

Public Health Policy for the Well-being of Informal Sector Workers

The Situation of Informal Sector Workers

1. At present, the Thai **informal sector economy**¹ has expanded as manufacturing and industrial sectors cut costs to increase competitiveness. While various and more complicated forms of employment have been developed by taking advantage of loopholes in the law, many workers are unable to enter normal employment because of their own social burden conditions and because of limitations in formal employment, large groups of the labor force are turning to informal employment.
2. From a 2007 National Statistics Office survey, it was found that among 37.1 million workers, 23.3 million or 62.7% were **informal workers**². The remaining 13.8 million or 37.3% worked in the formal economy. When compared to 2005 figures, where there were 22.5 million informal workers, it was found that the informal worker total increased by 700,000 over two years. These workers are found in the agricultural sector; i.e., contract farmers and general farmers, in the manufacturing sector; i.e., producers of handicraft and grassroots wisdom products and home workers and in the service sector; i.e., trash recyclers, drivers of taxis, tricycles and motorcycle taxis, vendors, etc.. These workers are dispersed throughout urban and rural areas.

¹ The International Labour Organization (ILO) has defined “**Informal Economy**” as “all economic activity unprotected and unregulated by law or by traditional practices or not receiving enough protection, operating outside the legal framework without any protective measures or activities where legal protection exists but cannot be practically enforced and are a hindrance to implementation because they are unsuitable, create burdens and high costs”. This definition is used in categorizing 3 groups of informal workers: 1. employers of small scale enterprises or informal enterprises with a small number of workers, 2. self-employed/own account workers and unpaid employees and 3. workers in small or informal enterprises or workers with no definite employer or no employment contract such as home workers and subcontractors.

² The term “**Informal Worker**” has been defined by many agencies; for example, the Ministry of Labour definition says it refers to workers who are compensated or earning from work but not considered an employee according to labour laws. The National Statistics Office says informal workers are those working in enterprises with less than 10 employees, own account business operators with no employees and those working in family businesses without any pay, but excluding workers and civil servants in government agencies and state enterprises. The Social Security Office definition for informal workers is income-earning employed persons not protected by the Social Security Act, B.E. 2533. These can be classified in 2 groups, the first group consisting of persons who are employed or hired and receiving income such as home workers, subcontractors, workers in agriculture, fisheries, forestry and animal husbandry, part-time or seasonal workers and domestic workers in homes where no family business is operating. The second group comprises own account workers such as taxi drivers driving their own or rented vehicles, vendors, hairdressers, barbers, shoe repairers, grocery store owners, drug store owners, lawyers, doctors and persons not in the civil service and not having regular salaries.

3. In 2001, the Office of the National Economic and Social Development Board (NESDB) and the Thailand Development Research Institute Foundation (TDRI) estimated the size of informal worker earnings to be approximately 2.33 trillion baht or almost half the country's GDP. While informal workers form 2/3 of the country's labour force and contribute almost as much as formal workers to the country's economy, they have not received enough care and protection from the country's policies and laws.
4. From the 2007 National Statistics Office survey, it was found that informal workers faced the following problems, which affect their life quality and the life quality of their families:

4.1 Problems Relating to Job Security and Social Welfare: Informal workers do not have secure regular employment. They must endure unfair wages and hard work. They have no holidays and their work hours are longer than other workers. Informal workers lack social security since they do not have access to the social security system and there is no other welfare system for them. Informal workers also lack legal protection, in particular, there are no labour protection laws relating to employment conditions and workers' basic rights for informal workers.

4.2 Problems Relating to Health and Hazardous Work: The 2007 National Statistics Office survey showed that up to 3.7 million informal workers were injured from work accidents. When compared to the figure of 2.9 million in 2005, we can see that the number of workers injured or involved in work accidents has increased by 15.7%. Most informal workers or 70.6% of informal workers rely on the universal health coverage scheme or "gold card" for their health services but there are limitations relating to health services provided for workers doing hazardous work or workers faced with occupational safety and health (OSH) issues.

Issues Relating to Health and Suitable Public Services for Informal Workers

5. In 2007, the National Statistics Office found that most informal workers were not provided with welfare or social protection at work, facing three significant issues: 49.3% were faced with issues of low wages, 23.3% were faced with lack of continuity in employment and **15.7% were faced with issues related to work hazards**. Approximately 3.7 million informal workers had been hurt or involved in work accidents that year³.
6. Safety, occupational health and work conditions are top issues for informal workers. Relevant government agencies have failed to enforce laws which provide protection for the health and safety of informal workers in a serious and effective way. The result is informal workers are confronted with many health problems such as those relating to the respiratory system, sight deterioration, skin irritation, loss of hearing, ulcers and muscle pains in different parts of the body like the neck, back, shoulders and limbs as well as stress. These problems are caused by:

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- 6.1 Inappropriate work conditions caused by adapting homes and making them workplaces, but without enough knowledge, understanding and awareness about health and safety at work.
 - 6.2 Tools, machinery and equipment not fully functioning, broken or incomplete, easily causing accidents. Furthermore, employers of informal workers fail to provide information, knowledge and enough suitable protective gear for the work of informal workers.
 - 6.3 Unsuitable posture at work, causing workers to have problems with muscle pain.
 - 6.4 Danger from exposure to toxins and hazardous chemicals present in raw material, work instruments and production processes
 - 6.5 Substandard work conditions - since employment is not continuous and wages are low, informal workers mostly work for extended periods of time, not allowing appropriate rest times for themselves.
7. Since the health problems of informal workers are not known and understood by society and the state, this group of workers has not been placed as a major target group for health service delivery. Health policy level state agencies; namely, the Ministry of Public Health and the National Health Security Office have not given importance to or devised policies and specific plans for the delivery of health services to informal workers apart from the general services they receive as citizens of the country. Primary service units, health stations and PCUs which are close to these workers and understand their work conditions well do not have enough health information gathering and recording systems since there is no systems management or support from the Ministry of Public Health for the assessment of informal worker illness problems, accidents and diseases and since personnel still lack knowledge and skill and are overburdened with other responsibilities.

Local Policies and Well-being Management for Informal Workers

8. While Ministry of Labour agencies like the Labour Welfare and Protection Office, the Social Security Office, the Employment and Skills Development Office, do not have branch offices at district and *tambon* levels, agencies which have close contact with informal workers are local administration organizations and health stations. However, because local administration organizations still lack basic information and understanding about informal worker problems and needs, there is no decision to have policies, to issue regulations or to provide budget for the care, promotion, development and protection of informal workers. Although there are some informal worker support projects such as projects providing support in revolving funds, investment funds for the construction of group production facilities or job skills development, other dimensions of support, especially the health and safety dimension, are still lacking.

9. The lack of job security, the low income, the lack of labour protection, the need to fight for one's survival and the survival of one's family, the lack of awareness about rights and the lack of strong organizing efforts all limit informal workers' participation in local planning forums or community forums organized by *tambon* administration organizations (TAOs) and explain why issues and needs relating to informal workers are not addressed in local or community plans.

10. The National Health Security Office has supported the setting up of **local health security funds**, supporting local administration organizations (LAOs) to establish health security for people in the area, focusing on strengthening community members' health, especially the chronic patient, elderly, women, disabled, children and youth groups and those employed in hazardous occupations. This is done by promoting participation from all sectors in the area and providing an annual per head subsidy (37.50 baht per head). Local administration organizations have also provided a co-matching fund relevant to the size of their responsible area. In 2007, which was the first year of implementation, there were 880 local health security funds. In 2008, there are 2,692 funds scattered throughout all regions.

11. In conjunction with a network of nine tertiary education institutions, the Thammasat University Economic Research and Training Center assessed the performance of local health security funds and found that for the first year, there was very little participation in the selection of fund management committee by the local people and very few projects were proposed because there was no genuine understanding about the fund and there were no target group representatives sitting on the fund committee. Furthermore, most project proposals were made by health station officers since local administration organizations feel that local public health officers were more geared toward health issues, resulting in most of the projects being relevant to the same dimensions of healthcare, focusing on the same target groups as the work at health stations. It was also found that there were no healthcare programs for specific groups as the working age group or the hazardous occupation worker group. However, the implementation of the fund scheme caused local administration organizations to learn more about health work as can be seen from the fact that many local administration organizations have contributed more to the fund than the amount fixed by law and have moved on to provide other forms of welfare. With more concrete examples in providing healthcare for different groups, which local administrative organizations can learn from, these organizations will be able to more candidly provide health protection to informal workers.

Legislation Relating to Protecting and Creating Social Security for Informal Workers

12. International Labour Organization instruments on principles, concepts and standards for labour protection which have been observed by countries as basic labour protection standards in 4 areas comprise: the elimination of forced labour (ILO convention no. 29 and 105), freedom to organize and collective bargaining (ILO convention no. 87 and 98), elimination of discrimination in employment and occupation (ILO convention no. 100 and 111) and protection of child labour (ILO convention no. 138 and 182), decent work and home workers (ILO convention no. 177 and recommendation no. 184), all of which support workers' human rights and provide protection for formal and informal workers.
13. The 2007 Constitution of the Kingdom of Thailand provides labour protection for all groups and all levels of workers, including informal workers. Such prescriptions appear in: *Article 44* prescribes "A person shall enjoy the right to work safety, have access to welfare and to have life security irrespective of whether he is employed or unemployed in accordance with the provisions of the law." *Article 64* prescribes "A person shall enjoy the liberty to unite and form an association, a union, a league, a co-operative, a farmer's group, a private organization, a non-governmental organization or any other group." *Article 84 (7)* prescribes "promoting people of working age to obtain employment, protecting child and woman workers, providing a system of labour relations and a tripartite construction which entitles workers to elect their representatives, providing social security and ensuring workers working at equal value to obtain wages, benefits and welfares upon fair and indiscriminate basis;"
14. At present, Thailand has 4 labour protection laws: the Labour Protection Act, B.E. 2541 (amended B.E. 2551), the Labour Relations Act, B.E. 2518, the Workmen's Compensation Act, B.E. 2537 and the Social Security Act, B.E. 2533. However, the protection provided by these four legislations does not include protection for informal workers. The Ministerial Regulation on Protection for Home Workers, B.E. 2547 and Ministerial Regulation on Labour Protection in Agricultural Work, B.E. 2548 provides protection only for certain groups of informal workers and only at some levels. Their enforcement is not effective and there is not enough legal context to provide protection for the basic rights of the worker.
15. Aware of issues resulting from the lack of clear policies and laws to provide protection and create social security for informal workers, the government by the Ministry of Labour, the Social Security Office and the people's sector by Homenet and the Homebased Workers Network are drafting a law to initiate protection for certain groups of informal workers, particularly those with similar employment relationships to formal workers; for example, the Home Workers Protection Act, and the Social Security Office is trying to expand social security coverage to informal workers by amending Article 40 of the 1990 Social Security Act.

Legislation Relating to Health Care for Informal Workers

16. Article 51 of **the Constitution of the Kingdom of Thailand, B.E. 2550** stipulates “A person shall enjoy equal right to receive standard public health service...The public health service by the State shall be provided thoroughly and efficiently...The State shall promptly prevent and eradicate harmful contagious diseases for the public without charge.”
17. The **National Health Security Act, B.E. 2545** prescribes that all persons have the right to standard and efficient public health services, as accorded by the act. Such public health services include services directly delivered to persons to strengthen health, prevent disease, diagnose disease, provide medical treatment and rehabilitation, all of which are necessary for good health and necessary for life.
18. Article 5 of the **National Health Act, B.E. 2545** provides that persons have the right to live in an environment and surroundings which foster good health.

Legislation/Policies Relating to Local Administration Organization Roles in Healthcare for Informal Workers

19. According to **the Constitution of the Kingdom of Thailand, B.E. 2540 and B.E. 2550**, the roles and responsibilities of local administration organizations are: Article 78 (2) and (3) focuses on the distribution of power to local administration organizations, which enjoy the freedom of administration, as accorded by the will of the people, in establishing policies relating to development, personnel management, fiscal and monetary issues. The local administration organization is tasked with providing basic public health services for the people in the locality, providing opportunity for them to participate more in the administration and monitoring of local administration organizations and providing them opportunity to participate more in life quality, economic and social development for the locality. Article 80 (2) and (4) provides for the promotion, support and development of health systems focusing on good health creation and leading to sustained well-being for the people. It also emphasizes providing and supporting thorough and efficient standard public health services for the people.
20. According to **The Tambon Council and Tambon Administration Organization Act, B.E. 2537 and the Tambon Council and Local Administration Act, B.E. 2542**, the *Tambon* Administration Organization is tasked with economic, social and cultural development duties. It provides good lives for people in the locality; for example, by creating good environment, availability of jobs, availability of education. Overall, the organization is responsible for creating a situation where all people are supported and developed and where there is sufficient welfare for the disadvantaged poor. The local administration organization is also responsible for providing infrastructure for consumption and for agriculture, preventing and stopping communicable diseases, fostering the arts, traditions and local wisdom as well as benevolent local cultures and it is responsible for developing infrastructure.

21. *Article 13 (3), Article 18 (8), Article 47 and Article 48 (4)* of the **National Health Security Act, B.E. 2545** stipulate ways the people and local administration can jointly take part in the universal health coverage scheme: as persons having the right to receive service, as management members, as part of the National Health Security Committee, which performs quality assessment and accreditation duties or as service standard committee members, etc.

Action by the National Health Assembly

The National Health Assembly is invited to consider the *Draft Resolution 1/12*.