

Another 10m likely to slip below poverty line

ISLAMABAD: At least another 10 million people are expected to slip below the poverty line as a consequence of the coronavirus pandemic, the Economic Survey 2019-20 estimates.

“The Covid-19 is expected to have a negative impact on the Pakistan’s economy, and the number of people living below the poverty line may rise from the existing figure of 50 million to 60m,” reads the survey released here on Thursday.

The Planning Commission employs Cost of Basic Needs (CBN) approach for poverty estimation, which was estimated to be Rs3,250.3 per adult per month.

According to this methodology, 24.3 per cent of the population is below the poverty line. However, poverty headcount will rise depending on the aggregate consumption of households in the post-coronavirus scenarios estimated by the subcommittee of National Coordination Committee on Covid-19 on Economic Analysis headed by the Planning Commission.

According to scenario No 1, if household’s consumption goes down by 5pc, the headcount will rise from existing 24.3pc to 29pc, and that would lead to around 10pc people falling below the poverty line.

Economic Survey notes measures taken to address crisis caused by pandemic

Scenario-2 envisions a situation where a household’s consumption goes down by 10pc, the headcount in such a case could rise to 33.5pc.

The survey says the lockdowns, though partial, have repercussions on employment, and it is expected that due to partial lockdown, 12.6m workers may lose their jobs.

The survey, however, says that during the pandemic and post-crisis periods, short-term income losses will be offset by an unprecedented rise in social safety nets.

The government has extended outreach of its cash transfers to 12m households from the existing 5m. It means the support has been extended to 78m people, which is more than 32pc of the population. This will be the largest cash transfer in this region in terms of coverage.

Pakistan is committed to poverty alleviation in line with the SDGs target Goal-1 “No Poverty” in all its manifestations everywhere by 2030.

The survey says the government has taken a number of initiatives to reduce poverty, provide income security and increase the population’s access to social protection,

including creation of a dedicated Poverty Alleviation and Social Safety Division to synergise the efforts of various organisations working for poverty alleviation and social protection in public and private sectors.

The government has launched a comprehensive and integrated Ehsaas programme that intends to bring together various existing social safety net programmes under one umbrella with an aim to reduce poverty, vulnerability, malnutrition and deprivation so that the fundamental rights of all citizens could be ensured.

Cash transfers are effective in helping the vulnerable to take charge of their lives and empower them to make financial decisions. However, additional programmes like conditional cash transfers and other social protection measures to target for universal coverage could be developed, using the strengthened policy research capacity of the Benazir Income Support Programme.

The government with limited financial resources is making the best efforts to fulfil its priority towards social sector development projects and to make progress towards the achievement of SDGs. Sensitisation at the provincial and district levels is a key to ensuring effective adoption and localisation of the SDGs.

In the wake of Covid-19, the government approved a package of Rs144 billion to provide immediate cash relief of Rs12,000 each to 12m poor families under the Ehsaas programme.

Unconditional Cash Transfer Programme is now improved and strengthened as Kafalat Programme, through which monthly cash stipends of Rs2,000 will be given to at least 7m most deserving and poorest women all over the country.

The Pakistan Baitul Maal is providing assistance to destitute, widows, orphans and other needy persons irrespective of their gender, caste, creed and religion through its establishment at the district level.

From July to March during the current financial year, it has disbursed Rs2.705bn through its core projects/schemes.