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Left Behind by Lockdown Social Protection Failures and Coping Strategies of Informal Workers During COVID-19 in Kathmandu Valley

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Abstract

The COVID-19 pandemic overturned progress toward the Sustainable Development Goals (SDGs) in Nepal, mainly SDG1 (No Poverty), SDG 2 (Zero Hunger), and SDG 8 (Decent Work and Economic Growth) and SDG 10 (Reduce Inequalities), as informal workers constituting 90 percent of the economically active population faced severe income losses with minimal institutional support. This study has applied the pragmatic research philosophy combining both qualitative and quantitative insights for understanding the socioeconomic impact of working-class people in Kathmandu. This study is guided by Marxist and Marxist Feminist Political Economy, Keynesian employment theory, and the Sustainable Livelihoods Approach (SLA). Purposefully, the three municipalities, Kirtipur, Gokarneshwor, and Kathmandu Metropolitan, were chosen for this study as these areas have high labor mobility. Using Croachran's formula, the sample size was determined to be 324, with 108 from each municipality. To examine the influence of multiple socioeconomic factors on pandemic linked job loss, a multinomial logistic regression model was used. The model showed that informal workers had 3.57 times higher odds of job loss ($p < 0.001$), and those without savings faced 4.21 times greater risk ($p < 0.001$). Similarly, the coping strategies adopted during the crisis period show the clear hierarchy of distress like 48.5% relied on their savings, 46.9% lend from relatives, 18.2% coped by decreasing food consumption, and merely 2.2% were able to achieve any kind of government support. Qualitative data analysis revealed the exclusion errors, political favoritism, political loan disbursement, and urban-rural health services bias. The cash transfer programs in Brazil and South Africa were successful in comparison to Nepal's "Food for Work" program. The study recommends using digital registries, decentralized cash transfer, and a participatory governance mechanism to reduce household vulnerabilities and promote an equitable post-pandemic recovery.These findings reinforce the immediate need for SDG aligned social protection reforms, particularly SDG target 1.3 (implement nationally appropriate social protection systems for all) and SDG target 8.8 (protect labour rights for all workers, including those in precarious employment), to build resilience against future crises.

1. Introduction

COVID-19, also termed as Coronavirus Disease 2019, is an infectious disease caused by the SARS-CoV-2 virus. The disease was first detected in Wuhan, China, in December 2019. The virus spread very fast across the countries and affected millions of people. Because of the global impact of this virus and rapidly quickly spreading, the World Health Organization (WHO) declared it a global pandemic. The COVID-19 pandemic is seen as the biggest crisis of the 21st century. It affected not only the health of the people but also the daily life and the economy in the world worsening the life style of people (WHO, 2020). Numerous studies have been carried out to look at how the virus have spread, but there remain very few studies that emphasized the effect of virus on informal workers especially in low- and middle-income countries which have not been studies in depth. In the context of Nepal, this issue is very significance as remittance make up around 25% of GDP contribution, tourism add up around 8%, and more than 90% workers in reality have no formal job secures as well as the institutional response was very limited (ILO, 2020; CBS, 2020).This exclusion from formal labor protections directly undermines

Nepal's commitment to SDG 8, which calls for decent work and economic growth for all, and SDG 1, which requires implementing social protection systems for further implicates SDG 11(Sustainable Cities and Communities), as these workers face precarious housing and limited access to basic services (Pradhan et al.,2021).

Many problems were seen such as job loses, food shortage, and feeble government support during the pandemic period and the pandemic was responsible for such problems. Several studies carried out entail on big economic changes such as the fall in GDP (Khanal, 2020), while other studies glance at how individual households managed their livelihood during such time (Adhikari et al., 2021). But the informal workers who are involved in the informal sectors were left behind and these studies rarely connect these two levels. This gap is mainly relating from a sustainable development perspective as informal workers are central to achieving multiple SDGs, their economic inclusion (SDG 8), social protection (SDG 1), and food security (SDG 2) are interrelated (Joshi et al., 2021). So until knowing how these workers cope during crises, policy maker cannot make effective interventions to maintain SDG progress during future shocks.

Thus, this study seeks to examine how social protection failures during COVID-19 affected informal workers in Kathmandu Valley, and to assess the implications for SDG progress, mainly with SDGs 1,2, 8 and 10 in urban Nepal (Pradhan et al., 2021; & Joshi et al., 2021). Not only this, it uses the ideas from Marxist political economy and Sustainable Livelihoods Approach to know how Nepal's working class people survived during pandemic despite the long standing social and economic inequalities. It is because Nepal faced a worse condition as our country dependent hugely on remittances as the sudden fall in migrant income as well as the tourism business reduction created a chain reaction in the livelihood problems (World Bank, 2021).

Coping Everyday livelihood challenges during COVID-19 pandemic Crisis in Nepal

There was a significant loss in gross domestic and national savings due to COVID-19 pandemic in Nepal in the fiscal years 2019/20 and 2020/21 when compared to the pr-academic year 2018/19 (Dangal, 2022). Due to these like economic shut down and weak regulating during COVID-19, many problems were faced by people in Nepal. One short of problem was demand of food that was dramatically increased but on contrast the manufacturing and farming were both decreased. In the same way, black marketing, unfair business practices, and rising of prices of goods took place. Though the government allowed factories and business to operate and conduct the some of the economic activities, they could not operate fully. Young adults between 18 and 29 years suffered a lot and made up about 20% of all the job losses. A national level household survey found that the difficulties were seen across the provinces and out of 1.8 million households, about one third were the most affected in Nepal. The government of Nepal though local level distributed relief packages like rice, pulses, oil, salt, potatoes, sugar, and soap which lasted for only 10 to 20 days. Not only the government, even the community groups and local government were supported the returning migrant by providing the meal to them.

Figure I: COVID-19 Affected Households and First Relief Coverage by Province in Nepal.

Source: GoN & WFP, Food Security & Vulnerability Update 3, May 6, 2020.

Figure 1 shows how many households in Nepal were affected by COVID-19 during the lockdown and received the first round of relief. Of the total around 1.78 million affected households, nearly 85% (about 1.51 million) got the initial relief. Gandaki Province had the highest coverage (95%), while Karnali Province had the least coverage (70%). Although Gandaki Province showed the highest share of coverage but Province 2 in proportion had the greater number of households that had been affected which entailed the more necessitate of the support. Similarly, the graph also shows the great disparities between provinces in terms of the number of COVID-19-affected households and the distribution of initial relief packages. But this graph limits to showing the specific problems faced by informal workers in cities such as Kathmandu. The high relief coverage (95%) in Gandaki and the national average of 85% do not guaranteed to overcome the real struggles of the urban working class in Kathmandu. Most of the workers work in informal sector and unregulated jobs due to which they were left out of the safety net programs. Due to this reason, their hardships are not shown clearly in the provincial data. While the government claims that many households received the relief however, the qualitative evidence from Kathmandu reveals a contrary picture like many families survived by cutting down their meals and borrowing money from friends and relatives. Not only was the official aid not enough, was delayed and was difficult for many people to access.

There is a huge gap that had not been addressed by the government policies. Thus, it is required to carry out more detailed, ground level studies. This study attempts to use a politically informed Sustainable Livelihoods Approach (SLA) to inquire the government's positive support on relief coverage to the informal workers as a coping program during crisis in Kathmandu. In urban setting, urban workers are the working class who were the wage laborers without the ownership of the productive land (Marx, 1867) and they were mostly the suffers of the crisis during pandemic. In the context of Nepal, majority of the labor forces (90%) have been involved in the informal sector (ILO, 2020). These labor forces had huge job losses when the lock downs and economic shutdown began during COVID-19 pandemic affecting 1.6 to 2 million workers (NPC, 2020). Not only this, the crisis caused the sharply drop of remittance (World Bank, 2020a), and increment of the food security. This resulted in the cut down of meals by number of families. Many challenges and serious problems occurred during the crisis time but it is unknown about how working class people coped with the crisis, how much support they received from organizations, and what structural issues made them prone to the crisis. Many studies have been conducted on huge economic trends like GDP decline or the problems arose in tourism and manufacturing sector (CBS, 2020; Khanal, 2020) but still lack to observe very closely at people's real experiences on the ground level.

It is noted that there is a vivid research gap in different studies that consolidate both quantitative and qualitative data to realize the lived experiences of informal workers for measuring how well emergency polices worked, and the documented community level coping strategies. Most researches are concerned with either economic approaches (Khanal, 2020) or sociological perspectives (Adhikari, 2021), but these studies lack the insights to apply policy into real action. This study a whole applies the political economy lens within the Sustainable Livelihoods Approach so that the deeper structural problems that weaken the

labor protection and limited capacity that the household carry during crisis have been raised to get the proper solutions. These issues are often neglected in traditional resilience research however; these are also important to understand the strategies adopted by the informal workers during crisis.

Pandemic hardships of Informal Workers Worldwide

The problems faced by the informal workers in Nepal were similar to the global pattern. Like in the world where people in informal jobs such as daily wage laborers, street vendors, and domestic workers suffered a much during the pandemic and this was same in Nepal as well. As most of the world's workers (61%) are in informal jobs and due to lock downs and social distancing caused those people to lose their income (International Labor Organization, 2020). The longitudinal studies were carried out in 11 cities worldwide and these studies concluded that informal workers lost nearly all their income at the starting point of pandemic, but the recovery was slow and uneven even a year and a half later (Chen et al., 2021). The cause of this is because the informal work is generally considered insecure and these workers have few savings and no social protection as a result, they had to choose between risking huger or getting sick (World Bank, 2020). The COVID-19 crisis showed that informal workers are not only the victims of economic shocks but also to major sustainable development. Research on SDG inter-linkages revealed that the pandemic significantly hampered progress on nearly 90% of the SDGs, with the huge impacts on SDGs 1,2,8,and 10 (Henrysson et al., 2024). This highlight the need for integrated approaches that find how informal worker vulnerability affects multiple development goals simultaneously (Pradhan et al.,2021).

In comparison, women were more affected by the pandemic, that made the economic crisis ever much harder for them. In global, majority of women are working in informal sector like domestic work and also, they had to manage the triple burden work like paid work, and extra care at home because schools at that time were closed, and community responsibilities had to be fulfilled (Alon et al., 2020). Feminist scholars argued that the crises generally push the work of caring for families onto women that had strained physical and emotion health of women while covering gaps in the system (Federici, 2012). From the SDG standpoint, women's disproportionate care burden directly weaken SDG 5 (Gender Equality) and SDG 8 (Decent Work), as unpaid care work retards women's capacity to participate in paid employment and access social protection (UNDP Nepal, 2020). The IO estimates that 2 billion workers nearly 61.2% of the global employed population are in informal employment, and most of them lack access to social protection that creates a structural barrier to gain universal social protection under SDG target 1.3 (Chen, 2020).

Similarly, the global scenario revealed that cities were especially challenging for informal workers. Many studies in the Global South revealed that urban informal workers, most of them have been renting homes, struggling with high rent and facing the risk of eviction, making the loss of income in a difficult way and they felt their fragile position in the city economy (Desai et al., 2021).

The COVID-19 pandemic affected mainly in economy worldwide, but such impact was relied on the existing inequalities of each country. In the context of Nepal informal workers suffered a lot during the

lock down. It was because the country relied on remittances, a large informal workforce, and government system being influenced by nepotism and favoritism (Bhattacharya, 2017). This study observed the main reason of the increment of the burden of social reproduction instead of observing at policies or resilience. With very limited state protection, household and particularly women had to cope the crisis using the savings, doing unpaid care work, and taking distress loans. The government report reveals the access of relief to many people (GoN & WFP, 2020), but this study in Kathmandu showed many were lacking such relief arguing that aid was politicized and people's social and gendered labor was exploited in different situations. Thus, this adds an important instance of how crises are managed under contemporary capitalism in the Global South. Therefore, the researcher tries to address these gaps by applying a mixed methods for finding coping strategies adopted by the working class resident of Kathmandu for their livelihoods during pandemic. In the same way, this study is also trying to reflect how much support institutions provided and where they fell short, with the goal of aiding design fairer and powerful policies to maintain the future crises. Thus, it is necessary to understand how workers face exploitation, how they become vulnerable, and how they cope during major economic crises.

2. Theoretical Overview

2.1 A Marxist Political Economy and SLA Analysis of Structural Inequalities and State Response

This study is guided by Marxist and Marxist Feminist Political Economy to examine how existing inequalities in Nepal created the most suffer and the government response toward them. The crisis was not mere a health emergency but created the devastating challenges to the informal workers who had limited resources and also, they were prone to such crisis what Marx (1867) called them as a reserve army of labor. The government relief provided generally benefited to elites not to those needy ones as mentioned by what Harris White (2003) explained as the shadow state. This showed how official policies can be manipulated in the name of political gain and as well as to grab the class power. Marxist theory explains that informal workers are in the vulnerable situation. It is because these class people knowing or unknowing are dominated by the elite group. This Marxist theory framework elucidate the broad idea of class exploitation to the real experience of household such as losing savings, weakening family support, and decreasing approach to the resources.

This theoretical lens is mainly relevant to know SDG implementation gaps.Marxist analysis reveals how informal workers what Marx called the 'reserved army of labour' are deliberately excluded from the social protections that SDG 1.3 promises (Chen, 2020). The concept of the 'shadow state' (Harris-White, 2003) elucidates to explain development resources are diverted through informal networks of political and economic actors that retard to reach to targeted ones so is the SDG momentum often bypass those needy ones, as relief programs are grabbed by political elites rather than reaching to vulnerable ones. Marxist political economy entails that when people like informal workers immediately loss many of the resources they rely on like savings, income sources, social support and access to basic services then the

hardship faced by them worsen during pandemic. This political economy theory explains that as informal workers in real life who are poor and vulnerable face a crisis as they are already constricted to resources then they become more shrink and push into deeper insecurity. Therefore, the study tries to understand two theories of Marxist and SLA as the first one helps to understand what are the reasons that make people insecure in terms of economic while the second theory aids to observe how this insecurity affects the five key resources that people rely on like human, financial, social, physical and natural assets.

2.2 Keynesian Theory and the Sustainable Livelihoods Approach (SLA)

This study applies two frameworks Keynesian Employment theory and Sustainable Livelihoods Approach (SLA) to understand hardships faced by informal workers of Nepal during COVID-19 pandemic. Keynes (19360 argued that unemployment is caused when overall spending in economy is dropped. Due to pandemic, more informal sectors such as tourism, education, and manufacturing collapsed as people didn't invest in these sectors that caused the huge rise of unemployment. Keynesian theory imparts that in such situation the government should spend more and more for supporting vulnerable people with wage and open the public jobs such that the number of unemployment is reduced. During COVID-19 pandemic, the government of Nepal attempted some measures like "Food for Work" program to reduce such situation but these efforts applied only partly as this program was not well managed (Pokhrel & Chhetr, 2021: UNDP, 2020).

The Sustainable Livelihoods Approach (SLA) (Chambers & Conway, 1991) presents the household level perspective by observing the five types of assets people rely on like human, financial, social, physical and natural (DFID, 1999). This approach gives the framework for understanding how informal workers assets deteriorate during crises constrain long term development. In the condition when workers use their savings and strain family support, their ability to recover weakens, threatening SDG target 1.5 (build resilience of the poor to reduce their exposure to climate related and other shocks).

Many studies carried out reveals the evidences of these assets were weakened hugely during COVID-19 pandemic. Many people were unemployed (human capital), nearly half of the household used their savings (financial capital), and around the same number of households had to rely on their relatives (social capital), that have pressurized already existing weak support system (ILO, 2020; Adhikari et al.,2021). The fall in remittances and the collapse of tourism sector in Nepal are the major reasons of Nepal's GDP drop from 7% in 2019 to only 0.2% in 2020 (CBS, 2020; World Bank, 2020a). Many informal workers particularly teachers and involved in agricultural laborers faced chronic income losses, and mere 37.3% of household were provided any type of government support (GoN & WFP, 2020). This study uses evidence from 324 surveys including focus group discussion, and key informant interviews to connect the national level economic theory with the real experiences of household and emphasized the immediate need of universal social protection and deeper policy reforms for ensuring stronger and fairer recovery in the Global South. Keynesian employment theory is applied in this study to elucidate not only

about rising unemployment but to understand Nepal's policy measures for global discussion on government participation, making job available, increasing public spending and boosting demand for economic recovery.

The tourism and remittances have created typical Keynesian type economic crisis as there is a huge drop in spending in such sectors. In Nepal to support the informal workers who were vulnerable "Food for Work" program was conducted but was not well managed. This tells the limit of Keynesian solutions in a country where the government program is affected by corruption, poor management, and nepotism and favoritism, which are the key issues emphasized by political economy approach applied in this study. Deu to these reasons this study combines three frameworks viz Marxist theory for analyzing in-depth structural problems. The Sustainable Livelihoods Approach to measure the impacts of pandemic in different households and Keynesian theory to determine the strength and weakness of the government policies in response.

3. Methodology

This study is based on pragmatic research philosophy as this study combines both quantitative and qualitative methods (Patton, 2002; Feilzer, 2010) to know how informal sectors workers are affected by COVID-19 pandemic. It identifies that pandemic has really disrupted the people's lives and concentrate to look on economic problems and the techniques used by people to cope such crisis. Purposively the research area was selected as Kathmandu District which has the highest population density of 5196 people per square kilometer (Census, 2021). Similarly, three municipalities were also purposively chosen to present the various social and economic background such as Kirtipur Municipality, which is a historic town listed by UNESCO; Kathmandu Metropolitan City, the country' major economic and administrative center; and Gokarneshwor Municipality, which has mixed characteristics of urban and rural. These municipalities were selected due to high labor mobility. Choosing Kathmandu Valley as the study site is important for knowing SDG's implementation in Nepal. This valley has urbanized regions that represent both the opportunities and challenges of sustainable development (SDG 11) (ILO, 2021). Due to presence of informal workers in these three municipalities enable for comparison of how local governments address informal workers need that are mostly relevant to SDG target 16.6 (develop effective, accountable, and transparent institutions) (ILO, 2023). The descriptive research design (Kothari, 2004) was applied and conducted structured surveys with 324 informal sector workers including private school teachers, small business owners, subsistence farmers, and finally transport workers.

Furthermore, for completing the study surveys employed five key informant interviews (KIIs) with municipal official and three focus group discussion (FDGs) with informal workers having various occupations to strengthen the qualitative analysis. These qualitative methods were employed not only to enrich the survey results but to strengthen the social process behind the numbers. For example, the survey of this study showed no savings as a risk factor while FGDs revealed financial struggles associated to this factor which have been faced daily by people and social relationships are also being affected by debts. To select a sample from each cluster, a stratified sampling method was used for

ensuring that the sample was representative. Using Cochran's formula (95% confidence interval, 5% margin of error), the total sample size was calculated to 324. For equal allocation of sample size for each municipality, the total sample size was divided by three which was 108 as a required sample size.

Quantitative data were analyzed using descriptive statistics, chi square tests, and multinomial logistic regression using SPSS software version 26, while qualitative data were thematically analyzed in NVivo to find out the patterns of of vulnerability, resilience, and institutional aid. This study has followed rigorous ethical guidelines that includes voluntary participation, informed consent, responses were kept confidential and neutrality was maintained throughout the survey duration. This study link with Nepal's 13th Development Plan, that emphasized on poverty reduction and employment generation and attempts to provide the policy relevant insights to strengthen informal labor systems during and after pandemic crisis.

4. Results

4.1 Social Demographic Characteristics

The socio demographic characteristics of 324 respondents include age, education, profession, and housing status that were recorded to understand their work experience during COVID-19 pandemic. These variables were used to analysis the major factor connected with job loss. The demographic and socioeconomic profile of respondents have been presented as:

Figure II

Demographic and Socioeconomic Profile of Respondents

Source: Field Survey, 2023.

Figure II reveals that of the total respondents, most of them (61.1%) were 30 years or older, and remaining (38.9%) were under 30 years. Similarly, 8508% were literate while smaller portion (14.2%) were illiterate. In real ground, this could affect the access to formal relief program of government. Furthermore, regarding the occupation, drivers and co-drivers (28.4%) shared the highest proportion followed by street vendors (14.5%), and private school teachers (13.9%). In the same way, while discussing on housing patterns, large portion of respondents (89.5%) dwell in rented accommodations, while, few (10.5%) respondents owned their homes.

4.2 Strategies Adopted to Cope with Pandemic Challenges

The respondents were asked about the strategies adopted to cope with pandemic challenges. The crisis coping strategies then have been matched with FGDs quotes according to the situation of hardships.

Figure III

Economic Coping Strategies and Community Experiences During the Pandemic

Source: Field Survey, 2023.

Note

Percentage may exceed 100 due to multiple responses.

Figure II reveals that, almost half of the respondents (48.5%) used their saving during pandemic crisis and in a group discussion, respondents shared their experiences of reducing their meal, with some saying, “We ate once a day”. Many respondents (46.9%) were seen depending on relatives for help but the support provided by their relatives was very limited as one of the respondents reported during FGDs that “No banks helped, nor provided loan but only my brother lent money”. Similarly, 18.2% had to reduce their food intake and in FGDs discussion, the issue of sleeping without eating by themselves and their children took was raised. This finding is especially concerning from an SDG perspective, as it indicates regression on SDG target 2.1 (end hunger and ensure access to safe, nutritious food for all people) (Joshi et al., 2024 & ILO, 2021). The fact that informal workers were compelled to decrease meals while the national food relief program was operational shows a gap between policy intentions and SDG outcomes. Smaller portion (2.2%) had received aid form formal institutions, and those who reported claimed it was not sufficient, like in FGDs discussion some saying “The rice sacks lasted only a week”. This low coverage rate shows a fundamental failure to achieve SDG target 1.3, which commits countries to implementing nationally appropriate social protection system and measures for all. When compared to Brazil’s 68% coverage through Bolsa famlia, Nepal’s performance shows the gap between SDG commitments and implementation capacity (ILO, 2021, 2023).

These were the coping strategies adopted by the respondents of the study area where they used their personal resource, relied on relatives and family member, and looking for institutional help. This is a proof of people resilience but it also revealed the weakness of social protection system.

During COVID-19 pandemic, many informal households relied on themselves and adopted different strategies to cope such crisis. While looking in the global scenario, the study carried out by WIEGO in 2020 in 11 cities of different regions found that laborers working in informal sector used their savings and more widely depended on relatives and community during crisis because the government relief program was generally hard to access or were not sufficient (Chen et al., 2021). Thus, this scenario entails the draw back of the social protection system around the world supporting informal workers during crises (WEIGO, 2020).

It is seen that people’s main coping strategies is followed by different pattern like first they use their own resources, then searching for help from relatives or family members and community, and only rarely approaching for government support. This is what informal workers showing the strength and resilience at the same time, the weakness of the social formal support systems. Stories told by the participants in this survey showed the real-life examples of distress coping such as selecting between saving food or money, focusing on the tough decision they had to make as coined in the theoretical concepts of distress coping (Corbett, 1988). Though the government claims the widespread relief program but the

fact of very fewer (2.2%) receiving the formal aid contrast this claim. This certainly shows the serious problems either in targeting or delivering the support to them during the pandemic crisis.

4.3 Modeling Socioeconomic Predictors of Employment Disruption Using Multinomial Logistic Regression

The multinomial logistic regression was employed to study how socioeconomic factors affected respondents' chance of losing their jobs during pandemic. This method was selected as it can compare various outcomes like being employed, with reduced working hours, or being unemployment and can analyze several factors that can influence these outcomes at the same time. This can even control the factors that can confuse the results such as the combined effect of age and savings and also can estimate the relative risks through adjusted odds ratios (AORs). This method helps to find who are at most risks like people without savings, informal workers, and older individual that make the result near to the real situation and do not overlap the characteristics.

Dependent and Independent Variables

The dependent variables used in this study was 'Employment Status During Pandemic' with three categories like no job loss (reference category), reduced hours/work and complete job loss whereas the independent variables were age (≥ 30 years vs. <30), saving status (No saving vs. Has Savings), Sector (Informal vs. Formal), and Gender (Female vs. Male).

Table 1
Multinomial Logistic Regression Analysis of Factors Linked to Job Loss

Predictor	Adjusted Odds Ratio (AOR)	95% CI	p-value
Age ≥ 30 years	1.83	[1.12–2.99]	0.016*
No Savings	4.21	[2.45–7.24]	< 0.001***
Informal Sector	3.57	[1.98–6.43]	< 0.001***
Female Gender	1.42	[0.89–2.27]	0.142
Notes: *p < 0.05, ***p < 0.001. Reference category: No job loss.			

The regression analysis confirmed the three key factors that was associated with the likelihood increment of job loss during COVID-19 pandemic. Informal workers aged 30 years and above had an 83% higher possibility of experiencing job loss, it might be due to the more family responsibilities which limit their work flexibility. The stronger risk factor was having no savings, with that individual who did not have savings were being more than four times more likely to lose their jobs, showing financial insecurity particularly to those who were vulnerable during crises. Informal sector workers faced high risk with 3.5 times more odds of job loss showing the feeble labor protection laws in informal economy in Nepal. Gender was not statistically significant however; the trend entails that women could have been more affected suggesting the need of further qualitative study. In overall, these findings favor the economic

theories about demand shocks and assist to recognize which group should be focused in future policy interventions.

The high number reveals the how extreme vulnerable people live day to day for their survival without savings. It is clear from the qualitative data in this study that brings the real human stories to this number reflecting that no saving is more than a financial issue and it is a social struggle. One of the respondents, who was street vendor reported that 'No bank helped nor provided the bank loan, only his brother lent him money, but he has also a family. This reflects how people are compelled to rely on relatives whose own resources are constricted. In the same way, another respondent reported how quickly the things changes to difficult situation saying "We ate once a day". 'The earned money and little left after saving were for first rent then for food'. These stories resemble the ground reality of informal workers such as when they had no savings, any loss of income quickly change into a crisis for their existence. Thus, this effect is seen in social reproduction that implies the daily capacity of a family to nourish itself, pay rent and stay safe (Bhattacharya, 2017). The stories in reality reveals how big economic shocks are quickly experiences inside households particularly by those women who had burden for managing food, care and survival. This condition is very much fitted with a Marxist feminist view of crises, which tells that when the government is unable to protect the workers in the formal economy, the burden is transformed to household then to impact women. These women to keep the family going, they use whatever money or social support they had and by taking on more unpaid work and invisible work (Federici, 2012). Relying on a brother for a loan or reducing meals is not a fair coping strategy but it is a way in which families are forced to make the family move as usual and to make up for what the system fails to support.

4.4 Community Perceptions of Government COVID-19 Responses: Summary of FGD and KII Findings

This study collected qualitative information through FGDs and KIIs to know how people actually perceived the government COVID-19 support. These findings entail how communities viewed food relief, healthcare services and efforts to aid the economy retrieve. Government announced many supportive measures to informal workers, but they reported there was a huge gap regarding the policies promised and what they actually received. The table below presents the central themes and the challenges they perceived.

Table 2
Government Response vs. Community Needs (KII and FGD Themes)

Theme	Government Action	Community Perception (FGDs/KIIs)	Gaps Identified
Food Relief	Distributed 15,000 packages	*"Rich families took rations meant for us."*	Exclusion of undocumented workers.
Healthcare Access	Free vaccines in urban centers	*"Hospitals turned us away without oxygen."*	Peri-urban & urban disparities.
Economic Recovery	Promised low-interest loans	*"No one got loans without political ties."*	Corruption in fund allocation.

Source: Field Survey, 2023.

Table 2 shows the report of FGDs and KIIs report on government response and community needs. The food relief was shared to 15000 households, but many poorer households did not get what they required instead many better off households took the advantages of the share. Access to health care was also not fair as most of the vaccines were available in urban areas in compare to rural areas and there was shortage of oxygen in hospitals and some seriously ill patients had to leave the hospital without treatment waiting for more panic situation. Similarly, economic recovery was not away from political favoritism, with low interest loan was mainly focused to those who were very much familiar with the politicians instead of those who were in fact the needy ones. Thus, the problems like exclusion from relief, rural urban inequality in health services, and favoritism reflects the real community behavior and major weakness in how the pandemic responses were carried on. This has in turn created the much difficult life of working-class families. Therefore, this study findings connects what other studies from the Global South results, while providing the vivid evidences from Nepal that can enhance future reforms.

4.5 Comparative Lessons from Low- and Middle-Income Countries (LMIC) Crisis Responses

The comparative study of three low- and middle-income countries to help their informal workers during COVID-19 pandemic have been compared with Nepal's performance based on the findings of this study.

Table 3
COVID-19 Response Outcomes for Informal Sector Workers in Four LMICs

Country	Social Protection Coverage	Urban-Rural Disparity Index	Informal Sector Job Loss (2020)	Key Intervention
Nepal (This Study)	2.2%****	0.61 (High)*****	1.6-2 million	Food-for-Work
Brazil*	68% (Bolsa Família)	0.29 (Moderate)	8.9 million	Emergency Aid
South Africa**	52% (SRD Grant)	0.34 (Moderate)	2.5 million	COVID-19 Grant
India***	15% (PMGKY)	0.58 (High)	122 million	Ration Subsidies

Sources: *Handa et al. (2021); *Inchausti et al. (2020); *Drèze & Khera (2020), *ILO, 2021, *UNDP, 2020.

This analysis table summarizes the support provided to informal workers during COVID-19 pandemic in Nepal, Brazil, South Africa and India. Table 3 reveals that Nepal had a very limited social protection coverage (2.2%) in contrast Brazil had reached 68% of workers with monetary support and this was 52% in South Africa. India was able to provide about 15% of food rations to informal workers during COVID-19. But in Nepal and India huge gap was seen between rural and urban areas in terms of support provided by the government as cities experiencing more support than rural region. However, in Brazil and South Africa, the support provided was evenly distributed across the country without leaving disparities between rural and urban areas. Though India had the highest number of job losses (122 million), but proportionally the job loss of 1.6 to 2 million is very serious problem for a small country like Nepal. The direct cash distribution to the suffers is seen more effective shown by different findings, than Nepal's 'Food for work program'. The countries like Brazil whose digital system is very strong could deliver support very faster as well as more efficiently. The government of Nepal has to learn from other countries who had practiced different mechanism to cope the problems for future crisis. These practices would be creating digital registries of workers, direct cash transfers instead of in-kind aid, and empowering the local governments to enhance the support that reaches both remote and cities more fairly.

5. Discussion

This study is related to examine the effect of COVID-19 pandemic among the informal workers in Kathmandu concerning their economic hurdles, coping strategies, and the aid they have been provided. The findings revealed that informal workers were seriously vulnerable during the pandemic as they were 3.57 times more likely to lose their jobs, this risk was the highest for those without savings (AOR-4.21).It is seen from the findings that when the crisis occurred, majority of the informal workers existence was relied on any kind of savings (48.5%) or by relying on family and relatives 946.9%), while very smaller portion share just 2.2% receiving any kind of help from government. Such pattern is not specific in the

context of Nepal. Same kind of situation were observed around the world, where many informal workers had to face the worse conditions because they had no job and job was not secure, no benefits, and social protection system were not in favor of them. Thus, the overall scenario entails that pandemic created a global problem and in today economic system, informal workers have no separate protection and when the crisis occurred, they are the first who suffers the most depending on relatives or family members due to little support from government. These findings have important implications for knowing how the COVID-19 crisis affected SDG progress in Nepal. The pandemic set back years of development momentum, especially in poverty reduction (SDG 1), food security (SDG 2), and decent work (SDG 8) (Pradhan et al., 2021 & Joshi et al., 2024). Not only this, different global researches revealed the crisis hampered progress on nearly 90% of the SDGs, with socio-economic sustainability decreasing significantly. Nepal also experienced bitter truth of vulnerable informal workers facing the severe economic shocks with little institutional support (Chen, 2020)

Table 4

Situating Nepal's Informal Worker Experience within Global Pandemic Impacts

Dimensions of Impact	**Findings from This Study**	**Global Evidence**
Economic Precarity	3.57x higher odds of job loss for informal workers; drastic income declines.	Persistent income losses for informal workers with "long COVID" economic effects documented across 11 cities (Chen et al., 2021).
Social Protection Gaps	Only 2.2% accessed government relief; heavy reliance on kinship (46.9%) and savings (48.5%).	Widespread exclusion from state relief; informal workers primarily relied on personal networks and savings globally (WIEGO, 2020).
Gendered & Care Impact	Women faced a “triple shift” in focus groups; adjusted odds ratio (AOR) = 1.42 for female job loss.	Significant increase in unpaid care work for women globally negatively impacting livelihoods and food security (Alon et al., 2020).
Urban Vulnerability	89.5% lived in rented housing, increasing financial stress and precarity.	Urban informal workers, especially migrants in Global South cities, faced major rent burdens and eviction risks (Desai et al., 2021).
Macroeconomic context	GDP growth plummeted from 7% to 0.2%; high dependency on remittances worsened the shock.	Informality linked to weaker economic outcomes and slow recovery, deepening the global pandemic recession (World Bank, 2020).

The comparison provided elucidates the problems faced by the informal workers of Kathmandu are not far away from the global crisis. Like in other countries studied by WIEGO, informal workers in Nepal also struggled with a long-term economic stress and had to rely hugely on relatives who resources were limited. The urban problems of Kathmandu like high rent and unstable housing were similar to those in cities such as Delhi and Lagos, where luck downs forced them toward hunger and being risk of eviction. In the country like Brazil and South Africa, they had their strong social systems and better government

commitment that helped them to support vulnerable in a wider and more organized way for cash transfer due to strong registry system. In contrary, Nepal had a weak records, disorder programs, and nepotism and political favoritism even for relief provision. Therefore, the government has to learn from neighbor or other countries. Until the country makes possible changes like making housing and health care system is more affordable and accessible for informal workers, the situation will remain same, and they will suffer a much even in future when crisis occurs (Table 4).

This study finds that working class of Kathmandu have suffered a major economic and social hurdles during COVID-19 pandemic. It showed the serious problems in labor market, social protection system and crisis response in Nepal. Though the government started the support program “Food for Work “for poor families and vulnerable group and small loan distribution but such programs were not accessible to the poorest instead politically linked and wealthier household took the advantages from such programs which shows the vivid exclusion errors (Table 4).Such pattern in expressed by Marxist on the state as a clientelist system (Harriss -White, 2003), where relief programs are used for maintaining political networks instead of ensuring the fair sharing of relief. GDP of Nepal is being contributed by remittances. Around 26% of it is supported by remittances which comes from abroad. The most of the social support systems are informal and privately managed but such programs are not released by the government strongly. This is what Nepal is following Neo-liberal ideas in which the government is playing smaller role, and many people are depending on the market or their families for support.

Though the government claims sufficient distribution of relief, only 2.2% of people receiving relief (Table 3) reflect the weak system of government. In the study area, informal workers mainly relied on migrants or family networks during the crisis. This resembles the same problem globally, where informal workers of each region were left out of the relief program because they lack official records, face a complicated application process, or are left behind due to nepotism or political favoritism (Social Change Nepal, 2021). Contrarily, countries like Brazil and South Africa were successful with cash-based programs using digital systems and social registries to approach more and more people (World Bank, 2020; Gentilini et al.,2021). In the context of Nepal, COVID-19 relief distribution is based on political link (KIIs), which reveals how crises can be utilized by elites to gain benefits. Such a type of neoliberal clientelist system (Harriss White, 2003) implies that informal workers who make up 90% of the economically active population (ILO, 2020) are mostly left behind by the government's help, and as a result, they are mainly relying on family networks (46.9%), rather than on state aid (2.2%).

5.1 Job Loss and Economic Vulnerability: A Demand Shock Crisis

The confirmation provided by the regression analysis (Table 2) shows that the informal workers who did not have savings and older individuals were at much higher risk of losing jobs. Such phenomena are consistent with Keynes's (1936) idea, which argued that during an economic downturn, informal workers are the ones who are hit hardest by it. During the pandemic period, GDP in Nepal fell from 7% to 0.2%, and the sectors that depended on remittances collapsed (CBS, 2020; World Bank, 2020a). This was

similar to the global trend where informal workers faced big job losses (ILO, 2020). Keynesian theory is related to the use of government spending to boost demand. With this, Nepal has also used the relief program “Food for Work,” but this program does not support the poor well (Pokhrel &Chhetri, 2021), and the informal workers were left behind. India and Bangladesh were also not far from problems like those in Nepal, as informal workers in those countries were left behind due to bureaucratic hurdles and poor targeting (Sengupta & Jha, 2020; Rahman et al., 2021).

The regression analysis (AOR = 1.42, p = 0.142) reveals that gender risk of job loss is not statistically particularly women, but the qualitative insights suggest that they have to bear a heavy burdens as they have to manage unpaid care work, earn money, and wait in queue for relief packages, which is a triple work burden for them (Adhikari et al., 2021). This idea is fitted with Federic’s (2012) idea, arguing that capitalism relies on women’s unpaid work. This kind of pattern was observed in Bangladesh’s garment sector (Rahman et al.,2021). These findings incorporate the need for crisis policy interventions for considering the women’s particular vulnerabilities and applying a feminist political economy framework.

These findings favor Marx’s (1867) idea that workers with no assets are particularly vulnerable under capitalism. In the study area, most of the working-class people relied on wages, with 89.5% not owing homes (Table 1), and 90% were in informal jobs, which had created what Marx called a “reserve army of labor” who are highly vulnerable to economic shocks.

5.2 Coping Strategies: The Limits of Individual and Social Capital

The working-class households in Kathmandu have been found using different coping strategies that reflect SLA, which focuses on surviving shocks by applying different resources for their existence (DFID, 1999). They depended on financial capital like savings (48.5%) and social capital such as family networks (46.9%), which reveals combining techniques to build resilience during crises. These techniques and experiences were similar in Kenya (Onyango et al., 2021) and Peru (Balboni et al., 2021). However, these resources did not last long during the crisis. Due to this, many households had to reduce food intake (18.2%), showing the increasing food insecurity among urban poor globally (Laborde et al., 2020), and reveals that the informal are the ones who had the extreme hardship during the crisis.

As seen in this study, very few informal workers (2.2%) received any kind of government relief. This shows the weak and disorganized social protection program (UNDP, 2020). In the context of sustainable development perspective, people are relying on their own savings, family, friends, and community networks as the institutional or governmental support is not sufficient. But people should not rely only on them to cope with such crises which is the concern for sustainable development. When workers use up their savings or take the debt during a crisis, they may fall in the vicious cycle of poverty slowing the progress in SDGs threatening goal of SDG 1eradicating poverty in all its forms (ILO, 2021). The 18.2% who decreased food intake shows a direct concern to SDG 2 which aim to end hunger by 2030 (Joshi et al., 2024).

Nepal has to learn lessons from Brazil and South Africa of direct cash transfer to people for coping the economic impact of the pandemic (Handa et al., 2021; Inchausti et al., 2020).

5.3 Gendered Unpaid Labor and Feminist Political Economy of Crisis

This study showed that women were also victims of the COVID-19 crisis because of unpaid and undervalued work. The result of the focus group discussion revealed that women faced triple shifts viz managing paid work, unpaid household chores, and waiting to receive the aid. Federici's (2012) and Chant's (2208) matches the argument of triple shifts of women. Women's domestic labor is much more difficult, but it is undervalued. According to Federici and Chant's concept of feminization of survival, when the state fails to support women during a crisis, they are mostly prone to shocks. Not only this, they were especially affected during the COVID-19 pandemic due to both paid work (productive labor) and unpaid household work (reproductive labor) being exploited; such scenarios have been presented in feminist political economy (Bhattacharya, 2017; Federici, 2012). The result of the focus group discussion reported that women had to manage care giving and household work even during economic hurdles. This study showed 18.2% had to reduce food intake, which often affected women first, as they wanted to feed their children first. Female informal workers working as street vendors were prone to job loss. Thus, all of these backgrounds entail the structural inequalities that make women's necessary labor invisible like care giving responsibilities, and favor Federici's and Chant's arguments of the capitalist system, where this system depends on women to catch up crises. Similarly, the gendered dimensions of the crisis showed how social protection failures disproportionately affect women which bring challenges to achieve SDG 5 (Gender Equality) (Mokomane et al., 2024). Women's triple burden work such as paid work, unpaid work, and queuing for relief demonstrate the structural inequalities that SDGs target to address but existing policies are unable to recognize it. But ILO quotes that social protection is not just important for social justice, also it is for creating sustainable and resilient future (ILO, 2021).

5.4 Policy Implementation Disconnects: Systemic Failures in Crisis Response

The government relief program was unable to meet the actual needs of communities (Table 4), which was a common problem in the world. The food relief program of Nepal supported 15000 households, but this could not grab the poorer sympathy; in contrast, the wealthier families received the relief. This kind of scenario was seen in India's public distribution system (Drèze & Khera, 2020). The health care during the pandemic crisis was focused on cities rather than rural areas, which was similar to situations in Indonesia and Nigeria, where rural communities had a shortage of oxygen and unequal access to vaccines (Mahendradhata et al., 2021; Okereke et al., 2021).

Similarly, the economic recovery programs of Nepal, such as loan provision, were influenced by politics based on preferential access. Such kind of phenomena were seen in Bangladesh (Islam & Sharmin, 2021) and the Philippines (Tadem, 2020). Thus, these burning issues showed the necessity of a transparent and fair system of distributing any kind of relief. The possible solution for this can be

participatory governance, in which local communities could participate for deciding who gets the relief, like in Colombia's local relief committees (Garcia et al., 2021.

5.6 Policy Implications and Future Research

The study recommends three evidenced based reforms that contribute directly to SDG momentum in Nepal. The first one is the universal protection with digital registries that would contribute to SDG target 1.3 (implement nationally appropriate social protection systems for all) and SDG target 8.8 (protect labour rights for all workers). The success of of Brazil and South Africa where informal workers social protection are done through an unemployment insurance program and direct cash transfer, has become successful in coping with the crisis.The second one is the decentralized cash transfer through local governments would strengthen SDG target 16.6 (develop effective, accountable, and transparent institutions). The current system of political favoritism in loan disbursement where no one got loans without political ties showed institutional weakness that limit SDG 1.Third one is need of participatory governance mechanism that would advance SDG target 16.7 (ensure responsive, inclusive, participatory, and representative decision making). Colombia's relief committees provide a model for community led decision making that can reduce targeting errors and political interference. The fourth one is regarding SDG 10 targets addressing the the structural inequalities require not only only universal protection but also deliberate efforts to reach to the vulnerable and most marginalized groups. Also, there is in need of diverse sources of income so that people do not depend on risky sectors like tourism and remittances. Training programs related to generating income and access to digital tools can help them to earn a more stable and reliable income. The government should form a digital "Informal Worker ID system" which is similar to Ghana's LEAP program. For this work, mobile verification can be done so that undocumented workers can be included, possibly strengthening coverage by 42%, as seen in Kenya's Huduma Namba initiative. Nepal should search for resilience bonds like catastrophe bonds, which have been provided by the World Bank, that would automatically provide payouts to informal workers when the remittance is reduced by 20%, following models piloted in the Philippines. It is recommended that future research should focus on long term effect of pandemic job losses, the role of digital platforms for enhancing the resilience of the informal sector, and comparative studies are to be carried out that could also help to provide valuable insights to effectively response the crisis.

6. Limitations

The study is limited to the geographic area that focuses only on Kathmandu Valley; there is a possibility of missing what has happened in rural areas, where the majority (64%) of Nepal's informal workers live (CBS, 2021). This study only covers the early phase of the pandemic period of 2020 to 2021. To understand the long-term effects, such as increasing debt or loss of savings, a long-term study is required (Field survey, 2021).

7. Conclusion

This study demonstrated that COVID-19 pandemic exposed and deepened structural inequalities that threaten Nepal's progress towards Sustainable Development Goals. The extremely low support of government with only 2.2% receiving help shows a fundamental failure to implement SDG target 1.3 which commits to universal social protection. The reliance on individual savings and family networks, while showing resilience, is not sustainable and force vulnerable population farther from SDG's goal 1 of poverty eradication and SDG's 10 goal (Reduce Inequalities. For Nepal, to achieve the SDGs by 2030, the government should make policies that prioritize inclusive social protection, fair resource distribution, and participatory decision making. The study findings contribute to understanding how crises can turn back development benefits and what reforms are needed to build resilience. Thus without including informal workers in social protection, Nepal may leave vulnerable people behind and slow sustainable and equitable development. The study has combined the economic analysis along with a household-level livelihood perspective to understand how the COVID-19 pandemic has affected the working class of Nepal. The results favor for Keynesian view that economic downturn hits demand and job hardship, as well as the Sustainable Livelihoods Approach, which is fruitful for better understanding the strategies adopted to cope with the crisis. Nearly, the government aid is absent, which shows the failure of the system of good governance. For Nepal's recovery regarding the pandemic-related and economic crisis, policies should be emphasized on inclusive social protection, fair sharing of resources, and participatory decision-making to save the vulnerable workers from future pandemic crises.

Declarations

Ethics Approval

No separate institutional ethical approval was obtained for this study. The research was conducted as part of a University Grants Commission (UGC) Faculty Research Grant (UGC Award No. FRG-78/79-H&S-07, awarded in 2079 B.s (2022/23 A.D). The research proposal underwent the UGC's prescribed proposal review and evaluation process before the grant was awarded. The study was conducted with due attention to ethical principles for research involving human participants, including voluntary participation, informed consent, confidentiality, and protection of participants' identities.

Ethical approval:

The research protocol was reviewed and approved by the Ethical Review Board, Patan Multiple Campus (ERP-PMC), under Application No. 00168/082.

Ethical compliance

The study was conducted in accordance with *Ethical Review Guidelines* and the ethical requirements of the Ethical Review Board, Patan Multiple Campus (ERP-PMC).

Consent to Participate

Informal verbal consent was obtained from all participants before the interviews. Before each interview, participants were informed about the purpose and nature of the research and assured that the information they provided would be kept confidential and that their identities would not be disclosed. Participants were asked whether they were willing to participate, and interviews were conducted only after they voluntarily agreed to participate and confirmed that they had sufficient time for the interview. Participants were also free to decline to answer any question or discontinue the interview at any time.

Consent for Publication

Not applicable. This manuscript does not contain personally identifiable information, images, or other material that could identify individual participants.

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Author Contribution

Indra Mali Malakar has served as the principal investigator and also has contributed to the conception, design of the study, data collection, data analysis, interpretation of findings, and drafting of the manuscript.Ramesh Kumar Lama served as the co-investigator and contributed to the study design.Dr. Ballav Niroula has contributed to collect the data, draw the findings of the research and also thoroughly revised the manuscript. All the authors have reviewed and approved the final version of the manuscript.

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Data Availability

The data set generated and analyzed during the current study is publicly available in Figshare: **https://doi.org/10.6084/m9.figshare.33871948.**

Clinical Trial Number

Not applicable.

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Figures

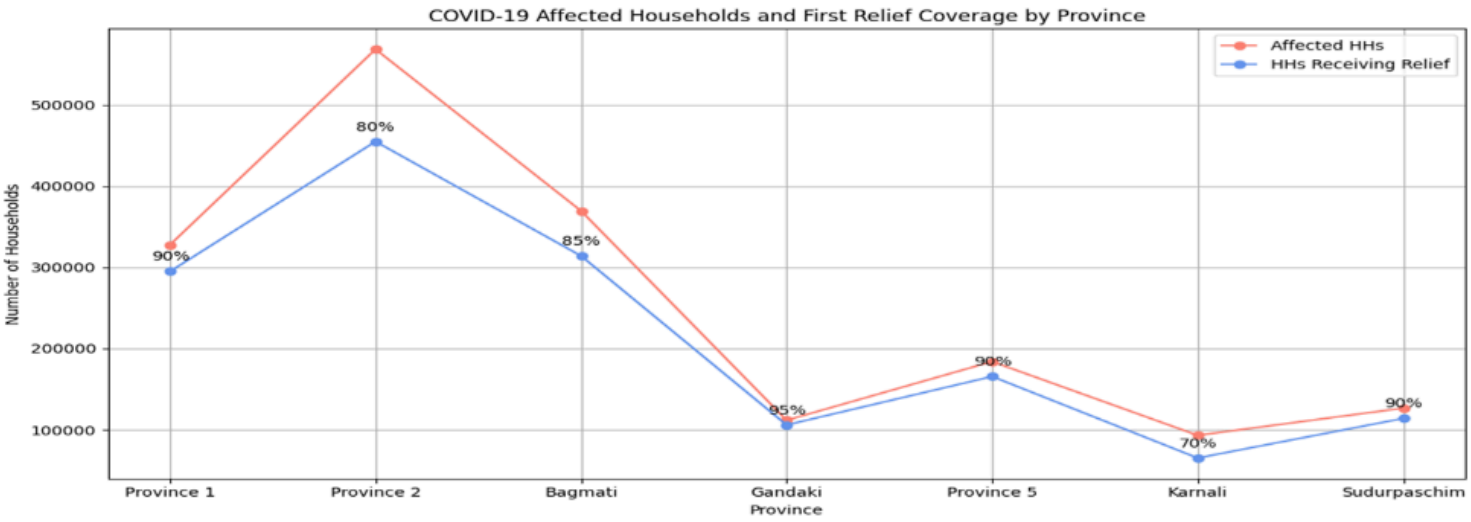


Figure 1

COVID-19 Affected Households and First Relief Coverage by Province in Nepal.

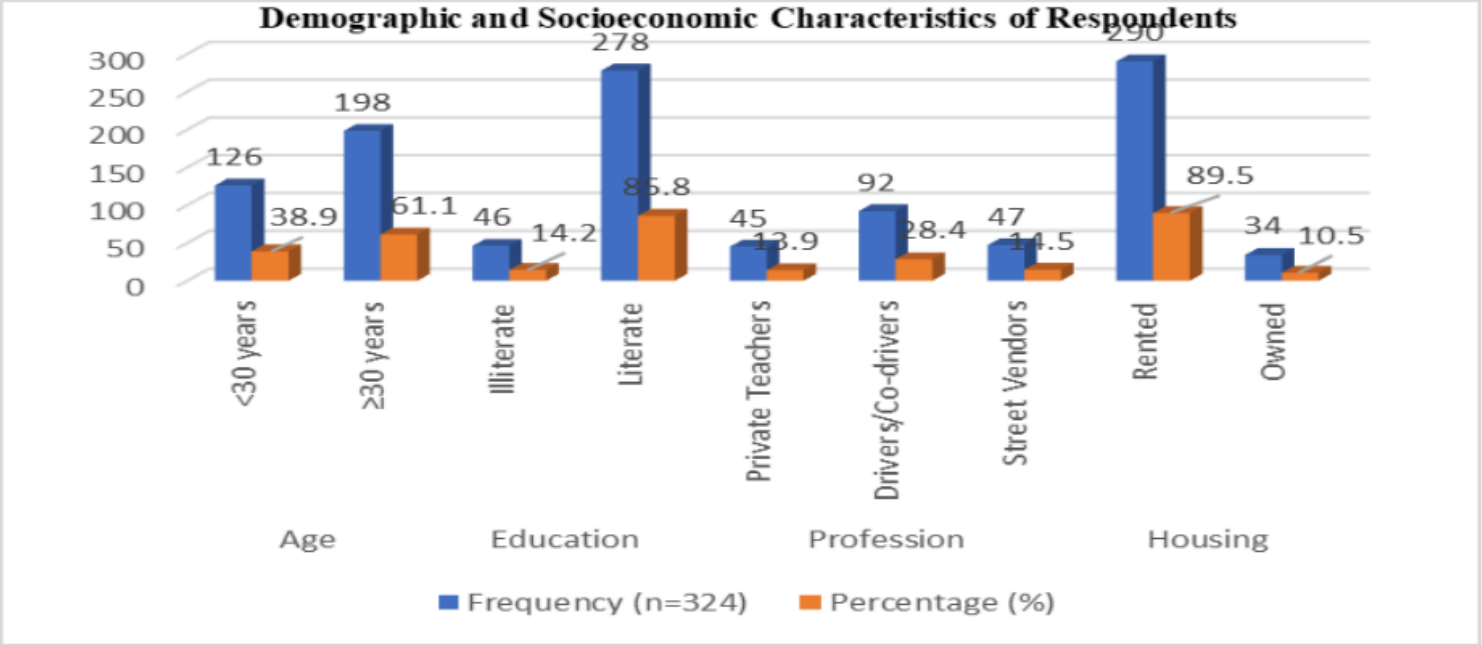


Figure 2

Demographic and Socioeconomic Profile of Respondents

Source: Field Survey, 2023.

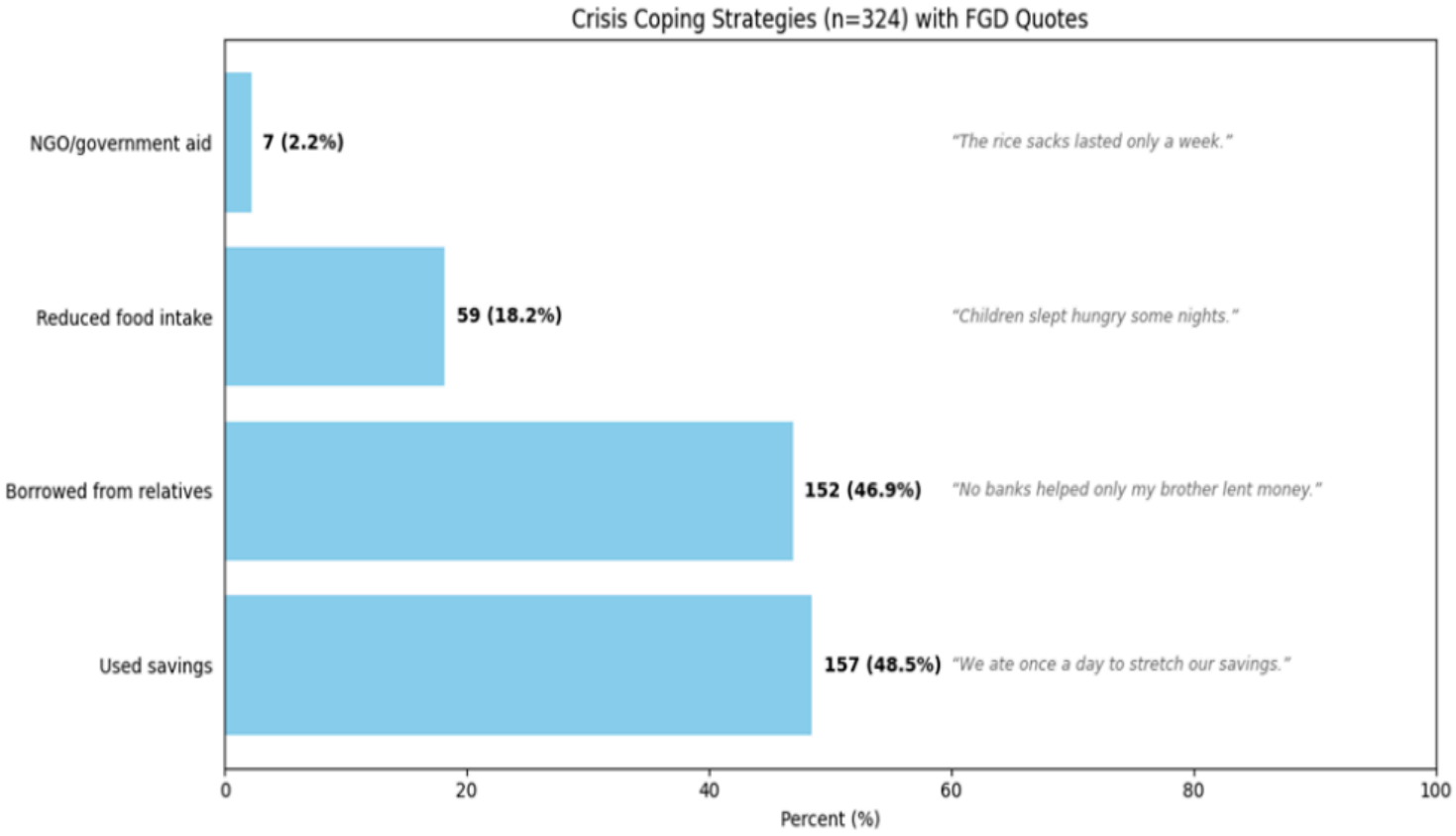


Figure 3

Economic Coping Strategies and Community Experiences During the Pandemic

Source: Field Survey, 2023.

Note: Percentage may exceed 100 due to multiple responses.