

Impact of COVID-19 on women HBWs in Kandy and Colombo, Sri Lanka
Findings from the HNSA-IDRC study, February 2020 to August 2021

Location	Colombo	Kandy
HBW respondents	30. 1 shifted out of home-based work	30. 29 in round 2. 2 shifted out of home-based work
Product line	About half involved in food products and the rest in garments and handicrafts	
Employment status	mainly self-employed own account workers, no piece-rate workers	
Key Informants	Dinusha Rajarathna	Janaka Hemathilaka, Amila Wijesinghe
Organisation	SABAH Sri Lanka	Janatakshan

At the start of the pandemic, Sri Lanka imposed the most stringent measures in the region in response to COVID-19, completely halting movement of goods and people into and within the country. This helped keep the caseload relatively low, but economic difficulties emerged much like in the rest of the region. The situation for the nation, which is highly dependent on tourism, exports, and remittances, worsened in 2021. COVID spread like wild-fire killing many and inflation soared due to the nation's foreign exchange crisis that is still at dangerous levels. Even with a relatively wide existing social welfare system and long standing experience in dealing with recurring disasters, the response to address shortages and other needs failed to improve outreach to women HBWs initially and later started to dry up due to the rising economic difficulties.

Though not the poorest of the poor, women HBWs are vulnerable to disaster shocks and remain largely absent in government records as worthy of wide-ranging support. In August 2021 unpaid debts were reported at 48 per cent of their total estimated annual earnings for Colombo respondents and at 60 per cent for Kandy respondents. The identification of women HBWs for targeted assistance through the existing national protection system would go a long way in quickly supporting this group during the crisis and improving resilience in the longer term.

Respondent Profile

Apart from its recent struggles, the Sri Lankan economy has otherwise been doing well. Its per capita income places it in the upper-middle income group of nations ensuring a certain minimum earnings level for the HBWs along with access to well-functioning social services. Participating HBWs are skilled in tailoring, stitching, making handicraft, and preparing fresh and dry food products. About 50 percent of them, residents of Colombo, are members of the SABAH producer collective that helps them with work skills, business processes and marketing of their produce. The remaining are associated with Janatakshan working in Kandy. Living in congested settlements, they are Tamil

immigrants. In many cases male members of their family are sanitary workers employed by the Kandy municipal authorities. This helped them retain at least one source of income for the family during times when the women couldn't make an earning at all.

Work and Earnings

In the year 2020, HBWs lost New Year and Eid sales as tourist traffic was completely stopped. Food products prepared for these times expired and had to be trashed. Special garments produced for New Year celebrations were wasted as inventory. With offices and business establishments opening up gradually, work and incomes started to come back by August 2020. Sixty-three per cent of respondents had no work during April-May. For those who did have work, average earnings reduced to 22 percent of their pre-crisis levels. In August, 80 percent of respondents were working, but average weekly earnings had risen back to little less than 25 percent of the pre-crisis period for the Colombo respondents and to a more cheery 53 per cent for Kandy respondents (see table below). The recovery of Colombo respondents was lower than those in Kandy both in terms of work and earnings.

Almost everyone who had work was making less than in normal times.

	Respondents with zero work				Earnings recovery in from pre-crisis period	
	Pre-crisis	April-May 2020	Aug. 2020	Aug. 2021	Aug.2020	July-Aug. 2021
Colombo	0	17	9	22	24.9%	7%
Kandy	0	21	5	15	53.0%	10%

Food product makers and sellers are among the high-income section of HBWs. Of the 60 sampled in the year 2020, 27 belonged to this category. They earned more than double the other respondents during the pre-crisis period of February 2020. And, since food is an essential consumable, even though there was extreme fear of consuming food cooked outside homes, their incomes declined less and by August had also revived back to a higher level than other workers. Sale of non-essentials such as garments and especially fancy handicraft items is not expected to pick-up until the domestic economy revives, tourism restarts, and raw material supply eases.

Of the 59 respondents interviewed in 2021 – one could not be contacted – one each moved to domestic work in the two study locations of Colombo and Kandy. One more in Kandy joined a factory. Of the remaining 56 about 43 per cent reported working in the food sector and 30 per cent in garments and textiles. Continuing and severe restrictions along with heightened fear of the disease especially after the experience this year kept work and earnings low for HBW. Only 41 per cent of the respondents had work in June-July 2021. Among those working with food products, who had suffered less than other HBWs in 2020, only 29 per cent had work. In Kandy their average weekly

earnings were slightly over half of the rest and a fraction of the garment workers earnings. However, in Colombo food workers reported making about one and a half times more than those involved in other trades. Overall, in both cities HBW earnings declined since August 2020; in Colombo to a depressing 7 percent of pre-crisis level and in Kandy to 26 per cent (see table above).

Vaccination has progressed well and much is expected from the opening up of tourism to revive markets. However, there is a feeling that tourism may be operated as a high-end business bypassing smaller businesses that typically HBWs are involved in.

Health Risks and Vaccination

Starting in March 2020, Sri Lanka imposed the most stringent measures in the region in response to COVID-19, severely restraining citizen movement, restricting imports from China, and closing borders to international visitors. This successfully limited the spread of the disease—both caseload and deaths have been very low compared to others in the region and elsewhere. The country even conducted its nation-wide election in early August 2020. However, the ensuing socio-economic costs, which may not have been fully imagined before mandating restrictions, continue to burden the nation.

The immediate response to address food and other shortages, medical needs, and loss of work, suffered from weak management and outreach. For instance, long and crowded queues at medicine outlets defeated the purpose of restricted movement and forced the government to change its strategy. On the positive side, vaccination has progressed very well making Sri Lanka one of the top vaccinators in the region. By August 2021 all respondents had been vaccinated.

Relief Response

Over time the initial glitches in providing relief were addressed, and the existing social protection mechanisms were expanded to cover, among others, self-employed people. Since HBWs are not the poorest of the poor, the system doesn't target them for wide-ranging support in normal times. However, during this crisis, many (80 percent) of the sampled HBWs received the emergency cash transfer in the year 2020. Food was mostly provided by non-governmental organisations, private companies, and media houses with religious institutions serving as distribution centres. In Kandy, the women's group, Samagi Kantha Sanwardhana Sanwidhanaya Society arranged for food, loans, medicines, and information on the disease for its members.

Still, by August 2020 the insufficient nature of the relief had emerged, and with the end of the pandemic still not in sight, this help was expected to last only a short while. The domestic economy was depressed, dampening markets; cooking at home continued to be the preferred option due to the virus; and the availability of cheap raw materials from China was still limited. Easy loan schemes for working capital needs, reduced

interest rates on borrowing, and other such initiatives were announced in the year 2020 with the aim to trigger economic revival.

However, the continuing crisis led to a drying up of relief. COVID-packs worth LKR 5000 including food packets, medicines, sanitary supplies, etc. that were supplied by the government initially, once the family had been tested positive, became unavailable. The one time cash support of LKR 5000 announced at the beginning of the pandemic was reduced to LKR 2000 in 2021. In August 2021, none of the Colombo respondents reported receiving government support in cash or food; they also did not get any food from non-government sources. On the other hand, almost all Kandy respondents received food support from government and non-government sources; 48 per cent were also able to access the government's reduced cash support.

HBW organisations

Both SABAH and Janatkshan teams found themselves severely constrained in supporting members due to movement restrictions and a slump in organisational funding. Planned activities had to be shelved or conducted in an extremely limited manner. The immediate needs of the members couldn't be addressed effectively as the government had decided to coordinate all international aid for COVID-19 relief through its centralised system. This completely curtailed access of organisations to direct fund flows to alleviate COVID related distress. Both teams had to reduce expenses, staff members had to take salary cuts and offices ran with bare minimum facilities. Yet, they have continued to support members in whatever way they could, helping them find work, explore alternate work and discuss training opportunities for this; exploring markets for their products; helping them in negotiating delayed or reduced payments for rent, utility bills, and loans taken; and providing information and psycho-social counselling in dealing with COVID and the distress it caused.

HBW organisations, though facing acute financial difficulties themselves, are working hard at ideas to improve business environment for members including market access, easy and cheap financial products, improving production and business process, enhancing product quality, diversification into alternate products, and upgrading skills.