



# Reimagining vulnerability in the light of COVID-19: Reflections on informal work, social protection and emergency responses during crisis

The pandemic, which was anticipated to be the ‘great leveller,’ turned out to be anything but, unleashing upon the world its largest economic crisis since the Great Depression. It not only reversed years of progress in reducing global poverty (Alkire et al., 2021), but also jeopardized the possibility of eradicating global poverty by 2030 (Gurara et al., 2020), as planned in the 2030 Agenda for Sustainable Development.

Policy decisions to implement mobility restrictions resulted in grave implications for the labour market outcomes of persons working in the informal economy, who make up about 67 percent of the workforce in Sri Lanka (Feridhanusetyawan and Abeyawickrama, 2022)<sup>1</sup>. The incidence of poverty is higher in the informal sector, although not all working in the informal economy are poor. Thus,

the disproportionate burden of the pandemic on informal work catalyzed widening and deepening poverty, inequality, and vulnerability in Sri Lanka (as elsewhere). Low-waged workers were the worst affected, with more than 95 percent of them having lost or experienced a reduction in pay (Feridhanusetyawan and Abeyawickrama, 2022).

## STUDY

The seismic socioeconomic impacts of the pandemic that shocked the world, illuminated the fragility of our socioeconomic structures and systems, leading to a growing consensus of not returning to business as usual. Importantly, widening and deepening poverty and inequalities worldwide sparked a critical discussion on reimagining vulnerability, giving us the impetus to design this study within the context of Sri Lanka. The economic crisis that followed on the heels of

<sup>1</sup> Globally, this share is about 61 percent (International Labour Organization, 2018)

the pandemic further justified the undertaking of this research study.

The overall study took on a mixed methods approach to data collection, and surveyed a random sample of 4,000 households in nine districts<sup>2</sup> and conducted in-depth interviews with a purposive sample of 72 respondents from six districts<sup>3</sup>. We examined these primary data to explore the impacts of the pandemic and the economic crisis on households and the various socioeconomic vulnerabilities that they were grappling with due to these shocks. We also investigated possible reasons for heterogeneities in these impacts to parse characteristics of households at a higher risk of vulnerability in the event of a disruption to normal social order.

This policy brief shares findings from both the qualitative and quantitative research components regarding perceptions about the government's emergency responses and social protection measures during the pandemic among respondents in our samples (Vithanagama, 2024; Vithanagama and Gunatilaka, 2024). We anticipate our findings will inform relevant policy, projects and programmes of state and non-state actors.

## FINDINGS

Households relying on informal sector employment and livelihoods were more vulnerable to the impacts of the pandemic control measures. Both quantitative and qualitative findings concur that the economic burden of the pandemic was higher among households that earned incomes from casual or temporary jobs, own account work, and self-employment. The quantitative analysis clearly established that an increase in the share of household members in these types of work


arrangements makes a household more vulnerable to income insecurity. Our analysis also suggests that such households are at greater risk of food insecurity.

The qualitative analysis provides a rich backdrop, substantiating these observations. Temporary or casual workers were not necessarily laid off, but when the business establishment was closed during lockdowns, they were usually not paid. Estate sector workers did not lose jobs during the pandemic, but had to work for fewer-than-usual number of days as tea factories were operating below capacity. Fishers and petty traders could earn an income only if they managed to prepare items for sale and if there were customers to purchase. Daily wage workers had no income when they could not go out to work. Even if they did, sometimes they were not hired, especially for indoor work, as employers feared contracting the virus from them.

Volatile and unpredictable incomes added to the vulnerability faced by households living on informal sector work. The qualitative findings demonstrate that in most cases, incomes from informal work were both volatile and unpredictable, adding to the enduring uncertainties that pervaded the pandemic period. In some cases, employers provided some financial assistance to their workers. However, the amount, timing, and duration of these payments were entirely at the discretion of employers, and respondents perceived this assistance as an act of benevolence on the part of their employers. Although some households received financial and non-financial support from relatives and neighbors, such support was often one-off. Households living on informal sector work also had minimal or no savings and, at most, owned only one or two pieces of jewelry. The quantitative findings showed that households without access to savings or jewelry were at a higher risk of experiencing vulnerability to food and income insecurity compared to households that own such assets. Thus, not only were households reliant on informal sector incomes

2 Colombo, Kandy, Galle, Jaffna, Ampara, Kurunegala, Anuradhapura, Badulla and Ratnapura which had the highest confirmed COVID hospitalisations in each of the nine provinces, as of June, 2022.

3 Colombo, Kurunegala, Matara, Badulla, Trincomalee and Kilinochchi which had the highest, moderate and least numbers of confirmed COVID-19 cases as of June 2022.



affected by the pandemic's economic impacts, but they also had to endure financial distress without cushioning mechanisms.

Cash transfers and in-kind assistance reached poor and vulnerable households, and was very useful – in some cases a lifeline – to those who received benefits. The quantitative data shows that among surveyed households, about 91 percent of Samurdhi recipients had received cash transfers from the government at least once. About 37 percent of the overall sample, and 53 percent among Samurdhi beneficiaries, have received dry rations at least once. For households earning incomes in the informal sector, the cash transfers they received from the government, and in a few cases, from other organizations, were significantly helpful. For a handful of households, this was the only source of income during the first few months of the pandemic outbreak. In extreme cases, this support made the difference between whether households could afford to eat or not.


Many households that received this financial assistance from the government used the money to purchase groceries, pay rent, utility bills, return money they had borrowed from neighbors and relatives earlier during the pandemic, and to support children's education. In-kind assistance, especially dry rations, was very helpful to households in quarantine and in general, as many households struggled to purchase groceries in between curfews.

But there is room for improvement in strengthening social protection space during emergencies, in terms of targeting, tailoring and generosity. About half of the surveyed respondents in the quantitative study found the Grama Niladhari officer to be helpful to them during the lockdown. This is largely confirmed in the qualitative analysis. However, a few instances of favoritism were reported. There were also several instances where deserving households did not receive the emergency response benefits

extended by the government. This is confirmed in the quantitative analysis, where roughly percent of the Samurdhi recipients have not received cash transfers. In addition to weaknesses in targeting, there were structural issues too. A main criticism was the standard amount of cash grants and dry rations given to all households, without taking into account, at the very least, the household size. In larger households, the cash grants did not have the same benefit as in smaller ones. Another criticism was that the government's decision to extend the cash transfers only to Samurdhi recipients was unreasonable, as households that faced significant economic distress due to the pandemic felt marginalized and excluded.

The sudden and abrupt implementation of social distancing protocols disproportionately affected informal sector livelihood strategies. The qualitative study provides a few rich examples of how social distancing measures inconvenienced vendors of perishable goods who had to give away their inventory for free as there was insufficient time to sell, and they had no alternatives. While financially more stable households could stock up on their groceries during brief windows of mobility allowed during lockdowns, this was not an option for the poorest households. Households reliant on non-agricultural incomes were the hardest hit, as agricultural households could manage with excess produce they had stored.

Social distancing measures had a detrimental effect on respondents' psychosocial well-being in general, but more so among certain groups. The qualitative interviews clearly demonstrated the negative psychosocial impact that social distancing measures had on households. The collapse of spatial boundaries was harsh on everybody for different reasons. Economic uncertainty and the inability to go out affected more women than men. Women were fearful for the health of loved ones but also burdened by extra unpaid care work. Sometimes, increased domestic tensions




led to emotional, verbal, and, in rare occasions, physical violence against women. Persons with diverse sexual orientations and gender identities were also disproportionately affected. They were anxious about their personal safety if their identities were exposed in the community, as they navigated the complexities of social distancing. Furthermore, the psychological toll of lockdowns was more pronounced among people living in densely populated, low-income urban settlements compared to those living in less congested areas.

Inconsistent pandemic control measures and information gaps in communications caused confusion and mistrust among respondents. Our qualitative study showed that most respondents commended the government's efforts to control the pandemic in its first wave. However, many respondents felt that the lapses in the second and third waves rendered the proactive measures taken during the first wave redundant. Mixed and contradictory messages from health professionals and the military caused confusion, especially during the second and third waves of the pandemic. Many respondents emphasized the importance of having health experts lead the response to a health crisis, rather than the military. The policy on the compulsory cremation of COVID-19 deceased, which contravened the religious beliefs and traditions of ethnoreligious minorities, drew criticism as it added to the anguish of surviving family members. Most respondents acknowledged that the COVID-19 vaccination drive was well-organised. However, the government's failure to provide adequate information about the vaccine, its potential side effects, and the differences between various brands was perceived by many as a violation of their rights, especially since non-vaccination was grounds for exclusion from accessing many spaces.

## **POLICY REFLECTIONS**

Enhancing measures to improve the visibility of the informal labor force and protect their jobs is imperative. The pandemic experience calls for both immediate and long-term measures to safeguard the incomes and livelihood strategies of informal sector workers. Parametric insurance is an underexplored option in Sri Lanka as a tool to protect incomes vulnerable to external shocks, especially in the agriculture sector. Raising awareness about the importance of informal sector work and advocating for the rights and protections of informal workers is crucial. This can include awareness campaigns, education programmes, and more long-term actions such as policy initiatives aimed at fair labour practices, access to social protection, and expanded retirement benefits. Better data collection to accurately reflect the economic contributions of the informal sector is a critical step towards giving individuals working in the sector visibility and safeguarding their rights. Furthermore, facilitating an enabling environment for the transition of informal businesses into the formal economy is a complex but essential transformational need in this context.

Social protection extended at times of crisis must adopt a more expansive view on potential beneficiaries and provide both tangible and intangible support. Social protection programmes are pivotal for protecting the most disadvantaged socioeconomic groups. But as the pandemic has illustrated, external shocks can push households that were not previously considered vulnerable into great economic distress. Therefore, emergency cash transfer programmes should not only be informed by priorities and criteria but consider a wider range of drivers of vulnerability relevant to the evolving situation. Moreover, the scope of support should transcend usual suspects such as cash, food, clothing, and shelter to involve necessary



but intangible dimensions such as psychosocial support for direct and indirect victims of shock experiences.

Social protection programmes should address multidimensional deprivations and empower beneficiaries out of long-term poverty. While the Aswesuma programme features many design improvements over its predecessor Samurdhi and takes on a wider approach to poverty than monetary deprivations. However, there are further opportunities to enhance its effectiveness by adding/strengthening modules on asset building, financial literacy, nutrition, maternal health, substance abuse and alcoholism, and domestic violence. An intersectionality lens is key to capture divergent vulnerabilities. Building interconnections with financial, legal, psychosocial referral systems would also benefit vulnerable households. In addition, creating space within the programme to strengthen awareness on important topics such as human rights, social inclusion and coexistence can add to a more wholesome empowering experience for participating households.

The tunnel vision of emergency responses to crisis situations can undermine their effectiveness by overlooking broader perspectives. While it is understandable that containing the impacts of external shocks triggers reactive and proximate responses, the pandemic has illuminated the vices of tunnel-visioned policy responses. A failure to consider the bigger picture risks creating incomplete or inadequate responses and leaving vulnerable populations at greater unanticipated

risks. Therefore, measures to counteract the shock impacts must be comprehensive, forward-looking, and holistic to ensure interconnected issues, diverse perspectives, possible pushback, and anticipated challenges are addressed. This requires an anticipatory approach to emergency responses that are informed by regular risk assessments, continuous learning, interdisciplinary expertise, collaboration among different stakeholders, and effective feedback loops. Importantly, emergency responses must enshrine values of rights, empathy, inclusion, flexibility, and adaptability to prevent further disempowerment of individuals at risk.

Sustainable, inclusive and consistent economic growth is key for creating better jobs, advancing social protection measures, and enhancing emergency response capabilities. Economic growth is imperative to reducing poverty and vulnerability. However, economic growth on the back of widening inequalities can come undone fast, as the pandemic experience showcased. Macroeconomic policies promoting the kind of growth that can create decent jobs in growing sectors, expand the formal sector, widen the exports base, integrate intra and inter-regional economies, align with the advances in technology, and improve fiscal efficiency and accountability are important for sustainably pulling people out of poverty and keeping them out. Importantly, accepting a rate of growth that can enhance stewardship of nature and focus on human well-being (Erdelen and Richardson, 2021) is key in facing anticipated future shocks.

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