

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

Location	Kathmandu	
HBW respondents	63. 1 shifted out of home-based work	
Product line	August 2021 – 40% in garments, 29% in handcrafts including glass bead items, 23% in food, remaining producing and selling disinfectants August 2020 - Close to 70% involved in garments and textile, the rest in making glass bead necklace, food products, and disinfectants	
Employment status	July-August 2021	August 2020
Piece-rate workers	39%	41%
Own-account workers	29%	54%
Employee	21%	0
Key Informants	Prabha Pokhrel	Sristi Malla, Robin Amatya
Organisation	Home-based Workers Concern Society Nepal (HBWCSN)	SABAH Nepal

One of the poorest countries in the region, Nepal is at high risk of natural disasters. Existing social security provisions, that are weak in general, completely miss women HBWs as a separate category of informal economy workers. They are not recognized as workers in government records. Though highly-skilled, the 63 respondent HBWs are vulnerable with little ability to cope in the event of shocks, and definitely not with protracted distress like the current pandemic that has completely eroded export demand and stalled tourism, their main source of earnings. By June-July 2021, income had slumped from the August 2020 level instead of increasing. Relief efforts remained peripheral. Thus has led to very high unpaid debt of over 230 percent of estimated annual average earnings. To strengthen resilience for effective recovery from such a crisis, identification of women HBWs for targeted assistance through a social protection system would be a necessary step.

Respondent Profile

Participating HBWs are all skilled in trades like tailoring, weaving, knitting, making glass bead necklaces, sculpting Buddha statues, and preparing fresh and dry food products. Their products such as sweaters, woven shawls, and carpets have established markets abroad or are targeted primarily at the foreign tourists visiting the country. Several respondents have migrated from other parts of Nepal to make Kathmandu their working base, others are from Kathmandu and surrounding areas of the valley. Male family

members of several respondents migrate to foreign lands for work. In a large number of cases HBW families were affected severely by COVID related restrictions as both women and men lost work.

Work and Earnings

In the year 2020, as the fear of the disease spread across the world, the large number of Nepali citizens working abroad started returning. At the same time, the reduction in remittances—an important contributor to the nation's economy—became imminent, and the possibility of the virus spreading through the returning population loomed large. Additionally, tourism along with exports came to a complete halt. As economic distress grew, the government started to relax the lockdown in May 2020. Soon after as COVID-19 cases began to rise in June and July, a strict lockdown was reimposed in the Kathmandu Valley. Responding HBWs producing goods for exports such as knitted garments and carpets faced cancellation of orders as soon as COVID-19 hit European countries. And those producing for tourists lost that market. The domestic Nepali New Year sales in April 2020 were also lost.

As a result, in the year 2020, forty three (68 per cent) of the 63 respondents connected to export-oriented garment supply chains and selling to the tourist market, lost work and income. Of the responding HBWs, about 60 per cent had no work during April-May 2020. In August that year, 48 per cent had reported no work and earnings (see table below). However, income recovery was remarkable at over 53 per cent from the pre-crisis period mainly due to the quick and agile response of SABAH Nepal in shifting its members to food related supply chains using available equipment from its cafés for online sales and arranging mask and PPE orders for its member tailors.

After August 2020, work and earnings could not stabilise as the disease outbreak continued to fluctuate. Lack of supply chain revival forced respondents to, where possible, engage in alternate livelihoods. While 70 percent of respondents had reported working in the garment and textiles sector in August 2020, this figure dropped to 40 percent by Jun-July 2021 (see top table). As competition and cumbersome government approvals made it difficult to capture the masks and PPE kit production market, HBWCSN encouraged its members to consider alternative products and provided the necessary training. SABAH Nepal continued to help members with adjusting the product mix and business process; 13 of its members and study respondents (21 percent of all HBW respondents) who had shifted to food products in 2020 joined as employees in its six cafés. Interestingly, none of the respondents identified as employees in August 2020 (see top table). Meanwhile, due to shortage and hesitancy vaccination couldn't proceed at a fast pace while the spread of the disease was vicious in March-April 2021. This led to very stringent restrictions again over 4 months starting May 2021.

Consequently, in June-July 2021 over 44 percent of the respondents had no work. And, income recovery that was remarkable at over 53 per cent of pre-crisis levels in August 2020, disappointingly slumped (see table below). Average weekly earnings were recorded at a mere 38 percent for June-July 2021 as 90 percent of SABAH Nepal respondents could not do any work in the months of May and June. Work started to trickle in slowly during July as restrictions started to ease progressively.

Respondents with zero work				Earnings recovery in August from pre-crisis period	
Pre-crisis	April-May 2020	Aug. 2020	July-Aug. 2021	Aug. 2020	June-July 2021
0	37	30	27	53.2%	38%

Health Risks and Vaccination

At the start vaccination could not progress at all due to extreme hesitation even though shortage was also a challenge. HBW organisations had to work very hard to convince members. Nepal is among the slowest vaccinators in the South-Asia region. But by August 2021, 60 percent of respondents were already vaccinated and almost all others are registered to get their shots.

Relief Response

In providing relief to citizens, the government announced extending bank loan payment deadlines and reduced interest rates. Food and soap packets were distributed. No cash transfers were designed. While the existing social assistance is very weak in the country, the other challenge in accessing whatever little the government had on offer was the process. Since 2017, Nepal has been setting up its federal structure and is new to its workings. This became important as many people couldn't access government relief if they were not voters of the ward they resided in. Moreover, since HBWs are not identified as vulnerable most of them found themselves ineligible for government relief. Only one out of the 63 respondents reported receiving government cash support, and five received food support in August 2020.

In the year 2021 the government mainly covered hospitalisation costs of COVID patients not offering any cash, food or other support to other sections of society. Only three out of 63 respondents received government cash and two received food. Nine received food support from other sources. 5 percent respondents reported adults in the family going hungry sometimes or often during this crisis period; 70 percent for those who borrowed, did so mainly for food.

HBW organisations

With severe restrictions on mobility imposed by the end of March, both organisations participating in this study, HBWCSN and SABAH-Nepal, acted quickly, establishing communication with members through grassroots leaders. Respondents appreciated

their wide-ranging support in counselling members who were edgy and scared, getting them medical and food relief, finding work for them, and arranging to move raw materials and finished goods. In an attempt to retain some share of its market and target new ones, SABAH relocated its central facility equipment closer to women HBW clusters so they could stitch masks, PPE suits, hospital scrubs, or produce frozen and processed foods to sell online. To support members of its cooperatives, HBWCSN decided to reduce interest rates on loans taken, ratifying this decision over the phone. Later they were able to encourage members to consider alternative livelihood options providing training and other information. Apart from this, they were instrumental in convincing hesitating women to opt for vaccination.

Strengthening livelihoods, finding new markets, and building capacity to tap alternative supply chains are the current top priority for responding HBWs organisations as a way to support home-based workers through the crisis.

Further, movements for recognition of informal workers in government records gained momentum during this crisis with field leaders of HBW organisations engaging intensely and fruitfully with local authorities and politicians. Resources of HBW organisations have been stretched thin; their strengthening - financially and otherwise - is essential to ensure that issues of women HBWs are addressed well in the future.