

Pakistan: Women in the informal sector

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THE pandemic has had a large impact on women who work in the informal sectors of Pakistan's economy. And most women in Pakistan work in this sector, where they already have lower pays, longer work hours, irregular coverage of benefits, no job security and no social protections. Non-essential work shutdowns forced almost all of them to stay at home, and many did not get paid for the period they were furloughed. After these sectors began opening up, if not already laid-off permanently, many workers have had to put up with even lower salaries and fewer work hours. Quite a few have had to switch to less desirable jobs.

Over these months, many households have had to borrow quite heavily despite the fact that all of them tried to cut down expenditures as much as possible. This indebtedness will not only impact future consumption patterns, it will also impact the survival rate of micro-businesses. Their cash flows have been disrupted and their working capital eaten up, while many of these entrepreneurs have taken on debt to survive over the last six months. Their ability to restart their businesses and sustain them has been significantly compromised.

Below are some of the results that my colleagues Ahsan Zia Farooqui, Sahar Kamran and I have found based on a 1,100 women phone-based survey and some more detailed interviews, which we recently conducted in partnership with The Asia Foundation, to gauge the impact of Covid-19 on women working in some of the informal sectors of the economy. We selected sub-sectors with the most women working informally: home-based workers, domestic services, salons, beauticians, agriculture workers, teachers and micro-enterprise owners.

The impacts started before formal lockdowns, as news of the pandemic slowed down demand for many services. The lockdowns disrupted businesses and income-generating opportunities almost completely. But even after much of the lockdown restriction has been lifted, business has been slow to come back and this has meant lower demand for employees as well. The variation in income for people who have little or no savings can only be smoothed out through expenditure cuts or borrowing.

The pandemic's economic impacts, while very significant, are only a part of the full picture.

But the poor have a limited ability to borrow. Many women reported that they borrowed the maximum they could. The rest had to come from expenditure-cutting and coping: many people defaulted on utility bills and/ or delayed rental payments, and cut back on all expenditures, including expenses on education and health.

Economic impacts, while very significant, are only a part of the full picture. Most women reported increased responsibilities and time commitments at home. Household chores and care work for elderly relatives and children fall disproportionately on women. While Covid-19 increased financial pressures, it also reduced these women's ability to leave their homes as well as to search for productive work opportunities outside of home.

There has been concern, locally and internationally, about increased incidence of domestic violence and abuse. Our survey reflected this: a significant increase in domestic abuse and violence against both women and children was reported. Reduction in income and financial hardships, inability to be able to move out of the household, lack of access to support mechanisms, being cooped up in confined spaces (the number of people per household in Pakistan is large; most women reported six to seven other members in theirs) all add to the pressures. Women, the elderly and children become vulnerable. Strong policy responses in this area — in detection, reporting and support — are badly needed.

A lot of women also said that, given their household debt, reduced income over this period, and uncertain job and income prospects over the next six months to a year, not only have they been unable to provide proper support to their children through home-schooling, tutoring and/ or online learning opportunities (even if available), but that they might not be able to do that over the next year either. Some said they have not been paying school fees and might not be able to send their children back to school. This might have a differential and more severe impact on the girl child.

The overwhelming response from our respondents was that they did not get any support from the government. Ehsaas payments did not reach them and most felt that they were not meant for them and were targeted at poorer households. Those who tried to apply were not successful due to lack of understanding of the process or lack of needed documentation. Micro enterprises did not get any support either. And, in this case, most micro entrepreneurs did not even know if there were any programmes that could provide them with financial relief.

It was clear from the responses that the government did not have information about a lot of women and their households (Ehsaas was focused on the very poor and not on low- to medium-income groups), did not have the ability to reach them, did not even have the outreach to share relevant information, and did not have any programmes that could be targeted at specific groups. Going forward, social protection and risk-mitigation policies need a lot of work to make them more robust, nuanced and comprehensive.

Covid-19 has had a very significant and negative impact on a number of variables for women working in the informal sectors. Informal sector workers have lower salaries, work in poorer conditions and have fewer protections to start with. Women within this sector face even more gender-specific vulnerabilities. And now Covid-19 has made the situation much worse. Increased debt, joblessness, lower salaries, reduced working hours, reduced expenditures on health and education, and higher exposure to abuse and violence are only some of the consequences. Opening up has not addressed all of these issues and some will persist for long. Government policies have been quite inadequate for these sectors and for informal workers in general, and need to be improved a lot more going forward.

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