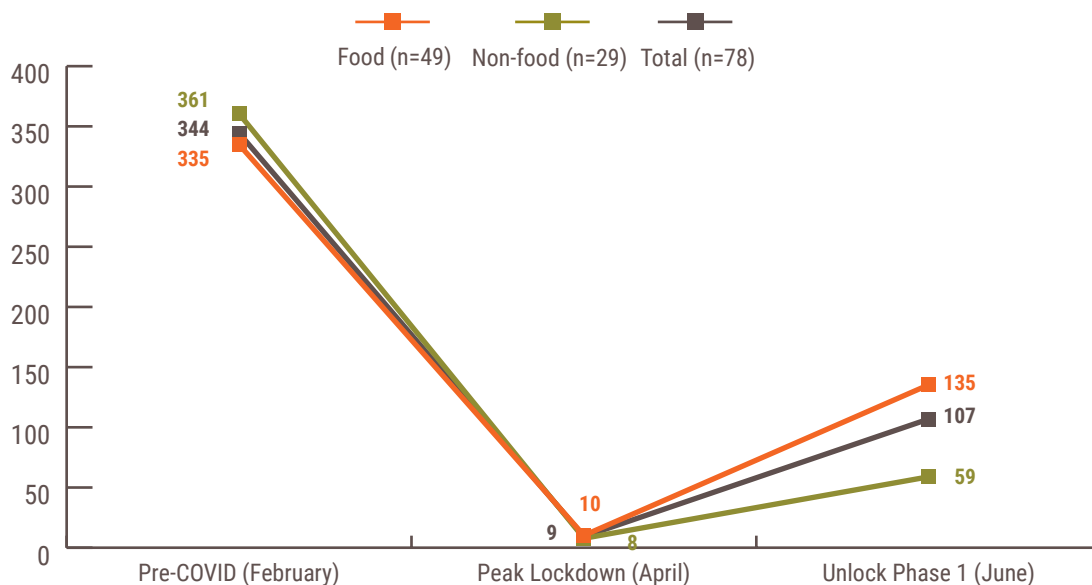
During the lockdown, the restrictions on movement and transport were particularly hard for street vendors. In addition, they faced the closure of most wholesale markets and street vendor markets. One agricultural produce market on the outskirts of the city was allowed to remain open. Some fresh vegetable vendors were deemed essential workers and allowed to vend, including those engaged in a city scheme to deliver vegetables for sale to neighbourhoods. During June, after the lockdown began to be eased, some wholesale markets and most street vendor markets remained closed. Throughout, street vendors were concerned about contracting the virus while their customers, the general public and local authorities stigmatized them as vectors of the virus. Among the street vendors who were allowed to work, 95% used masks, 70% wore gloves, 67% used sanitizer and 25% used soap.



“Before, we used to earn something each day. Currently, we are not earning anything. I sell flowers. Flowers are not selling so I have to throw them away.”

- Flower Vendor

**Average Gross Daily Earnings of Street Vendors (in INR)
Pre-Covid (February), Peak Lockdown (April) and Unlock Phase 1 (June)**



Street Vendor Demands

- legal and policy recognition as essential workers who provide last-mile distribution of essential goods and services at low prices in convenient locations
- re-opening of all natural markets of street vendors and all wholesale markets
- right to vend in natural markets of street vendors and in other public spaces in central locations without harassment, bribes, confiscation of goods or fear of evictions
- basic infrastructure services and shelter at vending sites and street vendor markets
- affordable and accessible public transport for themselves and their goods between their residences, wholesale markets and vending sites/markets
- protective gear (e.g. masks, gloves and sanitizer) and protective measures in street vendor markets (e.g. water points and safe-distance layouts)
- cash grants or low-interest loans to reinvest in stock or equipment and to repay debts

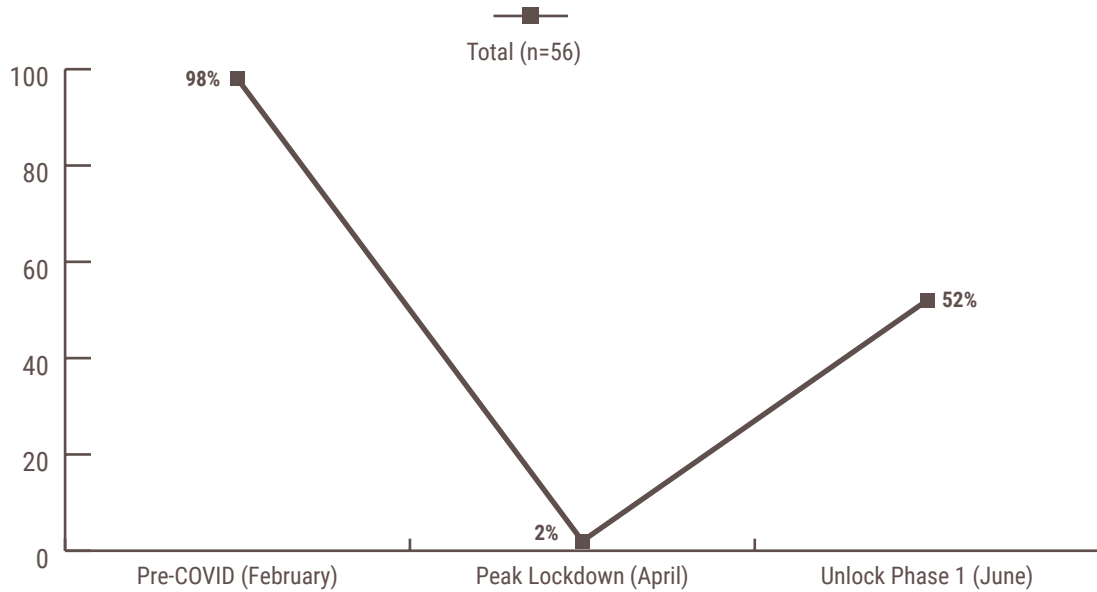
“When some permission was given to working outside the home, then the wholesale market got shifted from Jamalpur to Jetalpur. If the vendors went to Jetalpur to bring the goods then the police used to beat them. Also, the vendors had to pay between 1,200-1,300 rupees to transport the goods back from the Jetalpur wholesale market. Because they had to travel a longer distance, they would bring three days’ worth of goods in one go. After that, if the police or others didn’t allow them to vend, the goods would rot or had to be sold at lower prices, thus generating a loss.”

– SEWA Street Vendor Leader

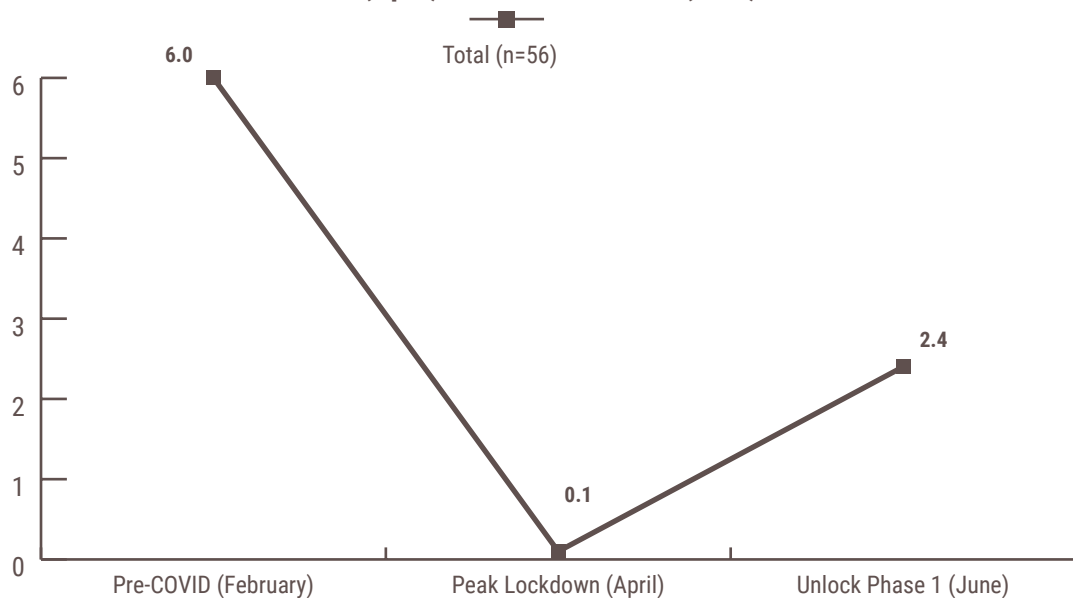
Waste Pickers

The work and earnings of waste pickers were impacted by disruptions in the waste recycling chain, including decreased supply of waste, closure of dump sites and waste dealerships, decreased demand and lower prices for reclaimed waste. Despite the general restrictions on movement, some waste pickers were allowed to work: over half wore masks and gloves, two-thirds used sanitizer and over half used soap. Over half had received protective gear from SEWA and 30% had received protective gear from charitable organizations. Despite these precautions, nearly half of the reported cases of COVID-19 within the sample households (6 out of 13) were in waste-picker households.

Percent of Waste Pickers Able to Work Pre-COVID (February), Peak Lockdown (April) and Unlock Phase 1 (June)

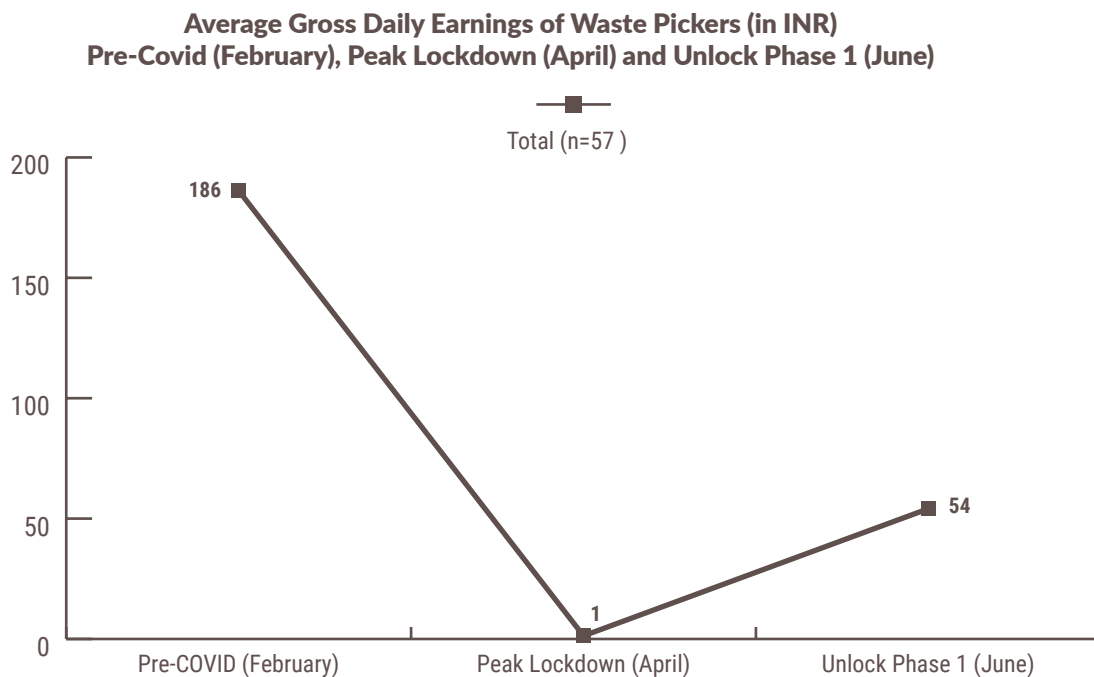


Average Days Worked per Week by Waste Pickers Pre-COVID (February), Peak Lockdown (April) and Unlock Phase 1 (June)



“Our business got badly affected. We were unable to find as much garbage and paper as before.”

- Waste Picker



Waste Picker Demands

- legal and policy recognition as essential workers who provide sanitation and environmental services and reclaim recyclable waste for industry
- right to waste, especially at source but also along the recycling chain
- right to bid for solid waste management contracts
- work sheds and equipment for sorting, storing, bundling and processing reclaimed waste
- protective gear (e.g. masks, gloves and sanitizer) and protective measures along the waste collection route and system
- fair prices for waste collection and recycling services and for reclaimed waste

“We waste pickers used to sort waste alongside the roads but now the police do not allow us to do so. We waste pickers live in small houses in crowded neighbourhoods. The streets are very narrow so that we cannot sit there to do our work. If a waste picker leaves a bag full of garbage outside her home, the policeman or city officials will come and take the bag. Our government builds big parking lots but does not provide any place to waste pickers for sorting waste. The government must provide us space for our work as they have provided space to everyone.”

– SEWA Waste Picker Leader



Clockwise from the top left: Domestic Worker, Home-based Worker, Waste Picker, Street Vendor
Photo credit: Martha Chen

COVID-19 Crisis and the Informal Economy is a collaboration between Women in Informal Employment: Globalizing and Organizing (WIEGO) and partner organizations representing informal workers in 12 cities: Accra, Ghana; Ahmedabad, India; Bangkok, Thailand; Dakar, Senegal; Dar es Salaam, Tanzania; Delhi, India; Durban, South Africa; Lima, Peru; Mexico City, Mexico; New York City, USA; Plevan, Bulgaria; and Tiruppur, India. The mixed methods, longitudinal study encompasses phone questionnaires of informal workers and semi-structured interviews conducted with informal worker leaders and other key informants. Round 2 will be conducted in the first half of 2021. For more information, visit wiego.org/COVID-19-Global-Impact-Study.

Women in Informal Employment: Globalizing and Organizing (WIEGO) is a global network focused on empowering the working poor, especially women, in the informal economy to secure their livelihoods. We believe all workers should have equal economic opportunities, rights, protection and voice. WIEGO promotes change by improving statistics and expanding knowledge on the informal economy, building networks and capacity among informal worker organizations and, jointly with the networks and organizations, influencing local, national and international policies. Visit www.wiego.org.

The Self-Employed Women's Association (SEWA) is a trade union of women informal workers founded in 1972. With over 1.8 million members, SEWA is the largest organization of [informal](#) workers in the world and the largest trade union federation in India. SEWA is committed to empowering its members to secure income, assets, food, health care, childcare, and shelter for themselves and their families. SEWA pursues a dual strategy of struggle (through the union's organizing, mobilizing and advocacy) and development (through sister institutions which provide financial, marketing, training and other services). The **Indian Academy of Self-Employed Women (IASEW)** is one of the sister institutions and provides research, training and communication services to SEWA and its membership.



This work was carried out with the aid of a grant from the **International Development Research Centre**, Ottawa, Canada. The views expressed herein do not necessarily represent those of IDRC or its Board of Governors.

