



For workers who are paid on a piece or daily rate, such as food delivery riders and banquet waiters, losing two weeks of income may be catastrophic. Many are in jobs which involve substantial contact with other people. Low-wage employees can also be financially vulnerable, because without a quarantine order, they may not be entitled to paid leave for the duration of self-isolation. ST PHOTO: DESMOND WEE

## Wuhan virus

# Low-wage workers at greater risk in times of public health crisis

**Govt should extend more help to those for whom self-isolation can be financially catastrophic**

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For The Straits Times

To contain a public health crisis like the novel coronavirus outbreak, countries must address social needs.

The most effective measures to control the spread of the virus – such as isolation and prompt medical treatment – have a disparate socioeconomic impact on the most poor and vulnerable members of society. Understanding how we can help them make better health decisions is crucial to the successful management of the crisis.

At present, while only a small number of high-risk cases have been issued quarantine orders, many more are under voluntary or workplace-required self-isolation, especially in the education and healthcare sectors.

These preventive measures could eventually affect tens of thousands of Singaporeans. In 2003, during the severe acute respiratory syndrome (Sars) epidemic, 7,863

contacts of Sars cases were quarantined, and many more practised self-isolation.

For Singaporeans fortunate to be employed in flexible professional jobs that allow them to work from home, self-isolation is just a minor inconvenience.

However, for low-wage workers who are living hand-to-mouth, self-isolation is a stressful and costly decision. Many of these workers are in jobs which involve substantial contact with other people.

One of our friends had to make this decision recently. Her child developed a fever over the Chinese New Year. She is a freelance home cleaner, and is paid for each home she cleans. As her family's main breadwinner, the coronavirus outbreak poses more than a health risk to her. If she self-isolates for two weeks out of caution due to her child's fever, she will have no income. But if she goes to work, she may unknowingly put others at risk.

For many own-account workers like her who are paid on a piece or daily rate, such as taxi and private-hire drivers, food delivery riders, hawkers and banquet

waiters, losing two weeks of income may be catastrophic.

Their families may switch to cheaper, less nutritious foods, making them more susceptible to disease. Arrears could accumulate, causing both financial and mental stress. Some households may resort to borrowing money.

Even low-wage employees can be financially vulnerable, because without a quarantine order, they may not be entitled to paid leave for the duration of self-isolation.

A wide body of research, including a study we conducted in Singapore, shows that such financial setbacks may impair decision making, which could then perpetuate poverty. Put simply, seemingly straightforward preventive measures against the outbreak can be very costly for low-wage workers.

Low-wage workers already face day-to-day challenges in taking care of their own health, regardless of the present outbreak.

Own-account workers and new employees with less than three months of service are not entitled to paid medical leave. To put food on the table, they may go to work even when they are unwell. While

low-wage employees have paid medical leave, they may fear that taking leave will signal to employers that they have a low work ethic, putting their jobs at risk.

Low-wage workers may also defer professional medical treatment because paying even small out-of-pocket costs can mean sacrificing other pressing needs.

These dilemmas highlight how low-wage workers need to constantly exercise self-control and make difficult trade-offs in health decisions when better-off Singaporeans hardly give these matters a second thought.

Equity aside, there are public health risks if low-wage workers are caught between being socially responsible and taking care of their family's needs.

## HEALTH RISKS AS A SOCIAL PROBLEM

Solving these issues requires a mindset shift towards addressing health risks as a social problem, rather than as an individual problem.

One barrier to good personal health practices, such as staying home when ill, is precarious finances.

While financial assistance schemes such as ComCare Short-to-Medium-Term Assistance can provide income support, low-wage workers may not view ComCare as a practical option. Earning some income that can immediately meet daily expenses might seem like a safer choice than applying for ComCare or other assistance, if the application process requires substantial time and effort, or the outcome of the application is too uncertain.

The Government's plan to provide a \$100 daily allowance for self-employed workers who are quarantined is a step in the right direction to mitigate the earnings loss faced by own-account workers, as is the assurance that employees will be entitled to paid quarantine leave.

The next step could be financial help in the form of wage replacement to allow low-wage workers to self-isolate when they or their family members show symptoms of a contagious infection. To encourage low-wage workers to seek prompt treatment, we should examine whether co-payments are always necessary.

While co-payments can address the moral hazard of over-consumption of healthcare, minimising moral hazard is not the goal of healthcare policy: Producing the greatest public health benefits at the least cost, is.

Healthcare decisions that involve little or no moral hazard, such as preventive screening, vaccinations, and treating emerging illnesses like the present virus outbreak, could have zero co-payments. This would help low-wage workers focus on how to improve their health rather than on how to pay for treatment.

The Government's decision to publicly fund all hospitalisation costs for suspected and actual virus outbreak cases will encourage low-wage workers to seek treatment when needed.

Going further, public health outcomes could be strengthened by extending social provision for primary healthcare.

The self-employed do not enjoy the mandated medical benefits that employees do, such as paid medical leave and medical consultation fees. Comparable medical benefits from the private insurance market may not be affordable or available for low-wage workers. A social insurance system that finances both paid medical leave and outpatient medical treatment costs, for all Singaporeans, may be more efficient and equitable.

This new system could be funded by contributions from employers, in lieu of mandated medical benefits under the Employment Act, and from the self-employed directly, with additional public support for own-account workers.

We are confident that the Government's decisive action to address the immediate concerns of those affected puts Singapore on a firm path to weather the virus outbreak.

We should consider enhancing our policies to treat health risks as a social issue, to ensure every Singaporean has the financial means to be individually and socially responsible in making healthcare decisions.

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