POLICY BRIEF NO 1:
THE GENDERED IMPACT OF COVID-19 IN PAKISTAN (GIC)
Lost Livelihoods & Lack of Economic Resilience

CONTEXT

The COVID-19 lockdown disrupted economic and other socially valuable activities. Research predicts that 96 million people could be pushed into extreme poverty by 2021, further widening the gender poverty gap.\(^1\) Despite commitment to various international conventions,\(^2\) Pakistan does not fare well on global gender indicators. Ranked third to last from 153 countries in the Global Gender Gap Index 2020, economic opportunities for women are extremely limited and only 32.7 percent of the gender gap has been bridged thus far.\(^3\) **Existing gender inequalities and norms exponentially multiplied** the negative impact of COVID-19’s economic fallout on women, trans-persons, persons living with disabilities and other marginalised groups unable to absorb economic shocks. Weak economic resilience has obstructed coping and recovery from the pandemic’s financial fallout, **exacerbating gendered gaps.**

Policies and laws to protect workers have improved, especially those in the informal sector, but implementation is uneven at best. Legal minimum working standards and wages do not translate into practice, and informal workers largely fall outside of the purview of the law. The Sindh Home-Based Workers Act 2018\(^5\) is the first-ever law in Pakistan entitling home-based worker (HBWs) to the same conditions/benefits as all other workers, but the rules of business have yet to be framed. In Punjab, the Cabinet-approved Punjab Home Based Workers Act, 2013, has still not been enacted,\(^6\) a 2015 draft national HBWs policy remains pending with the federal Ministry of Human Rights. Only Punjab has passed a Domestic Workers Act (2019)\(^7\) regulating their employment. In a historic verdict, the Supreme Court declared the third-party contract system unconstitutional and in violation of fundamental rights in December 2017. This has a huge potential to improve conditions for women workers,\(^8\) but has been challenged in Court.\(^9\)
Before the pandemic, the most gender-sensitive inclusive economic protection and social safety net was the federal Benazir Income Support Programme (BISP) providing unconditional cash transfers to poor women documented in the National Socio-Economic Registry (NSER), and its associated schemes (now merged with the government’s flagship Ehsaas Programme). The registry has not been updated since 2010-2011. In addition, the Ehsaas Kafalat programme was instated to provide women with bank accounts, including 4.2 million female BISP beneficiaries. There are also 157 women empowerment centres for imparting training in various skills and to provide women with opportunities for suitable employment – the soft loans to be provided to trainees of the centres to start their own small business have not materialised. The PC-1 has just been approved for the Tahafuz Widow Integration programme, to provide one-time financial assistance to widows during catastrophic events, presumably such as COVID-19.

The COVID-19 specific economic relief and social protection measures, largely extensions of existing, inadequate cash transfer programmes, are not commensurate with the economic impact on women and other vulnerable groups. The only gender-sensitive measure was a continuation of short-term assistance via the BISP and Ehsaas Kafalat Programme whereby 4.5 million registered women received an extra Rs.1000 emergency relief (a total of Rs.3000) for a period of 4 months. Additionally, the programme targeted 3 million affected households identified through the NSER with monthly incomes below PKR 20,000. Provincial Governments have announced similar small financial packages for the poorest of the poor but with no specific quotas for women or women-headed households. The remaining policy measures undertaken by the government are gender-blind – including deferment of utility bills, relaxation in rental payments and eviction policies, and a no lay-off policy. These measures are insufficient to mitigate the socio-economic impact of the virus as they do not address the disproportionate impact on the economic well-being of women and other vulnerable groups.

The Impact of COVID-19

The Gendered Impact of COVID-19 in Pakistan (GIC) study confirms that women’s sources of livelihood have been disproportionately impacted as they are concentrated in the worst-hit and vulnerable sectors of the economy. Reduction in or loss of income was consistently cited as the primary negative impact of COVID-19. Women participating in the low-wage informal sector have experienced irreparable damage to their economic well-being. Reduced value, disrupted access to markets and delivery channels undercut or stopped incomes for HBWs, daily wage and piece-rate workers, already earning meagre incomes dependent on daily/seasonal orders. Female domestic workers working long, unregulated hours for less than minimum wage confronted an overnight loss of income as employers self-quarantined for fear of infection. Women working in formal sector occupations in factories, the personal care sector, private employment and other services, too, faced widespread lay-offs or much reduced salaries.

Female-headed households were exceptionally vulnerable, especially if the female breadwinner is a single mother, divorced, widowed, a survivor of GBV/supporting a survivor, or a person living with disability. White collar and low-salaried workers living pay-check to pay-check were invisible victims finding it hard to manage three meals a day yet not qualifying for relief measures. Financially dependent women have experienced turmoil and pressure as they were unable to manage the household due to disrupted incomes of breadwinners.

Trans-women, already sequestered in exploitative and insecure occupations, are being further marginalised, pushed into intense financial insecurity as already meagre earnings dwindle. Stigma has reportedly increased towards the community and their access to relief or alternative sources of income has been negligible.

Coping strategies started with reducing household expenses and compromises on food security, using up savings, liquidating assets to increase cash flow, incurring debt. Only exceptionally did attempts to acquire new means of income as primary and
back-up ventures succeeded. These include **several younger women leveraging their skills and internet access to find sustainable ways to generate income generation** to alleviate ever-worsening family finances. Women in particular also faced exploitation in attempts to access relief, for instance women needing food or financial assistance were asked to do tasks/favours in return, such as lengthy household chores or even political votes for meagre amounts – indicated limited access to support structures. Just a handful of research participants approached **government safety nets and relief schemes** – indicating a gap in citizen-state relationship.

The study confirms women’s chronic lack of secure employment, options for coping and avenues for financial respite, due to their **limited mobility, unequal burden of domestic work, and poor access to meaningful opportunities and cultural structures** that prevented some young women from availing of opportunities. Women stressed the need for savings and better income opportunities to safeguard themselves and their households from such crises in the future. Findings suggest it is safe to assume that the impact of these few months of financial crises will persist within these families for several years – maybe even generations to come in the absence of economic safety nets and recovery strategies – in particular for women.

“I am a widow; I make quilts [rallis] at home to support myself and my two children. Even before our talent was not valued at a very high price, but now we aren’t even receiving that! It has become even harder to live in this society.”

*Woman, Home-Based Worker, Khairpur*

“My husband passed away and my children are very young, my mother also lives with me. I have been physically disabled myself for five years, my feet and hands are bent. I go buy groceries [sauda] from the wholesale market and sell this door-to-door. But these days I cannot because of corona. I am scared of corona. My children are very young and my mother is elderly so I don’t leave the house. I have started keeping the groceries at my house now, so whoever wants they come and pick it up – hardly anyone does.”

*Woman, door-to-door salesperson, Peshawar*

“I’d take up small labour opportunities, sometimes making jewellery, sometimes shelling pine nuts, but the onset of corona stopped such income sources...There’s definitely been a difference or impact. If I don’t have these work opportunities, how will my house run? I’ve started a small toy business at home, hoping to improve better.”

*Woman, informal sector worker, Lahore*

“Several programmes have been instated to help; organisations are also assisting poor people like me. But real help is the one that assists us to gain meaningful work and income based on our skills, as opposed to just receiving 3-4000 rupees or even 12,000 rupees...one time. This does not solve the issues we are facing in our households! If the government or other organisations want to help us during this lockdown then they should give us opportunities to work at home.”

*(Woman, student, Lahore)*
RECOMMENDATIONS

I. Redefine and expand existing social protection systems focused on providing assistance to those most vulnerable:

i. Expand existing infrastructure and coverage of BISP and Ehsaas Kafaalat Programme to provide unconditional cash assistance to vulnerable people, especially directed towards women, female-headed households, widows/divorcees, survivors of GBV, trans-persons, PWDs, and informal sector workers;

ii. Scale-up pro-poor social protection systems to include provision of essential food and nutrition services;
   a. Reorient the parameters of existing social protection structures to include informal sector workers such as daily wage workers, HBWs, domestic workers and others;

iii. Redefine existing social protection schemes to include an unemployment allowance by, for example, restructuring the Employees Old Age Benefits Institutions (EOBI), and strengthening it to function as an unemployment fund in addition to a pension fund;

iv. Increase the access of women, PWDs and trans-persons without CNICs to protection and relief measures by establishing alternate means for identification, such as temporary ID cards or simplified verification methods;

v. Consult with the private sector and CSOs to devise targeted and tailored measures for the recovery of vulnerable and severely impact households;

vi. Ensure communication and messaging regarding social protection schemes is inclusive and targeted at those with limited access to information.

II. Introduce targeted socio-economic measures to protect vulnerable informal workers:

i. Ratify ILO Convention No.177 and recognise all informal and HBWs as workers and revise the Labour Force Survey methodology to include all workers (male, female and transgender);

ii. Make coverage of social safety nets for employees in the informal sector compulsory, allowing them to self-register with key social security schemes;

iii. Ensure workers get hired on a permanent basis instead of being contracted for piecework or shorter durations by, inter alia, enacting legislation to give effect to the December 2017 Supreme Court ruling that the third-party contract system is unconstitutional and in violation of fundamental rights;

iv. Work closely with UN specialised organisations such as the ILO, with CSOs and the private sector to develop a comprehensive action plan for ensuring the rights of informal and home-based workers;

v. Legislate provincial laws for the protection of informal workers and ensure implementation of existing laws relevant to HBWs and domestic workers in Sindh and Punjab, respectively;
I. Increase women’s representation in economic decision-making committees, especially for COVID-19 emergency responses;

II. Collect and update gender-disaggregated data:
   i. Institute transparent and reliable mechanisms to update the NSER and include households (especially female-headed) pushed into poverty due to the COVID-19 crisis;
   ii. Strengthen databases and identification of most-vulnerable households by incorporating critical disaggregation such as sex, disability, marital status, geographical location and etc.;
   iii. Continue to digitalise existing databases to facilitate faster and easier data verification, identify anomalies and swiftly disburse regular cash payments;
   iv. Manage the current economic crisis through efficient planning, resource allocation and mobilization informed by verified and disaggregated data accurately reflecting the gendered financial impact of COVID-19.

III. Mitigate existing gender inequalities restricting women’s economic empowerment:
   i. Ensure all female and trans-workers in formal and informal sectors receive equal minimum wage, weekly holidays, EOBI, social security and overtime pay
      a. Implement the penalties prescribed by relevant Federal and Provincial Minimum Wages laws in relation to gender discrimination in the payment of minimum wages;
   ii. Increase labour force participation of women and trans-persons:
      a. Ensure equitable representation of female and transgender employees in the formal sector, *inter alia* by fixing a quota for women and instituting penalties for businesses/workplaces that fail to meet the requirement;
      b. Promote female education, skills development and facilitate linkages with relevant markets to ensure access to sufficient and sustainable streams of income;
      c. Design behaviour change campaigns reducing stigma towards and encouraging women and transgender participation in the labour force;
   iii. Instate financial literacy programmes for women, promoting knowledge and skills for business planning, financial management, efficiency-saving measures and access to investment options;
   iv. Redouble efforts of the National Data-based and Registration Authority (NADRA) to issue CNICs for women, PWDs and trans-persons to clear back-log exacerbated during the COVID-19 lockdown
The Gendered Impact of COVID-19 in Pakistan study – supported by UN Women Pakistan, and undertaken by Shirkat Gah–Women’s Resource Centre (SG) and the Community Engagement Centre (CEC) – assessed gender-specific implications of pandemic-induced lockdown in 10 districts of Sindh, Punjab, and Khyber Pakhtunkhwa. The research provides evidence for effective inclusive response interventions and sustainable strategies for recovery around (1) livelihood and economic resilience, (2) intra-family gender relations and diverse facets of gender-based violence (GBV), (3) experiences of persons living with disabilities (PWD), and (4) social capital/cohesion and resilience.

The bulk of the data was collected from July to August 2020 by engaging 347 women, 180 men, and 9 transpersons. Inadequate data on women and girls living with disabilities led to another round of data collecting in November-December 2020 through in-depth interviews of 9 women and 1 man living with disabilities, and six organisations.

IV. Introduce measures to promote effective partnerships and synergies:

i. Take action to promote global partnerships, private sector engagement (such as corporate social responsibility) and development cooperation to mobilize and leverage financial, technical and advisory support to implement the COVID-19 response strategies

ii. Work closely with UN specialised organisations such as the ILO, as well as with CSOs and the private sector to develop a comprehensive action plan for ensuring the rights of informal and home-based workers

iii. Explore the role of Women’s Chambers of Commerce to support women’s economic resilience.