



COVID and Pakistan's Poorest Rural Households - Lessons from Impact and Recovery of Pakistan's Most Disenfranchised Families

In collaboration with Pakistan Poverty Alleviation Fund (PPAF)

The COVID-19 pandemic infected more than 1.19 million people in Pakistan, resulting in 26,413 deaths as of early September 2021 (GoP n.d.(a)). Along with the increasing death toll, the pandemic has exacerbated a macroeconomic shift pushing millions of households into poverty and causing a significant rise in unemployment. Poor workers, especially those dependent on a daily wage with no savings, were faced with a particularly daunting challenge in coping with frequent lockdowns in response to the pandemic, along with recent floods and locust attacks in Pakistan (Notezai and Rehman 2020).

A recent survey by the Pakistan Bureau of Statistics showed that 37% of the working population in Pakistan lost their jobs due to the recent macroeconomic shocks and around 12% experienced a reduction in income (GoP 2020). This implies that at least half of Pakistan's working population was adversely affected due to the closure of economic activities during COVID-19 lockdowns. Approximately 53% households at the national level reported a reduction in income, either earned or unearned. Around 10% households reported facing severe food insecurity, and 30% households reported moderate food insecurity, during the first wave of COVID-19 in Pakistan (Ibid.). When considering school closures (due to COVID-caused lockdowns), income losses, inflationary pressures, and poverty, FY 2020 had around 1.97 million additional school dropouts (Iqbal *forthcoming* 2021). The overall impacts of these recent macroeconomic shifts, especially those triggered by COVID-19, are found to be more profound for females and youth than for adult males.

To smoothen their consumption expenditures in response to these macroeconomic shifts, poor and ultra-poor households resorted to various coping strategies as was found in a recent study by the Pakistan Poverty Alleviation Fund (PPAF) assessing macroeconomic impacts on the microeconomy of these households. Some of these strategies included buying cheaper food, shifting children to cheaper schools, opting for less expensive healthcare services, reducing the number of daily meals, selling assets (such as livestock), and exhausting all savings.

There is a need for exploratory primary research to better understand the impacts of the pandemic on poor and ultra-poor households and the measures they have taken to dilute these impacts. Given the above background and developments, this panel will bring together multisectoral stakeholders to discuss the following:

- What macroeconomic interventions by the government can dilute the most overarching adverse impacts of COVID-19 on Pakistan's poor and ultra-poor households?
- Which employment sectors, including the informal Street Economy, require a particular increase in investment from the government to create a favourable macroeconomic environment?



- How should Social Protection Programmes revise their designs to support employment-, education-, health-, and food-specific needs of poor and ultra-poor households, in a COVID-impacted economy?

References

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