

Gaps, challenges and progress in eradicating poverty: recovering from COVID-19 and making the decade one of action and delivery

Andrew Shepherd, ODI, London

Initial evidence from Poverty Monitoring Initiative

www.chronicpovertynetwork.org/Covid-19

How is Covid-19 impacting the poorest and those at risk of impoverishment?



What policies are needed to address the social and economic impacts of the pandemic

Introduction

Covid as opportunity?

5+ year perspective on pandemic (WHO)

Basic gap in knowledge – biases of phone surveys

Advantages of rapid qual research, building on pre-Covid

Absence of systematic documentation on initiatives beyond social protection

Covid-19 Poverty Monitoring Tool – Combining Qualitative and Quantitative Methodologies

National Bulletins based on (i) revisiting pre-COVID life history interviewees and (ii) other sources

Repeated interviews allowing a picture over time, and in-depth follow up on critical issues

Timely reporting (interviews one month, bulletin the next)

Corroboration of household survey results, and exploration of reasons

Disaggregated in-depth exploration of coping strategies

Where we're currently working



Findings...

Expenditure increases

“My wellbeing has gone down because the cost of living has gone up. My wellbeing has not improved, am still doing the same business (selling charcoal) I have been doing for so many years... I am getting poorer every day because the cost of commodities keeps increasing without a corresponding increase in my income.” – female respondent, Zambia

Livelihood losses

With the dawn of this new disease, for us artisans [carpenters] it was tough because people who usually ask us to work for them could not hire us because nobody was sure of the future so they were seriously saving. This resulted in loss of income for me and the family. In 2020 I did not have contracts and money as I used to.”
Male respondent, rural Malawi

Depth of the impact

“Covid so far has been the biggest shock I’ve faced. No going out? No solace? No going to church? This has never happened to me in all my lifetime.” Female respondent, urban, Kenya

“To be honest with you, the future looks gloomy. If this pandemic does not go away soon, it will be very hard to survive. Money has become a very big problem for me. Even when I think of farming, it also requires money” – female respondent, rural, Malawi

“When my husband died, everything changed for us. And to get through those difficult times, I would visit my neighbours and spend time with them chitchatting. But with the lockdown, I couldn’t go anywhere but just inside the house and had no one to talk to. And this with the loss of income was just so overwhelming... I had thought of committing suicide... at a number of instances.” Female respondent, rural, Philippines

Scale of the impact

We cannot lie that we have become poor because of Covid 19. We have been struggling before this pandemic. We don't have any business to claim that we have been disturbed in one way or another. The little we harvest we are forced to sell to buy other food stuffs like sugar. I would say the main challenge is poverty. " Male respondent, urban, Malawi

"I stopped my business of selling chicken pieces because we used the capital during the COVID-19 lockdown. I now just do farming and piece work though I'm now sickly and I don't have much energy because of HIV and lack of proper diet." Female respondent, rural, Zambia

Disaggregated coping strategies

Households are extremely vulnerable and report taking loans or selling assets to maintain basic consumption needs

- “Due to inflation we had to sell one ox [of two]” – Male respondent, 30, rural Amhara
- “I have taken the loan from WHR (Women for Human Rights) to manage my costs.” Female respondent, 65, urban, Nepal

The level of support provided by social protection programmes is inadequate to support households cope with the economic disruptions of the pandemic.

- “We receive KS 4,000 on a monthly basis from the government of Kenya but the money is too little...we are still struggling” – Male respondent, 52, rural Kenya

Real time policy and programming implications

Relief is inadequate, a year in; who knows how long the pandemic will last...

No evidence that systemic issues which make shocks damaging are addressed

Relief funds could support

- the necessary expansion of health care and health insurance
- poor children's access to education, tackle reasons for dropping out
- farmers and informal sector operators facing disrupted markets
- Greater extension of social protection to the new/near poor

IMF Covid loans could be more targeted to social protection and the above, less to industry and aviation!

Observations on policy initiatives

Assets - rebuilding

Financial services – savings, insurance

Expanded social protection

Informal workers

Absence of systematic documentation on initiatives beyond social protection...gender equality, digitalization, community based initiatives, political economy

■ Transfer value as a % of monthly per capita national poverty line
(blue for social assistance; green for social insurance measures) ● Number of payment rounds



