


COVID-19 and Urban Households in Lahore, Pakistan

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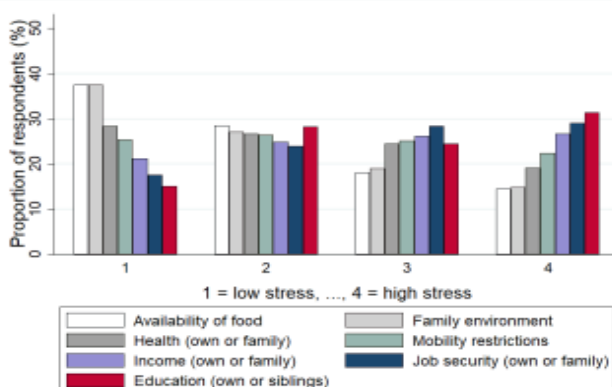
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 **COVID-19 led to increased stress and deterioration in the economic situation in households in urban Lahore.**

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Topic at a Glance

We analyse the impact of the COVID-19 pandemic and the lockdown on a sample of women who completed their undergraduate degrees from public colleges in Lahore, Pakistan. We conducted phone surveys with 1,617 women from May to June 2020 collecting information on their own and household outcomes. Pakistan imposed a strict lockdown in March 2020, following the first recorded death in the country in the same month. We survey the respondents, on average, 10 weeks after the lockdown was first implemented, when it was beginning to be eased. The country was implementing a policy of ‘smart lockdown’, imposing stricter safety and social distancing protocols in localized areas that were deemed to have high or rising infection rates. We interviewed women belonging to urban, middle class households in Lahore. Our sample is unique in that they are highly educated – all of the women in our sample are recent college graduates – when only about 10% of the women in urban areas of Pakistan have an undergraduate or higher degree (PSLM, 2015).



Caption: Reported stress levels. Note: Each bar shows the proportion of respondents who report being stressed on a Likert scale of 1 (low stress) to 4 (high stress) for each dimension.

New Insights

Household experience

Two-thirds of the sample reported the main earner of the household had lost his/her job since the start of the COVID-19 lockdown. On average within this sample, job loss does not vary by parental education or household income levels. However, households where the head (respondent’s father) has a salaried, public job are 6 percentage points less likely to have experienced job loss than those where the household head is self-employed/private employee.

Participants were asked to rank levels of stress in various domains, on a scale of 1 to 4, with 4 representing most stressed. In Figure 1, we show the proportion of respondents who are stressed on a likert scale (1 = low level of stress, to 4 = high level of stress) across a range of dimensions. These dimensions, which include stress about availability of food, their own health or the health of family members, income earned by the household, their own or their siblings’ education, environment in the household, mobility restrictions and job security, are shown by different coloured bars in the figure. In line with household experience, reported stress levels about continuing education (respondents’ own or their siblings) are the highest – average stress levels are [3, 4] for more than half (56%) of the respondents, followed closely by stress about job security and availability; and that for household income. Stress about availability of food, family environment, health concerns and mobility restrictions due to government lockdown are relatively low - the median stress level reported for these issues is low (2 or below).

We asked respondents a number of questions about their main concerns during the COVID-19 crisis. Among a sample of 1233 respondents who indicated they were concerned about the three dimensions we asked about, 56% said they were most concerned about job security, 25% reported high levels of stress in the household and 19% reported being mainly concerned about availability of food. Job security in the future is the main concern for this sample, and one of the main factors on which respondents’ report high levels of stress.

Adaptation strategies in the household

Respondents were asked about the assistance, formal (e.g. government assistance or aid from NGOs) or informal (e.g. help from family and friends) that has been offered to them under the current situation. A large proportion, almost four-fifths of the sample reported they had received none. Of the remaining, reliance on family and friends was low (2%) given the widespread adverse effects of the current pandemic. Approximately one out of ten respondents had received assistance from either the government or private NGOs. A small, but non-negligible proportion (8%) of the households had taken on new loans since the lockdown began.

We ask respondents what their households plan to do to adapt to the adverse effects of the COVID-19 pandemic. Adaptation strategies primarily involve diversifying income sources: 51% intend to diversify sources of income (e.g. another job) and 19% intend for more family members to find work and start earning. Intention to use existing savings (8%) or sell household assets (9%) is still relatively rare; and 5% households do not intend to change anything and will rely on the existing income coming into the household.

Effect on recent women graduates

Finally, respondents were asked about their own experience and adaptation strategies. We asked if the respondent, a recent graduate from public, undergraduate college in Lahore, was working before the start of the COVID-19 crisis. The labor force participation rate in the country is at 22% but for graduates, it is higher at nearly 35%. In line with this, in our sample of highly educated recent graduates more than a third of the sample (35%) said that they were working before the crisis, in February 2020. Two-thirds of these women were working as tutors, one-fifth were employed at other salaried work, and a tenth of the working sub-sample of women said that while they were not fully employed, they were working part of the day. Relative to February 2020, the total proportion of working women falls sharply in our sample to 22% in April 2020. This is in line with the overall high levels of stress and concern shown for job security in this sample. In addition, fewer respondents are likely to be looking for work - 13% in February 2020 to only 5% in April 2020.

At the same time that we see a significant decrease in employment, we see a dramatic, corresponding increase in the proportion of students who plan on enrolling in a postgraduate degree. We report averages from two different rounds of phone survey. In December 2019, we had asked the same sample if they intended to apply for postgraduate studies in the future. Approximately 18% answered in the affirmative. By April 2020, when we interview these respondents again, the proportion of women who were planning to apply for postgraduate studies had increased substantially to 61%, implying that for many respondents, the crisis may have provided the impetus to continue their education, rather than attempt to join the labor force.

Policy Recommendations

Some key insights which emerge from this analysis are:

The economic situation of women and their families has deteriorated; Two thirds of the sample reported that the main earner, particularly self-employed and privately employed, lost his/her job since the lockdown in March. This is coupled with a drastic reduction in the proportion of women (i) working; from 35% before lockdown to 22% percent after lockdown and (ii) looking for work; from 13% before lockdown to 5% after lockdown.

Women substitute away from the labour market and towards the education market. The reduction in women working and looking for work is coupled with an increase in the proportion of women applying for postgraduate study. Therefore, all is not bleak. However, as existing evidence has shown, graduates in a recession suffer adverse health effects, loss of skills and under-employment (Schwandt et al., 2020, Oreopoulos, 2020). This calls for a need for employing strategies to minimize loss of human capital.

Not surprisingly, high levels of stress are widely prevalent; more than half of the sample report that they are often or very often stressed. The largest stressors are continuing education and future job security followed by smaller stress points such as family environment and food availability.

There is limited access to formal and informal assistance (such as government assistance, aid from NGOs and help from family and friends); only 10% report receiving assistance from the government or private NGOs and a mere 2% rely on family and friends for assistance. With limited external assistance, households plan to cope by diversifying income sources (e.g. another job) and/or involving more family members in work, to manage the adverse economic effects of the COVID-19 lockdown. These findings indicate that there is a need for expanding the scope of existing social insurance programmes and safety nets for this population.

Limitations

Some limitations of the research include the narrow focus of the sample. We target highly educated women in the urban households in one district of Punjab who are graduates of public colleges. The experience of less educated women from semi-urban or rural households could be very different. The coping strategies their households may have adopted could also be quite different.

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