



UNIVERSITETET I AGDER

**The Economic Impact of the COVID-19
Pandemic on the Well-being of Workers
in the Informal Sector of Kathmandu
Valley, Nepal**

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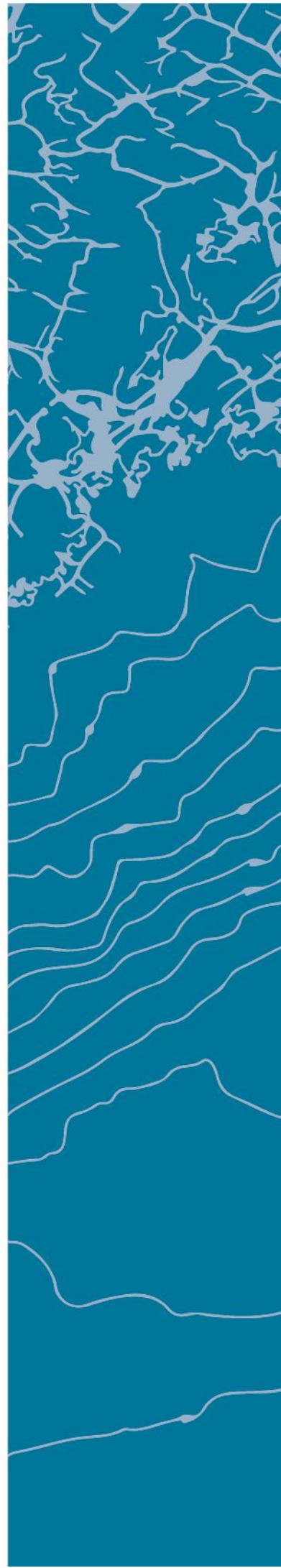
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Abstract

The economic restriction of COVID-19 in several countries has significantly impacted the global economy resulting in mass unemployment and job losses. Despite the fact that the crisis has an impact on every country, developing countries are the ones who are most affected. Furthermore, informal sectors are the hardest hit sector. In Nepal, where informal workers account for the highest working group, millions of jobs are estimated to be interrupted. Financial shortages and the lack of a welfare system in this crisis have made these people's lives miserable, making it impossible for them to manage their livelihood. This is affecting their quality experiences of life which are the determinants of well-being. Lower well-being could result in an inability to cope with the struggles of life, reducing their productivity and potentiality to contribute to the development of society. Hence, this study explores the economic impact on the well-being of informal workers of Kathmandu valley in this pandemic period. The main objective of this study is to understand how informal worker perceives their well-being with the effect of economic restrictions in COVID-19. A purposive sampling technique was chosen depending on the study's requirements to address the research problem and research questions. An in-depth semi-structured interview was conducted on twenty-five participants to explore their perspectives on a given topic. The collected data were analyzed using the thematic analysis technique. The findings of this study identified six main themes linked to participants' well-being during times of economic constraint. The results show that the loss of job and insecurity of employment caused increased distress and anxiety. Loss of income affected their social position, socializing process, and consumption pattern. They expressed dissatisfaction, unhappiness, hopelessness, powerlessness, and feeling of being isolated. They value work and income to fulfill their necessities but, more importantly, to support a family. The lack of social protection system from the government was the reason behind their vulnerability and hardships. Overall, the study shows the economic crisis in the COVID-19 pandemic has a detrimental impact on the well-being of informal workers. The situation of informal workers in this study demonstrates the necessity for the Nepalese government to make a serious commitment to them and develop appropriate policies and laws to provide financial support in the events of the crisis.

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List of Abbreviations

CBS: Central Bureau of Statistics

DTUDA: Danish Trade Union Development Agency

GDP: Gross Domestic Product

GoN: Government of Nepal

ILO: International Labour Organization

ITA: International Trade Administration

NNREC: The Norwegian National Research Ethics Committees

NSD: The Norwegian Centre of Research Data)

OECD: Organization for Economic Co-operation and Development

PPP: Purchasing Power Parity

UN: United Nation

UNESCO: United Nations Educational, Scientific and Cultural Organization

UNDP: United Nations Development Programme

VDC: Village Development Committee

WeD: Well-being in Developing Countries Research Group

WFP: World Food Programme

WHO: World Health Organization

WPR: World Population Review

CHAPTER ONE

Introduction

1.1 Background Introduction

Pandemics and epidemics have always posed a threat to humankind, claiming the lives of millions of people around the planet. COVID-19, an ongoing global pandemic, is currently posing a significant threat to human life. On December 31, 2019, China became the first country to experience an outbreak of this virus (UNDP, 2020, p. 17). Now, it has been more than a year, and this virus is still impacting the world, with several countries responding with a second wave. It has taken the lives of millions of people and altered our way of living. This virus with multiple variants was seen worldwide, which is said to be more contagious. Until this day, on May 24, 2021, about 167,800,212 infected people with 3,483,511 deaths and 148,959,602 recovered cases of COVID-19 in 220 countries have been reported, especially America and India being the worst-hit countries (Worldometer, 2021a). Multiple coronavirus vaccines have been developed, but not everyone is vaccinated; only those at high risk are given priority. However, the effectiveness of vaccination is yet to be seen in the world.

Many countries have implemented several containment measures such as nationwide lockdown and adopted social distancing practices to control the spread of infection and quarantine measures for those who have had close contact with the infected people. According to World economic forum (2020), it is estimated that about one-third of the world's population, around 2.6 billion people, were under lockdown and isolated during the initial phase of the pandemic. The effectiveness of implementing containment measures was seen with the drop-in rate of infection in many countries; however, limits on travel, business closures, and social distancing have had a more significant impact on people than the virus. The restriction and shutdown of businesses have a notable effect on the global economy, resulting in mass unemployment and loss of jobs. Due to this pandemic, about a 4.3 percent reduction in economic growth was estimated in 2020, which is believed to be the greatest recession since the second world war (UN, 2021, p. 4). The effects of contraction in the economy were seen worldwide, but people living at subsistence level in developing countries are the hardest hit group (Atlantic Council, 2020). The developing countries have a weak economy with gradual economic growth, and the

poor are the most vulnerable in these countries (Atlantic Council, 2020). However, COVID-19, on the other hand, has exacerbated the situation for such people.

The informal sector employs the vast majority of workers around the world. Around 2 billion of the employed population globally, about 60 percent, are working informally in different sectors (International Labour Office, 2018, p. 13). Besides, people in these sectors are susceptible to higher poverty risk due to low income and uncertainty of jobs (ibid., p. 1). In addition, the widespread COVID-19 infection followed by economic restrictions dragged them further into excessive poverty. These people have lost job, moreover, a way of earning for living, and they are forced to struggle and survive on their own due to the lack of a social security and protection system from the government (Atlantic Council, 2020)

Informality can be found in every country, even in industrialized countries with remarkable economic growth. However, it is more prevalent in South Asian countries. South Asian alone represents about 77.4 percent of working people in the informal economy (International Labour Office, 2018, p. 38). The informal sector provides employment opportunities for poor and low-income people and to earns money for their livelihood. The economic crisis in this pandemic has a deeper impact in these countries than ever, with a -8.6 percent drop in economic growth in 2020 (UN, 2021, p. 105). Along with the poor being severely affected, many informal workers in the middle of income distribution also have seen a significant decline in earnings (Bussolo et al., 2020). In Bangladesh, India, and Pakistan, the poor people involving in the informal sector lost 9, 13, and 16 percent of their income, respectively, whereas the informal workers who have middle income lost 11, 7, and 16 percent, respectively, while rich reported to have only less impact on their incomes (ibid.). Hence, this crisis substantially impacts informal workers' lives, affecting the years of progress made on achieving sustainable development goals (UN, 2021, p, 106). Besides, social protection is intended to protect people from potential risks while also promoting their economic prosperity. But the poorly regulated labor markets and lack of reliable social benefits scheme in these countries is the reason for the acceleration of vulnerability of such people in the pandemic (ibid.)

The increase in unemployment and job loss globally has affected people differently in this pandemic than in pre-pandemic days. The uncertainty and unpredictability of this virus created panic and intense stress among people, followed by prolonged lockdown, isolation, financial crisis, unemployment, and scarcity of daily products (Dubey et al., 2020). Informal workers are becoming increasingly vulnerable in this crisis as a result of rising poverty due to

unemployment. Further, these financial crises and poverty make it challenging to achieve a minimum level of the basic functionality of life, such as availability of food and security, employment, and a good social relation which are the determinants of well-being (Burchi et al., 2018, p. 442). Difficulty in achieving these primary functionality results in lower living standards and quality of life which can directly hamper the well-being of people.

Well-being is perceived as being satisfied with life and achieving a feeling of happiness and joy (Veenhoven, 2008). Moreover, it is linked to fulfilling human needs, economic prosperity, personal experience, and life satisfaction (White, 2010, p. 160). Although the concept of well-being is widely used, it is not easy to describe accurately because people's perceptions of well-being will vary greatly depending on the situation (ibid.). It is a social construct that allows people to make sense of the world around them (Veenhoven, 2008). The collective concepts about life form individual judgments, and well-being depends on those communal concepts (ibid.). As a result, people's perceptions are influenced by the environment in which they live.

Every people have a desire to live happily and achieve a state of well-being in their life. Being and feeling well is critical for everyone, whether they are wealthy or impoverished, and whether they live in industrialized or developing countries. Despite their terrible circumstances, poor people also value a good livelihood and a good quality of life (OECD, 2013, p. 2). Well-being is often linked with the quality of life and satisfaction. Hence, the quality of experience of people's life determines human well-being (ibid.). So, taking this into account, a person failing to live quality of life with dissatisfaction and unhappiness will fail to live and function well in society. According to Veenhoven (2008), "sociological notions of subjective well-being are not only about how one feels about what, they are often also about why one feels so" (para. 6). Certain factors are interrelated to the conditions that make people experience satisfaction or dissatisfaction with life in society. Along with the sense of fulfillment and living happily, the factors such as inclusion and connectedness with the community are also the determinants of well-being linked to a high quality of life; in contrast, the exclusion is related to low quality of life (White, 2010, p. 161).

The quality of people's experience of life depends on the economic progress of the country or society. This economic progress provides various ways for people to live a happy and better life (OECD, 2013, p. 5). It helps people to achieve essential needs of life that improve their living standard and quality of life, both of which are the determinants of well-being, and thus the greater well-being in a country leads to sustainable economic growth (Llena-Nozal et al.,

2019, p. 20). Besides, economic growth leads to a more cohesive society that works for people's well-being, enhancing solidarity and relationships among community members and a sense of belonging and mutual assistance (OECD, 2013, p. 8). These qualities, however, might have negative consequences in times of economic crisis, as this might challenge or affect different groups of people in different ways (ibid., p. 7). Such as the impact of the economic crisis on rich and poor people will not be the same. And, since there will be differences in the impact, social cohesion can be challenged by society's division and dispute (ibid., p. 8).

Well-being is a societal asset and a key sign of development that improves productivity, potential, and quality of life (WHO, 2020). A satisfied and happy citizen is an indicator of a successful social structure. Furthermore, studying societal processes and understanding various social and economic dimensions connected to poverty and development requires a detailed understanding of human well-being. Therefore, amid the economic crisis, it is vital to understand the well-being of individuals, particularly informal workers, who make up the majority of the global workforce and are the most vulnerable due to economic restrictions.

1.2 Statement of Problem

Currently, Nepal is dealing with the second wave of COVID-19, which has seen 9,070 new cases each day, compared to around 5,700 cases per day in the prior wave (Crist, 2021). According to Worldometer (2021a), the infected number has crossed over 500,000, with Kathmandu accounting for half of all new infections, making it the country's most vulnerable metropolis (Nepali Times, 2021). Moreover, every three days, the infection rate is reported to increase by two times (ibid.). Due to the increase in cases, Nepal had already experienced four months-long lockdown last year, which began on March 24 (Nepali Times, 2020). And now, as the second wave hits the country, Nepal has imposed a second lockdown, which began on April 29 and is still in effect (Crist, 2021).

Due to strict and prolonged lockdown, around 1.6 to 2.0 million jobs in Nepal are estimated to be interrupted (ILO, 2020), where the informal workers account for the highest working group with approximately 62 percent (WFP, 2020, p. 2). According to the International Labour Office (2018), the percentage of informal workers in Nepal before was highest globally at about 94.3 percent with the age group 15 and above (p. 37). Informal employees, particularly low-income and middle-income workers, have lost their jobs and, more significantly, a source of money, bringing their livelihood to a standstill. They are estimated to have been severely impacted by a loss of income, worsening poverty in the country (ILO, 2020). In Nepal's disaster history, the

hardest hit sector was the informal economy, but there were no data about the impact level (Chatterjee and Okazaki, 2018, p. 544).

In Nepal, there is no strong law for the provision of social protection system for informal workers. This issue has been and continues to be a big concern. There is a social protection plan in place, but it only applies to formal workers. The government has yet to make any commitments in this area for informal employees. The enforcement of lockdown to contain the virus was a good initiative from GoN, but prolonged lockdown and economic constraints badly impacted the informal sector in the country. During the pandemic, these people are more at risk who need immediate financial support. But the GoN does not seem to worry about this situation. Until this day, after the second wave and second lockdown, Nepal's government has not implemented any policy measures for the country's economic growth. It has not provided any financial aids to the risk group.

Although the informal workers have time and energy to work, they are compelled to stay home due to economic restrictions. With the financial crisis and no support from the government, each day, they are struggling for basic needs, which is hampering their quality of life experience. The increase in unemployment and income loss mainly affects the well-being of these people as they will face difficulty or will not be able to fulfill their basic needs and have less social engagement due to low quality of life (Boyce et al., 2018). Moreover, despite the aspiration to work hard to live well, have a quality life, and a good social life with social networks and interaction, the uncertainty of this pandemic is challenging their efforts to do so. This leaves them physically and emotionally weak, with the feeling of unhappiness and dissatisfaction hampering their state of well-being. Furthermore, this kind of lower well-being could result in an inability to cope with the struggle of life and can reduce people's productivity and potential to contribute to society's development (WHO, 2020). Hence, well-being and development go hand in hand, so it is essential to focus on the informal workers, who are also the major contributor to the country's economic growth. Therefore, a focus is necessary on the economic impact of the pandemic on the well-being of informal workers.

1.3 Research Objectives

This study focuses on the well-being of workers in the informal sector of Kathmandu valley affected by the pandemic's economic constraints. The objectives of this study are as follows:

- a) To understand how informal workers perceive their well-being with the effect of economic restrictions in COVID-19.
- b) To contribute knowledge on informal workers' life experiences and challenges and their well-being during pandemic crises, which is not well-represented in many previous studies.
- c) To recommend future strategies to strengthen the informal sector and worker's well-being.

1.4 Research Questions

The purpose of this study is to address the following research questions:

- a) How do economic restrictions in COVID-19 impact the well-being of workers in the informal sector of Kathmandu valley?
 - i. What are the major challenges informal workers are facing during the pandemic?
 - ii. How do informal workers perceive well-being with the challenges of economic restrictions?
- b) Why are informal workers largely affected and more vulnerable in the COVID-19 pandemic?

1.5 Significance of the Study

The uncertainty of this COVID-19 has impacted the world, and the economic restriction has primarily affected the global economy, contributing to an economic crisis. Nepal being a low-income country, the economic impact of this pandemic is enormous. With more than 60% of the population employed in the informal sector, the effect is felt most acutely by informal workers who have lost their source of income and are experiencing extreme financial hardship. The economy has a tremendous influence on people's lives and their quality experiences of life. Without any income sources and financial security system from the government, the people in informal sectors struggle for basic functionality and quality of life, which are the determinants of well-being. Hence, an economic crisis is seen negatively affecting well-being by lowering their quality of life and level of satisfaction. Moreover, well-being is critical for the growth and development of an individual as well as the community. So, informal workers' well-being must be given special consideration. Many researchers have looked at people's experiences and

perceptions of their well-being during crisis periods, such as the study of Boyce et al. (2018), Gudmundsdottir (2013), Hiswåls et al. (2017), Simona-Moussa and Ravazzini (2019), etc. which are discussed in chapter three. These several published studies examined the effects of unemployment on the well-being of people during economic downturns. Still, these studies did not show how unemployment and financial crises affect differently on the well-being of informal workers who are the most at risk. Hence, this study has tried to explore the effects of the economic downturn of a pandemic on the well-being of informal workers. This study also provides an understanding of their life experiences and challenges in the face of pandemics without financial support from the government.

1.6 Organization of the Study

This thesis is organized into seven chapters. Chapter one presents the background introduction of this study, research problem, main objectives, research questions, and significance.

Chapter two comprises the introduction about Nepal in section one. In section two, I present the description of Kathmandu valley, providing geographical settings and demographic patterns. In the third section, the economy and employment of Nepal are presented, followed by the social security protection in the fourth section. In the last section, Nepal's informal workers in COVID-19 are described.

Chapter three focuses on the review of relevant literature to this study. The first section defines key concepts that need to be understood. The second section reviews literature in three sub-sections: Economic crisis and well-being; Unemployment and well-being; Concepts of well-being in developing countries. In the third section, I present the conceptual framework created from reviewing the literature.

Chapter four provides the description of the methodological approach employed in this study and the methods used to select participants and data collection. It gives a brief description of qualitative research methodology in research. It also provides a short description of the participants of the study. The thematic analysis technique of data analysis is also shown. The COVID-19 preparedness plan is presented along with a risk assessment for my participants and myself. The challenges encountered on the data collected online are discussed. Lastly, it focuses on the ethical consideration taken in this study.

Chapter five provides the finding and analysis of collected data. Themes are presented and explored in six sections, which were extracted from the interview transcriptions of the

participant. Each theme is examined to see whether the study's research questions have been answered. The themes present the analysis of informal worker's life experiences and challenges faced in the COVID-19 crisis. The analysis is based on the viewpoints of informal workers on how they view their well-being with financial difficulties.

Chapter six presents the major discussion of my research findings with the relevant literature. This section discusses various experiences and perceptions of informal workers and their well-being drawn from the analysis and seeks to understand the significance of these findings through comparisons with relevant research.

Chapter seven provides my conclusion drawn from this study. It also identifies certain limitations and offers policymakers with implications and recommendations for future solution and possibilities to improve the informal sector for workers' well-being.

CHAPTER TWO

Study Area

This chapter provides a quick overview of the research area. This chapter's first section gives an overview of Nepal. It shows the geographical location, topographical features, and population density. The second section discusses the specific study area, the Kathmandu valley inside the country, by providing a description of the valley and its geographical settings and demographic characteristics. In the third section, the economy and employment are described in order to place the country's informal sector into context. The provision of social security in the informal sector is discussed in the fourth section. The predicament of informal workers during a pandemic is depicted in the final section.

2.1 An overview of Nepal

Nepal is a South Asian country with a low level of development. It lies in the Himalayan range. The mountains cover around 75% of the land of Nepal (Rose, Karan, Proud, & Zuberi, 2021). This mountainous country is landlocked between India to the east, south, and west and the autonomous region of China: Tibet to the north. The country covers 147,516 square kilometers and is located between the latitudes of 28°N and 84°E (NTB, 2021). The total distance between east and west is approximately 500 miles (800 kilometers), but the distance between north and south is 90 to 150 miles (Rose, Karan, Proud, & Zuberi, 2021).



Source: image from <https://www.recentfusion.com/2016/06/01/nepal-in-between-china-and-india/> accessed on May 21, 2021.

Figure 1: Landlocked Nepal

Nepal's ecology is divided into three ecological regions, The Mountain, the Hill, and the Terai, from north to south. The mountain region encompasses the country's rocky terrain, ranging in elevation from 4877 meters to 8848 meters above sea level (CBS, 2019a). Because of the nature and climate of this location, there are fewer people than in other areas, which is only 6.73 percent of the total population (ibid.). Between the mountain and the terai region is the hill region. It has a height of 610 meters above sea level (ibid.). This region covers the largest portion of the country. Kathmandu, the country's economic capital, is located in this region, which is one of the country's most densely inhabited cities. About 43.1 percent of the total population resides in this region (ibid.). The terai region, a low flat territory bordering India, is the country's southernmost section. It has the most fertile land, and it grows a wide variety of crops that are distributed throughout the country. Compared to other regions, this one has the highest population of about 50.27 percent and has the fastest population growth (ibid.).

Nepal was previously divided into five developmental areas and fourteen zones in terms of administrative division. However, the Nepalese Constitution of 2015 introduced a new system that replaced older developmental areas and zones with seven provinces. (CBS, 2019a). It is further divided into 753 local levels, with 460 Village Municipalities, 276 Municipalities, 11 Sub-metropolises, and 6 Metropolises (ibid.). The country is divided into 77 districts for

administrative purposes, among which the Mountain region is made up of 16 districts in the north, the Hill area is made up of 40 districts in the middle, and the Terai region is made up of 21 districts in the south (ibid.). In every district, Chief District Officer is elected responsible for the development activities in that district (ibid.).



Source: from <https://www.guttmacher.org/report/adding-it-up-meeting-contraceptive-mnh-needs-nepal> accessed on May 21, 2021.

Figure 2: Map of Nepal

The total population of Nepal is 29.7 million based on the data provided by Worldometer (2021b). Currently, the population of Nepal is increasing at the rate of 1.85% and is expected to exceed 30 million people by 2022 and reach 35.32 million by 2049 (WPR, 2021a). However, due to a lower fertility rate, the rate of population growth is declining (ibid.).

Nepal is one of the world's top ten fastest urbanizing countries, with 293 urban centers in 2017 compared to 58 in 2013 (Timsina, 2020). The GoN began to include rural administrative areas into municipal areas, resulting in a dramatic shift from rural to urban (ibid.). Rapid urbanization has resulted in changes in land patterns. The majority of urban communities, on the other hand, are unmanaged and uncontrolled. There is no systematic planning in place to avoid unplanned settlement expansion. Only 21.4 percent of the population lives in cities, with the rest settling in rural areas (Worldometer, 2021). The highest concentration of urban settlements is in Kathmandu, which is the only major city of Nepal.

2.2 Description of Kathmandu Valley

Kathmandu valley is one of the fastest expanding urban areas in South Asia, with an annual growth rate of 4% (K-Hub, 2020). It is the country's only significant metropolis. Compared to other urban centers in the country, it is also the center point for economic, political, and administrative activities. It is one of the country's most populated cities, with people migrating from all across the country searching for better opportunities.

It lies in the hilly area in province 3, Bagmati. It is also known by the names Kantipur and Kasthamandap, which were given during the Middle Ages. It has a wealth of cultural treasures, including temples, monuments, religious structures, architecture, and even historic settlements, and is a UNESCO World Heritage Site. The valley is home to an ancient culture of more than 2000 years old from the pre-historic Kirat period (Dhungel, 2017, p. 2). Kathmandu, Lalitpur, and Bhaktapur are the three districts that make up the city, and Kathmandu is the capital of Nepal.

2.2.2 Geographical setting

The Kathmandu valley is located in northeast Nepal, between 27°32'13" and 27°49'10" north latitude and 85°11'31" and 85°31'38" east longitude (Mohanty, 2011, p.126). It is located at the height of 1350 meters above sea level (Dhungel, 2017, p. 4). It is a bowl-shaped flat area with fertile soil surrounded by the Mahabharat mountain range, which is 1900-2800 meters tall (Mohanty, 2011, p.126; Ishtiaque et al., 2017, p. 2). Initially, the valley was a lake with sandy gravel and gravel soil, and the lake's lacustrine deposit is the reason for the valley's fertile land (Dhungel, 2017, p. 4). Bagmati, Nepal's most sacred river, passes through Kathmandu valley (ibid.). The climate in the valley is moderate and pleasant all year. The weather is mostly warm, and summers are usually rainy, with over 80 percent of the year's rainfall (Ishtiaque et al., 2017, p. 2). The mornings and nights are cooler in the winter, but the days are sunny.

The valley has an area of 665 square kilometers, including three districts: total Bhaktapur districts, 85 percent of Kathmandu district, and 50 percent of Lalitpur district (Mohanty, 2011, p, 126). It is the only metropolitan city consisting of 21 municipalities and 8 VDC (Dhungel, 2017, p. 1).

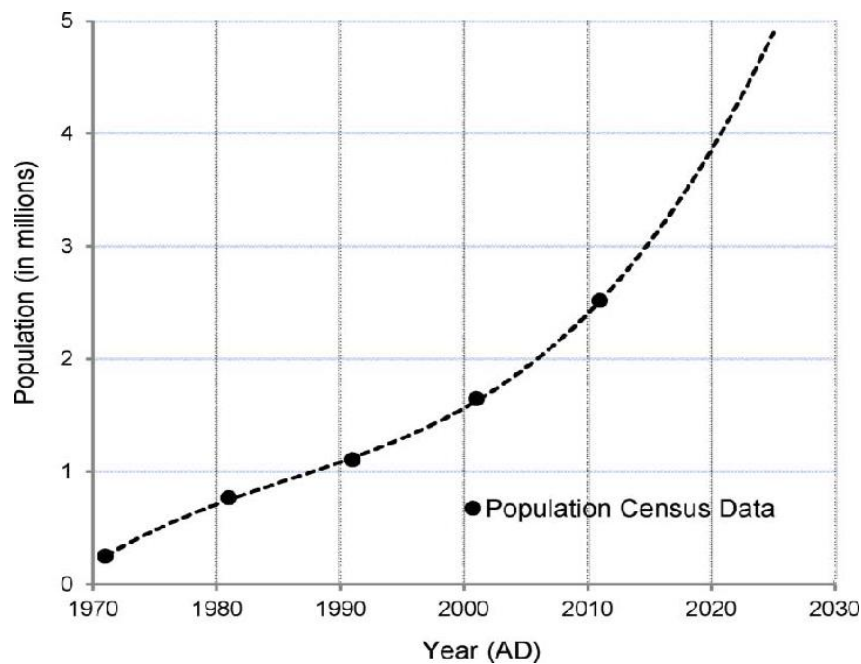


Source: Map image from Regmi, 2016, p. 78

Figure 3: Map of Kathmandu valley

2.2.3 Demographic pattern

The Kathmandu valley has the highest population density in the country. The rapid urbanization and internal migration have caused a significant rise in populations from 1990 to 2021, as shown in the figure below. In 2021, the valley's population is estimated at 1,471,867, with an annual growth of 3.40 percent (WPR, 2021b). It is the home for 1/12 of Nepal's population, with 20,288 people per square kilometer (ibid.).



Source: Shrestha et al., 2017, p. 8

Figure 4: Pattern of population growth in Kathmandu valley

One of the key causes of the Kathmandu valley's large population is migration. About 32% of the population is made up of migrants who were drawn to the city by its job opportunities, infrastructures, and lifestyle (Dhungel, 2017, p. 6). The valley is home to several ethnic groups and languages; however, the Newar community is the original community, having lived here since ancient times (ibid., p. 1) and accounting for 30% of the population (WPR, 2021b). Hence, the cultural history of the valley is the output of the Newar community (Dhungel, 2017, p. 1). As a result, the Newar community is responsible for the valley's cultural history. The official language of Nepal is Nepali, which is spoken by everyone, whereas Nepal Bhasa is only spoken by Newars. Similarly, people of all religions can be found in Kathmandu, but Hinduism and Buddhism are the most followed in the valley.

2.3 Economy and Employment in Nepal

Nepal is a low-income country and one of the least developed countries in South Asia. The expected GDP for the fiscal year 2017/2018 was \$29.04 billion (ITA, 2020) with the growth of 6.7 percent and 7.0 percent in the fiscal year 2018/2019 and predicted to increase by 2.27 percent in the fiscal year 2019/2020 (GoN, 2020, p. 4). However, due to economic constraints in COVID-19, economic activity was seen to be down by 1.9 percent (The World Bank, 2021). Agriculture is the most important economic sector of the country, with more than half of its population employed. However, the contribution to GDP from this sector is lower, accounting for only 27.6 percent of total GDP according to the fiscal year 2019/2020 (GoN, 2020, p. 5). The rest non-agricultural sector accounts for the remaining 72.5 percent (ibid.). And about 18.7 percent of the total population, that 5.5 million people live below the poverty line (ibid.).

In Nepal, around 7.1 million people work in various fields, with males accounting for 60% of the workforce (UNDP, 2020, p. 41). Furthermore, with around 500,000 people entering the labor market each year, the unemployment rate is expected to be 11.4 percent (ibid., p. 27). Females have a greater unemployment rate of 13.1% than males, who have a rate of 10.3% (CBS, 2019b, p.13). Among the employed, approximately 62 percent, with 4.4 million people, are involved in the informal sectors (WFP, 2020, p. 2). Within informal sectors, 41 percent of employment is from the informal non-agriculture sector, and 36.5 percent are from the formal non-agriculture sector (CBS, 2019b, p. 25). Similarly, informal agriculture accounts for 20.2 percent, whereas formal agriculture accounts for 1.3 percent of total employment (ibid.). The rural populations have a greater rate of informal employment (90.9%) than that of city people (81.8%) (UNDP, 2020, p. 41). Besides, the rate of informal employment was higher in province 2, accounting for 91.9 percent (CBS, 2019b, p.30). The rest other province has similar rate from 80 to 85 percent approximately (ibid.).

Table 1: Employment in formal and informal sectors

SECTOR OF EMPLOYMENT	NUMBER (IN THOUSANDS)	PERCENTAGE
Formal agriculture	90	1.3
Informal agriculture	1434	20.2
Formal non-agriculture	2586	36.5
Informal non-agriculture	2904	41.0

Source: UNDP, 2020, p. 41

2.4 Social Security Protection

The regulations governing informal employees are minimal in Nepal, even though informal laborers contribute significantly to the economy. The Nepalese government has provided no meaningful commitments to the informal sector till now. The Trade Union Act of 1992 started the policy for registering people working in informal sectors, but this new regulation was not successful and was discontinued due to the lack of proper laws and insufficient enforcement of existing rules (Khanal, 2012, p. 32). The GoN, on the other hand, has enrolled 2.8 million people in the country's social benefits scheme (UNDP, 2020, p. 27). The Employee Provident Fund (EPF) is in charge of delivering various social security benefits, including pensions, maternity benefits, unemployment benefits, personal accident insurance, and funeral grants (Khanal, 2012, p. 41). However, informal laborers are not included in this system; instead, they are intended primarily for formal workers (ibid.). In 2017 and 2018, due to a campaign and pressure from the Nepalese trade union movement, a new law was enacted to include informal workers and formal workers (DTUDA, 2019, p.16). With a social welfare plan, the new law pledged to provide the same working conditions as the formal sector (ibid.). However, various challenges have arisen as a result of the law's implementation. For instance, the registration of informal workers is problematic due to the great majority of informal laborers. Many informal workers are illiterate or have a low level of education, making it difficult for them to register online and limiting their ability to use technology such as computers and Wi-Fi (ibid., p.17).

Besides, the costly and time-consuming registration does not motivate them (ibid.). Moreover, due to the geographical challenges, it is not easy to reach them who live far away in the rural and underdeveloped area (ibid.).

2.5 Informal Workers in COVID-19 in Nepal

The pandemic has had a significant impact on Nepal's economy. Due to the shutdown of business and economic activity in the entire country, there was minor economic growth of only 0.2% (The Kathmandu Post, 2020). Out of 7 million employed people, the economic effects of this pandemic would likely affect almost 3.7 million workers who rely on their jobs for a living, resulting in increased unemployment and income loss (ILO, 2020b).

Among the workers, the informal workers, who make up most of the population in employment sectors, are likely to be the most affected and vulnerable in the absence of social protection (ILO, 2020b). The restriction and prolonged lockdown for many months has made them difficult to consume on a daily basis. With limited savings, staying home for such a long period could be a tough decision. Due to the lack of proper registration and documentation and the result of this sector not regulated by GoN, they are deprived of social protection and benefits that could have secured their lives in this pandemic. Moreover, about 18.7 percent of the country's people live below the poverty line and dependent on the informal sector for livelihood and therefore, the impact of strict lockdown can be very challenging and can last for a longer time, increasing the poverty rate (UNDP, 2020). Besides, the government has also made no effort to provide support and security during the pandemic. Therefore, the government must develop appropriate policies and regulations and enforce existing laws to provide support to informal workers in the event of a pandemic.

CHAPTER THREE

Literature Review

This chapter involves the review of relevant literature to the research topic. The literature is reviewed to gain a scientific understanding of this study. The chapters are further subdivided into three sections. The first section begins with defining the key concepts. In the second section, the analysis of different kinds of literature is done in three sub-sections to formulate ideas regarding this study. In this section, the concept of well-being is presented in context with an economic crisis, unemployment, and developing countries. In the last section, a conceptual framework is presented, which was formulated based on different kinds of literature that help analyze the research problem of this study.

3.1 Key Concepts

The definition and clarification of some key terms that needed to be understood are presented and explained briefly below:

3.1.1 Well-being

The term "well-being" denotes the quality of a person's life experience, which includes how well they function as sentiments and social human beings and how satisfied they are with their accomplishments (OECD, 2013, p. 2). Two indicators define well-being: objective and subjective. Objective indicators are linked with income and standard of living, while subjective indicators are linked with perception and satisfaction (Simona-Moussa and Ravazzini, 2019, p. 1131). White (2010) mentioned well-being with the notion of "Doing well - Feeling good," in which she explains 'Doing well' as achieving a standard of life along with economic prosperity and 'Feeling good' as the experiences and perceptions of life satisfaction (p. 160).

3.1.2 Informal sector

The informal sector refers to businesses not regulated or taxed by the government (Docquier et al., 2017, p. 1041). This sector's economy is frequently hidden, unofficial, and unrecorded (Yusuff, 2011, p. 624). The majority of the informal businesses are established with a small income, which is primarily owned by a family or by a single person, which includes own-account workers working in their businesses in the informal sector (ibid., p. 625). The informality is exacerbated by rising unemployment and a lack of access to economic resources. Because of poverty and unregulated labor markets, it is more prevalent in developing countries.

However, in these countries, this sector contributes significantly to economic growth and employs the mass of the people.

3.1.3 Social protection

Social protection is the policies intended to protect the poor and vulnerable from the economic crisis and shocks, improving their ability to cope with economic and social risks such as unemployment, exclusion, disability, and sickness (Llena-Nozal et al., p.33). Social protection aims to prevent, manage, and overcome events that have a negative impact on people's well-being (ibid.). The establishment of a social security system helps in the reduction of income disparity and poverty in society, as well as the development of human capital.

3.1.4 Vulnerability

Vulnerability means being susceptible to danger or harm physically or mentally (Mechanic & Tanner, 2007, p. 1220). It refers to the physical, social, and economic factors that increase the likelihood of damage to individuals and communities due to hazards (Paul, 2013). Vulnerability can be associated in various disciplines, but it is most often related to the field of natural hazards and poverty (ibid.). It is an effective instrument for analyzing the state of susceptibility to harm, powerlessness, and exclusion in individuals, communities, and institutions (ibid.).

3.2 Literature Review

A literature review is the survey of literature in a chosen area. It presents the overview of the literature in organized form in order to formulate new ideas and viewpoints. It is a systematic examination of previously published research that results in the development of new concepts and insights on the study (Torraco, 2005, p. 356). It is an important part of research work that allows a researcher to identify areas where more research is needed by analyzing other research findings (Snyder, 2019, p. 333).

An effective review of empirical research leads to a fresh and new understanding of the topic area, and as a result, there is the development of new theories (Snyder, 2019, p. 333). And hence the new theory provides a framework to understand the phenomena which are being investigated critically. Furthermore, the researcher's ability to solve the research problem and research questions is facilitated by the advanced knowledge and perspectives gained from empirical study findings (Snyder, 2019, p.333).

3.2.1 Economic crisis and well-being

As outlined in the introduction chapter, the economic crisis substantially influences people's lives with increased unemployment and income loss. Many kinds of literature have shown that human well-being is intertwined with unemployment, income loss, and financial difficulty. Previous research has shown that economic crises have a negative impact on people's well-being. The studies done in the United Kingdom, Central Sweden, and Switzerland on the economic crisis of 2008, which led to mass unemployment and income loss, shows some level of dissatisfaction hampering people's well-being (Boyce et al., 2018; Hiswåls et al., 2017; Simona-Moussa & Ravazzini, 2019). However, Boyce et al.'s (2018) study show only small changes in their well-being while some people were seen to have improved well-being in a crisis period. The unemployment and income do not seem to change the level of happiness among the people of Iceland in the economic crisis of 2008 (Gudmundsdottir, 2013). According to this study, there is just a 4.2 percent difference in happiness levels (p. 1096). Moreover, compared to unemployed people, those who just had financial difficulties meeting their needs and a small amount of debt to pay had a lower level of well-being (ibid.).

These European countries have a stronger economy, greater financial protection, and a better welfare system. People's well-being would be impacted positively by the financial protection system provided to them during the economic crisis (O'Campo et al., 2015, p. 93). Having this system in place during their unemployment period could cover their basic needs and requirements, and while staying at home would allow them to spend more time with their families and society, reducing their stress and anxiety (Cortès-Franch et al., 2019, p.10).

White (2010) argues that well-being cannot be defined based on a single context; rather, the perception of well-being may vary depending on the settings (p. 160). Such as the experiences of life satisfaction of people in crisis might differ with different regions, economic position (rich or poor), and formal or informal sector. Hence, focusing on the well-being of overall people based on a single context can lead to misleading information. The study related to the great recession of 2008 and people's subjective well-being highlighted the need to focus on various categories of people to study how economic crises affect individuals' well-being (Boyce et al., 2018). Boyce et al. (2018) stress that the level of income can play a critical role in determining the experiences of life satisfaction. But it can vary according to age, social status, the condition of being employed or unemployed, provision of social protection, have savings or no income, and educated or not (ibid.). However, for people who value other things

than income in life, such as home production, time with family, sleep, and exercise, the crisis could positively affect their well-being (ibid.).

Although the crisis tends to impact all groups of people, the significant impact is on marginalized and vulnerable people of the country. Simona-Moussa and Ravazzini's (2019) study shows that vulnerable people in crisis tend to decline the quality of life, resulting in a more significant impact on their well-being than others. They also suggest that identifying vulnerable groups is very important. Further, while analyzing the effects of the economic crisis on well-being, factors such as income, employment, social protection, age group, and education should be taken into account. The study of Boyce et al. (2018) has also categorized the effect on well-being on various groups and suggested that the minority and vulnerable people way before the recession will have a greater impact on the well-being, and the focus should be given to support them during the great recession.

Simona-Moussa and Ravazzini (2019) stress that multiple indicators like objective and subjective indicators should be observed while studying well-being and quality of life. There might not be an equal impact on the individual's objective and subjective well-being in the crisis. The effect might differ with the experiences, life satisfaction, and perception of an individual. Their study shows that people's subjective well-being was more affected during a recession than objective well-being. (ibid., p. 1149). The presence of social welfare system by the state in crisis protected people from income loss and poverty with no reduction in objective well-being, while the experiences and dissatisfaction with job loss reduced their subjective well-being (ibid.). People view unemployment as an essential requirement of life, and long-term loss of jobs resulted in negative feelings and dissatisfaction, and low self-esteem (Hiswåls et al., 2001). Even though they have social security and protection from the government, many nonetheless feel ashamed and stressed about accepting government assistance, which negatively impacts their subjective well-being (ibid.). However, this type of case might not be in developing countries with no welfare system for those involved in the informal sector. During a recession, this sector is the most vulnerable, as it is the one that suffers the most job losses and extreme poverty. As a result, the provision of better unemployment policies may serve to mitigate the effects of unemployment, assisting vulnerable and marginalized people in overcoming poverty and improving their overall well-being in times of crisis (O'Campo et al., 2015).

3.2.3 Unemployment and well-being

It has been demonstrated in the previous section that economic crises lead to unemployment, which has a distinct impact on the well-being of different groups of people. Additionally, this section explains how the period of unemployment and social comparison of being unemployed have varied effects on an individual's economic, social, and mental condition.

According to the study of Burchell (2011), the association between well-being and unemployment shows a major pattern. Two significant aspects show a link between well-being and long-term unemployment. Job insecurity and unemployment have a significant negative impact on individuals' well-being during the early term of unemployment (Burchell, 2011). However, those who have been unemployed for a long time have some improvement in their well-being as their response to adjusting to a new situation (*ibid.*). But long periods of uncertainty, on the other hand, can take a significant toll on individuals (*ibid.*). People tend to develop negative affective feelings like stress and anxiety in uncertain situations (Anderson et al., 2019). The prolonged uncertainty and insecurity of employment can diminish their coping mechanism against such a situation, resulting in a persistent drop in their well-being (Burchell, 2011). The study of Lucas et al. (2004) also shows that the individual who has remained unemployed for more than a year has substantially decreased satisfaction compared to the initial phase of losing a job.

According to Clark (2003a), a person's sense of well-being is linked to the community in which they live. People's levels of satisfaction are influenced by their observation of the surrounding environment, as well as their earning histories and those of others, and the comparison of economic resources between the poorer and wealthier individuals around them determines whether they are happier or less happy (Boyce et al., 2010; D'Ambrosio & Frick, 2012). Similarly, in this regard, communities with higher unemployment have a minor impact on individual's well-being than areas with lower unemployment (Clark, 2003a). When people believe they are the only ones affected, they become dissatisfied and nervous; but, when they observe other people in the same circumstances, they do not appear to have negative thoughts. Moreover, the disparity in income places them in a distinct social position or status. Not only does an individual's social status influence their well-being, but it also depends on the circumstances, such as the situation where being ahead of or behind others in terms of income influences their level of satisfaction (D'Ambrosio & Frick, 2012, p. 285). Hence, the phenomena of being passed and passing other people in economic ranking in society also associate with individuals' well-being (*ibid.*).

Furthermore, long-term unemployment leads to social stigma, embarrassment, and insecurity in society (Pohlan, 2019, p. 274). So, there is a risk of potential physical and emotional distress and loneliness (ibid.). Those who perform well in socially respected expectations have believed to have a higher level of well-being than others (Veenhoven, 2008). The social network provides the greatest support that relieves stress and tension (Jones, 1988). Moreover, due to lack of income, unemployed people are less likely to participate in social and cultural events and are less likely to socialize with friends and community members (Kunze & Suppa, 2017). The engagement in social and cultural activities being unemployed in society could cost them further and add more challenges in maintaining their way of living standards (Pohlan, 2019, p. 274). The results of Hiswåls et al. (2001) also show specific behavioral changes in social life as a result of a lack of income, such as less sociability, and a change in consumption pattern such as not being able to buy and do the things they want.

3.2.4 Concepts of well-being in developing countries

The first and second literature review section has already shown the impact of economic crises and unemployment on the people's well-being. However, most of the literature on well-being covered in the first part is based on developed countries. Furthermore, in poorer nations, the definition of well-being may be different. As a result, this section investigates how the notion may vary in developing nations.

Most of the well-being concepts are derived from industrialized countries with robust economies and welfare systems that support citizens financially in crises. On the other hand, these well-being notions may not theorize well-being in developing countries in the global south. The following statement has been supported by certain literature. According to Mahali et al. (2018), most modern models of well-being are derived from highly industrialized countries with excellent life quality, and so the factors that affect well-being in the global north can differ dramatically from those in the global south (p. 3). White et al. (2014) stresses that the well-being approach should be determined in the context of differences in culture, values, experiences, and ecology.

Primarily the well-being in developed countries is linked to material dimensions and level of satisfaction and happiness. However, some researchers argued that it should be viewed as the social process involving three dimensions: material, relational and subjective, developed by WeD (Well-being in Developing Countries Research Group) in the global south (White, 2010, p. 161). The WeD demonstrates that individual well-being is frequently linked to community

well-being, implying that they are both interrelated and that well-being does not always occur on an individual level but rather in the context of relationships (ibid.). This method looks beyond individual well-being and examines how people achieve well-being through social relationships and connections (Mahali et al., 2018, p. 12).

Furthermore, according to White (2010), well-being encompasses not just the social process between individuals and communities but also the interactions between local and global, people and state, and people and power (p. 168). There is much more to life than money and prosperity; rather, power, politics, relationships, culture, and values are more significant factors to consider while analyzing the lives of poor people. So, to understand the well-being of poor people in the global south, one must first comprehend the networks in which these people and others participate (ibid.).

The study conducted by White et al. (2014) in Zambia and India's findings showed that such cultural differences give a base to understand the well-being of people in different regions (p.744). Most poor people value their relationship between the family and community, which motivates them to do well in society (Clark, 2003b). These types of social connections and good personal relationships lead them to happiness (ibid.). Although poor people are likely to value jobs and money to have access to income, which will help them fulfill the necessities of life such as food, shelter, and clothing, it is more importantly viewed to support family and friends (ibid.). Good social connections and relationships are vital for emotional and physical support, satisfaction, happiness, and security (ibid.). However, although they have stronger relationships and connections among them, poverty-related stress and dissatisfaction might erode the value of these relationships and reduce their well-being (ibid.).

Many people in developing countries engage in informal labor, with the majority of employed people constituting the informal workforce. These employments have poor wages, long working hours, and a poorly maintained working environment. Docquier et al. (2017) pointed out that extreme poverty leads these poor to depend on the informal economy (p. 1042). For them, informality becomes a means of earning money to meet basic requirements and lift themselves out of their low living condition (ibid.). Lacking work and deprivation of basic needs force them to work informally with low wages and poor working conditions. However, their perspective on work differs from that of other developed countries. Regardless of these factors, the only thing that matters to them about their employment is earning a living, satisfying basic needs, and financially supporting their families, all of which impact their

overall quality of life and well-being (Clark, 2003b). According to Docquier et al. (2017), a country's informality can increase if the government is unable to manage unemployment and offer a social security system. So, a state's focus should be on ensuring that all citizens have access to employment opportunities and that a social security system is in place. This kind of welfare system can foster their quality of life and well-being by decreasing extreme poverty (Mahali et al., 2018, p. 16).

3.3 Conceptual Framework

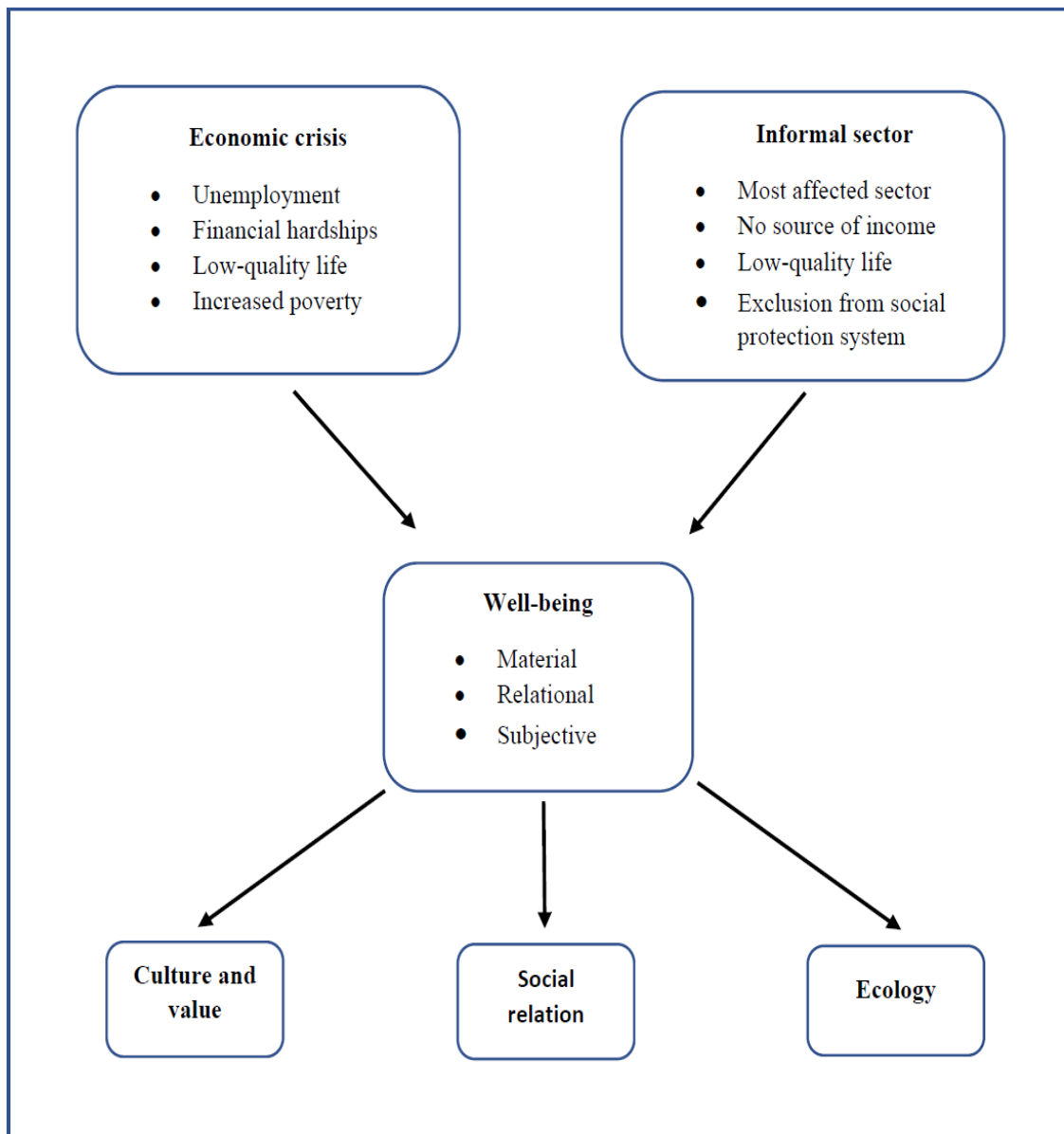


Figure 5: Conceptual framework for analyzing well-being

The above evaluation of literature has provided a framework to establish, which aids in analyzing the study's research problem. This framework shows the association between economic crisis, informality, and well-being related to culture and values, social relations, and ecology.

This framework presents a diverse context of well-being. The state of one's well-being is closely tied to a variety of social circumstances. The perception of well-being is determined by the material dimension, social relationship, standard of living, experiences, and level of satisfaction. Many researchers in the above-reviewed literature have demonstrated the direct impact of the economy on an individual's well-being. Thus, the economy has a significant influence on people's lives. Unemployment, job loss, and income loss are all consequences of economic crises, resulting in dissatisfaction and low quality of life. People who lack financially are less likely to achieve and satisfy their basic necessities of life, which are the dimensions of well-being. Moreover, the severe impact is on the vulnerable and marginalized population of developing countries. Those who work in the informal sector are the most susceptible during crises due to no income source and social protection. Income loss ultimately results in lowering individual's quality experiences of life which directly hamper their well-being. People are mostly involved in informality due to rising unemployment and a lack of financial resources, as shown above by Docquier et al. (2017). Informality is a way for them to escape their poor living situations and to meet their necessities. Lack of effective unemployment policies such as a welfare system from the state makes it challenging to manage their livelihood in crisis, leading to deprivation and dissatisfaction, hampering their well-being.

However, according to the above literature, when examining the well-being of individuals, the economy alone may not be sufficient to assess their well-being. Thus, the culture, social relation, and values need to be analyzed along with economic resources. The above-reviewed literature demonstrated that cultural variations influence how individuals experience well-being, which explains why the notions of well-being in developed and developing nations differ. Poor people, for example, have a culture of valuing and appreciating their relationships above all else, and their happiness is based on social connections and interpersonal relationships. Furthermore, people's perceptions of well-being are influenced by their surroundings and living conditions. Individuals interact, compare themselves to their surroundings and other people, and respond accordingly, all of which impact their well-being.

For example, comparing oneself to society and interaction with the state can affect one's well-being.

With regards to this, the COVID-19 crisis has also challenged human in a different way than other. Due to lockdown and restriction, the economy has been impacted severely by business closures, increasing unemployment, and poverty. People working in the informal sector, in particular, have been isolated within their homes without any financial support, making it impossible for them to satisfy even the most basic needs. Furthermore, this epidemic is posing a threat to people's interpersonal relationships. As a result, it is crucial to analyze their well-being during this crisis. Hence, this study tries to explore how informal workers perceive their well-being with economic crisis challenges.

CHAPTER FOUR

Methodology

Research methodology is specific procedures and techniques used in research projects. It is a process in which a researcher systematically designs a study and then analyzes the data in order to get reliable results that satisfy the research objectives. The methods we use in research studies are not only research methodology but also include the reasoning behind the methods, which explains why we used some techniques and not others, depending on the study context (Kothari, 2004, p. 8). The research methodology allows a researcher to answer research questions by adopting suitable data collection methods and examining and interpreting the data in the study.

This chapter describes the methods and procedures adopted in this research. It provides an overview of how data collection, analysis, and interpretation were carried out during research using different techniques.

4.1 Qualitative Research Methodology

Qualitative research is the method described by the interpretative model, which generally focuses on subjective experiences, perception of people, and their meaning and insights in a given scenario (Rebolj, 2013, p. 30). It is a technique for observing and interpreting people's perceptions of various events in a natural context (Mohajan, 2018, p. 2). It is a sort of social research in which non-numeric data is collected and analyzed to develop meaning and concepts from the obtained data and understand individual's social processes and social lives (Punch 2013, cites in Mohajan 2018, p. 2). This type of research does not include quantitative data such as statistics that express people's perceptions in numerical categories (Marvasti, 2004, p.7).

The qualitative design focuses on understanding the social process and issues through direct observation, open-end questions, in-depth interviews, and field note study (Upadhyay & KC, 2014, p. 54). It aids in the exploration of human attitudes, emotions, viewpoints, and perceptions by assisting them in opening up and expressing themselves in their unique way in response to particular circumstances (ibid., p. 56). With the in-depth study technique, a good connection is formed between research participants and researchers, which assists in shaping and developing the study (Eyisi, 2016, p. 93). These bonds also allow for detailed descriptions of background and experiences needed for good qualitative data (ibid.).

Moreover, in research sciences, deductive and inductive techniques are often used. However, data in the form of observation reports, interview notes, and field notes are evaluated inductively in qualitative research (Mohajan, 2018, p. 7). In qualitative research, people's perspectives are analyzed and examined to generate theories and ideas that contribute to more general conclusions (ibid., p. 2).

4.2 Use of the Qualitative Methodology

Researchers can use either a qualitative or quantitative approach in their research but choosing a method for their study depends on the research questions that need to be answered and the data they wish to collect. It also depends on the study's goals and objectives.

As discussed earlier, the qualitative approach focused on words and emotions from the individual rather than numbers like in the quantitative approach. It helps to explore the opinion, thoughts, and feelings of participants in a given scenario. Researchers observe, listen and study the people and their surrounding environment and different events in social settings to gather new understanding that can be used back by society (Upadhyay & KC, 2014, p. 54). The instruments such as observation, open-end questions, in-depth interviews, and field notes employed in qualitative research provide plentiful information and a deeper understanding of the people's lives and situations (Eyisi, 2016, p. 92).

This method helps to understand individuals' situations in social settings that are difficult to get using the quantitative approach. Moreover, qualitative methods are pretty flexible in the research study. Respondents have complete freedom to respond, allowing them to freely communicate their opinions, experiences, thoughts, and feelings (Bryman, 2012, p. 471), which is why Upadhyay & KC (2014) stated that data in qualitative studies are taken from people's hearts and minds (p. 54). In addition, unlike with a structured survey, the researcher has the opportunity to ask spontaneous follow-up questions to respondents (Bryman, 2012, p. 471). Besides, researchers can also gain insight into people's emotions and sentiments by observing their facial expressions.

My dissertation is of a qualitative type. This research aims to understand better how people perceive their well-being with the experiences of economic restrictions in COVID-19. This study aims to capture, explore, and analyze individuals' perspectives, sentiments, and life experiences in light of the pandemic's economic restrictions. This is the reason why I choose a qualitative method for my study. The qualitative approach's ability to provide an in-depth

understanding of social processes by examining people's perspectives, attitudes, thoughts, and behaviors makes it a better fit in my research. Both inductive and deductive techniques are used in this study.

4.3 Research Design

Research design is the design needed to guide a research study. It is the planning and preparation of procedures and strategies for data gathering and analysis in order to achieve the study goal (Kothari, 2004, p. 32). A good research design is required for every study. It aids in effective research work by producing maximum information with little effort, time, and money, reducing bias, and boosting the accuracy and reliability of collected data (ibid.). Therefore, a good design is necessary to prepare beforehand.

The research design in this study helped me organize my techniques for a more efficient examination, such as sampling technique, research instruments, and data collection and analysis approaches. The framework aided me in achieving the goal of my research project.

4.4 The Selection of the Participant

The participants are the most critical aspects of the study because they are representative of the entire population. Participants were recruited for my study based on their involvement in the Kathmandu valley's informal economy and their economic susceptibility to COVID-19. Within the informal sector, individuals who are self-employed and own-account workers were selected for this study. Safety measures had to be taken into account in this study because of the COVID-19 pandemic. There was no physical contact during data collection to protect participants and me from the infection. Therefore, the participants who have access to the internet were prioritized for data collection.

The middle-income group, in particular, was chosen because of the online interview method, as they are more likely to have internet access. Because of the risk of not having an internet connection, the poor and low-income groups were not chosen. People with daily spending of between US\$2 and US\$10 in developing countries are classified as middle income (Banerjee and Duflo, 2008, p. 4). According to the world poverty line of \$1.90, 2011 PPP (UNDP, 2020, p. 55), persons earning between \$2 and \$4 per day are highly vulnerable to poverty (Chun, 2010, p. 4). Those making between \$4 and \$10 per day are above subsistence, with the ability to consume above necessities and save (ibid.). However, people who survive less than \$1 or \$2 per day are considered poor (Banerjee and Duflo, 2008, p. 5).

Furthermore, participants who can give consent and be over the age of 18 were only included in the study, while those under 18 were excluded. Moreover, participants who can read and communicate in Nepali were given preference. The following table lists the study's criteria for inclusion and exclusion:

Table 2: Inclusion and exclusion criteria

Inclusion criteria	Exclusion criteria
Participants who are engaged in informal employment: self-employed people and own account workers.	Participants who are from formal employment.
Participants who live inside Kathmandu valley.	Participants who live outside of Kathmandu valley.
Participants above the age of 18 years.	Participants under the age of 18 years
Participants who read and speak the Nepali language.	Participants who cannot read and speak in Nepali language.
Participants who have access to internet, especially middle-income people.	Participants who do not have internet access, especially poor and low-income people.

The participants in this study were chosen using a purposive sampling technique. According to Bryman (2012), most qualitative studies incorporate some forms of purposive sampling methods (p. 418). Purposive sampling is not a technique in which researchers randomly select samples from a community. Instead, the researcher chooses the sample depending on the study's requirements and criteria through which research problems and research questions can be addressed (Bryman, 2012, p. 418). I purposively selected Kathmandu valley because it has the highest urban population and fastest-growing metropolitan city, which is also the center for Nepal's economic activity among other urban towns. And economic activities were also

severely hampered in Kathmandu valley during this pandemic because of economic restrictions. Similarly, I also chose the participants who can give the most information on my research questions. A total of twenty-five people were purposefully enlisted to get as much data as possible for my research.

To recruit the participants in my study, I had first to contact the Kathmandu municipality for permission. In Nepal, all the government and official works are done on paper, and it is quite difficult to reach the officers via online media. Moreover, due to COVID-19, the office was only partially opened with a smaller workforce, and only the most urgent tasks were prioritized. As I planned to conduct my data collection online due to an ongoing pandemic, I could not be physically present in Nepal at that moment. So, with the help of a friend and after a few days of trying, I was able to contact the Kathmandu valley Municipal's senior officers. Before meeting them, I had to submit an application to the head office and the letter from UIA requesting permission for data collection. Only after getting approval, I contacted my participants. I reached them with my contacts and through the contact of my family and friends and signed them up for the interview. However, getting them via phone calls and messages was a challenging task. Some of them took a long time to respond to my request to join in my research study.

4.5 Methods of Data Collection

Data collection is a crucial element in a research study. Data collections are carried out after formulating research questions and preparing research design to collect accurate and high-quality data for analysis in order to produce ideas and concepts to answer the research questions. In this study, the nature of data is both primary and secondary sources. Primary data were collected from the information given by participants, while secondary data were collected from the previous research obtained from books, google scholar, journal articles, and online reports which were essential in the analysis of empirical information. For the primary data collection, I have used the interview method. The interview method enabled me to understand better the participants' challenges and the situation in the COVID-19 pandemic. It further helped me to understand their emotions, thoughts, and sentiments, providing me with valuable information regarding their well-being in such a situation. Hence, primary data collection has been essential for this study.

4.6 Semi-structured Interview

For this study, I used in-depth and semi-structured interviews to explore participant's perspectives on a given topic. The interviews were carried out with the help of an interview guide. There were some questions in the interview guide that needed to be covered, but the questions were not fully structured and were open-end questions. In a semi-structured interview, the interviewer may or may not stick to the exact formatted questions and may ask unplanned follow-up questions (Bryman, 2012, p. 471). Instead of responding to a direct question, the interviewee has the opportunity to respond in any way they wish (ibid.). Respondents in this study were also given the freedom to respond and express their views and opinion.

A total of twenty-five interviews were conducted for data collection. A semi-structured interview was conducted on Zoom. Depending on the participants, the interviews lasted between 25 and 40 minutes. The entire conversation was recorded in the external recorder without an internet connection with the consent of participants. Important notes were also taken manually at the same time. The interviews were conducted in the Nepali language, and so were the questions asked. The recorded interviews were then transcribed in English. The transcription was done by myself by listening to the recording, replaying it, transcribing it, and reading it. The entire procedure took longer than I anticipated, but the idea of transcribing the interview myself paid off because it familiarized me with my data and assisted me in identifying themes and the analysis process. The transcription was completed without altering the originality of what the participant told in their language. However, throughout the interview, most of the participants got off track and began discussing unrelated topics. As a result, just the related material was transcribed, while the irrelevant material was omitted.

4.7 Description of Participants

All the twenty-five respondents who took part in this study were self-employed and own-account workers. They were involved in informal employment inside Kathmandu valley. They ran their own small business such as tea shops, tailoring shops, carpentry shops, grocery stores, and home businesses where they worked all day and every day. Participants had been involved in this sector for a minimum of six years to fifteen years. These works were the primary source of income for all respondents, and they used it to cover all their home expenses as well as their children's schooling. Their monthly salary, according to them, ranged from \$130 to \$215, depending on the season and occasion.

The respondents were from the age of 29 to 55 years old. There were 14 men and 11 women that participated in the interviews. All respondents were literate with educational qualifications of minimum high school level and secondary school level. All were married and had children. Except for seven respondents who lived in rented rooms, everyone owned their own house. However, because their shops were located outside of their homes, almost all respondents were required to pay shop rentals. Only three of them had home businesses; therefore, they were free from rental payments. Talking about the family size of respondents, practically all of them lived in a joint family with at least 5-8 individuals. Most of the respondent's family members were also dependent on the respondent's employment and income. Almost all working members of the respondent's family were also engaged in the same business, contributing their time and skill to earn money.

4.8 Data Analysis

The data analysis stage in the research study comes right after data collection. In qualitative research, data analysis thoroughly reviews and organizes interview transcripts and important notes to comprehend better and discover useful information (Wong, 2008, p. 14). It also looks for patterns of relationships between data (Kothari, 2004, p.122), such as similarities and differences among data groups. It examines, compares, and interprets such patterns to produce information that can be used to answer the research questions.

4.8.1 Thematic analysis of qualitative data

In this study, analysis of qualitative data was done by thematic analysis approach. This is the most common approach of data analysis in qualitative research (Bryman, 2012, p. 578). This analysis helps identify themes and sub-themes that allow the researcher to have a theoretical grasp of the findings (ibid., p. 580). This analysis assisted me in organizing and interpreting the themes that allowed me to understand better the problems and experiences of persons in informal employment and their perceptions of well-being amid economic hardships during the pandemic.

After the interview was transcribed, the transcripts were thoroughly read several times to understand my data better. After going through multiple times and comparing the interview transcripts, I searched for patterns between the data. I also looked for commonalities and differences in the data. Then, using the patterns that were relevant to my study topics, I generated initial codes. Then, in the next step, I searched for the potential theme by classifying and categorizing the different codes. I began by examining, analyzing, and started comparing

the codes to one another. I also tried to find the link between the codes, categorize them differently, and finally develop them into themes and sub-themes. The generated themes were reviewed and re-evaluated. After that, the themes that recurred frequently were eliminated. When there were different themes, I named the themes accordingly for my final analysis. Lastly, I wrote a report and described the data based on each theme by directly quoting the participants' information.

4.9 COVID-19 Preparedness Plan

As a researcher, I investigated any potential harm that could cause to my participants prior to starting a research work. It is the researcher's responsibility to ensure participants are not harmed in any way during the research process. However, the present COVID-19 pandemic could have posed a threat to my participants. There was a chance of cross-infection if I had planned to undertake field visits for data collection. Taking COVID-19 into account, I did online data collection through Zoom.

4.9.1 COVID -19 risk assessment for participants

While this study was being planned and data was yet to be collected, most of Europe dealt with the second wave of COVID-19, which was significantly more severe than the first wave in the early months of 2020. With no immediate drugs or vaccine for the disease, it seemed like the disease is here to stay for the foreseeable future. In the case of Norway, the virus had hit back with the second wave of COVID-19 like other countries in Europe. With numbers of cases as high as around 600 people per day (VG, 2020), the government implemented strict rules and recommendations regarding travel, work, gatherings, etc. (Nikel, 2020).

Nepal, a study place for this research, and my home country, like other low-income countries in South Asia, also faced a high incidence of COVID-19. Nepal witnessed the outbreak quite late, unlike Europe and other countries, only in late January, but once the outbreak started, the infection rate increased rather than going down. At those times, there was an average of 3000 persons per day according to Worldometer, 2020, with Kathmandu, the study area, having the highest number of infection (Republica, 2020)

With both Norway and Nepal facing COVID-19 with community level of transmission, it would have been a risk for me as a field researcher to travel from Norway to Nepal to collect data. There could have been a risk of taking COVID-19 infection from Norway to Nepal when I travel there and vice versa when I come back after data collection. Of course, there was a rule of mandatory PCR test before traveling and quarantine after arrival from other countries in

each country, but it would take substantial time and resources to do so. Besides, it was nearly impossible to execute field research without risking me and my participants in contracting COVID-19 when I contact them in person for an interview. There was also the possibility that participants may decline an interview due to the risk of getting an infection during a face-to-face interview.

Taking these things in mind, I conducted online in-depth interviews to conduct an interview. This helped to reduce the risk of COVID-19 infection both for my participants in the study and me. It also saved time and resources that could have been needed to carry out the study, which was a vital aspect because, as a master's student, there are minimal time and resources available to conduct this study.

4.9.2 COVID-19 risk assessment for myself

Everybody is at risk of COVID-19 in some way due to community-level infection. In my case, I do not believe I am a high-risk person because I do not have any previously known and diagnosed history of long-term disease. However, we cannot say that one will not get infected and fall seriously ill due to infection. If I am infected and get seriously ill, I will definitely have better health care and resources to recover from the disease while I am in Norway. Because it is well known, Norway has one of the best health systems in the world.

However, if I had gone to Nepal for fieldwork, got infected from COVID-19, and fell seriously ill, the situation might have been a little complicated. As one of the low-income countries in South Asia, Nepal has limited health resources. I could have had to wait several days to get beds in ICU in government hospital even if I got ill seriously and need care in ICU. Although it could have been possible to get a bed in ICU in private hospitals, the fees could have been so expensive for ordinary people like me to afford.

Even though it seemed like I was not the high-risk individual for COVID-19, I could have risked other people of infection. And in some cases, I could have been blamed for the infection as well. Since I had to travel from outside to Kathmandu, people might think that I am a carrier of the disease. And I could have faced discrimination although I am from Kathmandu, Nepal. Initially, cases were imported from people coming from abroad. People were likely to have thought that people coming from abroad spread infection because the first case of COVID-19 was seen in Nepal from a person traveling from China to Nepal. Moreover, there had been several cases in Nepal where people coming from abroad were discriminated against and

blamed for bringing the infection to their community. So, I thought it would be wiser to conduct online interviews, reducing risks for both participants and myself as a researcher.

4.10 Challenges in this Study

While performing research, researchers may encounter obstacles and difficulties. For me, conducting the data collection part was the most challenging part of my research work. I had not anticipated that conducting a virtual interview would be such a challenging process. Physical separation while interviewing was difficult in keeping participants engaged in the interview. Similarly, working with technology and internet connection further added challenges. Sometimes, because of participant's low internet connection, I could not properly hear what they were saying and vice versa. As a result, I had to keep repeating the question time and again and requesting them to respond again. Participants might have become irritated due to this circumstance, and I might have lost crucial information from them. Furthermore, maintaining the confidentiality of some participants in online environments was difficult because it was not always possible to control my participant's surrounding setting.

4.11 Ethical Considerations

Ethics are crucial for a researcher to conduct scientific research. It is a code of conduct for researchers dealing with a moral principle in practice for scientific study (NNREC, 2019). A researcher should follow the direction of research ethics to protect the rights and information of their participants. There were many ethical issues that needed to be considered in this study because they are also an essential part of research ethics.

4.11.1 Confidentiality

Confidentiality is one of the issues that might have arisen in my research work. A researcher must keep the personal data of the participants confidential and anonymized (NNREC, 2019). For this, I clearly notified them that their personal information would not be revealed in my research. Further, I also explained the legal aspects, such as Public Administration Act and the Personal Data Act, which provides the rules for safeguarding participant confidentiality (NNREC, 2019). With this, I gained trust from the participants, which was necessary for receiving quality information flow from respondents.

4.11.2 Informed consent

In the context of my study, informed consent indicates that the individual I recruit for data collection is aware of the study's goal, objective, and risk and the role of participating in an interview. Usually, the informed consents are voluntary and informed in which participants

have an overall understanding of the study before participating and consenting for the study (NSD Data Protection Services, 2019a). The consent was taken individually with the written consent by mail, including all the necessary information that helps to understand my study. The information consents were translated into the Nepali language before sending them. In some cases, oral consent was taken and recorded in an external recorder as the NSD rules on data protection where participants could not use e-mail. Participants were given the freedom to withdraw at any time they want without any questions and pressure.

4.11.3 Personal data protection

Personal data are the data or information that can identify a person, such as a name, photo, video, personal number, and personal online information like e-mail and IP address (NSD Data Protection Services, 2019b).

For the collection of personal data, approval was granted by NSD (The Norwegian Centre of Research Data). Participants were assured that their personal information would be anonymized and kept confidential, which would not be disclosed in this research. De-identified personal data was used in this study. Participants were contacted and informed about the study's topic. Before the interview, an information letter was provided to every participant in which detailed information about the topic, personal data, and their rights over their personal data was clearly given. Along with this information, participants were also given information about the researcher, supervisor, and data controller's contact detail if they felt harmed and their identifiable personal data were being used. After taking consent from participants, the interview process was carried on and recorded in an external tape recorder with no internet connection. When the recording was completed, it was transferred to UiA's OneDrive, which was password-protected, and the external recorder recording was deleted. The manually written information in a notebook while interviewing was locked up in a safe place. After completing the study, the stored data will be destroyed as per the notification of NSD.

CHAPTER FIVE

Analysis and Findings

The purpose of this study was to understand how people perceive their well-being with the effect of economic restrictions in COVID-19. This chapter aims to present the themes that were discovered through the thematic analysis of interview data. The analysis was carried out to address the study's research questions. The perspectives of the participants enriched the research questions. Participants' views provided significant insight into how they perceive their well-being in the face of economic challenges during the pandemic.

This chapter begins with a summary of the themes generated from the transcription of the interview. The themes are divided into six parts, with some supporting sub-themes, which are detailed below. Each theme focuses on the experiences of the participants, and direct interview quotes are used to explain the themes. Directly identifiable data was, however, removed from this analysis to protect participants' identities.

5.1 Presentation of Findings

The findings of this qualitative analysis are focused on twenty-five participant interviews. They were questioned in order to answer the study's research questions. The analysis was guided by two research questions:

- a. How do economic restrictions in COVID-19 impact the well-being of workers in the informal sector of Kathmandu valley?
 - i. What are the major challenges informal workers are facing during the pandemic?
 - ii. How do informal workers perceive well-being with the challenges of economic restrictions?
- b. Why are informal workers largely affected and more vulnerable in the COVID-19 pandemic?

The findings of this study identified six main themes linked to participants' well-being during times of economic constraint. The following were the main themes that emerged from the findings:

1. Uncertainty
2. Changes in consumption pattern
3. Degrading position in a social hierarchy

4. Impact on social networks and relationships
5. No income, no life
6. Exclusion from social protection measures

Through thematic analysis, all the above themes were able to be extracted from the data. The themes depict the relationship between informal worker's well-being and their perceptions of them. All of the above themes answered the first research question: How do economic restrictions in COVID-19 impact the well-being of workers in the informal sector of Kathmandu valley? Theme 6 addressed the second research question: Why are informal workers largely affected and more vulnerable in the COVID-19 pandemic? The following sections go over each theme in greater depth.

Table 3: A summary of findings from thematic analysis with their sub-themes

Theme		Sub-theme	
1.	Uncertainty	a.	Hopelessness and powerlessness
		b.	Increased distress due to rising loan and debt level
2.	Changes in consumption pattern	a.	Need to sacrifice due to resource scarcity
		b.	Unhappiness and dissatisfaction
3.	Degrading position in a social hierarchy	a.	Low living standard and degrading social status
		b.	Feeling of backwardness
4.	Impact on social networks and relationships	a.	Isolation, loneliness, and lack of social connectedness
		b.	Stressful relationships
5.	No income, no life	a.	Work to earn money and live a quality life
		b.	Unemployment and worthlessness
6.	Exclusion from social protection measures	a.	Difficulty overcoming economic hardship
		b.	Discrimination and disappointment

5.1.1 Theme 1: Uncertainty

The theme "uncertainty" refers to the most significant obstacle that participants faced during COVID-19. Because of the ambiguity, almost all participants seemed to have more fear about their work and business. Due to their shops' closure and complete halt of their work, they replied in greater distress than they had ever been. They shared their fear for the future due to the uncertainty. Some participants seemed to be more concerned about the future of their children. Every participant described they had to deal with financial difficulties, a scarcity of resources, or a lack of resources to deal with family member's needs followed by the uncertain situation. The majority of interviewed participants experience psychological distress impacting

their well-being. The theme of *uncertainty* was further sub-divided into two themes: *Hopelessness and powerlessness; Increased distress due to rising loan and debt level.*

Hopelessness and powerlessness

This sub-theme presents the experiences of informal workers due to uncertainty during the time of the pandemic. Along with the fear of contracting the virus, the unchanging situation, and prolonged lockdown, the majority of participants described the experiences of being hopeless. They stated that they never expected the pandemic to last this long and that the economic restrictions would be lifted soon. However, the situation of this pandemic has remained unchanged for nearly a year. Their only source of income was lost, and they remained unemployed during this time. Most of the participants expressed the experience of increased stress and anxiety due to insecurities of unemployment and uncertainty of this situation. They indicated that, despite their desire and energy to work, the situation was out of their control and that they felt hopeless and powerless. One of the participants shared the following:

Initially, I thought the economic restriction would not last more than a month and I would be able to return to work soon...but it went on and on...it was very stressful and frustrating as this work was the only source of income...and now it's going to be almost a year that I have been jobless...I have heard that other variant viruses have been found in other countries...this type of news really makes me feel hopeless.

The pandemic's economic constraints have impacted every sector, and thus even after the lockdown, their businesses were not running as smoothly as they had been. Even after opening, many participants said they could not gain the same number of customers or market as before, resulting in a significant loss:

After eight months of closure, I tried to open my shop, but...it did not go well as before. I could not get customers as before...I continued to open for a month...forget about profit, I could not even earn enough to pay rent of my shop...there is no hope that I could earn in next month with the unchanging situation.

One of the participants shared being pessimistic about the work he was doing. He had given up hope and did not see any signs of change and progress in the near future. Furthermore, he stated that although he was running his tea shop after lockdown, he could not allow many customers as before because of the small space. People's fear of being in close contact and the rules that had to be followed while opening a shop had a detrimental impact on his business. Because of this, he clearly stated that he was quitting his former job and considering starting a

new one so that he could earn enough money to feed his family and pay for his children's schooling:

Coronavirus does not seem to go away soon, and fear of contracting virus among people is also strong... so I am struggling to have customers, and I am still at a loss despite opening...there is no hope of customers coming back to my shop as before...ah...in this way how can I feed my children and pay for schools...so I am in much stress nowadays...well now I am thinking of closing this shop permanently and think of other ways to earn money.

Furthermore, two of the participants shared a sense of powerlessness as a result of their inability to manage a situation that does not seem to be changing any time soon. They complained that despite having time and a desire to work, they could not do so due to constraints and regulations. The first participants felt overlooked during the pandemic since certain big marts were given the freedom to conduct their businesses but he was given warning for opening his shop. Similarly, the second one indicated that although the government banned traveling inside and outside Kathmandu valley, formal workers were given travel pass-card that allowed them to travel freely in restricted time even if they had no official duties to fulfill. However, they stated that they were denied permission to operate their shop and travel for work. As a result of this, they expressed a sense of being powerless in that position. The feeling of powerlessness was characterized as sad and depressing by them. This is seen in the following statement given by those participants:

We were told not to open our shops...despite that I try to open taking precautions, but after few days municipality's authority came and warned me if I do not follow the rules my shop will be sealed...I think...I can't understand if big marts are allowed to open, then why not us...I think the rules are only for powerless people like us...it's saddening that people like us are always on a losing side.

I do not want to waste my time just staying home...as my profession is driving, I also tried to get a pass card so that I can sometimes transport needy people who do not have a means of transportation, and I could earn some money in lockdown...I tried to convince the authority several times. Still, I was not able to get one...one of my friends who works in formal sector was able to take pass card for the whole family and were free to travel...ah...seeing them I feel depressed, and I think if I were also doing some official job, then I also would have some power to get that.

Increased distress due to rising loan and debt levels

More than half of the participants described additional experiences of distress during a period of uncertainty associated with the rising loan and debt levels. Participants discussed dealing with financial problems, shortages, and fewer resources to cope with the needs of family members as a result of the complete closure of business and no work for such a long time. They explained that they had to borrow money from the bank and relatives to cover household expenses and pay the rent in their shops. The following is an example of a participant's description:

I am the only working person in my family...all household expenses are possible only through my work...staying home for seven months without a job and a family to be provided is impossible without borrowing loans...the amount of loan is just increasing. Here I am not able to do anything because my business is entirely down by this pandemic...I also faced a massive loss in my business due to lockdown.

Furthermore, one of the participants indicated that she had always had a loan and that having debt was not a huge concern as long as she had a source of income and work. This participant stated that she would be able to repay these loans if she had a job. But without a job, she noted the loan is only rising.

I borrowed some loan amount from the bank for my shop before covid, and I think that was not a very big deal before because I had my work...I knew I would be able to pay back soon, but due to this pandemic, now I had no income source, in addition, my savings are also completely used up, and I had to borrow an additional loan from the bank...there's no incomings of money rather only outgoing...I do not know how I will pay the debt if the situation remains the same.

These participants expressed having a negative influence on their subjective well-being with the loans and debts in hand. With no other source of income and, on the other hand, rising debt and loans, they faced increased psychological stress, anxiety, and pressure as they were unsure how they would pay back with this unpredictable situation:

Staying home without work and thinking of paying loans drives me crazy...not having money, and on top of that, this unsure pandemic situation is bringing a lot of anxiety and pressure on me because I am the responsible person of my family.

Since lockdown, I could not stay peacefully... there is always stress and pressure on my mind that is hampering me mentally and physically.

5.1.2 Theme 2: Changes in consumption pattern

The second theme, "Changes in Consumption Pattern," discusses the problems and perspectives of informal workers dealing with income fluctuations during the pandemic. This theme explores how informal workers' consumption patterns changed as their income fluctuated and effected their well-being. Almost every participant mentioned how their eating and shopping habits had changed as the lockdown lasted longer. This theme is illustrated in two sub-themes: *Need to sacrifice due to resource scarcity; Unhappiness and dissatisfaction.*

Need to sacrifice due to resource scarcity

This sub-theme captures the challenges and struggles of participants along with financial shocks. Most of the participants stated that they had to change their consumption pattern as a change in income. They described switching their household goods and services. They said that there was a necessity to sacrifice non- essentials needs and only focus on essential basic needs. They also explained of buying the foods and products which were cheaper:

Nowadays, we only buy basic and essential things, and we do not purchase different varieties or expensive foods and items...in a way, we are sacrificing our other needs...um...also we do not go out too often to eat as before and not waste in traveling and visiting places.

One of the participants stated that in this unpredictable situation, they had to constantly think about saving money and food items as much as possible to be able to survive for coming days:

In this present condition, we are thinking about how we can spend less money so that we can save for tomorrow...in the case of food, we are making sure how can we save and make it last for more days...in this way we are saving as well as changing our food habits.

Most participants also stated that they were not overly concerned about the situation initially and relied on saving to sustain their consumption patterns. According to participants, they did not hesitate to spend their savings to buy what they want in the initial days. But since the lockdown was prolonged and with the scarcity of resources, they had to abandon non-essential items and rely solely on the essentials and basic things:

At first, I thought lockdown would not last more than a month...and... I did not think much about the expenses and used my savings. But as it continued, the situation worried my family and me...and our saving was also running out...suddenly we had to change the way we used to eat and shop. As a family, we mainly focused on basic

needs...we gave up our other requirements, which are not so crucial in such difficult times.

Besides, one of the participants stated that there were unexpected price fluctuations in food products during the pandemic due to scarcity. Such as even basic food items became more expensive due to shortages. And these changes in the supply market and the market price had also caused them to change their shopping and eating habits during such a difficult time:

There was also a shortage of food in the markets. We had to buy a greater amount of food at once with the fear of not getting it later...Because of that, we had to spend more money on single items without buying others...not only this the prices of food item were also hiked because of shortages and had to purchase other cheaper products instead of that, although we did not like.

Unhappiness and dissatisfaction

This subtheme explores how participant's well-being was affected by changes in their eating and shopping patterns. Nearly all participants identified themselves as dissatisfied and unhappy with the changes they had to make in their habits due to financial constraints. They complained that abrupt modifications and adjustments in their daily routines emotionally hampered them. They expressed being extremely dissatisfied due to unable to purchase, eat, or do what they wanted. They had to scarify their needs and wants, even if they did not want to, making them even more depressed.

Participant's descriptions of the effect of shifts in consumption patterns on their well-being are summarized in the following examples:

I really miss going out to shop and eat delicious food. On weekends, I usually go out to eat with my friends...how the situation changed suddenly...even though I want to eat delicious food in restaurants, I cannot...I am not satisfied with what I am eating these days.

I love eating dairy and meat products. I am used to eating meat once a day, either in lunch or dinner...the price of meat hiked in lockdown, and I could not afford to eat daily. So, I started to eat cheap vegetables and other food items, but that does not give satisfaction to me...it does not satisfy my hunger.

Several participants also added that their families' needs were critical to the above and beyond their own needs. It seemed that their wants were secondary to those of their family. So, for most of the participants, it was painful to watch their family scarify their desires:

I cannot afford to buy everything that my children and we as a family want to eat...more than that, I do not have enough money to purchase nutritional foods for my children...it is very saddening to see my family being deprived of the food they desire...even I am not happy to compromise the food we used to eat, so how can my children be happy.

5.1.3 Theme 3: Degrading position in a social hierarchy

The third theme, "Degrading position in a social hierarchy," explores the experiences of the deteriorated social status of informal workers within the community due to financial hardship. This section deals with how lower social position in society are linked with lower well-being. This theme focuses on participant's perception of high social status with the possession of more income. There are two sub-themes under this theme: *Low living standard and degrading social status; Feeling of backwardness.*

Low living standard and degrading social status

Every participant explained how the closure of businesses and unemployment during the lockdown, which left them without any sources of income for months, made their lives even more difficult. As a result of these challenges, several participants said they had to struggle to sustain their quality of living. However, few of them further added that through the hard work done in their employment, they were able to maintain their living standard through which they obtain a particular position in society. But due to financial difficulties, they expressed a downturn in their position and living standards than before. These participants also noted that when people in the community start struggling to maintain their quality of life and social status, other people will begin to neglect and devalue them. As a result, they reported that maintaining their quality of living and position was highly stressful without a source of income in this pandemic.

However, only two participants claimed that their quality of life and living standard in society determined social status and position in society. The following examples illustrate this sub-theme and its impact on their well-being:

Although I do not have a formal job, I was able to live a kind of comfortable life in society with my employment...I could eat, travel, and enjoy as I want because of my hard work in my small business...due to lockdown, I had to face financial hardship, and now I cannot fulfill what I could earlier. It is very stressful and challenging to maintain our living as before with this pandemic, and if this continues to last longer, I think...I think the status and position I have in society with the hard work I have done to earn for my living will no longer be the same.

I cannot keep up my living standard as before due to financial problems...I think money is very important to live a quality life...when your living standard starts to decrease, your value and status also degrade slowly...people begin to ignore you and your work...sometimes, I have anxiety thinking of that.

Feeling of backwardness

With the continuing of this pandemic, the majority of participants stated a sense of societal backwardness. Participants explained how feeling backward affected their well-being. Many of them found that they have been severely affected by the pandemic, while people in formal jobs were less affected. And these participants also indicated that they were unhappy and disappointed when seeing formal workers living comfortably and unaffected by the crisis. Several participants were also found to be comparing their financial histories with other people's histories in society which substantially impacted their well-being. Comparing themselves with people of the society made them feel that they were left behind and backward than others. This is seen in the following examples:

People with official jobs were continuing their work online and got their salary as well...in our case, it was not like that. We had to close our shops...although now I can open my shop, I had to wait for my customers to earn money. But that is also very difficult in this situation...the loss I faced needs a lot of time to recover while formal workers are going on with their jobs...so...I feel very low and sad because compared to them, I am backward financially.

My brother has a formal job. He is married now and lives separately. He is doing good and also doing fine in his job...here I am struggling and in a bad financial situation...however, I think the decision to start a clothing store had certainly pulled me backward than my brother.

5.1.4 Theme 4: Impact on social networks and relationships

"Impact on social networks and relationships" is the fourth theme that covers informal workers' perspectives on social networks and relationships. It summarizes their experiences of financial hardships in their relationships with family and community and how they view their well-being with the connections with family and society. The following two themes are included in this theme: *Isolation, loneliness, and lack of social connectedness*; *Stressful relationships*.

The sub-theme *Isolation, loneliness, and lack of social connectedness* represent the increased feeling of isolation and loneliness due to economic constraints. It describes participant's experiences of being unable to engage and participate in society due to unemployment and financial difficulties.

Furthermore, the next theme, *Stressful Relationships*, refers to the participant's negative experiences in their relationship during times of economic hardship.

Isolation, loneliness, and lack of social connectedness

Participants described their social life in the time of the pandemic. Several participants expressed a reduction in social participation due to a lack of financial resources. Many of them stated that they could not engage as fully in their social lives as they had previously. They were unable to sustain the same level of activity in society as the financially stable people due to a lack of income. They said that they stopped socializing with their friends and society since they didn't have enough money to do so. With the prolonging pandemic, participants stated their socialization dropped significantly. Moreover, these participants also indicated spending more time indoors due to low social connection and income. In addition, in such cases, they reported the feeling of being isolated and alone. The following examples illustrate this:

As my shop has been closed for many months, I do not have enough money to be involved and enjoy social events...I started to participate less...and when I could not get involved with them due to the financial crisis, automatically, there was a distance between us...like...these days, I am spending time more indoors and... sometimes I feel like being isolated from them the society.

My friends and social circle are not the same as before...it is affecting me...I feel lonely nowadays...lack of money is preventing me from constantly participating and involving in social activities...before I was close with everyone and was happy... now I think...I do not know...but I certainly have distant from them.

Besides, one of the participants expressed that rather than socializing and engaging in social events and spending money on these things, saving money was the top priority in this pandemic despite its consequences:

For now, I think the important thing is to save money. I must think of saving money for tomorrow...I cannot just spend it for few moments of enjoyment...so I had to reduced being involving with my friends and people of my community...when you cannot go ahead step by step as a society, then they start to forget and leave us behind...as a result, the connection starts to loosen up... however, they might not understand us as they were doing fine during the pandemic.

Stressful relationships

Some of the participants talked about how tensed and pressured their relationship was because of financial difficulties. When asked about the influence of the financial crisis on their

relationships, some participants stated that there was some conflict between family members when they had fewer means to cover household costs. As a result of these tensions, there caused a quarrel and misunderstanding between them. But before the pandemic, they stated their relationship was going fine as they had income sources to fulfill their family members' needs. The following are the examples of participant's description:

I was economically stable in the past, and I could help my family. So, it is evident that family members will still expect something from us...now I could not provide and fulfill my family's desire...so they were kind of disappointed. In contrast, I was under much pressure to fulfill their requirement, which was stressing me out...such a stressful environment was making us quarrel about small issues.

At times I used to shout with my wife and children because...I had tensions, and I could not manage my household expenses...sometimes, they do not understand the reason behind shouting, so they misunderstand me and do not talk for days, which adds more stress between us.

As the pandemic lasted longer, over half of the participants ran out of their savings. Participants shared they needed money to meet their daily requirements, so they had to borrow money from friends and neighbors. Regarding this, some participants reported that their relationships with friends and neighbors started deteriorating due to their inability to repay debts owed to them on time. They further added that this pandemic harmed their relationship, which was doing well before. They claimed to have a tradition of assisting and supporting friends and family members in times of need. So, before the pandemic, even though they took and gave financial assistance to one another, everyone paid back on time. As a result, they claim there was no stress or tension in their relationship before.

I have taken some loans from my friends before the pandemic for my work, ensuring them of paying back soon...this pandemic made that impossible...now they are also in need of money and requesting me to pay back...and it has already been many months, and I do not know how I will pay them...due to this, they are not communicating with me properly...I am sad that this pandemic is also making me lose my friends.

Additionally, when participants were asked questions about their relationships, several participants expressed that family relationships were critical in their lives. This can also be seen in the family structure in which they reside. Many of the participants live in a joint family, demonstrating how essential family relationships were to them and for their well-being. They

described that living in a joint family was their culture which has been there for many years. Similarly, they placed high importance on their social connections. The people of society were at the center of their everyday activities, life ceremonies and celebrations, and festivals. They have a tradition of celebrating almost every occasion with friends, families, and neighbors. Their festivals and celebrations would be incomplete without them. Many participants further delineated that these relationships were critical for functioning well in society and that they would not be happy or fulfilled if they did not have family and friend's support. They further shared that these relationships and connections were the sources of emotional and physical support in their life. These are illustrated in the following examples:

We, as a family, live in a joint family. For us, our family relationship is very important...in every step of my life, my family has supported and motivated me to achieve what I achieved till now...without their presence, I would not perform this well in life.

Even if I am in a problem, I feel stress-free and relaxed when I am with my friends and family...they give me the courage to work hard and fight problems...they are a part of my life...we celebrate every festival and ceremony with each other...there are not any festivals in our life that is celebrated alone, our customs teach us to celebrate our lives happily with each other...so I think these types of connection give me power and strength to function well in society.

5.1.5 Theme 5: No income, no life

The theme labeled "No income, no life" represents how participants view the value of work and money in their lives and how the deprivation affects their well-being in the time of the pandemic. Income was seen as an important factor for well-being. Every participant seems to link their daily life process with income. The theme is divided into two sub-themes: *Work to earn money and live a quality life*; *Unemployment and worthlessness*.

Work to earn money and live a quality life.

According to several participants, the value of jobs and employment was to earn money and live a better quality of life. They also described the importance of employment to support their family, pay loans, and for their children's education. Although the work was given high priority for earning money and fulfilling basic needs, it was more importantly viewed to support the family. Their responses were very clear about how vital employment was in their lives to live comfortably and support their families. Every participant appeared to associate money with their families. Helping family financially and seeing them happy was their quality experiences

of life. Moreover, participants were seemed to focus only on the basic requirements and comfortable living rather than material satisfaction. The following examples state the statement of participants:

I was able to provide everything from food, shelter, schooling of my children, and clothing only from the money I earned from this employment...I think we were living quite comfortably with all the hard work I do to earn, and I was happy that I could give my children a comfortable life.

Before the pandemic, I was financially stable...I was able to fulfill my family's needs...I also could pay my loans, rents and pay my son's tuition fees in time...and... all these were only possible with my work...my family is dependent on this work...without it I cannot even imagine the life I have and would never have been able to live a happy life.

Unemployment and worthlessness

During the pandemic, every participant indicated increased financial distress as a result of unemployment. They were forced to close their shops and businesses for several months due to economic restrictions across the region. According to them, the loss they suffered during that period was intolerable. Participants responded they had to struggle even for basic essential needs due to prolonged lockdown. Their work was an important part of their lives, and practically all members relied on it financially. Some participants stated that the feeling of not able to do anything and not able to support their family made them feel worthless in that situation. This is highlighted in the following examples:

Life without work is worthless for me...it has been almost eight months since I am staying home without any work...my saving did not even last for three months...and I was having much difficulty sustaining my living... I cannot even start other work because I do not have money.

The feeling of being unemployed and staying home without any work and...on top of that, the problem of money and the struggles we have to face during the lockdown is a very bad and stressful experience...I feel useless, like... I could not even provide for my family financially.

5.1.6 Theme 6: Exclusion from social protection measures

This last theme, "Exclusion from social protection measures," refers to the account of informal workers being more vulnerable in this pandemic. It covers the challenges and experiences of informal workers in the time of economic restriction without provision of social welfare and

safety protection. This theme encloses the risk of informal workers because of income instability and their perception of well-being in such a situation.

There are two sub-themes include in this theme: *Difficulty overcoming economic hardship; Discrimination, and disappointment.*

Difficulty overcoming economic hardship

Almost all participants described that the economic restriction had caused severe income loss than ever before, seriously affecting their mental, physical, and emotional well-being. The majority of them claimed that the loss was impossible to recover soon without any backups. They expressed their sadness of not being included in social protection services. Although formal sectors had also lost jobs, several participants shared that they had financial security and welfare from the government. Participants also stated that the impact in the formal sector was lesser and incomparable to the devastating effects of their situation. However, some said being hopeful that someday they would be included in such services. Many of them also mentioned that if they had some financial support from the government, they would not have suffered as much loss and could easily recover them. Furthermore, they shared they would have a sense of security in such a pandemic in case of such services. The lines from the participants are shown in the following:

Investing in a business is a very risky job, whether it be big or small...in the case of a formal job, there will not be any risk individually...they get a particular type of allowance and services. But, we in the informal sector have already lost a lot financially in this one year...I think it surely needs a lot of time to take my business to the same stage as it was before....in that phase, my financial condition will degrade a lot...if I had such benefits from the government, then my business and life would have been secured without having any difficulties...and I would not have been in extreme distress.

Sadly, we do not have any financial security from the government...it is very difficult to recover from financial suffering without the support like the formal workers are getting now...they do not have to struggle like us and are living fine.

Discrimination and disappointment

The majority of participants shared dissatisfaction with the government's discriminatory behavior in offering financial protection to only formal workers when they were completely overlooked during the pandemic. They said that as a worker, they have the same right to social security schemes as formal workers. Participants were seen angrier at the government for

extending the lockdown for many months without considering the vulnerable people like them who had no other source of income. They appeared disappointed with the government, which had provided no support to them after implementing economic restrictions for several months.

The only thing I do not like about our government is they do not support the informal sector as they do in the formal sector...Suppose if you want your country to develop economically. In that case, you should support each and every sector...but...why our government is treating us unequally...especially the support is must in such pandemic and uncertainty...formally employed people will still get their jobs and work as normal...but...what about us... what are we going to do with the loss and loans...our future is still in the dark and have to live with uncountable sufferings and pressure.

Some participants stated that only formal and rich people were favored in this pandemic by letting them operate their business and travel freely. These participants also pointed out this type of act as clear discrimination:

I have heard that government workers and other rich people were provided with pass-cards through which they can go out and work...with that card the whole family was taking advantage of traveling. But we were not given a chance to open our shops and were not given a pass-card as well...I think our government did not even care about how we were going to live in such a pandemic...only priority was given to formal workers... this is pure discrimination towards us.

Most of the participants expressed being deeply disappointed and hopeless with the attitude of the government and corrupted politicians. They expressed their anger and frustration towards the government. Due to the ongoing corruption going on everywhere, they had lost their trust in their government. So, they had minimum hope of being helped in this pandemic; however, some of them remain hopeful that the government will assist them in this crisis.

Living in such a developing country with constant corruption and corrupt politicians, I do not have any hope of support from the government in such a critical situation...our politicians only know to commit corruption and take personal benefit as much as possible... people in informal employment are critically affected by this pandemic...in such condition also they do not care if we live or die...rather they are making our life severe by prolonging lockdown...there is not any proper management as well...this all things makes me feel devastated and angry.

5.2 Summary

This chapter presented the result from an interview of twenty-five people involved in the informal sector and was affected by economic restriction in COVID-19. Six sections were used

to illustrate the findings. Each section refers to a thematic analysis-derived theme that was further sub-divided into two sub-themes. In each theme, direct interview quotes are used to highlight participant's experiences. The themes helped to provide insights into the perspectives of informal workers struggling with financial constrain.

The finding provides a deeper understanding of how informal workers' experiences during economic hardship influenced their perceptions of well-being. It shows that economic restriction for months without income sources left them to face severe financial problems. The results show that with an uncertain situation, hopelessness and powerlessness increased, and feeling of increased distress was seen to be experienced by participants. It appeared that employment and a good income were directly linked to their better well-being. With the scarcity of resources, dealing with their own needs and family's desires was very challenging, and they needed to make compromises in their food and shopping habits. These changes were seen to be negatively affecting participant's levels of satisfaction and happiness. In addition to this, many participants reported adverse changes in their well-being.

The well-being of participants was also seen associated with good relationships and social connections, but with financial difficulties, relationships were found to be complicated, hampering their well-being. Work and money were seen to be valued more for the fulfillment of necessities of life but more significantly for supporting family. In the same way, it appeared that participants work hard and earn to develop a particular position in society. However, the position they earn in the community seems to have deteriorated due to financial hardships, resulting in a decreased living standard which was also seen to be negatively influencing their well-being.

Finally, lack of social protection from the government was seen as the major factor for participant's vulnerability in this pandemic. The feeling of being excluded from these measures led to difficulty in overcoming economic hardship. As a result of this, their well-being was negatively affected.

CHAPTER SIX

Discussion

Many countries have imposed stringent restrictions to prevent the spread of COVID-19 infection. The ban has brought the world's economies to a halt, affecting millions of jobs. The influence is more pronounced in the informal sectors. As indicated in the introduction part (Chapter One), numerous studies have shown the negative effects of economic crises on people's well-being. But these studies have not demonstrated how unemployment and financial crises impact the well-being of informal workers differently, who are most at risk. This study aimed to investigate the informal worker's experiences on how they perceive economic crisis to impact their well-being.

The findings of this study show uncertainty were the major challenge for participants during a pandemic. Along with the uncertain situation and unemployment, informal workers' feelings and emotions were seen negatively affected. As mentioned in the literature review (Chapter Three), according to Anderson et al. (2019), in uncertain situations, people experience affective feelings such as anger, anxiety, and pleasure. Uncertainty is often associated with negative consequences, but it may also positively impact in some circumstances (ibid.). However, their study revealed that most people are more likely to think about negative scenarios that have negative consequences and cause distress in the face of uncertainty regarding future outcomes. Participants in this study also indicated an experience of distress due to no source of income and increasing debts. The constant thinking of rising and paying loans and debt levels with an unchanging situation affected their well-being. Hence, this longer period of uncertainty was taking a significant toll on the individuals. They further described increased feelings of hopelessness and powerlessness in such a situation. These results also tie well with the study done by Satici et al. (2020). It showed that constant deep thoughts about uncertainty stimulate negative moods that weaken the individual, increase the sense of loss of control, and cause distress. Participants in this study also felt powerless as they lost control of their financial situation due to economic constraints, despite having time and energy to work. The findings of Burchell (2011) demonstrated that individual coping mechanisms might be weakened by the continuous uncertainty and insecurity of unemployment. However, this study revealed no evidence of a loss in their ability to cope with the circumstances but only found that they were unable to handle their situation because it was out of their hands.

There is the possibility of a change in people's consumption behavior in their households with a financial shock. This change in consumption behavior refers to "effect budgeting" (Park & Quising, 2020, p. 8). The financial shock in COVID-19 has also shown changes in the household consumption of the participants of this study. Changes in consumption were seen with the change in income of participants. The participants were seen switching to sustain their household consumption patterns during the pandemic. Most of the participants were seen sacrificing their non-essential needs and only purchasing basic goods and cheaper items. The sudden changes in their consumption habits were negatively impacting their level of satisfaction and happiness. Moreover, they were sadder to see their family being deprived of their desires. In comparison to other research results, the number of findings of consumption changes and their impact on people's well-being is limited. However, overall, these findings are in accordance with some of the conclusions stated by Noll & Weick (2015) and Veenhoven et al. (2021), who reported that consumption habits are linked to happiness and satisfaction. The results of Noll & Weick (2015) showed similar finding that the kinds of goods and items people consume directly influence people's well-being (p.117).

However, the findings of Noll & Weick (2015) demonstrated that, if done willingly, a low consumption level does not necessarily imply a reduction in people's well-being (ibid., p. 111). The present study's results do not indicate that the participants decided to change how they consume household goods on their own. There was a compulsion to minimize and adjust their eating habits as a result of the income loss. Comparable findings were found in the study of Hiswåls et al. (2001), which showed specific consumption behavioral change in the participants in the time of crisis with loss of income. In this study as well, participants complained of not being able to buy, eat and do the activities as they want. Another study by Wu (2020) also showed people having low income were negatively affected in their happiness level by spending and acquiring goods and services; in contrast, only people with high income are satisfied with high consumption levels. Besides, participants in my study had to spend all of their savings because of no income source for an extended period, causing them to take a long time to recover what they had lost during the pandemic. This also resulted them to change their food habits. These results are consistent with Martin et al. (2020), which showed that a decrease in household savings and a long recovery period significantly impacts people's consumption habits with a significant drop in household consumption rate (p. 471).

The difficulty in maintaining social status and position in society was also the issue that participants linked to their lower well-being. The perception of social status and position was linked to the availability of financial resources and quality of life. Mostly, the differences in income and living standards in society place each of them in a specific social position. For them, quality of life entails living comfortably and feeling happy with what they had earned with their hard work. However, there was a struggle to live a quality life in the pandemic due to a lack of financial resources. This made several participants impossible to sustain their previous living standards, resulting in a decline in their status and backwardness compared to those who had financial protection during the pandemic. A sense of being backward than others and a declining social status was linked to unhappiness and dissatisfaction. These results tie well with the finding of Boyce et al. (2010) and D'Ambrosio & Frick (2012), reviewed in literature review section, which showed that people's observation of their surrounding environment, their earning histories and those of others determine their level of life satisfaction. It also showed the difference in economic resources between the poorer and wealthy people in their environment impacts whether they are happier or not. Although the participants in this study worked in informal jobs, they had earned respect and value in society through their hard work. During the pandemic, participants tend to compare their living standards and financial resources to other community groups. Mostly social comparisons with people around them have a direct impact on an individual's well-being (Anderson et al., 2012; Boyce et al., 2010; D'Ambrosio & Frick, 2012), and those who perform well by meeting society's expectations have a higher level of happiness than those who do not (Veenhoven, 2008). The study conducted by Anderson et al. (2012) suggested that people's social position within their locality and surrounding neighbors were directly correlated with higher or lower well-being. And that higher individual's social status within their groups was responsible for raising their well-being, creating a sense of belonging and fair standing in the social environment (p. 769). A similar finding was found in my study, which shows that participant's degrading status in society, coupled with a sense of being backward, lowered their well-being.

In this study, the financial crisis during COVID-19 was seen impacting the participant's relationship and social interaction. The effects on well-being were viewed with the perception of changing social networks and relationships. The findings show a link between good social connections and relationships with increased happiness. The participants emphasized the importance of relationships with family and community. This was evident in the participants' family structure. The value of relationships in participants' lives and well-being is shown by a

tradition of living in a joint family. Most of them live in a joint family and have the values of supporting their family and relatives in every step of life. This gives them a sense of satisfaction and happiness in their life. This lines with the findings of White et al. (2014)'s research in Zambia and India, reviewed in Chapter Three, which revealed individual cultural differences provide a foundation for understanding the well-being of people in different regions (p.744). Similarly, White (2010) and Mahali et al. (2018)'s findings also presented that in order to understand people's well-being, one must go beyond the individual and consider social relationships, culture, and values in which individuals seek to achieve well-being. In my study, these relationships were seen as extremely important for a person's ability to function well in society, and they would not have been content or fulfilled in life if they did not have them.

As mentioned in the literature review section in this study, when a person is stressed and tensed, the social networks they have, such as connections and relationships, are the most important sources of support and relief (Jones, 1988). However, during the pandemic, the stressful relationship among family and society was reported in this study. With losing a job and fewer resources to meet household expenses, there was some degree of tension that resulted in quarrels and misunderstandings among family members that made them unhappy. In terms of social life as well, there was a reduction in social participation which lowered their well-being. These findings are consistent with the study done by Clark (2003b) in South Africa, which showed that social connectedness and good personal relationship contributes to happiness; however, financial crisis-related stress and dissatisfaction can weaken people's relationships and negatively affect their well-being (p.184). In my study, participants' socializing and involvement in social events were also significantly dropped as they could not maintain the same level of activity as before and those with who were financially stable. This finding is in accordance with the finding of Hiswåls et al. (2001), which showed when people faced financial difficulties due to economic crisis, they were unable to follow their social life and activities as before, which affected their socialization ability. Regarding this, as noted in Chapter Three, Pohlen (2019) also stated that being unemployed and engaging in social and cultural activities might cost them more money and make it more difficult to sustain their level of life (p. 274). In line with this, Jones's (1988) study showed that the insecurity and anxieties related to income loss lead to confidence loss. Hence, not being able to participate in social life results in fewer social connections, which reduces the motivation to socialize further (ibid.).

Furthermore, in my study, participants reported feeling isolated and lonely during the pandemic due to less participation and decline in social life. Rather than the coronavirus itself, the scarcity of money and unemployment made them isolated in their home, lowering their well-being. When comparing my findings to those of Kunze & Suppa (2017), similar results were obtained, demonstrating that work loss and financial shortage contribute to less participation in social activities, lowering life satisfaction of people. Nevertheless, Kunze & Suppa (2017) also found a positive effect on friendships and neighborly relationships in terms of supporting each other. In contrast, my study shows a negative impact of income loss on participant's relationships. This is reported because of disturbing relationships between friends and neighbors due to financial tensions between them (loans and debts from friends they could not pay). However, my study did not rule out their relationship beyond financial tensions. According to another study by Pohlan (2019), those who have experienced long periods of unemployment and financial difficulties were more likely to be socially excluded and unhappy. However, no evidence of social exclusion was found in my study. Instead, participants themselves lowered their level of participation in social activities as they started facing financial hardships.

Overall, income was found to be the most significant determinant of well-being in this research. Jobs were given high priority to earn money to provide for the family by purchasing basic and necessary household needs. Work and money were seen as essential for achieving self-sufficiency and gaining respect and value in society. Participants do not seem to associate money with higher material satisfaction but rather to meet their basic needs and live a quality life. However, with financial insecurity during the pandemic, unemployment and lack of financial resources were very challenging even to fulfill their basic needs and provide for their family. Further, not being able to support a family for an extended period was associated with a sense of worthlessness. In line with this, as noted in the literature review section, Clark's (2003b) findings revealed that although people in the global south value their jobs to have money to buy basic requirements, they value them even more in order to help family and friends. Hence, in this study, the informal worker's financial loss due to the business's closure for several months was unbearable and detrimental to their well-being. These results are also consistent with those findings of Hiswåls et al. (2017), which indicated that work is valued as a basic necessity of life and income loss and being unemployed for a long time during the economic downturn resulted in negative feelings and dissatisfaction with low self-esteem. Tran et al. (2020) published similar results, stating that unemployment and loss of income have a negative impact on quality of life and increase distress during the COVID-19 period in

Vietnamese. However, these results only demonstrated how income loss and unemployment affect the well-being of an overall group of people but not showed how they affect the well-being of specific people in the informal sector.

My study presented that there was a negative effect of income loss on well-being of informal workers. Several studies conducted in industrialized countries, on the other hand, suggested income does not necessarily affect people's well-being in the crises. In the study by Boyce et al. (2018) in the United Kingdom, as presented in Chapter Three (literature review), relatively minor changes in people's well-being were seen, while some people's well-being improved throughout the crisis period of 2008. Similarly, Gudmundsdottir's (2013) study also revealed unemployment and income do not appear to affect the degree of happiness among Icelanders. These results, however, cannot be compared to those of my study because the concept of well-being in those industrialized countries is relatively different, and the explanation for only minor changes in happiness could be due to the presence of social safety system policies. In comparison, my study's participants are from a developing country, Nepal, where the government does not provide any financial assistance. As a result, there was a distinct chance of different results in my study.

In a pandemic crisis, participants in this study were seen as being more at risk regarding their well-being and economy. The exclusion from the social protection measures was making them more vulnerable. During the pandemic, the income loss they had was immeasurable and difficult to recover because of losing their only source of income and the lack of backups such as welfare and financial security from the government. According to Pitoyo et al. (2020), informal sectors are more vulnerable because they have a low level of savings and deposits and are not well documented, which is why the government would not be able to give financial protection and bear the loss (p. 6). Besides, participants also reported the financial scarcity and insecurity made them difficult to overcome the economic hardships. According to them, although formal sectors had also lost jobs, they had financial security and welfare from the government. And the impact was lesser and incomparable to the devastating effects of their situation. They also mentioned that if they had received any government financial assistance as the formal sector did, they would not have experienced as much financial difficulty and increased distress and sorrow. In this line, some studies noted in the literature review of this study showed the following results. Boyce et al. (2018) found that the minority and vulnerable people in economic crisis will have a greater effect on their well-being, and the focus should

be given to support them during such situations. Concerning this, the study conducted in Switzerland by Simona-Moussa and Ravazzini (2019) also concentrated their analysis on the impact of economic crisis to be more on the vulnerable group of society with the decline in quality of life resulting in lowered well-being. By comparing these findings, it is apparent that vulnerable people's well-being is more likely to be affected in the crisis period. In the same way, in this study as well, the lack of social protection services from the government made informal workers more vulnerable to this pandemic crisis, largely impacting their well-being than others. A conclusion from the study of O'Campo et al. (2015) demonstrated that the presence of financial protection provided to people during economic crises could positively impact their well-being. The study of Cortès-Franch et al. (2019) also supported this presenting that this type of system during unemployment helps people fulfill their fundamental wants and requirements, resulting in improved quality of life. And staying home would allow them to spend more time with family and society with fewer worries and stress, resulting in a higher level of well-being.

Moreover, a discriminative behavior was also stated by participants from the government for providing financial protection to only formal workers and completely overlooking them in this crisis. The anger and disappointment were seen due to the failure of the government to support its citizens and overlooking vulnerable people like them who had no other source of income during the pandemic. Moreover, they were hopeless at getting any help from corrupt politicians. Overall, this study found that government corruption and attitudes during the pandemic hampered participants' well-being. These results are consistent with what has been found by Tay et al. (2014), which demonstrates that corruption and failed institutions have a detrimental effect on people's well-being. The study shows that government failure and corruption destroy people's trust in their institutions, lowering their life satisfaction (Tay et al., 2014). It seems that the government needs to involve such vulnerable and risk groups in policy implication and have adequate measures and strategies in place to support them in the situation of such pandemic so that they do not face economic hardship and suffer lower well-being.

CHAPTER SEVEN

Conclusion

The COVID-19 has significantly impacted Nepal's economy. The influence can be seen in every sector, but the informal workers were the most affected. They experienced enormous hardships due to the pandemic and economic crisis, which had a negative impact on their well-being. This study explored informal workers' challenges and life experiences and how they perceived these problems to affect their well-being. With the help of thematic analysis, ideas and viewpoints were generated from the participants. This analysis has identified how the financial hardship without financial support from the government affects their life aspects differently to impact their well-being.

The study shows that the pandemic has resulted in job loss and unemployment in informal sectors. Economic restriction for months without income sources left them to face severe financial hardships. The results show uncertainty was the major challenge for them. The insecurity of employment increased hopelessness, powerlessness, and increased distress as the number of loans and debts among informal workers increased. It appeared that social position was associated with quality of life and standard of living. The struggle for living a quality life due to lack of financial resources made them impossible to sustain their previous living standards, resulting in a decline in their social status and backwardness. It was seen that the societal comparison and comparison of own financial and quality life histories negatively affected their well-being. With the drop in household savings and long economic recovery period, there were noted changes in consumption, and unwillingly made compromises in essential needs were seen affecting their satisfaction and happiness.

Results show that good relationships and social connections were the critical aspects of being happy and contented in life. Their tradition of living in a joint family demonstrates the importance of relationships in their lives and well-being. These relationships were the source of physical and emotional support in their life. On the other hand, financial crisis-related stress was seen rising conflicts and weakening these relationships, which negatively affected their well-being. The results also show participants' socialization and participation in social activities decreased as they were unable to sustain the same level of activity as before due to financial problems. The result of this was making them isolated inside their home that lowered their life satisfaction. There was no evidence of social exclusion of these people in society, as

reported by some researchers. Although work and income were viewed for achieving self-sufficiency, they were also seen as crucial for supporting family, which provided them with satisfaction.

The exclusion of informal workers from the social protection measures was the reason behind their vulnerability in this pandemic crisis that negatively influenced their well-being. Job loss, financial shortage, and a lack of government assistance made them more severe, and the difficulty in addressing the economic challenges increased stress and anxiety. Results also show the anger and disappointment among informal workers because of the failure of the government to support them and completely overlooking vulnerable people like them who had no other source of income during the pandemic.

Overall, this study shows the economic crisis in the COVID-19 pandemic has a detrimental impact on informal workers' well-being. Hence, there is a need to focus on such vulnerable groups and provide the necessary support in a crisis. However, this study also has some limitations. The limitation of the study includes the inability to generalize the study's findings to all informal workers of the country. As this study's results are based only on the experiences of the middle-income workers, the findings of this study will be difficult to generalize to the whole population in the informal sector. Poor and low-income workers may have various perspectives and experiences resulting from the pandemic, and their perceptions of well-being may differ. Hence, further research is required that involves poor informal workers in order to obtain a broader range of responses from participants.

The findings of this study also provide some meaningful implications for policymakers. The situation of informal workers in this study demonstrates the necessity for the Nepalese government to make a serious commitment to them. This suggests that the government must develop appropriate policies and regulations and enforce the laws to assist informal workers in crises, which will help alleviate their financial hardships and have a beneficial impact on their well-being. Policymakers must recognize the importance of tackling issues related to the informal sector and worker's well-being to achieve inclusive economic growth and development. They must emphasize including informal workers in safety nets policies to promote income security and minimize poverty vulnerability.

Furthermore, based on the analysis and results of this study, it is recommended that the government develop a social security plan and protection policy for informal workers, which

would assist in maintaining financial security during times of crisis. The measures to legitimize informal business and access to social protection should be created by the government. The results of this study show that appropriate risk management is lacking in the informal sector. As a result, the government should concentrate on minimizing the possible risk to informal workers to lessen their susceptibility, who make up the bulk of the country's workforce. This study also demonstrates the negative influence of financial difficulty on participants' well-being. So, the government should comprehend and investigate the well-being of informal workers during such a crisis, as this is a key indicator necessary for the development and economic progress of country. Besides, this study also recommends future research to incorporate every group of informal workers, including low- and middle-income workers, who can give a variety of information about their well-being which generalizes all workers in informal sectors.

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APPENDICES

Appendix I

Information Letter

“Are you interested in taking part in the research project “The Economic Impact of the COVID-19 Pandemic on the Well-being of Workers in the Informal Sector of Kathmandu Valley, Nepal?”

This is an inquiry about participation in a research project where the main purpose is to understand how economic challenges during COVID-19 affect the well-being of people involved in informal employment. In this letter, I will give you information about the purpose of the project and what your participation will involve.

Purpose of the project

The purpose of this study is to analyze how economic restriction in the time of COVID-19 impacts the well-being of people involved in informal employment. The main objective of this study is to understand how informal workers perceive their well-being with the effect of economic restrictions in COVID-19.

This study is my master’s thesis on the Global Development and Planning field, and I want to find out general information about your experiences of unemployment, how it affects your well-being, and how you perceive it during this crisis.

Who is responsible for the research project?

The University of Agder is the institution responsible for the project.

Why are you being asked to participate?

For this study, about 25-30 participants engaged in informal sectors like own account workers and self-employed whose income or employment has been affected by COVID-19 will enroll. Participants of age 18 years or above having internet access will be selected for this study. So, as you fit in this category, I contacted you to participate.

What does participation involve for you?

If you chose to take part in this study, this would involve a personal interview with me. It will take approximately 30- 40 minutes. I will have some questions about your economic situation,

experiences of unemployment, and perception of well-being in this COVID-19 crisis that you need to answer. Your answers will be recorded by using an external recorder or manually by taking notes in which you are comfortable. No kinds of information will be recorded that can identify you directly.

Participation is voluntary

Participation in the project is voluntary. If you chose to participate, you could withdraw your consent at any time without giving a reason. No questions or pressure will be given to you for involuntary participation. All information about you will then be made anonymous. There will be no negative consequences if you choose not to participate or later decide to withdraw.

Your personal privacy – how we will store and use your personal data

I, the master's student researcher, will only use your personal data for the purpose(s) specified in this information letter. I will process your personal data confidentially and in accordance with data protection legislation (the General Data Protection Regulation and Personal Data Act). Universitetet i Agder/Institutt for global utvikling og samfunnsplanlegging will be responsible for this study. Me and my supervisor will only have access to your personal data.

The information that can directly identify you, such as name and contact details, will be replaced by a respective code and stored separately from the collected data. The recordings of your sound will be recorded in an external system that has no internet connection. As soon as the recording is completed, it will be transferred to UiA's OneDrive, which is protected with a password, and then the recording will be deleted from the external recorder. The data collected electronically will be stored in encrypted form, whereas data collected manually will be locked up in a safe place.

The personal data will not be shared with anyone and will not be used in any other projects. The personal information about you will not be published on paper in any way or other. In case if the data are needed to be shared with the supervisor, it will be encrypted before sending.

What will happen to your personal data at the end of the research project?

The project is scheduled to end on 30.06.2022. After the study is completed, all the personal data will be anonymized and deleted according to the notification of NSD.

Your rights

So long as you can be identified in the collected data, you have the right to:

- access the personal data that is being processed about you
- request that your personal data is deleted
- request that incorrect personal data about you is corrected/rectified
- receive a copy of your personal data (data portability), and
- send a complaint to the Data Protection Officer or The Norwegian Data Protection Authority regarding the processing of your personal data
-

What gives us the right to process your personal data?

I will process your personal data based on your consent.

Based on an agreement with Universitetet i Agder/Institutt for global utvikling og samfunnsplanlegging, NSD – The Norwegian Centre for Research Data AS has assessed that the processing of personal data in this study is in accordance with data protection legislation.

Where can I find out more?

If you have questions about the project or want to exercise your rights, contact:

Contact details of Student:

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Contact details of supervisor:

Name: Assoc. Prof. Vito Laterza

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Our Data Protection /controller: Universitetet i Agder/Institutt for global utvikling og samfunnsplanlegging

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NSD – The Norwegian Centre for Research Data AS, by email:
(personvermtjenester@nsd.no) or by telephone: +47 55 58 21 17.

Yours sincerely,

Sandhya Basukala
Master student researcher

Vito Laterza
Supervisor

Consent form

I have received and understood information about the project “The Economic Impact of the COVID-19 Pandemic on the Well-being of Workers in the Informal Sector of Kathmandu Valley, Nepal” and have been given the opportunity to ask questions. I give consent:

to participate in a personal interview

I give consent for my personal data to be processed until the end date of the project, approx. 30.06.2022.

(Signed by participant, date)

Appendix II

In-depth Semi-Structured Interview guide

1. Tell me about the feelings you experienced in the COVID-19 crisis?
2. How has COVID-19 impacted your business/employment/job, and how is it going on?
3. How do you feel about losing your job/employment/close down of business in this pandemic?
 - i. What is the value of job/business/employment in your life?
 - ii. How has employment or losing a way of earning affected your life?
 - iii. How has it affected you differently than in the past?
 - iv. Has it made it difficult to live well in society?
4. How well are you able to manage your living in the present situation?
 - i. Are you able to access basic requirements like food, shelter, security, social relation, etc.?
 - ii. If not, how do you feel when you are not able to fulfill the basic requirements of life?
 - iii. Are you satisfied with your current situation?
5. Do you feel that the financial crisis has left you behind more than others in society? If yes, why do you think so?
6. How do you feel when other people in formal employment receive welfare service, but you do not get that service from the government?
7. To what extent do you think these kinds of welfare services can secure and make your life easier to get out of poverty and low standard of living in crisis?
8. How well are your family and social relationship in this pandemic?
 - i. Are you satisfied with how it is going on, or has this pandemic complicated your relationship?
 - ii. Do you think a good relationship with family and social connection is essential to function well in society?
 - iii. Do you think unemployment and financial crisis has changed your relationship with family and society?
9. Do you think you will ever recover from a crisis?
10. What are your hope and expectation in the time of crisis, and how you look forward to the future?

Note: Other additional questions will be asked as per the requirement with participants