

Leading findings from the Covid-19 Poverty Monitoring Initiative

- **Policy responses to the pandemic have caused significant impoverishment in the lower parts of the economic distribution, and an uncertain level of destitution. The poorest have lost most.**
- **This has exposed the gross inadequacy in most high poverty countries of measures to prevent impoverishment. Social protection has expanded but has rarely been designed to prevent impoverishment.**
- **Some people have resorted to extremely negative coping strategies which will have long term implications.**
- **Global and national responses to layered crises have not been able to mitigate the effects of the pandemic combined with other emergencies such as climate related disasters, conflict.**

Covid-19 has exposed many deficits as the world strives to eradicate extreme poverty and reduce inequalities. Firstly, its unpreparedness for a potentially impoverishing pandemic and the weakness of the ‘preventing impoverishment’ leg of the [eradicating extreme poverty tripod](#) (Figure 1); secondly the widespread absence of adequate global and national policy responses to the multiple, overlaid crises which increasingly affect poor and vulnerable people – typically combinations of climate change, conflict, and the pandemic, itself multi-dimensional (health and economic), as well as more personal crises (e.g. deaths, ill-health, divorce); and the little consideration in early pandemic responses for the effects of the public health and economic shutdown measures on the poor and vulnerable.

Finally, though not considered here, the immense vaccine inequality which has emerged, only being hesitantly addressed two years into the pandemic.

Figure 1. The poverty eradication ‘tripod’



Since the onset of the global pandemic, the [Chronic Poverty Advisory Network](#) has worked across 11 countries in Sub-

The Chronic Poverty Advisory Network (CPAN) ensures that chronically poor people are not overlooked by policy-makers and disseminates evidence to improve the effectiveness of policies and programmes at reducing the poverty of the poorest people.

CPAN has partners in 10 countries and builds on the work of the Chronic Poverty Research Centre (CPRC).

Saharan Africa, South and Southeast Asia¹ with high populations in poverty, carrying out repeat interviews with men and women who, pre-pandemic, were from households either experiencing chronic poverty, becoming poor, or able to sustain their escapes from poverty. We tracked their experience of the pandemic and its effects on their livelihoods and wellbeing and have published a series of country bulletins. We also looked at the evidence from household surveys. Here are our leading findings and thoughts about policy implications.

Impoverishment and destitution during the pandemic

There was a general impoverishment at least in the lower half of the distribution, with considerable [downward mobility into monetary poverty](#) and [multidimensional poverty](#), especially but not only in the urban informal economy. This was almost entirely driven by the policy responses to the pandemic. In fact what was remarkable was the uniformity of the effects, with travel restrictions, workplace, market and border closures putting widespread and similar downward pressures on livelihoods and incomes whether urban or rural, and even extending out to remote rural areas. These effects might have emerged at different times in different places, and their severity varied, but disruptions to livelihoods were near universal. Some of the impoverishment has been quite dramatic as people who were previously resilient non-poor became poor. And there has been some destitution though this is harder to track from our data.

What is remarkable from our data is the universal inadequacy of measures to prevent impoverishment – they are simply not there in most countries. Social protection in low- and lower middle-income countries (LICs and LMICs) is typically targeted at the poorest and designed

¹ Afghanistan, Cambodia, Ethiopia, India, Kenya, Malawi, Nepal, Philippines, Tanzania, Zambia, Zimbabwe

to lift them to around the poverty line, or at the (often small) formal sector. Other services which are vital to preventing impoverishment may also have collapsed – for example, the veterinary services which protect livestock which are so important to poor and vulnerable people as savings. And the health services have been under significant strain due to the pandemic, and effective demand also reduced as people were afraid to use the services for fear of catching Covid-19, with the poorest people reliant on very local services or traditional remedies. Health insurance, which could have helped, was not widespread.

“My family was struck twice by the Covid-19 virus. During the second bout of the illness, my wife’s absences from work under the ‘no work, no pay’ policy of a Job Order from the local government put us in debt to relatives and friends so that we could buy medicines for three of us who fell ill. To make matters worse, the practice of delayed salaries at the LGU (local government unit) led us to borrow money again from another party to pay the first party we promised to pay on a particular date. We were doubly indebted.”

Male respondent, Philippines, October 2021

“We had a good turnover in our vegetable business in the past but income flow has reduced significantly during the pandemic due to lack of customers. This colony was full of villagers from outside places [migrants] and my business was heavily dependent on them. With lockdown restrictions in place, many residents of this area went back to their native village. We are now struggling to meet our daily food expenses and are eating only rice and pulses. My children are finding it difficult to get jobs. We came to the city to earn money, but if the situation continues we would prefer to go back to our native village.”

Male respondent, India, April 2021

The poorest have generally lost more than everyone else, due to the disruption and decline of casual wage labour markets on which they typically depend; due to the exhaustion of their social capital in 2020, which was only sometimes and partially compensated by public transfers. The loss of casual wage labouring opportunities was sometimes because employers developed mutual aid strategies and stopped hiring. More regular job losses, remittance decline, widespread and sometimes prolonged loss of retailing and vending opportunities all made their mark.

"I am still struggling with my business, it keeps declining... My income has gone down because it's very difficult to sell these days and I can go for three to four days without selling anything."

Female respondent, Zambia, July 2021

"Before this pandemic my life and the well-being of my household was good. I was doing well with my skills and was making money that I was investing in assets and taking good care of my family. We used to eat well and have a good life. But looking at myself now I feel sorry. It is like I am dreaming, and somebody will wake me up from this slumber. Just months after the onset of Covid-19 things changed. No more contracts, no more markets, no more opportunities for piece works, nothing was ticking."

Male respondent, Malawi, September 2021

Coping strategies were often work focused, with women, for example, joining or increasing participation in the labour force.

Sometimes extreme negative coping strategies emerged in collapsing societies where the pandemic overlaid pre-existing crises: e.g. child sex workers in Chitungwiza, Zimbabwe. More regular coping strategies involved reducing meal quality, reducing number of meals per day, or

simply going hungry, as well as reducing non-food consumption. In some contexts sales of assets was common – for example livestock. In our quantitative analysis in [Nigeria, distress sale of assets](#) were particularly pronounced during Covid-19 amongst households in the bottom two quintiles compared to wealthier households.

"My husband was engaging in paid work in town before Covid-19 but the jobs are not promising now... I have been engaging in pottery and sell it in [the] market. My husband could not get a job now so he stays at home."

Female respondent, Ethiopia, April 2021

"At the moment demand for labour is very low because even the people we look up to for piece works are complaining that they do not have money. Most of them are not doing business like going to Zambia or Lilongwe to sell produce so they really do not have money to hire us to work for them."

Female respondent, Malawi, February 2021

"My [son] is busy with construction works [but] during lockdown he was not able to work outside. He is getting his wage daily, so he was not able to earn enough to send us... Most people are jobless, there is no more construction work as before. If they go to the city, there is not enough work too, due to corona and insecurity. There are no more NGOs to bring projects in villages for people."

Female respondent, Afghanistan, July 2021

"When men are at home unemployed it is difficult for them to bear everything such as the noises of children. This has created lots of family conflicts, and family violence has increased."

Female respondent, Afghanistan, July 2021

Education and potential inter-generational effects

There have been powerful and sometimes gendered inter-generational effects through long school closures and digital inequalities, again especially for the poorest, but in some contexts (e.g. Zambia) generally for rural children, who couldn't access teachers or any form of remote learning. This has left behind a substantial recovery issue both for those remaining in school, and for the many dropouts. We know that education is a determinant of lifelong incomes and a major contributor to escapes from poverty, so the effects will be durable.

In Malawi for example, the Ministry to Education introduced emergency distance learning to mitigate the impacts of Covid-19 school closures through radio programmes for primary students and free access to online learning for secondary school students. However, uptake of these programmes was low with half of schools not adapting remote learning strategies and many households unable to access learning due to lack of necessary devices and technologies and lack of capacity to support students' learning. School dropouts have increased, with the costs of school fees, teenage pregnancy and child marriage among the leading causes reported. Those children who have returned to school following extensive closures also faced challenges in catching up, with teachers struggling to support them due to understaffing and resources constraints. While the pandemic has certainly placed a strain on the education system in Malawi, these effects are symptomatic of longstanding challenges in the education system that are now being magnified by the recent crisis.

Compounding effects of layered crises

The pandemic was a crisis layered on top of other crises in many (all) high poverty countries. In some countries the pandemic was the most salient crisis, in others it was less important in our respondents' minds than others, especially where there was protracted violent conflict or

extreme political instability. The world seems to have no remedy for layered crises (in parallel to [intersecting inequalities](#), where there is also no commonly available remedy) – humanitarian agencies and national disaster management agencies focus on one crisis at a time, and neglect the combinations of acute and slow burn disasters, each of which may have multiple dimensions, which can be so prevalent in poor countries.

In Afghanistan, for example, insecurity considerably worsened during the pandemic period in 2020 in the leadup to the Taliban takeover, corresponding moreover to a higher probability of poverty and welfare loss amongst Afghan households into summer 2020.

What policy responses do people want?

The limited access of the poorest people as well as vulnerable people to the often few social protection and other potentially protective measures (asset insurance, asset redistribution, education resilience) which could mitigate the effects of the pandemic and pandemic policy responses is striking. There's [evidence](#) suggesting Covid-19 highlighted gaps in social protection provision but these often haven't been filled in response. Why has there been so little response when the impoverishment and destitution effects have been so palpable? There have been [a lot of new initiatives](#) though fewer in LICs and LMICs than in upper-middle income countries, and while these are reaching in some countries (Cambodia would be an example) in others they have not even after two years of pandemic. And where they have reached, they have often not been enough to prevent people from having to reduce consumption or sell assets. In Tanzania comments like this one were common:

"Maria Ngolo, a chronically poor woman in Ruaha Mbuyuni had had husbands die, been abandoned by a partner, looked after a disabled daughter, had houses burnt and destroyed by floods, and had caught Covid 19. She felt lucky – she simply survived it at home without telling

anyone. She is a casual labourer with asthma and felt she should have qualified for TASAF, but her name was not approved.” - Female respondent, Tanzania, March 2022

Social protection is not the only thing people are also asking for. They also want cash support to invest in business and agriculture to escape poverty and become more resilient to shocks. Sometimes it is other programmes that have the biggest reach – in Zimbabwe it was the pre-existing Government conservation farming programme, *Pfumvudza/Intwasa*, which distributed agricultural inputs to 51 per cent of all households².

“I think the government should work hard to stabilize the market price for food items, improved seeds and fertilizers. Government should play a key role in helping the poor farmers not to starve.”

Male respondent, Ethiopia, August 2021

“I wish the government could provide me with money to start a small-scale business. Currently, I am just doing casual labor which is not helpful. I also think if the government can give me fertilizer it will help me to achieve food security.

Male respondent, Malawi, September 2021

“I would love if the government could give me cash to boost my business. I also wish the government could build me a house because mine is dilapidated.

Female respondent, Malawi, September 2021

² Of respondents in the ZIMSTAT Rapid PICES Monitoring Telephone Survey (4th Round) May 2021)

Policy implications

The crisis is far from over for many people who continue to face higher costs of living due to energy and food price inflation and predatory pricing combined with lower incomes due to limited employment and casual labour opportunities. For many, the losses incurred at the height of lockdowns were never recovered, with assets sold and debts incurred to cover daily subsistence. And children who have dropped out of school or married early due to the crisis will experience lasting effects over their lifetimes. Many households interviewed at the end of 2021 expressed concerns about the future, both directly and indirectly related to Covid-19.

The trade-off between public health measures to contain transmission and reduce pressure on health services and economic development was mentioned at the beginning of the pandemic but has not been a big focus of debate more recently. However, this tension resonates through our data, with most impoverishing effects resulting from the implementation of public health measures rather than direct effects of Covid-19. Tanzania is an outlier: its lockdown was short and many public health measures abandoned after two months. The economy continued to grow during 2020 and 2021, if more slowly, and many of the same downward pressures on household consumption and wellbeing and the economy resulted as experienced in other countries from disruptions to trade which were long lasting despite the short lockdown. Other measures such as clearing street vendors from the streets, implemented mid-pandemic, added to the downward pressures. However, many rural households maintained that there were small effects from the pandemic and associated public policy measures, and the general impression is that people were significantly more resilient to the crisis than elsewhere.

Many respondents highlighted the need for government stabilisation of markets to control inflation, especially at the end of 2021 and into 2022. Others emphasised the need for more

investment in small businesses and for improved farm technologies such as seeds or irrigation to help them build more resilient livelihoods for the future. Others, such as older people, people with disabilities and female headed households, stressed the need for better social protection coverage and support for basic needs such as improved housing.

Social protection has clearly been the front runner policy to mitigate the effects of the pandemic and associated lockdowns and restrictions. As often remarked, where there are systems in place it is easier to expand, extend and deepen provision in a crisis. Without systems in place it is very difficult. So a big continued emphasis on getting strong, adequately funded national systems in place makes sense. In a crisis, funding of social protection also needs to be elastic, to enable inclusion of the new poor, and as many of the vulnerable as possible, in order to prevent impoverishment, and to ensure payments are sufficiently large to prevent downward mobility. This is a very big ask for governments of LICs and LMICs and would require significant international funding as well as a greater share of (preferably increased) tax revenues. This is a very big challenge in preparation for the next major crises, and a core response to the increasingly layered character of crises.

Preparation for the next pandemic needs to take into account the multi-faceted nature of the ensuing crisis – as much an educational and economic crisis as a health one. It also needs to develop provisions to prevent the impoverishment of people affected by overlapping crises. The background crisis of climate change means that many people, countries and systems face a substantial and long term resilience challenge. It is well known that having systems in place is a pre-condition for performing well in a crisis, so governments need to get the systems in place now or strengthen them. This also necessitates a hike in the quality and reach of national and

international humanitarian disaster responses in places where these are not strong enough.

Preventing destitution also needs a new emphasis both in research and policy: this would require cross-cutting responses on food security and nutrition, health, education and asset development as well as labour markets and disaster risk management.

Recovering from this pandemic requires recovery in the labour market. There has been massive global inequality in such responses, with High and some middle-income Countries able to stabilise labour markets, while LICs and LMICs were not. A similar divergence emerged in the drive for vaccination, where poor countries were unable to get access through the market and public resources devoted to Covid-19 vaccination in developing countries were completely inadequate.

Governments can take measures to encourage employers back into employing, but this needs to work for the informal as well as the formal sectors. This is again a major policy challenge as governments remain indifferent, sceptical or hostile to the informal economy. The dominant international approach is to formalise the informal. Governments could also expand existing or develop new public works schemes on a large scale as a crisis measure to benefit the poorest who have lost access to employment. This was a [minority response](#) in developing countries among social protection and labour market measures – much more was invested in supporting (formal) employers to continue to employ. Some public works programmes were suspended or reduced in scale during the pandemic to reduce Covid-19 transmission.

Education needs much greater public expenditure in many settings, without a pandemic. Poor children so rarely make it through to the secondary school levels which are strongly correlated with their families escaping poverty inter-generationally. Now the pandemic has magnified and extended the pool of

inadequately educated young people, and massive efforts should be under way to get children back into school and improve the continuity and quality of learning. Education is one of the best insurances against the probability of experiencing downward mobility because of multiple crises: it is a true resilience capacity. However, it is also a major consumer of public expenditure. More money will inevitably have to be found.

The pandemic illustrates how responding to a complex emergency, overlain on other crises, needs to be multi-agency and whole of government, but also well targeted to support the people who are hardest hit. In Cambodia. For example, people in the bottom two quintiles were more likely to expect that their wellbeing in the subsequent months would be much worse, compared to richer households – and there are similar findings on the actual effects of the pandemic and time taken to recovery being worse and longer for people at the bottom of the distribution.