

COVID-19: An Analysis of the Impact of Pandemic Lockdown on Daily Wage Earners in Katugastota Area

A.M.N.A.D.J.S. Nanayakkara¹, P.A.D.M. Perera¹,
V.P. Ratwatte¹ and P.P.A.W Athukorala^{2*}

¹*Postgraduate Institute of Humanities and Social Sciences*

²*Department of Economics and Statistics*

University of Peradeniya, Peradeniya 20400, Sri Lanka

**wathukorala@yahoo.com*

The Coronavirus pandemic (COVID-19) has created serious economic consequences to all households in Sri Lanka, particularly the daily wage earners. The government imposed travel restrictions and curfews that caused tremendous changes to their livelihood. The objective of this study is to analyse the impact of the pandemic lockdown on daily wage earners, by investigating how it affected their income and the strategic changes made in the business to fulfil their basic requirements during and after the lockdown period. The study used 150 daily wage earners in the Katugastota area where a relatively large number of daily wage earners gather to sell their goods. The time periods considered in the study are from March 2020 to May 2020 (lockdown period) and from June 2020 to October 2020 (second wave of the pandemic). This study used a convenience sampling method and included 11 categories of daily wage earners. The primary data was collected using a semi-structured questionnaire. Data gathered from in-depth interviews was analysed using the descriptive statistical method. Findings include that immediately after the lockdown, there was a temporary discontinuation in the daily wage earners' occupation due to the buyer's reaction to the prevailing pandemic situation. As a result of the decrease in demand, their daily wage income decreased (35%) and it worsened during the second wave. They employed coping strategies such as pawning of assets, borrowing from formal and informal sectors, drawing from savings particularly to buy daily household requirements. While 6% of respondents have changed their occupation, 15% have been selling items according to seasonal demand and 33% borrowed money from informal lenders. In conclusion, the COVID-19 pandemic worsened the livelihoods of daily wage earners. This draws much needed attention towards a more inclusive social protection system that would support the daily wage earners effectively in times of crisis.

Keywords: Daily wage earners, Pandemic lockdown, Coping strategies, Unemployment, Wage fluctuation