



# **Work-life and Economic Balance to Ward Off the Pandemic**

**By Shashithanganee Weerawansa**

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**W**ork-life balance is undisputedly the commonest buzzword in the world today, and Sri Lanka, of course, is no exception. The equilibrium between personal life and career work was disrupted immensely due to the prevailing pandemic. For the first time in modern history three of the major social institutions, namely, work, school and family life are taking place in a single physical space: our homes. Even at the best of times, a great number of employees in the workforce experience the balancing of the demands of work and family. This is not an easy task due to many ongoing factors. Moreover, with the economic balance coming into the equation, the task has become more complicated making our lives much more challenging. Hence, people need to learn the art and science of work-life-economic balance at a time where the whole world is struggling to find solutions to problems at every level created by the COVID-19 pandemic.

### Additional Commitments and Their Impact on Revenues

Beyond the health and human tragedy of the virus, the pandemic triggered the most serious economic crisis since World War II. From pay cuts to job losses, redundancies, slow down

in contract work are some of the negative effects that hit everyone's pockets directly. This pandemic led millions of families into jeopardy for nearly two years, and nobody still knows the extent of damage the "new normal" is capable of causing. COVID-19 is not the first pandemic to hit the planet and it certainly will not be the last.

History is filled with disease outbreaks such as the Spanish flu, Ebola, SARS, Bird flu, and many more natural and man-made disasters rendering millions of people dead and millions more miserable. Governments had to bear irreparable losses due to high cost of health care including emergency services and added intensive care facilities in hospitals, welfare expenditure, demands from the elderly, children, disabled, homeless, migrants, and other vulnerable populations directly and/or indirectly affected by the pandemic. Simultaneously governments are playing a noteworthy role in public education, public services, utilities such as water distribution and sanitation, waste collection, cleaning and hygiene, public transport, law and order, and public safety incurring unexpected additional costs. These extra costs have escalated to great heights during confinement periods to ensure control, security, and rescue. Whatever the final costs are, they end up being borne by the public who have to shoulder the burden by way of taxes and high prices of goods and services.

On the other hand, during the pandemic, many governments suffer from a large decline in income sources such as direct and indirect taxes, fees, fines and forfeitures, patronage of public facilities, public transport, administrative fees and toll charges, among other things. The drastic drop in rental revenues, lost dividends from local public companies, less revenue from sales of land, etc. have also caused an almost unmanageable impact on revenue. Drops in such revenue could be compounded by a rise in government debts making the situation more precarious. It is said that about two-thirds of governments in the world are anticipating a decline in revenues from assets.

### Differing Economic Impact

The economic impact of the COVID-19 crisis differs across countries, depending on the country's exposure to tradable sectors and global value chains. For example, the Sri Lankan economy that is heavily dependent on tourism, foreign remittances, and apparel and other major exports has

ended up being most affected by the coronavirus than most other countries.

Governments too have to think of managing the economy. The balanced budget was accepted as "responsible" until the world hit the depression in the 1930s. The belief was that the market system was self-regulatory, meaning that fluctuations would be evened out by the market itself. However, John Maynard Keynes changed this attitude arguing that it was appropriate for governments to manage the economy by boost spending in times of recession and restraining it in times of inflation. Economists too came to believe that the concern should be with a balanced economy rather than with a balanced budget.

### Spending and Income

It is common for governments during a pandemic to enforce precautionary measures such as lockdowns and curfews. Such precautions do not mean one should stockpile groceries and other essential items in excess through

panic buying. By storing more than what is needed, you not only would end up exceeding your budget but will also deprive many other families of essential goods for their survival. This is the time that is important for us to reflect on our spending habits to control our household and personal budgets, which may contribute to stress due to increased debts. Fundamentally it is essential for our spending to change according to our income.

### A Need Assessment of the Household

Hence, a need assessment of the household will greatly help balance our spending according to income. This is easier said than done but the time has come to be cautious of our consumption patterns with reduced work hours, lay-offs or taking shifts, and the soaring unemployment applications. Many of us are juggling many balls of expenditure trying not to let a single ball drop while prices of essential commodities are sky-rocketing together with pay cuts. Over-buying and spending money on unnecessary





things need to be excluded. Prioritizing the needs over wants is a must. The COVID-19 pandemic has led individual households, industries, and business organizations as well as countries to economic crisis. Managing such a crisis, for certain, requires proper planning at every level. It is important to know exactly what is essential to have and what is nice to have. As distinguished by Engels and Marx the distinction between needs and wants is that needs are basic requirements for our survival but wants are beyond needs. At this juncture, the focus must be directed towards the day-to-day needs and less towards the luxuries we can live without.

Unfortunately with our conspicuous consumption prompted by persuasion and imitation through consumerism, we are engulfed with exceeding expenditure to our revenues leaving us with accumulated debts. These debts can be restricted, reduced, or balanced according to the budget through sparing expenditure especially with careful usage of our devices, and utilities to a greater extent. More than 22 million mobiles for less than that of the population of Sri Lanka is a burden for the home economy and the country as a whole as most of the money leaves the county depreciating the value of the local currency.

### Guarding Against Addiction to Multiple Social Media Platforms

During this period there is a heavy inclination to be addicted to multiple social media platforms including Facebook, Google, TikTok, Whatsapp, Netflix, PEO TV, etc. as entertainment modes that consume a considerable amount of time and money without our knowledge. It is high time we switched to one mode to save money and use our time productively. Online shopping sometimes even referred to



as “retail therapy” is a common occurrence especially among millennials since they are glued to their devices most of the time and triggered by forced adverts. During the usage of the internet and mobile apps for day-to-day requirements, service providers impose their paid persuasive advertisements on consumers. This too can leave you with unplanned credit card debt by buying unnecessary products that may cross your path due to forced advertisements.

It is a wise choice to cut back on non-essential spending and underutilized services such as memberships to gyms, golf clubs, swimming pools as well as subscriptions to various services such as magazines and cleaning services which we could afford to live without under financial restrictions. At a time of distress such as the coronavirus spread, people must be discouraged from visiting beauty parlours, outdoor restaurants, and

also from buying non-essential goods. These should be considered as temporary measures until our financial stability is reinstated.

### Importance of the Domestic Economy

Sri Lanka is a small economy mainly dependent on imports. We have not been able to develop our domestic industries except apparel to cater to the domestic market due to low scale economies leading to the high cost of production. If Sri Lanka feels that it is better off importing most products due to the low production cost of other countries rather than exporting, it is time to revisit the decision. It is true that engaging in world trade permits countries to escape the consumption prison of their production possibilities frontiers and produce iron ore, cars, or whatever goods they make best while using that production to trade with other countries to acquire



other goods and services they wish to consume. But Sri Lanka has not made use of the full potential of its exports as much as the imports creating a huge Balance of Payment (BOP) deficit which has resulted in the plummeting foreign exchange. Sri Lanka is experiencing the negative consequences of high imports, especially during the pandemic due to the loss of foreign remittances from migrant workers and tourism. In addition to the loss of foreign earnings Sri Lanka has a high import expense with food import alone exceeding Rs. 2 billion per year. It is time that the country diverted its attention towards developing domestic production and industries, with agriculture at the top of the list.

Currently, there are 1.8 million farmer families in Sri Lanka in different crop productions. Historically, Sri Lanka was, for centuries, an agriculture-based community. Since the economic liberalization in the late seventies, the country's focus was diverted more into industrial sectors. Even though, "less government control and more freedom in the market" was the mantra repeated by leading world economies for decades now, most of the countries have started looking at nationalized economies due to immensely gruesome impact of the Covid-19 pandemic. Sri Lanka would also have to think in similar

terms. Particularly, foreseeing imminent food crisis, our top priority should be the agricultural sector of the country. Strategies must be developed not only to support the existing farmer community but also to attract more people to farming. A policy that promotes and encourages those in other pursuits also to join the agriculture sector is the need of the day. Regrettably, the ambitious plans of the government to develop the agriculture sector through advanced technologies had to be postponed due to the pandemic. The government's plan to predominantly promote export crops that have a huge demand in the world was temporarily on hold but must be revoked as soon as possible as a national priority. Countries, such as ours, will have to take prompt action to resolve current issues confronted by the agriculture fraternity. The controversial issues such as banning chemical fertilizer, price of paddy, etc, must be resolved to prevent dissuading farmers from their profession.

### Mindful Consumption

The global economy is heading towards a severe recession with an unprecedented economic crisis. Our economics are highly integrated and interdependent through supply chains to the global economy. The downside of this interconnectedness is that any

change in any part of the economy or any country immediately affects other sectors of the economy or other parts of the world irrespective of the size of the country or where it originates.

Economists have already alerted that COVID-19 is likely to affect economic growth, increase the fiscal deficit and monetary burden, increase the risks of macroeconomic instability, decrease foreign remittance, and reduce income from travel and tourism dwindling small and medium industries and informal businesses. This is expected to deepen poverty and increase unemployment, and the risks of hunger and food insecurity. Also, the staggering wealth inequalities due to the destruction of some jobs while the emergence of new jobs can affect social harmony negatively, triggering tension and turbulence. Hence, the economic and social cost of the COVID-19 outbreak is likely to have bigger and long-lasting scars than the war experienced by Sri Lanka for 30 years. The pandemic has placed a significant amount of pressure on the government especially in the area of social protection of diverse groups, and more importantly the elderly and dependent, those with chronic or long-term illnesses, informal workers, migrants, students, people with disabilities, women, and low-income families.





### Expansion of Domestic Production a Must

If not properly addressed and made aware of the economic and social problems which emerge from the crisis in the formal and informal sectors, thousands of families may end up being pushed into poverty, reversing the social development gains of the past decades. Economic recovery is central to their forward-looking agenda, and without the expansion of domestic production especially agriculture and industry, it will not be easy to address other economic and social challenges.

Together as a country, we have to bounce back with careful planning, while understanding the mistakes made by us in the past in managing our budgets and switching our conspicuous consumption to mindful consumption. This would mean diverting from luxury goods to better and healthy products with less cost.

