

**Impact of COVID-19 on women HBWs in Thimphu, Bhutan**  
***Findings from the HNSA-IDRC study, February 2020 to August 2021***

<b>Location</b>	Thimphu	
<b>HBW respondents</b>	30. 7 new respondents surveyed in this round. 2 shifted out of home-based work.	
<b>Product line</b>	All involved in garments, either weaving, tailoring, or both	
<b>Employment status</b>	Aug. 2021	Aug. 2020
Piece-rate workers	85%	83%
Own-account workers	10%	7%
Employees	8%	10%
<b>Key Informants</b>	Kezang dolkar Dorji and Phuntshok Chhoden	
<b>Organisation</b>	SABAH Bhutan	

Bhutan is susceptible to natural disasters and climate-related risks. Though women HBWs are not recognized as a separate category of workers, Bhutan’s wide-ranging social assistance programs cover most citizens well, strengthening general resilience to cope with risks. Nonetheless, identification as non-poor but vulnerable, with mechanisms specifically targeted to their needs can strengthen the existing safety nets to cover women HBWs for calamities like COVID-19.

During this crisis, the nation responded quickly, consistently, and in a targeted and preemptive fashion. For most citizens, this made it possible to avoid the distress associated with the disease and lockdowns elsewhere in the region even though the country was affected economically due to reduced product demand and complete restriction on international tourism.

**Respondent Profile**

SABAH Bhutan respondents based in Thimphu are skilled at weaving and tailoring. All 30 study respondents are members of their producer company SABAH Bhutan, based in Thimphu. 7 new respondents had to be surveyed in 2021 as only 23 from the 2020 sample were available to participate in the study. Most of them identify themselves as piece-rate workers, receiving work from SABAH.

They are not poor, but they are at risk from disaster shocks. Because home-based workers are not recognized as a separate category of workers, the existing social assistance programs don’t target them specifically. There is also no predetermined social insurance to cover them in times of disasters. However, the nation has done well on education and health indicators through provision of these services for all. Eligible citizens also have access to government land grants for housing and agriculture. Apart

from these, there are other cash and in-kind assistance mechanisms covering the needy. These provisions make for greater resilience, and women HBWs of Thimphu appear to be less vulnerable than others in the South Asia region.

### Work and Earnings

In early 2020 as restrictions started to be imposed globally and Bhutan sealed its international borders, a decline in work and earnings was expected. An aggressive pitch by SABAH in March-April 2020 to secure work orders for masks cushioned this reduction, at least for the tailors. Still, the global crisis did lead to reduction in work and sales for the respondents. Even without a national level lockdown and with an order to produce masks, 23 per cent respondents reported no work during April-May 2020, 33 per cent in July 2020, and 14 percent in July 2021 (See table below). And while several reported contraction in earnings during April-May 2020—average earnings dropped to 65 percent of the pre-crisis period—it was much less than in other sampled locations, and there didn't seem to be any associated distress such as hunger in that period. Some respondents even went back to their hometowns and villages in rural Bhutan for safety, shelter, and survival as it was difficult to manage in the city. This resulted in a further reduction in income in July 2020 to about 50 per cent of the pre-crisis period. In 2020 the top priority of many respondents included taking protective measures to escape the disease and ensuring continuity of their children's education.

Over time competitors grew in the masks and PPE kit market making it economically unattractive for the respondents. And the expectation that tourism would open up for revenues to flow could not materialise due to recurring infections. Since August 2020, two of the original respondents have shifted out of home-based work for better earnings while two others haven't been able to find work over this entire period that pays them sufficiently. Largely, the employment status across the respondent group hasn't changed very much with roughly the same percentage identifying themselves as piece-rate workers, own-account workers and employees. Notably, with the support of SABAH, members have explored changing their product mix, upskilling, and searching for new markets. In this period work and income have continued to recover. During June 2021 average weekly earnings of HBWs were up to 81 percent of the pre-crisis level, one of the best in the region.

Respondents with zero work				Average weekly earnings as percentage of pre-crisis (Feb 2020) earnings		
Pre-crisis	April-May 2020	July 2020	July 2021	April-May 2020	July 2020	July 2021
0	7 (23%)	10 (33%)	4 (14%)	65%	50%	81%

### Health Risks and Vaccination

Till August 2020 no COVID cases were reported in Bhutan and while international borders were closed, no lockdown restrictions were not imposed within the country.

Residents were encouraged to maintain masking and social distancing protocol even as many establishments voluntarily closed shutters both to reduce risk as well as in response to drop in demand. Since then COVID did reach the country and restrictions became necessary. During the current survey in July-August 2021, 13 percent respondents reported COVID related death in the family over the previous twelve months. On the positive side, all respondents were fully vaccinated by August 2021. Bhutan has been the fastest in the region to vaccinate; by 27 September 74 percent of its population had received at least one shot<sup>1</sup>.

### **Relief Response**

Within South Asia, Bhutan reported the lowest number of cases per capita in August 2020, managing to keep the disease at bay. Relatively stronger social welfare provisions in place, agile planning in responding to the current crisis, and use of decentralised networks for relief delivery in reaching the needy led to much less distress than witnessed in the region elsewhere.

In Bhutan, no nationwide lockdown was imposed until mid-August 2020, and many businesses remained open. However, measures were adopted, such as halting tourism, closing schools, sealing the border with India, and a countrywide recommendation to avoid nonessential travels. The national leadership, along with His Majesty's office, has been involved in organising and targeting relief for the needy since March 2020, ensuring food, cash, and medical support through local governments and a network of volunteers and civil society organisations. Provision has been made for subsidies and moratoria on loan payments, and targeted unemployment benefits with revisions being announced as per the changing situation. Many of the normal time social assistance schemes were padded-up even as COVID-specific packages were devised. And these have continued since the start of the pandemic till now.

Over 43 per cent of responding HBWs received government cash support, about 65 per cent got sanitary supplies, and none needed food assistance in 2020. During 2021 as government support continued, respondents didn't need food or cash assistance. No unusually high borrowing is observed as in case of other locations in the region and no hunger was reported at any time. The latter is remarkable given that a lot of respondents faced food shortages in the region, and hunger was reported in other parts of the region not only during the initial lockdown but also subsequently.

### **HBW Organisation**

With the crisis spreading globally, SABAH Bhutan started preparing actively in early March 2020 in anticipation of possible loss of work and markets. As countries that produce face masks and PPEs started to stop exports, a dire shortage was foreseen. SABAH-Bhutan capitalised on this opportunity to supplement efforts of the government

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<sup>1</sup> Source: <https://ourworldindata.org/covid-vaccinations>

while securing work and income for its members. It was able to get a large order from the government for its members to stitch 200,000 protective face masks. Additionally, it received an order under the EU-Helvetas funding to produce reusable PPE gowns and cloth face masks. Further, it has been exploring with hospitals the possibility of tailoring medical gear and with schools for uniforms as a fallback option till the economy returns to normal.

Even though under severe financial stress itself, SABAH continued to help members throughout the continuing pandemic in diversification of product mix, business planning, marketing and building capacity to shift to online business or improve quality of products. It is now focusing on helping members to transform into entrepreneurs from being piece-rate workers and has reported an increase in membership during this period