



# **The Impact of Covid19 on Informal Workers in Calgary**

July 2020

**Canadian Poverty Institute**

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# Impact of Covid-19 on Informal Workers in Calgary

## A Preliminary Assessment



While the reduction in economic activity associated with the pandemic has severely affected workers in many sectors of the Calgary economy, notably those industries and occupations where low-income and marginalized workers are predominantly employed, it has also severely impacted the most marginalized workers who are engaged in the informal economy. According to the International Labour Organization (ILO), the informal economy includes “*all economic activities by workers and economic units that are – in law or in practice – not covered or insufficiently covered by formal arrangements*”<sup>1</sup> Globally, there is strong concern about the impact of the economic contraction on the informal economy where informal economic activity constitutes a significant portion of the economy of countries in the global south.

The ILO estimates that “*lost labour income will result in an increase in relative poverty for informal workers and their families of more than 21 percentage points in upper-middle-income countries, almost 52 points in high-income countries and 56 points in lower and low-income countries.*”<sup>2</sup> The primary impact to informal workers is the loss of income due to the inability to continue operations or an evaporating customer base. This is significant due to the fact that informal workers typically have no savings or social protection. At the same time, as the formal economy contracts, more people may be forced into the informal economy.<sup>3</sup>

In Canada, although the informal economy is not as significant a contributor to the overall economy, it includes those who are the most marginalized socially and economically. While the informal economy includes all non-standard employment, either legal or illegal, street-involved or other marginalized populations engage in specific fringe economic activities that will likely be impacted by COVID-19 and the associated social restrictions, namely:

- Binning
- Panhandling
- Sex work
- Casual (day) labour

This brief discusses some of the implications of the pandemic for informal workers engaged in these work activities.

### **Binning**

“Binning” involves the collection of recyclable materials which can be returned to bottle depots for refunds. According to a 2010 report by the Calgary Homeless Foundation, a full day of

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<sup>1</sup> International Labour Organization (2014). Informality and the quality of employment in G20 countries. Geneva: International Labour Organization.

<sup>2</sup> International Labour Organization (2020). COVID-19 Crisis And The Informal Economy: Immediate Responses And Policy Challenges. Geneva: International Labour Organization.

<sup>3</sup> Ibid.

binning would earn between \$25 and \$40 per day. Most of those who engage in binning are homeless, staying at one of Calgary's shelters. Binning is primarily, though not exclusively, an inner city activity. Bidders typically have established territory and routes. The primary reasons for binning include the need for money as well as a way to relieve boredom, though some are also driven by the need to support addictions.

There are important hazards associated with binning. First, even during normal times binning has associated health risks including infection (such as Hepatitis) from cuts incurred while binning, or injuries sustained such as embedded objects in the feet.<sup>4</sup> In the context of Covid-19, the health risk is amplified due to the fact that handling discarded recyclable such as bottles and cans carries the risk of contracting the virus. Binning also involves safety risk as bidders are often victimized and robbed by others after cashing in their materials. This risk may now increase due to increased desperation due to the economic crisis. As many shelters are now closed to new clients, or people choose not to stay in shelter due to fear of infection, many are now choosing to sleep rough which only increases their risk of victimization.<sup>5</sup>

Due to the closure of most businesses in the downtown, the pandemic is also affecting the routines of bidders. The loss of opportunity to collect material in the core is forcing many to work further out of downtown.<sup>6</sup> This is also driven by the fact that some recycling depots are now closed, potentially disrupting the normal routes people would use and requiring them to find and secure new ones. The loss of income is exacerbating challenges such workers were already experiencing in meeting their basic needs. Further, the income they do earn may be compromised by the fact that some businesses are no longer accepting cash which may further limit their ability to purchase necessities such as food.

### **Panhandling**

Panhandling involves soliciting money on the street from passers-by. Like binning, panhandling is largely an inner city activity undertaken by those who are experiencing homelessness. The 2010 Calgary Homeless Foundation report found that panhandlers are estimated to earn between \$10 and \$20 per day. As the downtown population has dwindled due to the closure of offices, income from panhandling has also dried up. This is in part due to the fact that fewer people are in the core so there are fewer opportunities to solicit money. Also, due to the pandemic, fewer people are using and carrying cash so there is less opportunity to give to those who are soliciting. Finally, as noted for bidders, many businesses are no longer accepting cash which limits their ability to use the cash they earn to purchase necessities such as food. As a result, outreach workers report an increased demand for basic needs support for this population, particularly a need for food and blankets.

Both panhandlers and bidders, as street-involved, are often reliant on businesses or other public places, to access bathrooms or other services. With businesses and public places closed, they now have less access to these services and amenities. In addition, with shelters running at

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<sup>4</sup> Bender, C. (2010). Informal Employment: Making a Living in Calgary. Calgary: Calgary Homeless Foundation.

<sup>5</sup> Frank Cattoni, Executive Director SORCE. Personal Communication

<sup>6</sup> Ibid.

reduced capacity to maintain social distance, or due to increased concerns about personal health and safety, many previously housed in shelter will now be on the street. This may lead to more people sleeping rough which also has inherent risks to health and safety. Further, with reduced access to services and amenities, there may be an increase in social disorder, including public urination.

With fewer workers in the downtown core, panhandlers and bidders, as well as other street-involved people, are more visible. This may result in increased attention by by-law and law enforcement officers. Panhandlers may be at increased risk of fines for failing to comply with public health social distancing regulations, thus incurring financial penalties that they are not capable of absorbing.

Anecdotally, it is reported that panhandlers are now moving out of the downtown and inner city to more suburban locations along the C-Train lines. As one observer reported “*The thing that I am more aware of is how foreign panhandling is to the majority of the residents in this area. As a result I can see the way residents are handling panhandlers through increased calls to law enforcement and threats to these individuals (last week a woman asking for cigarettes and money outside of my apartment building was confronted by a man wielding a baseball bat and shouting verbal threats).*”<sup>7</sup> In the downtown core, as well, there is the risk of increased negative interactions between panhandlers and downtown residents as panhandlers and other street involved people are more visible due to the reduced level of normal street activity.

Similar to the risks associated with binning, panhandlers may also be at increased risk of victimization as others may attempt to rob them of their earnings. Panhandlers are also often more vulnerable as they may be panhandling to support addictions. As income from panhandling decreases, there is concern that they may resort to other negative behaviour, such as theft, to gain the income necessary to support their addiction. In order to deal with addiction issues, people require more intensive health and social service support which is now less available.

### **Sex Work**

The RESET Society of Calgary reports that there are an estimated 3,000 women and girls in Calgary experiencing sexual exploitation.<sup>8</sup> Sex work is predominantly linked to conditions of poverty as well as Adverse Childhood Experiences and addictions. Much of the driver of sex work is earning income to meet basic needs (food and shelter), particularly for those who still engage in outdoor sex work. Additionally, the impact of the economic recession over the past few years has led many people to engage in sex work to supplement or replace lost income. This need for income now in the context of the pandemic may pressure even more people to engage in sex work who otherwise wouldn't in order to provide for themselves and their families.

The pandemic and associated economic impacts and public health measures have affected sex workers very significantly. A recent media report noted: “*Sex workers saw their income*

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<sup>7</sup> Holly Jenkins, Social Worker. Personal Communication.

<sup>8</sup> [www.resetcalgary.ca/aboutus](http://www.resetcalgary.ca/aboutus)

*disappear overnight when the COVID-19 pandemic began to spread in Canada. Now many are in desperate situations: in need of food, rent, basic necessities. Some are now homeless and without any income.”*<sup>9</sup>

The situation of sex workers is exacerbated by the fact that most either don't qualify for the CERB or are afraid to apply. As income earned through sex work is typically undeclared, it is not possible to demonstrate income loss as required by the CERB to qualify. Even if they may qualify, many are afraid to apply as sex work income often supplements income assistance benefits which, if reported, may result in a claw-back of benefits or disqualification for income assistance altogether. Further, receipt of the CERB requires the provision of banking information which may compromise the confidentiality of their clients. As a result of these barriers and the dire financial position they find themselves in, many are continuing to work despite the risk to themselves and their families.<sup>10</sup>

Sex work during the pandemic brings additional risks. First, many regular clients are over the age of 50 and so are hesitant to go out, resulting in the loss of regular clientele. As a result, sex workers are serving clients whom they normally would not. One report notes “At this point, girls are literally booking everyone and anyone who is on their line ... eliminating the typical vetting process for safe, reliable clients.”<sup>11</sup> This increases the risk of violence for sex workers.

Risks are also heightened by the closures of many places where sex work may ordinarily take place. Hotels and massage parlours, for example, are closed while SRO hotels are limiting guests. Further, inability to pay rent which can lead to homelessness also results in the loss of a place of work for many. Many are also finding that work during the evening and night has dwindled, leading to more daytime work requiring more isolated locations which in turn increases the risk to the worker.<sup>12</sup> Finally, sex workers who continue to work outside face additional legal issues as they may be subject to fines for failure to comply with public health social distancing regulations.

While these pressures are leading to an increase in online sex work, this is not possible for many. Online work requires a stable residence, technology and banking services that facilitate e-payments. Those who are most vulnerable, notably those engaging in survival sex, would not have the capacity to undertake online work so are relegated to the most risky forms of sex work. Sex workers, therefore, are facing an increasingly unsafe work environment, being forced into increasingly risky forms of work due to the public health restrictions and loss of regular income.

### **Casual (Day) Labour**

Casual or day labour refers to workers who are hired on a daily basis to perform manual labour, typically in construction work. In Calgary, “cash corner” has functioned as an informal labour

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<sup>9</sup> Wright, T. (2020) “Sex Workers Say They Have Been Left Out of Canada’s COVID Response.” *Canadian Press*. 19 April 2020.

<sup>10</sup> Ibid.

<sup>11</sup> Grossman, N. (2020). “Sex Workers Face New Risks During Covid-19 Pandemic.” *Victoria News*. 3 April 2020.

<sup>12</sup> Wyton, M. (2020). “How the Covid19 Crisis is Hurting Sex Workers”. *The Tyee*. 27 March 2020.

exchange for decades where those seeking day labour wait and those seeking labourers come to find workers. Day labour also occurs more formally through certain temporary employment agencies. At the moment it is unknown whether the cash corner labour exchange continues to function through the pandemic, or what the impact has been on day labour overall. However, given that employment in the construction trades has contracted by 14% between February and April, it is expected that the demand for day labour also contracted. Those who relied on day labour for income likely experienced a sharp reduction in employment and income. Such workers would also not likely be eligible for CERB as their income would be paid in cash daily with little formal record-keeping to verify their income and income losses.

### **Acknowledgements**

The Canadian Poverty Institute gratefully acknowledges the following people who provided insight for this report:

- Frank Cattoni, Executive Director, SORCe
- Holly Jenkins, Social Worker
- Kathleen LaRose, Provincial Program Coordinator  
Alberta Addicts Who Educate and Advocate Responsibly (AAWEAR)
- Adam Melnyk, Outreach Manager, Calgary Alpha House
- Joy Norstrom, Community Social Worker, City of Calgary

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