COVID-19 Crisis and the Informal Economy in Bangkok, Thailand: Lasting Impacts and an Agenda for Recovery

Photo: Pisamai Nilnon, motorcycle taxi driver. Credit: Pattarapon Virat.

Key Findings

Round 2 of the COVID-19 Crisis and the Informal Economy study in Bangkok shows that by mid-2021, conditions for domestic workers, home-based workers, motorcycle taxi drivers, massage therapists, street vendors, and waste pickers had deteriorated since the country's first reopening in mid- 2020, due to the country's severe third wave of COVID-19 and associated restrictions. Findings include:

- All occupational groups surveyed, with the exception of domestic workers, were earning less than 40% of their pre-COVID-19 median earnings. Home-based workers and massage therapists – both women-dominated occupations – were the worst hit: both groups had median earnings of THB 0 in mid-2021. The deteriorating conditions in Bangkok stand in contrast to most other cities in WIEGO's study, where informal workers have seen a modest recovery compared to mid-2020.
- 12% of respondents reported hunger among adults in their households in 2021. About half of respondents had reduced their food consumption, skipped meals, or had less diverse foods than they preferred.
- Respondents reported that the health and economic crisis had caused severe strains on their mental health, describing stress, anxiety and depression.
- While the use of personal protective equipment (PPE) was very high in both 2020 and 2021, only 30% of respondents had been vaccinated at the time of survey.
- Findings confirm that Thailand's cash transfer programmes were successful in reaching organized informal workers in 2020 and January 2021, though they excluded non-Thai migrant workers. Respondents said this support was helpful for food and basic essentials, but many felt it was insufficient for covering other pressing expenses and did not provide capital to recover their livelihoods.
- 20% of respondents reported receiving a government loan. Though there was a greater need for business capital, many participants said that criteria for loan programmes excluded them.
- 88% of respondents took one or more coping strategies between mid-2020 and mid-2021 that reduced their quality of life or depleted long-term assets, including: reducing non-food consumption (53%), borrowing money (51%), reducing food consumption (47%), and drawing down savings (44%). Between 2020 and 2021, it became more common to borrow money and less common to use savings, likely because all savings had been exhausted.

Recommendations

The Federation of Informal Workers of Thailand (FIT) and HomeNet Thailand urge government agencies to support the recovery and economic development of informal workers, through a four-pronged approach:

1. **Restore and rehabilitate informal employment** by recognizing informal workers in laws and policies; establishing an Informal Worker Fund; respecting the right to work in public spaces; establishing an informal worker goods and services quota for government at all levels; establishing a jobs guarantee for work in care, public works and green jobs; and supporting workers' online small businesses.
2. **Develop knowledge and skills for a post-COVID-19 economy**, by providing workplace health and safety trainings; upskilling workers to provide high-quality care services; and training workers in digital marketing.
3. **Promote equality in social protection** by immediately providing unemployment insurance for all workers in Thailand, and expanding social security to cover all workers (informal, formal and migrant).
4. **Promote the participation of informal workers in policy determination**, by ensuring parity of informal worker representation with other stakeholders in Thailand's Social Security and Informal Labour Administration committees.

Background

COVID-19 Crisis and the Informal Economy is a WIEGO-led longitudinal study that assesses the impact of the COVID-19 crisis on specific groups of informal workers and their households.[1] Using a survey questionnaire and in-depth interviews, Round 1 assessed the impact of the crisis in April and mid-year 2020 compared to December 2019 (the pre-COVID-19 period) in Bangkok.[2] Round 2 was conducted in mid-year 2021 to assess how workers were experiencing COVID-19 resurgences and ongoing economic strains, and to what extent (if any) they had recovered.

This report presents the summary findings of Round 2 of the study in Bangkok. Researchers in Bangkok surveyed 221 of the original Round 1 respondents to assess how their situation had changed roughly a year after the initial survey. 72 additional respondents were surveyed to replace previous Round 1 respondents who could not be contacted. The survey and in-depth interviews included domestic workers, home-based workers, motorcycle taxi drivers, and street vendors whose organizations are affiliates of FIT,[3] as well as massage therapists from Jaravee Association

[1] Study cities are 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), Pleven (Bulgaria), Tiruppur (India).
[2] Results from Round 1 in Bangkok are available at https://www.wiego.org/sites/default/files/publications/file/WIEGO_FactSheet_Bangkok_Final_web.pdf
[3] FIT is composed of HomeNet Thailand Association, the Association of Motorcycle Taxi Drivers of Thailand, Network of Domestic Workers in Thailand, Muubaan Nakila Service Cooperative, and the Network of Thai Street Vendors for Sustainable Development.

for the Conservation of Thai Massage and waste pickers from Poonsap Community in Sai Mai District and Soi Sua Yai Uthit in Chatuchak District.

All findings that compare Round 1 and Round 2 data consist of unbalanced panels, meaning that they include all respondents from Round 1 and all participants from Round 2. For this reason, they are not perfect representations of changes experienced by the Round 1 sample.

Informal Economy in Bangkok

More than half (55.8%) of Thailand's workforce is informally employed. In Bangkok, informal employment represents 28.4% of total employment. Home-based workers alone constitute 10.7% of total employment in Bangkok, while street vendors represent 5.9%, motorcycle taxi drivers represent 3%, and domestic workers represent 1.9% of total employment.[4]

Massage therapists are typically informal as well. Many work for informal businesses, on commission or by quota. Even large, formal spas typically do not register their employees with Thailand's social security system.

COVID-19 in Bangkok

Thailand's government led an effective public health response to the first wave of COVID-19 in early 2020, ending the year with fewer than 100 reported COVID-19 deaths. Nevertheless, the economy contracted by 6.1% in 2020, due to impacts on tourism and a decline in exports.[5]

The country successfully contained a second wave in January 2021. However, a third wave of the Delta variant had catastrophic consequences, peaking in late August 2021 and resulting in over 20,000 deaths between April and December 2021. The first cases of that wave were traced to tourists and night spots they visited, but the virus quickly spread.

Workers and businesses have endured sustained restrictions and a ban on tourism from April to late 2021. The World Bank's July 2021 Monitor highlights particularly severe economic impacts in the tourism and service sectors. Though 2021 witnessed a rebound in global demand for Thai exports (primarily to wealthy economies), domestic demand remained low.[6]

Thailand experienced a slow vaccination rollout due to delays in procuring vaccines, with only 5% of the Thai population vaccinated in July 2021 around the time of survey.[7]

The Ministry of Labour has hosted a series of dialogues between FIT and other government agencies since early 2021, and has made several policy adjustments to its programmes based on FIT's recommendations (described further below).

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[4] Poonsab, Wissanee, Joann Vanek and Françoise Carré. 2019. Informal Workers in Urban Thailand: A Statistical Snapshot. WIEGO Statistical Brief No. 20. WIEGO.
https://www.wiego.org/sites/default/files/publications/file/Informal%20Workers%20in%20Urban%20Thailand%20WIEGO%20SB%2020_1.pdf

[5] The World Bank (2021). Thailand Economic Monitor July 2021: The Road to Recovery

[6] Ibid.

[7] By late 2021, 65% of the population was fully vaccinated.

Key Dates

January 2020: First COVID-19 case outside of China is reported, in Thailand

March 21 – April 4, 2020: State of Emergency declared. Schools and universities, markets, restaurants, massage spas and other venues are closed and curfew instituted. Fresh-food vendors and motorcycle taxi drivers are permitted to operate. Government announces THB5,000 cash transfers available to eligible informal workers, for three months.

July 1, 2020: Most restrictions lifted.

January 2021: Second wave of virus in Samut Sakhon Province. Infections are successfully contained after reaching a peak of nearly 2,000 cases per day.

January 2021: Ministry of Labour hosts first dialogue with FIT and other government agencies.

April 2021: Rising cases prompts Thai government to declare Bangkok a red zone. Schools, bars, massage shops, day care centres and other venues are closed.

May 26, 2021: First domestic transmission of Delta variant detected in Thailand.

July 29, 2021: Thai Health Ministry announces hospital bed shortage.

August 13, 2021: Daily cases peak at over 23,000 in Thailand.

September – October 2021: Massage shops are permitted to reopen for domestic clients, and eventually permitted to fully reopen.

November 1, 2021: Thailand reopens borders to fully vaccinated tourists, without quarantine requirements, and lifts curfews.

The leader of a home-based garments cooperative described how the pandemic unfolded for home-based and other informal workers in Bangkok.

> *During [the first wave], we still had some savings money, which we could use for investment. At the same time, we got some support from the government, so we could manage. For the second wave of pandemic, our group members were getting worse because they already spent all their saving money. So some of them had to sell their sewing machines, some had pawned their gold accessories like gold necklace or gold ring.*
>
> *We had expected that the situation would be better because there were some periods that the number of those who got COVID was decreased. But in the third wave, it was the worst. The government had announced for curfew as well as the lockdown policy. Pratunam[8] had to close down. We had no order, no work.*

[8] *Pratunam* is one of several wholesale merchandise markets in Bangkok.

Study Dates and Sample

Dates of study in Bangkok:

- **Round 1:** June – July 2020
- **Round 2:** July – August 2021

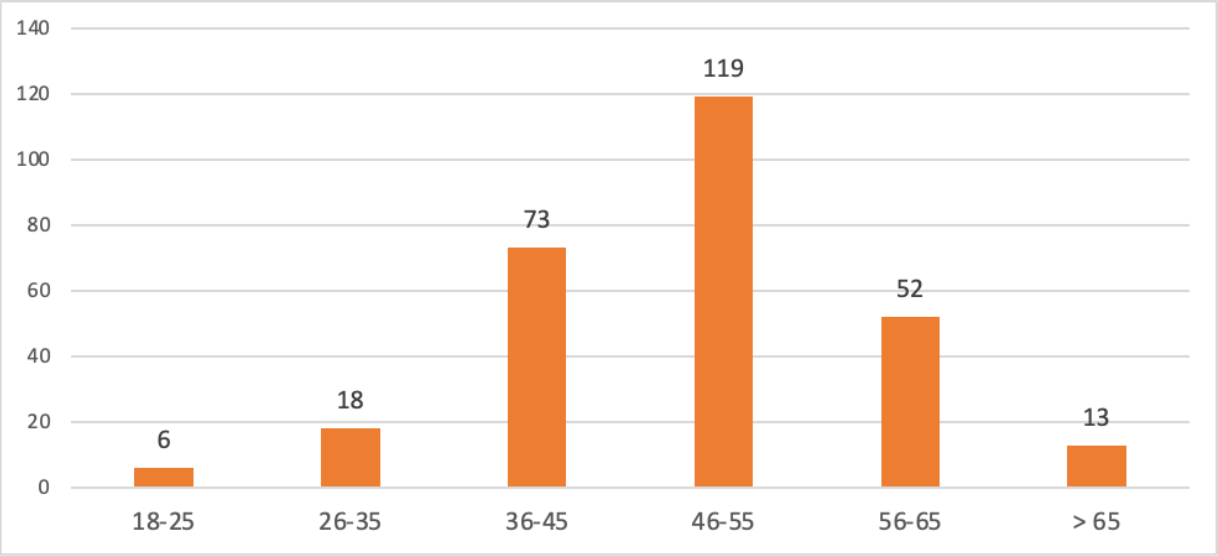
Total Sample: 293

Sample by sector[9] and new vs. Round 1 respondents

Sector	n	% of Total Sample	% Women	% New respondents
Domestic Workers	54	18	96	4
Home-Based Workers	35	12	83	17
Street Vendors	50	17	67	22
Waste Pickers	41	14	56	51
Motorcycle Drivers	43	15	26	21
Massage Therapists	39	13	100	59
Other	32	11	61	3
Total	293	100	70	25

[9] R1 Respondents who changed their primary occupation are categorized as "Other", unless they have become one of the other main sectors (domestic workers, home-based worker, street vendor, waste picker, motorcycle taxi driver, massage therapist) in which case they are included as a member of this group. R1 respondents who have stopped working entirely or were not working at the time of survey are tabulated with their R1 sector.

Age Distribution (number of respondents)[10]



The sample is not intended to be representative of informal workers in Bangkok or the membership of each organization.

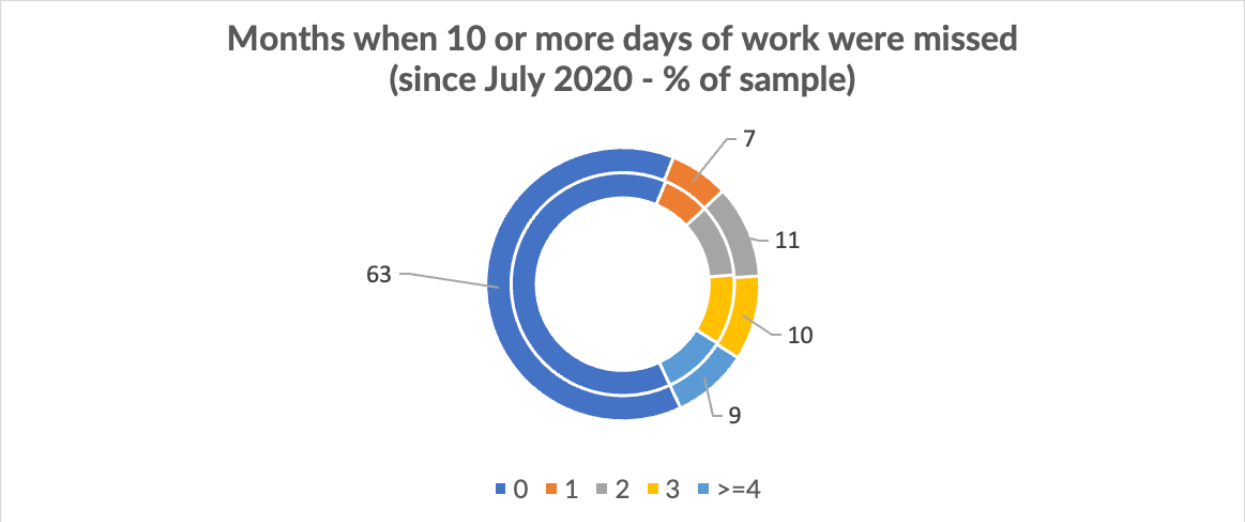
Impacts of and Responses to the Crisis

Work, Earnings and Food

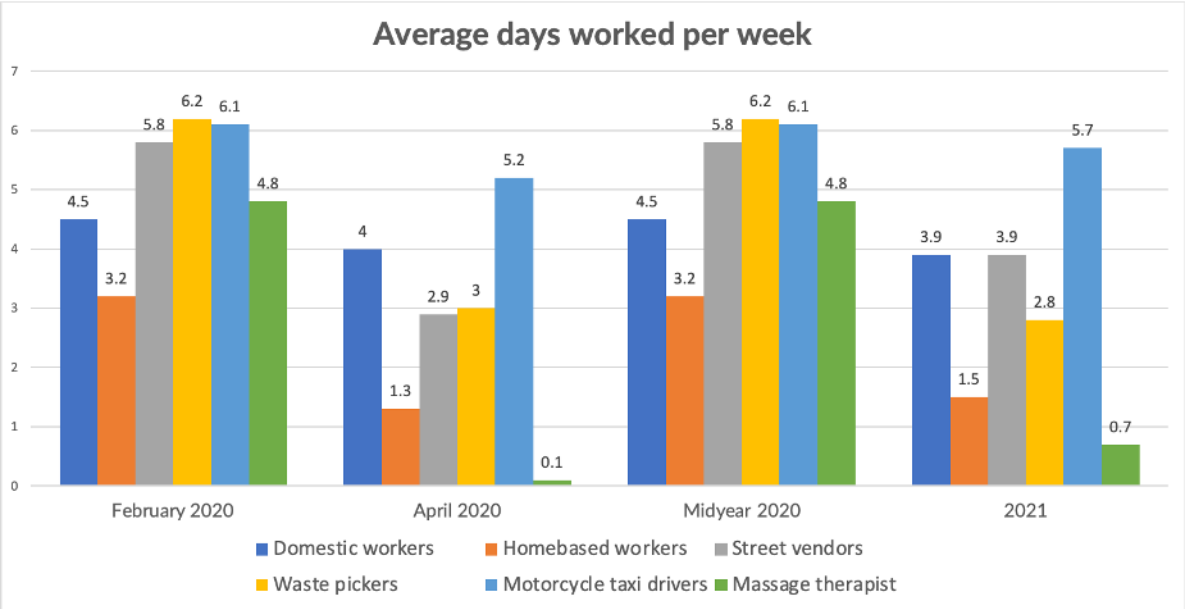
Work

Results from 2021 show a jarring level of instability for informal workers in Bangkok. 7% of the total sample reported that they no longer had any primary occupation. Among those who continued to work, 30% of respondents reported that there were at least two months since July 2020 when they missed 10 or more work days. Massage therapists and waste pickers had the most unstable work conditions, with one-fifth of each group skipping 10 or more work days for at least four months.

[10] 13 respondents did not provide their ages.

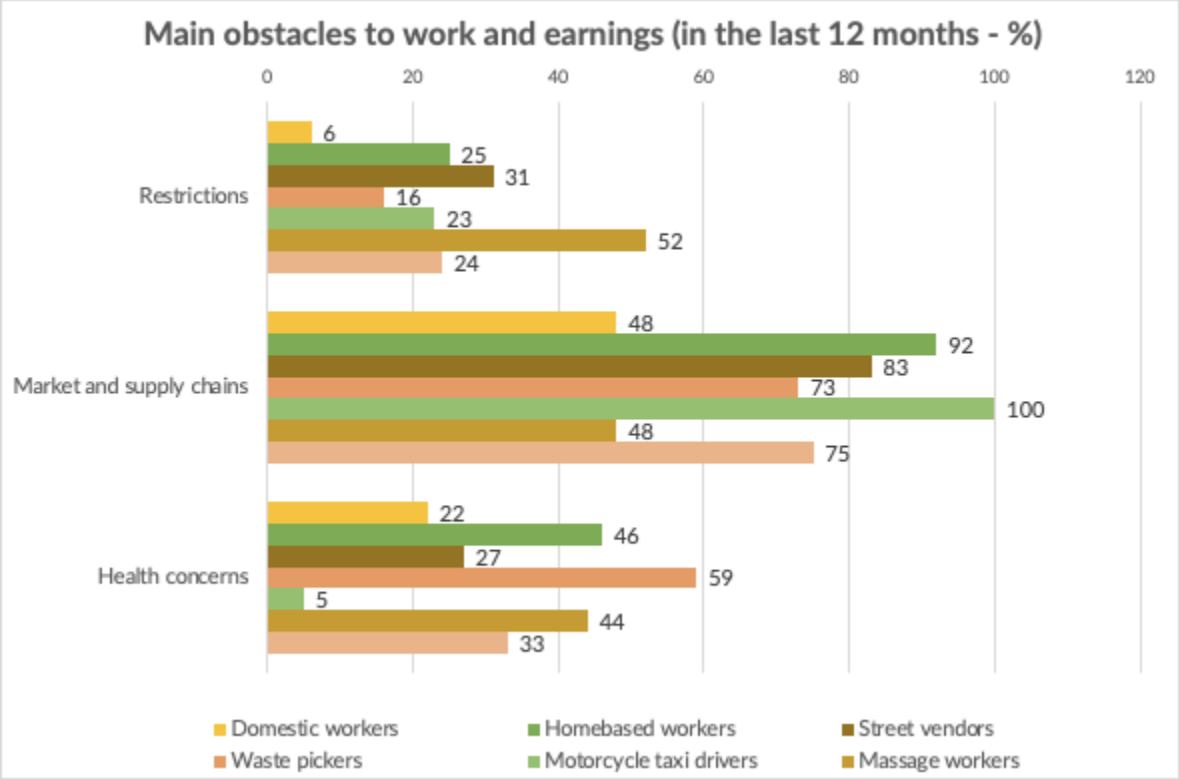


The period around the time of the study was particularly unstable. Only 70% of all respondents interviewed in 2021 had worked during the previous month (June or July 2021), compared to 88% in mid-2020. Respondents worked on average 3.3 days per week, compared to 5.5 in December 2019 and 5.1 in mid-2020. Massage therapists and home-based workers were working the lowest number of days compared to other occupations, whereas motorcycle taxi drivers and domestic workers retained the greatest ability to work compared to late 2019.



Note: Respondents were asked to report work days in the last seven days, including days during which they worked part-time.

While most respondents cited markets and supply chains as the main barriers for missing work (78%), massage therapists were most affected by the re-closure of their workplaces in April 2021 (92%). For waste pickers, access to waste and used goods had diminished due to the closure of shops and reduced consumption in general (leading to a reduction in waste); 81% said that it had become harder to access materials since mid-2020. Street vendors, home-based workers and motorcycle taxi drivers suffered from lack of demand for their products or services resulting from disruptions to market and supply chains. Nearly one-third (30%) of street vendors reported evictions from their workplaces since mid-2021. In addition, nearly half of all respondents said that health concerns (fear of COVID-19 infection or other actual health problems) had prevented them from working at some stage.



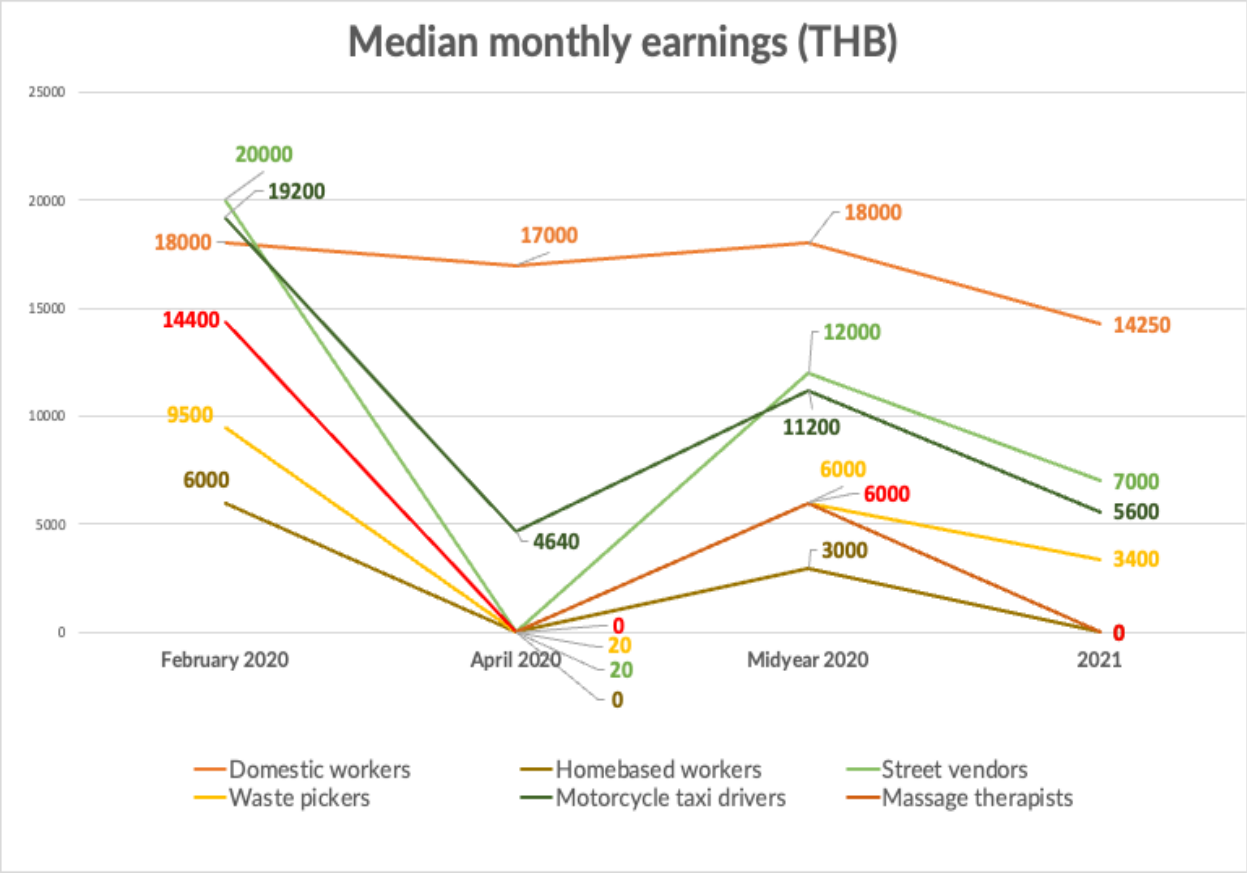
** Respondents could select more than one response*

Reasons for not working and obstacles to earning over the last 12 months

Domestic workers	"Once we're unemployed, it's very hard to get a job. It wasn't so bad last year. This year, I felt it's much more difficult." – Woman Domestic Worker "Those who are still employed need to keep working. They would have to do whatever the employers tell them to do to retain the job… We are now working 10 to 15 hours a day, yet we still have to do it." – Woman Domestic Worker
Home-based workers	"The lockdown policy doesn't affect our travelling since we have no need to go out, but it affects the number of sub-contracted jobs for home-based workers. After lockdown, many shops must close. [There was] no market, no orders. So, we have no sub-contract work. It is getting lesser and lesser, and in some periods, there is no work at all." – Woman Home-Based Worker
Street vendors	"Most vendors are over 50 years old. When they can't sell well, they get stressed. Some people stop selling, waiting for the time they can return to their former vending place. This year is heavier than last year: many factories around the area are closed and not coming back to open, so [there are] fewer customers but more new vendors, due to joblessness." – Man Street Vendor
Waste pickers	"When shops are closed, then there is no waste, no consumers, no people. There is no waste at all. Do you know that waste prices are high now, but we are unable to pick any waste? Waste pickers do not know where to find waste. There is no waste, no paper, or anything." – Woman Waste Picker
Motorcycle taxi drivers	"If we still drive, the number of people who use our service is still minimal. The number of users is down by 90%. The illegal drivers are still out there. There is a lot of competition." – Woman Motorcycle Taxi Driver
Massage therapists	"COVID[-19] has made the shop closed. I do not have any income. My income is zero. I used to be able to rely on myself but now I have to relocate to live with my child." –Woman Massage Therapist "COVID-19 is affecting traditional masseuses due to the closure of massage shops. The traditional masseuses had no work, no income. Now, after re-opening, we can open our massage shop, but we lost all our customers since people are still afraid of COVID." – Woman Massage Therapist

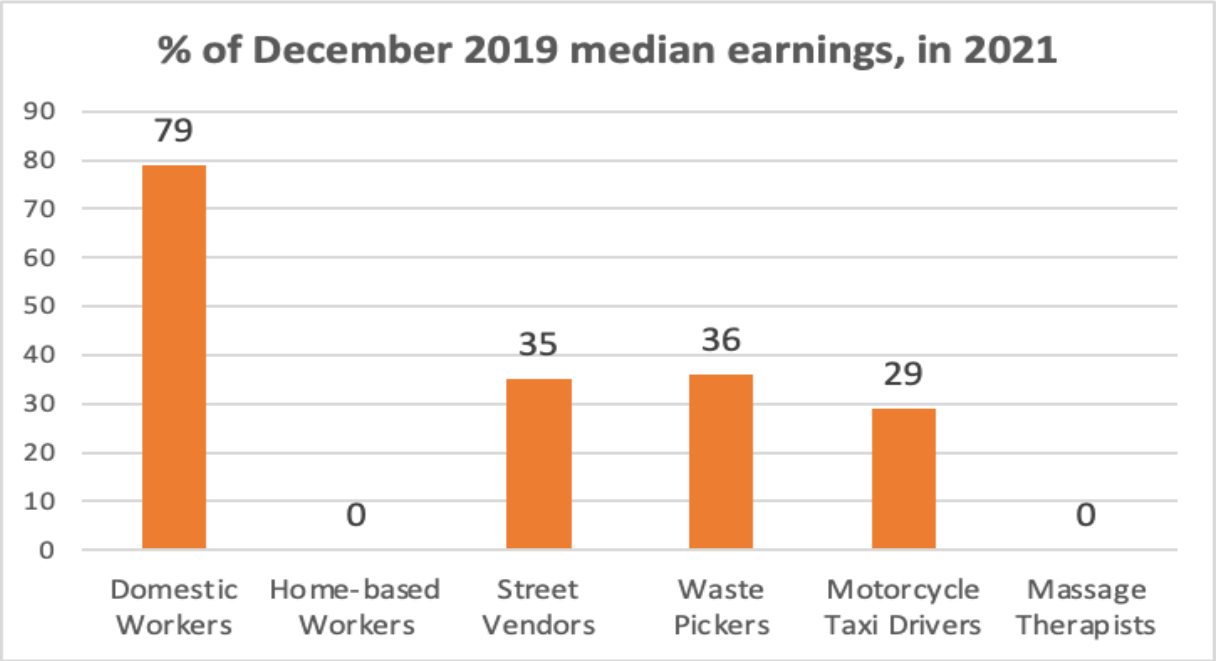
Earnings[11]

When asked about the greatest impact of COVID-19 on their lives, almost all respondents mentioned the decline in income or economic hardship. Earnings have reduced for all occupational sectors since the first survey in mid-2020, and all have considerably lower earnings than in December 2019.



Note: Earnings data compares presented here excludes Round 1 participants who were not surveyed in Round 2.

[11] All earnings data include R2 respondents who have stopped working entirely and/or respondents who were not working in the previous month, whose days of work and earnings are set to 0. All earnings data are reported as gross earnings and do not account for costs of purchasing stocks or other inputs..



All occupational groups except domestic workers were earning less than 40% of their pre-COVID-19 median earnings, and all groups were earning less than in mid- 2020, highlighting how the crisis has deepened. The deteriorating conditions in Bangkok stand in contrast to most other cities in WIEGO's study, where informal workers saw a modest recovery compared to mid-2020.[12]

This data reaffirms that massage therapists and home-based workers have suffered the worst outcomes of the crisis: both groups had median earnings of 0 in 2021 at the time of survey. Neither group had recovered by mid-2020, but the closure of massage shops and lack of demand for home-based production has gravely exacerbated the situation.

Results indicate that home-based workers did not benefit from the export rebound reported by the World Bank. Respondents emphasized that during the third wave, the closure of wholesale markets like Pratunam reduced the demand for garment products.

Vendors faced sporadic closures of markets when COVID-19 infections were reported; this could prevent vendors from working at all, or could hinder their access to stocks. Vendors described that curfews and general lack of foot traffic hurt their businesses, and that rising prices of inputs affected sales and profits.

Among street vendors who were working, median daily earnings were slightly higher among food vendors than non-food vendors (THB521 versus THB450). Street vendor leaders emphasized that while all types of vendors were struggling, food vendors benefitted from permission to work as essential workers, and the continuing demand for food goods. In contrast, "the garment vendors are not doing well and some could not even make any sales," explained one leader.

[12] See Round 2 City Fact Sheets at https://www.wiego.org/covid-19-crisis-and-informal-economy-study-city-fact-sheets.

Motorcycle taxi drivers retained their ability to work throughout the pandemic compared to other groups, but nevertheless saw heavy drops in earnings. Many noted that platform delivery workers presented a major source of competition, especially when those workers accepted passengers (despite regulations prohibiting this).

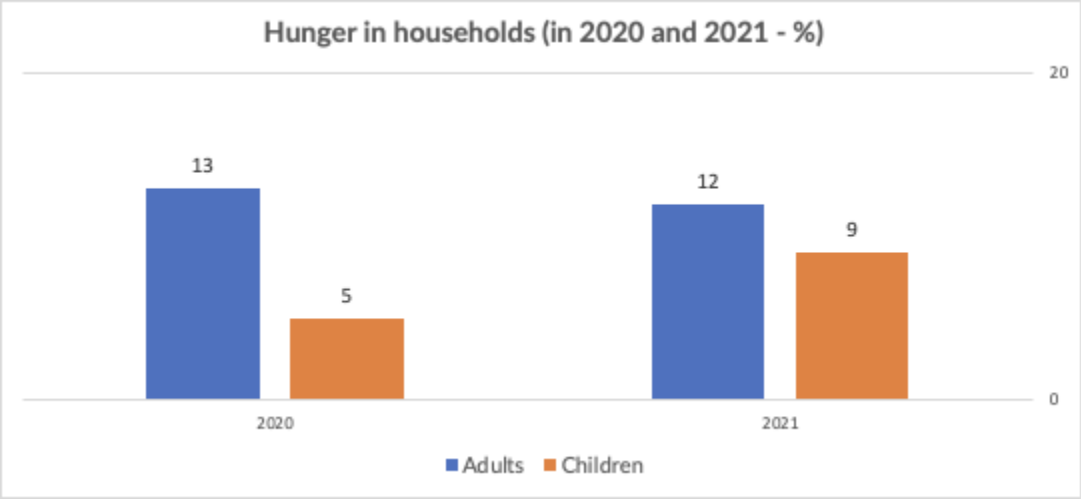
Waste pickers' earnings deteriorated due to challenges accessing waste, as well as their structural disadvantage in the market: the intermediaries who buy their materials could sell at high rates, due to pandemic-induced scarcity, but paid waste pickers much lower prices.

Though domestic workers had the greatest ability to work and greatest median earnings out of any group, these results are not uniform: one-third of domestic workers were earning less than THB5,100 per month. Domestic worker leaders described difficulties finding work, even for highly experienced and multilingual workers, and diminished bargaining power for salaries and working conditions. As one leader explained, "if we want a job, we have to accept a lower salary and we may need to do more work."

The median daily earnings of domestic workers who live with their employers were significantly higher (THB17,000) than "live-out" domestic workers, whose median earnings were just under THB8,000. Only 19% of those who stopped working during any period over the last year received compensation from their employers.

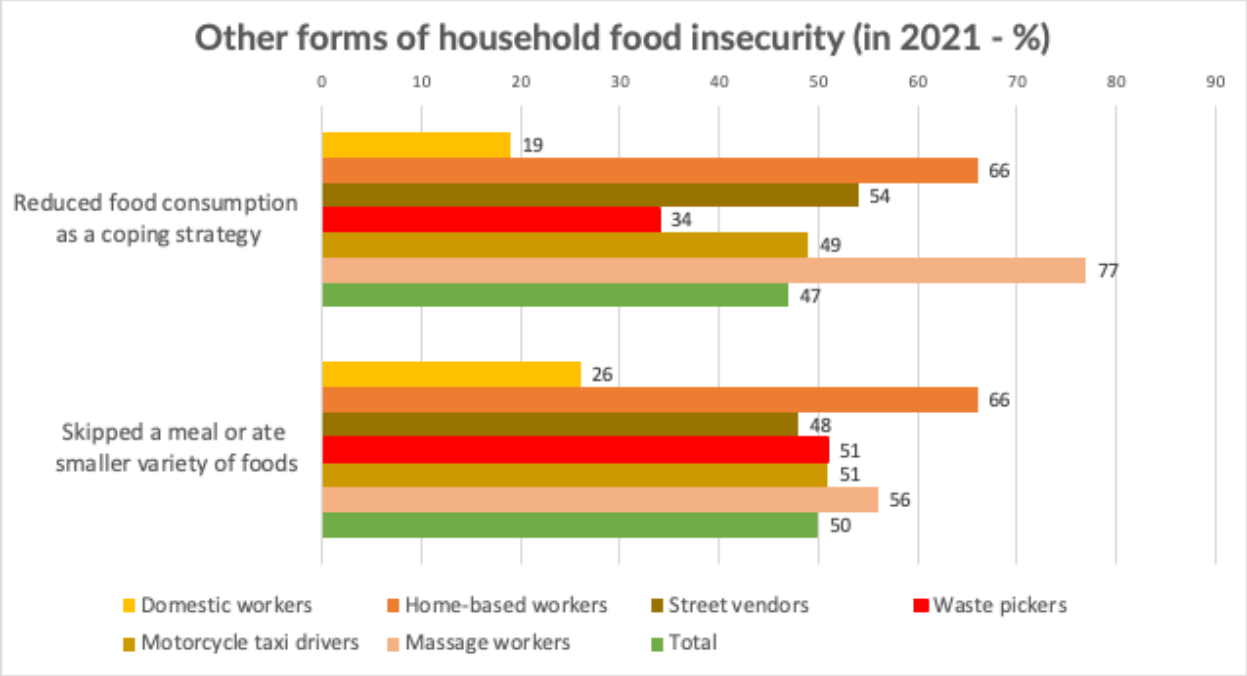
Food Security

12% of respondents reported hunger among adults in their household in mid-2021, roughly equivalent to the rate of 13% reported in 2020.[13] 9% of respondents with children in their households reported child hunger in 2020. Waste pickers were the most likely to report adult hunger (29%) or child hunger (25%), followed by motorcycle taxi drivers (16%) and street vendors (14%). A motorcycle taxi driver explained that the lack of income forced him to cut his daily budget for his son's meals from THB 100 to THB 60, explaining "I do not know how he can survive, but that's all I can afford."



[13] Respondents were asked whether in the last calendar month 2021, any adults or children in their households "go hungry because there wasn't enough food?"

By other metrics, food insecurity is a more generalized problem. 47% of respondents reported that they had reduced their food consumption over the last 12 months as a coping mechanism, while 50% of respondents said that they or other household members had skipped a meal in the last month or eaten a smaller variety of food than they would have liked. The highest rates in these categories were among home-based workers and massage therapists.



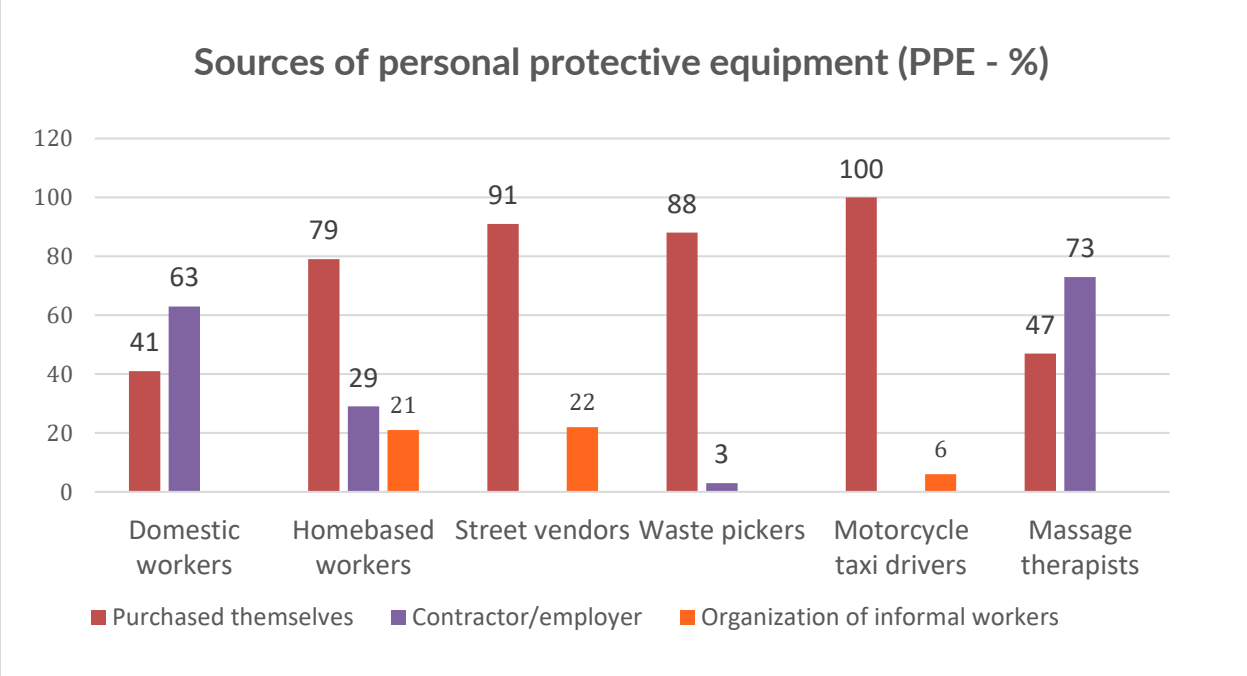
Food insecurity reflects pressures on income as well as rising prices. A domestic worker leader explained, “In the past, vegetables were THB 10-20 per bunch, but now the THB 20 vegetables no longer exist. We get to buy THB 40-60 vegetables. Everything is expensive.”

Health and Safety

Respondents frequently expressed grave concerns about COVID-19 infection, particularly during the third wave of the virus. Many said they were afraid to commute, worried about their children, and/or afraid to work. A domestic worker said, “I am wondering how long I can survive. I have to commute on skytrain and I fear getting COVID.” Others described the deaths of close community or family members from COVID-19. Some respondents said that they or family members had stopped working during the third wave, to avoid infection, or that customers and employers had stopped using workers’ services.

The toll on workers’ mental health from COVID-19 was profound; respondents frequently highlighted stress, anxiety and depression as the pandemic’s most significant consequence. A motorcycle taxi driver reported, “People are all stressed, depressed, lacking morale, unhappy and unstable.” A home-based worker said the most important impact for her was “stress from fear of getting COVID. I am very uncomfortable with this life.”

As in 2020, the use of protective equipment remained extremely high in 2021. The vast majority (96%) reported using at least one form of personal protective equipment (PPE). Three-quarters (75%) purchased PPE themselves and the rest (mostly domestic workers and massage workers) received it from their contractors or employers. Paying for PPE from their own pockets represented an additional financial burden for workers.



** Respondents could select more than one response*

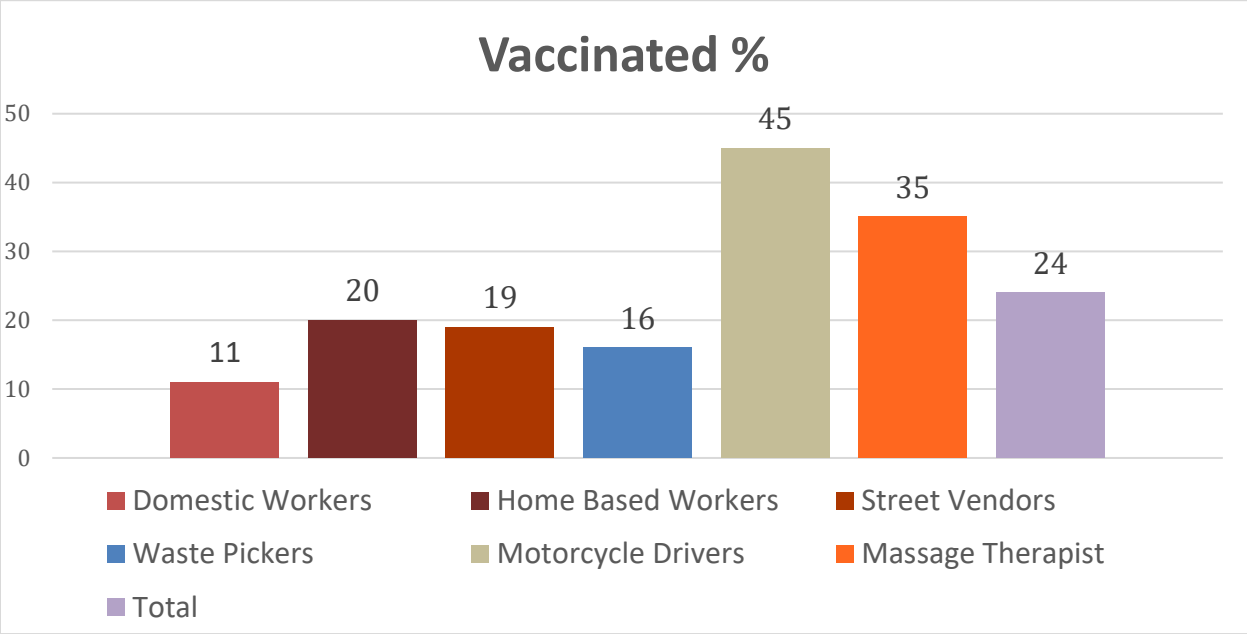
Interviews show that the third wave in 2021 brought intense confusion and obstacles to receiving medical care. As hospitals became overwhelmed with new cases, respondents described problems getting tested, receiving documentation confirming their positivity, and finding care and/or isolation facilities. Vaccinations were hampered by Thailand's slow progress in procuring vaccines generally, a cumbersome digital registration system, and a process that favoured workers from formal institutions that could organize mass vaccination drives.

> *If a person is infected with COVID-19, it is almost impossible for them to find a hospital and get treatment. Some people tried to manage by themselves. The government provides hotlines such as 1669, 1668 and 1330, in case of infection. People say that they cannot contact anyone via those hotlines. We, too, could not contact anyone via those hotlines….If you do not have networks or connections, you can only wait for death.*
>
> – Woman Home-Based Worker

The ordeal of navigating the system was both stressful and costly. Waste-picker leaders said that their community members were forced to purchase rapid tests personally at THB300 each. A home-based worker reported that she paid over THB1,500 privately for the vaccine, because she was too afraid of infection to wait for the free government appointment. She noted that medical expenses related to COVID-19 were an obstacle to rebuilding workers' savings.

Though vaccination was among respondents' highest priorities for recovery, only 30% had been vaccinated by the time of survey. Many expressed frustration with the registration system, noting that they had registered but did not know when they would receive the vaccination, or that their appointments had been delayed. Because of these problems, HomeNet Thailand facilitated group vaccination for FIT members via the Ministry of Labour on 5 August 2021.[14] The Association of Motorcycle Taxi Drivers of Thailand and massage shop owners were also able to facilitate earlier vaccinations for their groups, which explains their relatively higher vaccination rates compared to others.

Results show that there is also a degree of vaccine skepticism among informal workers. 46% of workers who were not scheduled for vaccines expressed concerns about side effects, quality of the vaccines, or whether the vaccine was necessary.



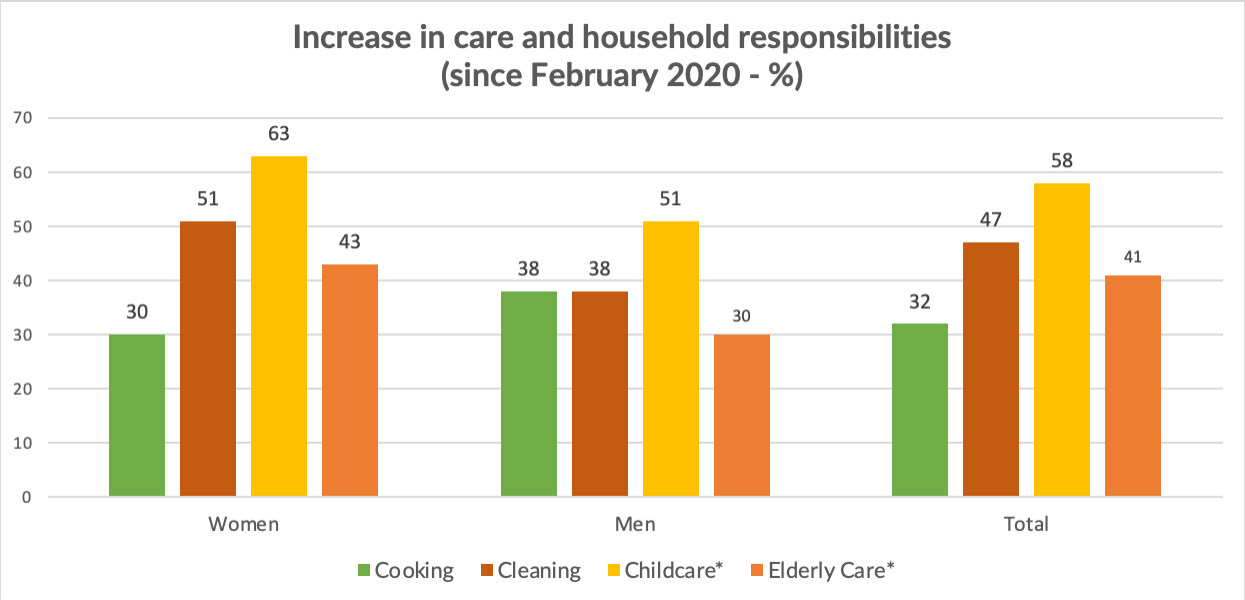
*Respondents could select more than one reason

[14] HomeNet facilitated additional vaccination appointments on 26 August 2021 for migrant domestic workers at Chulabhorn Hospital (at the workers' own expense), and via the Ministry of Labour again on 28 October 2021 for other FIT members.

Household Stress

Care and Other Household Responsibilities

Women respondents were most likely to report an increase in work related to household responsibilities since the start of the pandemic, particularly for child care (63% among respondents with children in their households). This likely reflects school re-closures in April 2021.



*Sample includes only those respondents who reported children and/or older people living in their households. Sample excludes domestic workers who live in their employer's home.

In addition to increased responsibilities, respondents frequently mentioned concerns about household expenses, particularly when other household members had also lost their jobs. A motorcycle taxi driver said that three people in his family had lost their jobs at the same time, leaving only one earner: "No matter how economical we are, it will not be enough." A massage worker said of workers in her group: "Most of us are single moms. They have to buy everything. THB100 is not enough for daily meals. Some of us become depressed."

Several women respondents expressed concerns about covering their children's tuition fees or accessing schooling. One woman motorcycle taxi driver said the three children in her household had to share one mobile phone for their studies. She feared they would fail their exams. Like some other respondents, she was struggling to pay their tuition fees.

Relief and Recovery Measures

In 2020, the Thai government created a THB1-trillion recovery package (6% of GDP)[15], which supported several programmes aimed at or accessible to informal workers, including:

- **Cash support**: Informal workers could receive three *unconditional* cash transfers of THB5,000 in 2020 during the first wave of COVID-19. The government had created no further cash transfers by the time of survey, though shortly thereafter the Ministry of Labour announced that it would provide two cash grants of THB5,000 to workers enrolled in the country's voluntary social security scheme for informal workers (Article 40). This announcement led to an increase in Article 40 enrolments from 3 million to over 10 million workers.
- **Subsidies**: The half-half subsidy scheme was introduced in mid-2020 and renewed several times. It matched THB 150 per day for consumers' purchases (including from small and/or informal businesses), for consumers and businesses enrolled in the programme. In 2021, the government introduced the "Rao Chana" scheme, which provided two digital subsidies of THB 3,500 that could be used for purchases of essential items at participating retailers. Low-income workers already enrolled in Thailand's Welfare Card system received top-ups of funds to purchase specified goods at designated formal stores.
- **Soft loans**: The Bank of Thailand established a new fund for soft loans to micro, small and medium enterprises.[16]
- **Ministry of Labour food distribution:** While food distribution was not a major government priority compared to cash transfers, the Ministry of Labour launched two small initiatives to support Bangkok informal workers during the third wave. The "1 million food packages" engaged street vendors to provide food aid mainly in quarantined construction camps, and another programme provided food packages to taxi drivers and motorcycle taxi drivers.
- **Payment delays**: Electricity and water bills were subsidized for several months in 2021, with the amount of subsidy depending on their usage.

In mid-2021, 90% of survey respondents in Bangkok had received government cash relief within the last 12 months, the highest among any of the WIEGO study cities. This compares to 78% of respondents between April and mid-year 2020, indicating that systems have improved since the first 2020 transfers. The group least likely to receive support were domestic workers, due to the number of migrant workers in this group. In contrast, only 21% of respondents reported that they had received government food assistance in the last month.

Most respondents indicated that the cash transfers were helpful in managing some of their daily expenses, but still left them with a heavy burden. "It cannot help, because the money is too little comparing to the income I have lost," said a woman street vendor. Some expressed particular appreciation for the larger, unconditional transfers issued in 2020, because of the flexibility they afforded. A domestic worker said: "What really responded to our needs would be the relief money given the first time, where they transferred the amount directly to the bank. We could use that money to pay for rents and other necessary expenses." 17% of respondents used the cash

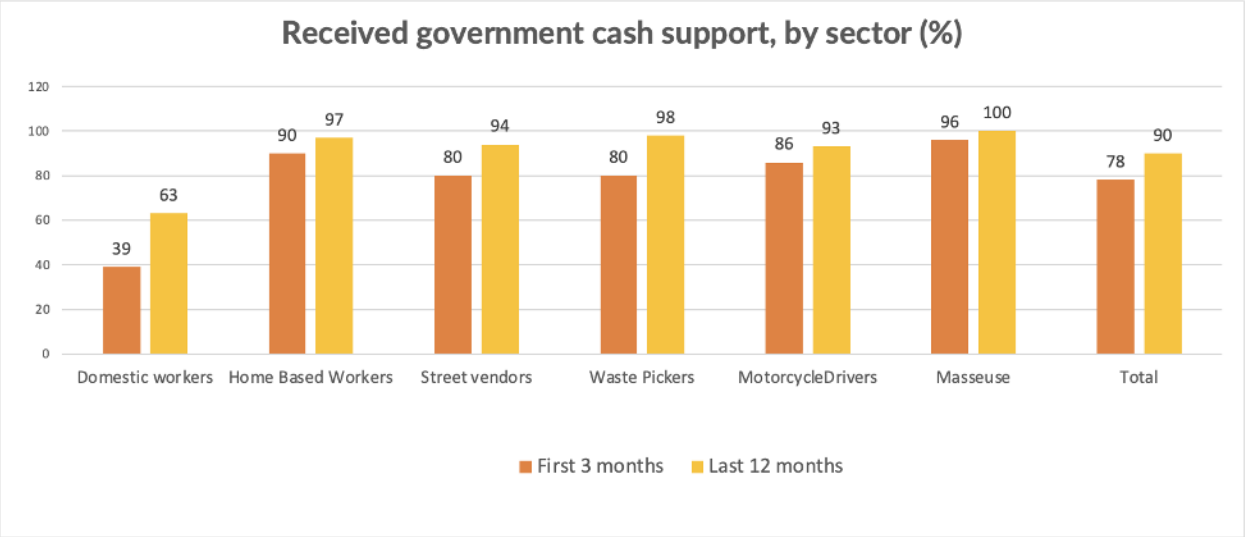
[15] World Bank 2021

[16] However, stringent criteria (such as the requirement that businesses have a pre-existing line of credit with a commercial bank) made access highly restricted (Asia Foundation 2021). By March 2021, less than 50% of the budgeted amount had been disbursed. At the same time, commercial banks have tightened loan conditions for small businesses and households, while easing requirements for large businesses (World Bank 2021).

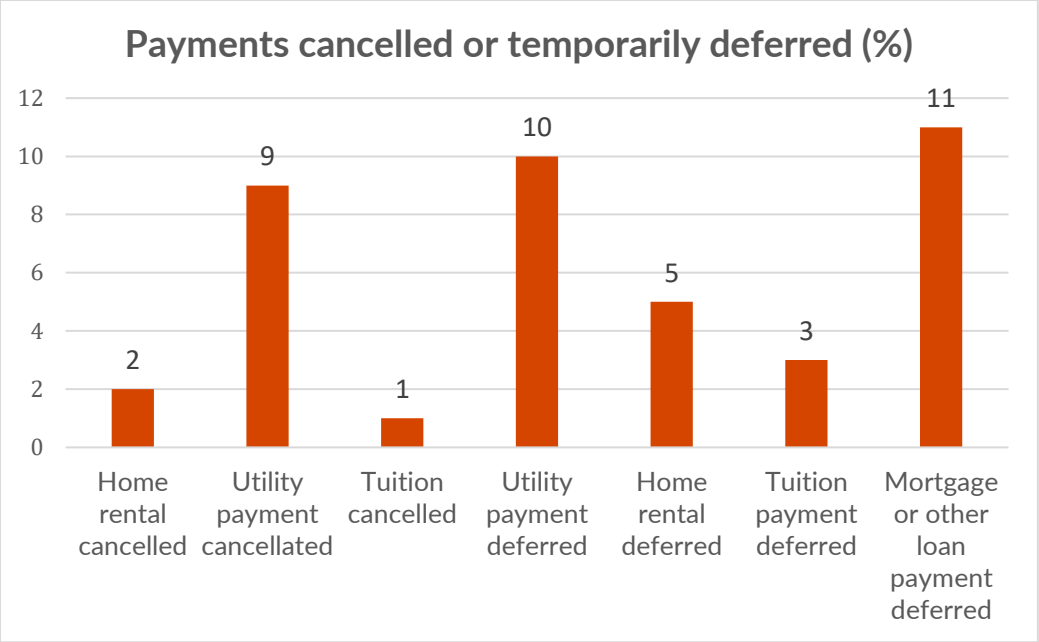
transfers as business capital to help them return to work – which, while small, is among the highest rates of the WIEGO study cities. Waste pickers reported using the cash to purchase waste or new equipment for hauling waste. Some others used it to invest in new lines of work, such as a motorcycle taxi driver and a waste picker who started up small food businesses.

Respondents expressed more skepticism about schemes such as half-half, Rao Chana, and welfare cards. One street vendor who used 50-50 as a retailer said she hoped the scheme would continue, but that older workers were excluded because the system is fully digital. Others felt the scheme was inappropriate for the working poor; a domestic worker said she could rarely afford to top-up the THB150 required for daily use.

With regard to Rao Chana and welfare cards, several respondents complained about the obligation to purchase from large, formal chain stores, saying that this would further entrench Thailand's dramatic inequality: "although it seems to push for economic stimulus, at the end those who get the highest benefit are the capitalist."



Just over one-quarter (28%) of respondents reported that they had rent, utilities, tuition or loans cancelled or temporarily deferred. But cancellation was less common than forgiveness, meaning that most would face the burden of accumulating payments. Several respondents complained that the government initiative to suspend loan payments included only the principal. "It is similar to not helping at all as we would have to pay more money afterwards," said a motorcycle taxi driver. Respondents also noted that utility subsidies were insufficient to make up for the extra energy and water usage when all children and adults stayed home.



20% of respondents reported receiving a government loan, even though 55% of those who returned to work needed capital to do so. This was slightly higher among men (26%) than women (18%), and highest among massage therapists (31%), motorcycle taxi drivers (28%) and street vendors (24%). Several respondents confirmed that criteria and background checks for loans presented a major barrier to access for informal workers struggling during COVID-19.

A number of respondents reflected that the general support from the public and civil society had declined since the early days of the pandemic, when many individuals, businesses, temples and community organizations were leading charity drives and reaching informal workers' communities. This support was missing in the most recent wave of the pandemic. A waste picker leader explained: "When the civil society came to distribute the food ration, they would specify the receiver. The first priority went to the COVID-19 patients…waste pickers and ordinary people did not get anything."

In contrast, some respondents did highlight both the support and recognition that they had received from the Ministry of Labour, which has been in dialogue with FIT since January 2021. A motorcycle taxi driver noted that she and her colleagues received survival kits from the Ministry and appreciated that the Article 40 benefits were working effectively. A home-based worker said that "we are successful in dealing with the government in terms of visibility. They know and raise the issue of informal workers."

Support from informal worker organizations

Since the beginning of the pandemic, FIT and HomeNet directly supported members in the following ways:

- Directly distributed more than 4,200 survival bags (including dry food, cloth masks and sanitizer) to members in Bangkok and other regions of Thailand during three periods of the pandemic, with funds from several successful crowd-funding campaigns[17]
- Linked members with businesses and NGOs that donated another 2,000 food parcels
- Facilitated vaccine access for 300 FIT members, including migrant domestic workers who were ineligible for government vaccination schemes
- Opened a help-line to support members access COVID-19 tests, government health-care service providers, herbal medicine and vaccines, servicing more than 300 members and their families
- Facilitated mutual aid, through crowdfunding and mobilizing in-kind donations for members facing hardship
- Launched Homecare Thailand, a worker-led platform for domestic workers to connect with employers
- Provided support to access government cash relief and other assistance programmes, with a high success rate
- Provided no-interest loans to members to restart their businesses, supporting over 1,000 home-based workers and other informal workers with a total of THB1.5 million
- Trained workers in livelihood skills, such as craft production and online sales

Adaptation and Coping Strategies

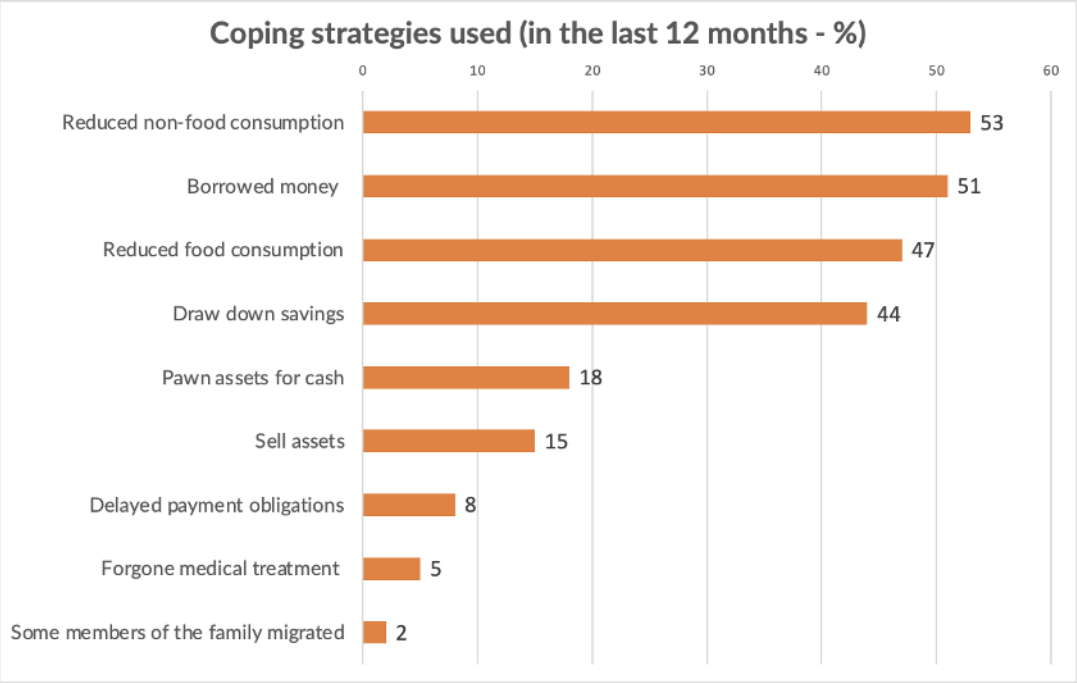
By 2021, 11% of Round 1 respondents had switched to other occupations, and 30% reported having a secondary source of earnings. These new or alternative jobs included occupations represented by FIT (domestic workers, home-based workers and street vendors) or other informal work such as beautician services, direct sales of cosmetics, delivery or transportation, farming, home repair or installation, or day labour.

But new entrants faced the challenges experienced by those already in these fields: lack of demand, rising prices, and competition from other new entrants. One home-based worker reported that “many homeworkers had to change their occupation to do baking for selling in the community, but since many of us do the same, we have no buyers”. A motorcycle taxi driver put it succinctly: “Doing an extra job but with no customers, it would not earn us any income. It is useless.”

88% of respondents used one or more strategies over the last 12 months that helped their households survive but reduced their quality of life or depleted long-term assets. The most common coping strategy was to reduce non-food consumption (53%), followed by borrowing

[17] Supporters can continue to help FIT and HomeNet by donating to their crowdfunding campaign: https://www.weeboon.com/en/campaign/help-the-thai-federation-of-informal-workers-help-its-members

money (51%), reducing food consumption (47%) and drawing down savings (44%). Some workers sold or used as collateral their productive assets, including motorcycles or vests for motorcycle taxi drivers, and sewing machines for home-based workers.

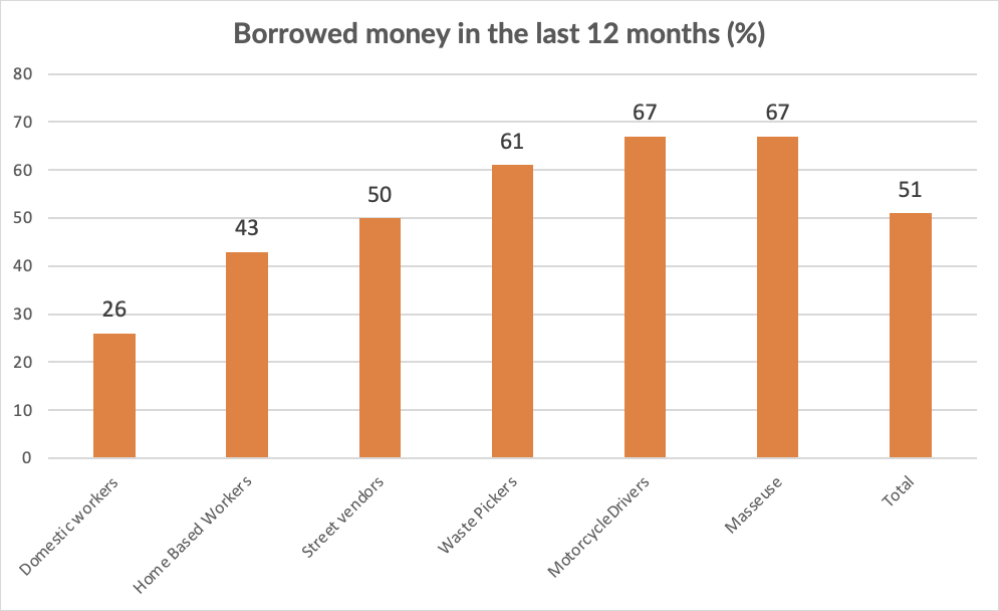


** Respondents could select more than one response*

Of those respondents who had drawn down their savings since the start of the pandemic, 88% reported that they had not been able to replace any of these savings; only 4% had replaced more than half. This likely contributed to higher rates of borrowing in 2021 than in 2020 (51% versus 34% of respondents). A waste picker leader said: "When we sold everything, there was nothing left. I think we might not have a chance to regain those assets we had anymore. I can say with confidence that it would take 6-7 years for us to recover."

Debt is a considerable worry among informal workers, adding new debt on a workforce that was already debt-burdened before COVID-19.[18] Motorcycle taxi drivers, massage therapists and waste pickers were the most likely to have borrowed money. Among those who borrowed, 42% reported borrowing from formal lenders, 39% borrowed from family, 34% from informal lenders, and 23% borrowed from friends or neighbours. The rate of borrowing from informal lenders is particularly concerning, given the extremely high interest rates of these lenders, and suggesting desperation among respondents. In interviews, workers said that they or their colleagues needed to "escape" from informal lenders if unable to make payments, hiding in different houses or even relocating.

[18] Komin, Wichaya, Rungnapa Thepparp, Borvorn Subsing and David Engstrom (2021), 'Covid-19 and its impact on informal sector workers: a case study of Thailand', *Asia Pacific Journal of Social Work and Development*, 31 (1–2), 80–8.



Recovery and Beyond

In late December 2020, FIT and HomeNet Thailand presented Labour FIT's original platform of demands for COVID-19 recovery to the Ministry of Labour.[19] In response, the Ministry convened a series of dialogues with FIT and government agencies such as the Ministry of Finance, Ministry of Social Development and Human Security, Ministry of Interior, Ministry of Industry, the Bangkok Metropolitan Authority, and Bank of Thailand. Follow-up actions by the Ministry of Labour included:

- Reducing social security contributions for informal workers (Article 40) by 40% from July 2021 to July 2022.
- Allowing informal workers to access Ministerial rehabilitation centres for formal workers in the case of injury at work.
- Reducing the Homeworker Fund interest rate to 0% for 3 months for loans taken before October 2020 and between December 2021 and August 2022.
- Allow Article 40 enrolees to access income compensation benefits in the case of at-home isolation.[20]
- Opening of COVID-19 check-up centres for formal and informal workers.
- Support for FIT members to access vaccinations (as described earlier).

In contrast, the Bangkok Metropolitan Authority has not followed through on its pledges to support vendors, including in pilot areas that it previously approved. It cancelled scheduled meetings and did not meet with vendors, despite support for vendors' proposals from the Ministry of Labour, National Health Security Office and Senators.

[19] See www.wiego.org/publications/covid-19-crisis-and-informal-economy-informal-workers-bangkok-thailand
[20] Normally, individuals enrolled under Thailand's voluntary social security scheme (Article 40) are eligible for income compensation of THB300 per day up to 40 days when hospitalized. Due to the policy change described above, they can now access this benefit when isolating at home with COVID-19.

FIT Recovery Plan for Bangkok: 2022

FIT and HomeNet Thailand invite government agencies to support the recovery and economic development of informal workers, through a four-pronged approach:

1. **Employment restoration and rehabilitation**
    a. Ensure that laws and policies recognize informal workers, promote, protect and regulate their work rather than neglect or penalize it
    b. Establish an informal-worker fund to provide interest-free loans for all informal-worker occupations
    c. Respect the right to work in public spaces by returning footpaths to street vendors, and work directly with vendor organizations to organize walking streets, flea markets and other events
    d. Establish informal-worker goods and services quota for government at all levels to procure at least 30% of goods and services from informal workers affected by COVID-19
    e. Guarantee 10 days of work per month at minimum wage to all workers, by providing urgently needed services such as: care support for children, elderly and infirm individuals, public works, and green jobs
    f. Support informal workers or cooperatives to develop and promote online business
2. **Develop the knowledge and skills needed for a post-COVID-19 economy**
    a. Provide trainings on COVID-19 workplace health and safety
    b. Train and upskill domestic workers and other informal workers to provide high quality care for children, older people and disabled people
    c. Train informal workers in digital technology and marketing skills for their businesses
3. **Social security for all: Promote equality in social protection**
    a. Expand social security to cover and provide equal benefits for all informal, formal and migrant workers
        i. In the immediate-term, improve insurance benefits under Article 40 (which covers informal workers), including additional cash grants to support workers during the pandemic, and continuation of policy to allow income compensation benefits for at-home isolation
        ii. In the medium term, provide unemployment insurance for all workers in Thailand (informal, formal and migrant workers). Provide maternity protections in terms of income security for at least 90 days with daily income guarantee at the minimum wage rate
    b. Provide child-care centres that operate during the working hours of informal workers
    c. Expand Thailand's Child Allowance to cover all households in Thailand – to achieve universal coverage
4. **Promote the participation of informal workers in policy determination mechanisms**
    a. Ensure equal representation of informal workers on Thailand's Social Security Committee, to achieve parity with formal workers and government representatives
    b. Increase the number of informal worker representatives on Thailand's Informal Administration Committee, to achieve parity with government representatives

COVID-19 Crisis and the Informal Economy is a collaboration between the global network Women in Informal Employment: Globalizing and Organizing (WIEGO) and local 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; Pleven, Bulgaria; and Tiruppur, India, with support from the International Development Research Centre (IDRC/CRDI), Canada. The mixed-methods longitudinal study includes survey questionnaires of informal workers and semi-structured interviews with informal worker leaders and other key informants, all conducted by phone. 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 Federation of Informal Workers of Thailand (FIT) represents over 23,000 Informal Workers across Thailand. Its affiliates include HomeNet Thailand Association, the Association of Motorcycle Taxi Drivers of Thailand, the Network of Domestic Workers in Thailand, Muubaan Nakila Service Cooperative, the Network of Thai Street Vendors for Sustainable Development, and Confederation of Street Vendor Groups in Bangkok. **HomeNet Thailand** and **The Foundation for Labour and Employment Promotion** provide technical support to FIT and its members.

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