

The impact of COVID-19 on the ability of households to meet their basic needs in Sudan

Compounding vulnerabilities in a challenging environment

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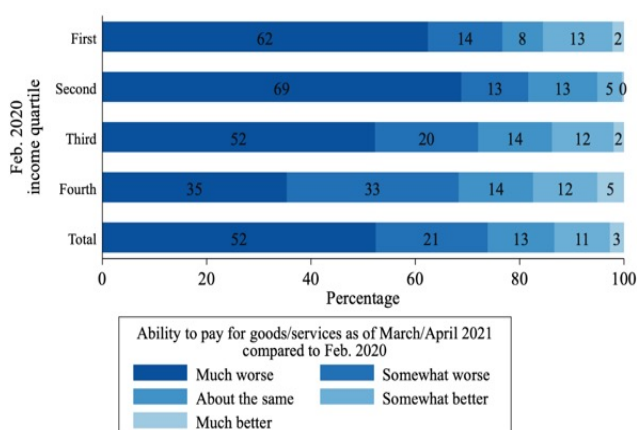
How has COVID-19 impacted people in Sudan?

New research shows that an already difficult situation has gotten worse.

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Topic at a Glance

The project aims to assess the effects of the COVID-19 pandemic on Sudanese households by means of a rapid phone survey administered to 2,400 randomly selected mobile phone users. This first wave of the survey was carried out from March 4 to May 1, 2021 and inquired about changes in the ability of households to pay for goods and services, in their employment situation since February 2020, and in income and operations for household enterprises and farms. Prior to the pandemic Sudan had already been going through a great deal of economic and political turmoil associated with the overthrow of the Bashir regime in 2019, after months of protests, and the institution of a fragile transition government. Sudan has been experiencing very high inflation rates throughout this turmoil and recently introduced a major devaluation of its currency. While the project is not able to separate the effects of the pandemic from that of the ongoing political and economic turmoil, it does constitute one of the few sources on information on how households are coping through these challenging times.



Caption: Ability to pay for goods/services as of March/April 2021 compared to February 2020, by February 2020 income quartile (percentage). Source: Authors' calculations based on Sudan COVID-19 MENA Monitor.

New Insights

The COVID-19 pandemic poses a particular challenge for low-income and fragile countries, such as Sudan. The pandemic has compounded an already dire situation, with an economic and political crisis that has been building for decades. The central government had been battling local insurgencies in several parts of the country for years. The country was subjected to international sanctions since the late 1990s, and the south of the country seceded in 2011 after many years of civil war, taking with it most of the country's oil resources. These accumulating pressures finally led to widespread political unrest in 2018 culminating in the overthrow of the Bashir regime in 2019. Since then a civilian-military transitional government was instituted to lead the country until elections could be held. Although the transitional government succeeded in getting international sanctions lifted in October 2020 and in implementing a major currency devaluation in February 2021, it has been struggling to address one of the highest inflation rates in the world, which rose steadily from 50 per cent per annum toward the end of 2019 to 363 per cent per annum in April 2021 (Trading Economics 2021).

COVID-19 has compounded these pre-existing vulnerabilities and challenges. This policy brief presents new findings from the Economic Research Forum's COVID-19 MENA Monitor mobile phone survey to assess how households have fared in Sudan in these highly turbulent times. While it is not possible to distinguish the effects of the pandemic from those of the ongoing economic crisis, it is still useful to ascertain how Sudanese households are faring in these exceptional times.

- Since the onset of COVID-19 poverty and inequality have risen. The figure shows how Sudanese households' ability to pay for goods and services changed from February 2020 to the time of the survey (in March/April 2021). Overall, the ability of Sudanese households to meet their basic needs has drastically worsened. More than half (52%) of households report their ability to afford goods and services is much worse. A further fifth of households (21%) report a somewhat worse ability to pay for goods and services. Only 27% of households reported their ability to pay

remained about the same or improved. These results underline worsening conditions in Sudan as the pandemic continues; earlier in the pandemic, in June/July 2020 only 38% of households in another phone survey had experienced a decrease in their income (Central Bureau of Statistics (CBS) and World Bank 2020).

- Not only have COVID-19 and concurrent challenges reduced the ability of Sudanese households to meet their needs and worsened poverty overall, they have also exacerbated inequality. It was particularly lower income households (those who were in the first and second income quartiles in February 2020) who experienced the largest declines in their spending power. For instance, 62% of households in the first (poorest) quartile and 69% in the second quartile reported their spending power was “much worse” in early 2021 compared to February 2020.
- Worsening labor market conditions during the COVID-19 crisis were one dynamic contributing to losses in income and spending power. Only 44% of respondents (aged 18-64) in the survey were employed (26% of women and 57% of men). The unemployment rate, as a share of the labor force, was 24% using the standard, search required definition, and 43% using the broad definition (including the discouraged unemployed who are not searching). A substantial fraction (27%) of those who were employed in February 2020 were unemployed (using the broad definition) in early 2021, and a further 15% had dropped out of the labor force entirely.
- Job and income loss and rising poverty contributed to further issues such as food insecurity. Almost half (45%) of Sudanese households reported being unable to buy the usual amount of food in the past seven days because of decreased incomes (59% in the poorest quartile compared to 39% in the richest quartile). Furthermore, 36% of households reduced meals or portions (61% of the poorest quartile and 29% of the richest).
- The challenges facing Sudanese households have been met by a sparse social safety net. Only 11% of households reported they received regular social assistance (primarily Zakat bureau, 5%, and World Food Program, 4%). Only 9% of households had received emergency assistance in the past month (primarily the Selaaty commodity support program, 6%). The limited social safety net means that job and income losses translate directly into negative outcomes, such as food insecurity.

Policy Recommendations

- An expansion of Sudan's social safety net is sorely needed to cushion the impact of COVID-19 on households. With the support of international donors, the Sudan Family Support Program (SFSP) ‘Thamarat’ is expanding, aiming to provide cash transfers to 80% of Sudanese families. As of May 2021, the program was

adding new beneficiaries in eight states after piloting in two states (Sudan Family Support Program 2021). Rapidly expanding the program to the entire country and adding new beneficiaries as quickly as possible is critical to cushioning the impact of COVID-19 on Sudanese households.

- Quick action on stabilizing the economy and bringing inflation under control is also sorely needed. With the lifting of sanctions Sudan is starting to benefit from international support, which could alleviate its chronic budget deficits. It has received favorable consideration for debt relief, which will allow it to soon regain access to resources from multilateral institutions (International Monetary Fund 2012).

Limitations

The results are based on a random survey of mobile phone users. Although 74% of Sudanese households own a mobile phone (Central Bureau of Statistics (CBS) and UNICEF Sudan 2016), our results do not generalize to households without mobile phones (who are disproportionately poorer). There also was no publicly available data on individual phone ownership in Sudan, so while we weighted by household characteristics to represent phone-owning households in the most recent in-person household survey, this does not account for individual disparities in non-response.

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