



## To what extent are countries prepared to minimise the impacts of Covid-19 on the poorest and to prevent impoverishment?<sup>1</sup>

### Human Development



MPI = 0.024

### Social protection coverage



47.1%

### Economic growth



Gaps in pro-poor support

### Progressive social change



Minimum measures

Policy preparedness level: ● Inadequate ● Satisfactory ● Strong

## Areas of concern for the poorest and potential impoverishment

### + Health

**Access to health services:** Many respondents are avoiding public health services due to the misconception that common flu symptoms will be diagnosed as Covid-19 and require quarantine in a facility. Testing is also prohibitively expensive and not covered by the country's universal health insurance. There is also a stigma associated with contracting the virus. Two households revealed that they did not consult a doctor for possible Covid-19 symptoms and one interviewee continued going to work despite symptoms.

*"My wife, two children, and I experienced flu symptoms – fever, cough and colds – including loss of smell and taste one after the other. We were afraid of going to the doctor because people say that even high blood pressure is diagnosed as Covid-19.*

*We just took paracetamol and ate chilli. I even continued going to work. Workers in the workplaces I inspected reported experiencing the same symptoms."*

Male respondent, Bicol region

*"We are scared of getting Covid-19 because once you get to the doctor, they will diagnose you with it at once."* Female Respondent, Bicol region

**Mental health:** Some respondents expressed they are experiencing anxiety because of the pandemic. They described bouts of sleeplessness, irritability in the home, hopelessness and suicidal thoughts.

*"Sometimes we ask ourselves, 'Is this going to be our life from now on?' But we realise that if we don't take safety precautions, we might get the virus. If that happens, our friends and our neighbours will stay away from us. That causes anxiety."* Female respondent, Bicol region

*"When my husband died, everything changed for us. And to get through those difficult times, I would visit my neighbours and spend time with them chitchatting. But with the lockdown, I couldn't go anywhere but just inside the house and had no one to talk to. And this with the loss of income was just so overwhelming... I had thought of committing suicide... at a number of instances."* Female respondent, Bicol region

## Government containment measures



Nation-wide enhanced community quarantine (ECQ) quarantine measures from March 15 to June 1, 2020



Land borders partially closed. Transport restricted in some regions



School closures across the country until further notice

## Food security

**Inferior food intake:** Many respondents stated that they have reduced their food expenditure. Though most respondents still eat three meals a day, protein intake has been limited, often with the cheapest fish available or from canned sardines. Some respondents reported borrowing money from family members and neighbours to maintain food security.

*“Feeding my three children on my own with a reduced income has become a challenge. I buy less rice from the market and harvest vegetables from our backyard garden. I can only afford to buy fish every now and then.”* Female respondent, Soccsksargen region, Mindanao

**Increased costs of staple goods:** Many respondents in the typhoon-affected areas of the Bicol region faced increased food prices and less availability of farm produce in public markets. There was an attempt by two respondents to plant corn in the uplands in Mindanao but this was ruined by a rat infestation beginning February 2021. Soaring food prices have prompted the government to introduce a price ceiling on meat and to increase food imports.

*“Our salary didn’t increase, but prices increased.”* Female respondent, Bicol region

*“This is a new housing project, there are few stores to choose from and the available ones are expensive. We are unable to travel to the city centre, and there is no food delivery.”* Female respondent, Soccsksargen region, Mindanao

## Economic

**Lost income from micro-businesses:** Most micro-businesses such as neighbourhood stores and tricycle transport service have seen as much as 60% drop in income due to a nationwide lockdown from 15 March to 1 June 2020. Purchases from neighbourhood stores have declined significantly, including reduced use of transport services. Only three respondents were able to start a micro-business as a result of the lockdown. As the lockdown was eased, the financial situation of many micro-businesses improved but not to pre-pandemic levels. A study by the Asian Development Bank (ADB) from rapid surveys of micro-, small- and medium-sized enterprises indicated that 70.6% of shops in the Philippines were closed between March to April 2020 (from a sample of 1,804 enterprises). This number was the highest among other countries surveyed such as Indonesia, Thailand and Lao PDR.

*“The pandemic brought tricycle services to a halt in March [2020]. Tricycle rides started to normalise in September, but a coding scheme limited tricycle service to alternate days.”* Female respondent, Bicol region.

*“We used to have a store in front of a school. It was doing well until the lockdown when we lost all our customers. We had to close the store, but we are still paying the loan we took to set up this store.”* Female respondent, Bicol region.

*“I did not have work for three months from March [2020]. When work resumed under the general community quarantine, there was much less work available. I am earning only half of what I used to earn.”* Female respondent, Bicol region.

**Unemployment:** For daily wage earners, the resumption of work under different levels of community quarantine has not brought back the same volume of work or amount of earnings as before the pandemic. Most respondents who lost their jobs as daily-wage earners, such as construction workers and those doing neighbourhood laundry service, have yet to find work a year after lockdown.



Covid-19 in the Philippines:<sup>1</sup>

**771,497** reported cases

**13,320** reported deaths

## Groups at risk



**Daily wage earners and small business owners**

Many yet to recover livelihoods sources a year after lockdown



**Households vulnerable to climate change**

Face double shock of pandemic and natural disasters



**Female-headed households**

Divorced/separated women were among the hardest hit by livelihood losses and caring responsibilities

*“During the lockdown, I was no longer asked to wash clothes in their homes.”*  
Female respondent, Soccsksargen region, Mindanao

**Reduced discretionary spending:** All but three respondents reported significant changes in their food expenditures and are eating less as a consequence of their loss of income as daily-wage earners or from disruptions with their micro livelihoods. Inflation reached 4.2% in February 2021, the highest since 2019. Reductions in expenditure on transportation and medicine were also noted. In the Bicol region, the impact of three strong typhoons also directed a portion of food expenditure for home repairs.

*“My budget is not the same as it was before the pandemic. In addition to my salary, I had some profit from my business. But now, I have no business and have loans to pay.”* Female respondent, Bicol region

**Natural hazards and risks:** The impact of regular natural hazards added to the financial challenges faced during the pandemic. Five household heads from the Bicol region said that typhoons Rolly and Ulysses destroyed their houses. In the Mindanao area, several interviewees stated that drought and rat infestations damaged their crops. These households grappled with both the impacts of the Covid-19 virus and the destruction caused by natural disasters on their physical assets and agricultural produce at the same time.

*“The strong typhoons November to December 2020 destroyed a part of our house. We had to take another loan for house repairs.”* Female respondent, Bicol region

**Loss of remittances from domestic and foreign sources:** Several households reported loss or reduction in remittances from children whose jobs were affected by the pandemic. This finding is supported by an evaluation of the labour market impacts of Covid-19 carried out by the International Labour Organization. Remittances made up around 10% of GDP in the Philippines in 2019, the fourth largest destination for international remittances in the world and are a critical component of many households’ livelihoods. One respondent’s eldest son had to return to his family in the province when he lost his job during the pandemic. In another case, a daughter on vacation in the Philippines from her overseas work was caught in the global lockdown in March 2020 and was unable to go back to work in the Middle East.

*“The remittance that we receive from our son who works as a seaman was reduced as an effect of the lockdowns due to the pandemic. We used to be able to go to the market every day to buy rice and fish. We cannot afford to go to the market every day anymore.”* Male respondent, Bicol region

## Social impacts

**Social interactions:** Respondents reported a lack of social interactions due to Covid-19 restrictions prohibiting social gatherings and family reunions, as well as a preoccupation with the search for income-earning activities.

*“We used to have a place in the neighbourhood where people can hang out. Now, people go on their own. And most of the time, they are busy looking for ways to earn a living.”* Male respondent, Bicol region

*“My grandchildren have not seen their parents who are working in Manila for a year now. I have also not seen my children for a year now.”* Female respondent, Soccsksargen region, Mindanao

**“Drought damaged our crops last summer. This happens every three years.”**

Male respondent,  
Soccsksargen region,  
Mindanao

**“We lost our savings from the money that my son used to send us when he lost his job in Manila because of the pandemic.”**

Female respondent, Bicol region

**“There are days in a week when my family waits for me to come home with my morning’s earnings to buy food for lunch. If the amount is not enough for all of us to eat, the children eat first then I go out again to earn some more for a meal for my wife and myself.”**

Male respondent, Bicol region

**“I have no budget for getting the lump on my throat checked by a doctor.”**

Female respondent,  
Soccsksargen region,  
Mindanao

**“We used to sell home-cooked food to workers and students. Our eatery went bankrupt during the pandemic.”**

Male respondent, Bicol region.

**“We tightened our budget on food. We’re all here in one house and most of us [wage earners] don’t have any job.”**

Female respondent,  
Soccsksargen region,  
Mindanao

## Sectors most affected by containment measures

### Casual day labour

**Casual work:** The 2020 Labor Force Survey by the Philippine Statistical Authority reported unemployment to be at 10.4%, the highest rate reported in 15 years. Many respondents searched for day labour but lockdowns restricted their movements, particularly those in the rural areas hoping to get jobs in the cities. A few were able to resume their former casual work such as construction jobs by September 2020.

*"It was difficult because I didn't have construction projects with the pandemic. From March until September I had no construction projects. It was only in October that my good friend, who owns a construction firm, asked me to help with a project."* Male respondent, Soccsksargen region, Mindanao

*"After losing work, I now have gone back into the forest to cut small trees to make charcoal and sell these to our village market. That's how we survive now."* Male respondent, Soccsksargen region, Mindanao

*"I started a neighbourhood sundry shop during the pandemic so I can have some income."* Female respondent, Soccsksargen region, Mindanao.

### Loans and credit

**Loans and credit:** Most respondents have taken out loans from money lenders and relatives, primarily for food expenditure. Some respondents are for the first time buying on credit from their local store.

*"I buy on credit from the neighbourhood store. I use my tricycle as collateral to borrow money from other people. I borrowed money from my brother. Payment for these loans has become part of my monthly expenses."* Male respondent, Bicol region

*"Sometimes, we don't have enough money to buy rice, so we buy on credit from stores or borrow money from our relatives."* Female respondent, Bicol region

### Combined coping strategies

**Combining coping strategies:** Coping strategies in sampled areas typically involve communing with other members of the village but because socialising was restricted, these had to be made in small groups. The majority of the respondents focused on finding casual work, such as laundry or construction jobs. A few respondents were able to raise livestock or venture into backyard gardening for additional income or to supplement food intake. These respondents grew malabar spinach/basella, okra, moringa and sweet potato leaves primarily for consumption as available land was limited.

### Government community quarantine levels<sup>3</sup>

- **Enhanced community quarantine (ECQ):** Limitations on movement and transportation of people, strict regulation of operating industries, provision of food and essential services and heightened presence of uniformed personnel to enforce community quarantine protocols.
- **General community quarantine (GCQ):** Temporary measures limiting movement and transportation, regulation of operating industries and presence of uniformed personnel to enforce community quarantine protocols.
- **Modified Enhanced Community Quarantine (MECQ):** The transition phase between ECQ and GCQ when the abovementioned temporary measures are relaxed and become less necessary.
- **Modified General Community Quarantine (MGCQ):** The transition phased between GCQ and the New Normal which is defined as "emerging behaviours, situations and minimum public health standards that will be institutionalised in common or routine practices and remain even after the pandemic while the disease is not totally eradicated through means such as widespread immunization".

### Methodology

CPAN country bulletins are compiled using a combination of original qualitative data collection from a small number of affected people in each country, interviews with local leaders and community development actors, and secondary data from a range of available published sources. Interviews for this bulletin were conducted in Bicol (11 respondents) and Mindanao regions (14 respondents).

## Programmes introduced by the Government of the Philippines in response to Covid-19

In response to Covid-19, the national government provided two grants between PHP 5000–8000 through the Social Amelioration Program (SAP) to poor or families in distress all over the country. Respondents who received the SAP were able to mitigate the impacts of income loss, particularly the daily wage earners. The government introduced the Balik Probinsya (Back to the Province) programme in May 2020 to assist those who have lost their jobs in cities, particularly Metro Manila, and be voluntarily repatriated to their home provinces with possible livelihood support. The media reported this caused a lot of controversy and confusion as it was seen as ‘exporting’ the virus to areas with fragile health systems. There has yet to be a report evaluating the programme’s impact.

Local government units (LGUs) distributed food packages consisting of rice, canned goods, milk, coffee and other essential items. Depending on the income of the local government unit, these food packs were distributed on several occasions within the strict lockdown period from March to September 2020. Among respondents, one household from urban Mindanao received as many as five of these packages, while rural counterparts of the same region received two at most. LGUs with fewer financial resources are unable to provide food assistance at more intervals. The Department of Agriculture also provided PHP 5000 cash assistance to 600,000 rice farmers during the strict lockdown and the enhanced community quarantine (ECQ).

Ongoing programmes that continue to support households at risk of impoverishment are:

- The conditional cash transfer (CCT) programme or 4Ps (Pantawid Pamilyang Pilipino Program), which provides support for the poorest of the poor in both the rural and urban areas. These families also received SAP assistance on top of their monthly CCT allocation. There are ongoing discussions and policy proposals to expand the coverage given the impact of Covid-19.
- Senior citizens (aged 60 and above) without a government pension are provided financial assistance by their LGU, which on average is PHP 1500 quarterly. Implementation of this scheme may be on a best-efforts basis, depending on the available resources of the LGU.

➤ Find out more at [www.chronicpovertynetwork.org/covid-19](http://www.chronicpovertynetwork.org/covid-19)

## Footnotes

1. Read more on CPAN's Poverty Eradication Policy Preparedness Index adapted for Covid-19.
2. Philippine Covid-19 Case Information Dashboard see <https://datastudio.google.com/reporting/128a3245-a456-4c7f-be93-6f15d87892d1/page/S9chB?s=pnWr5GR2YRM>. As of 2 April 2021.
3. See full outline of measures: <https://www.officialgazette.gov.ph/downloads/2020/10oct/OMNIBUS-Guidelines-with-Amendments-as-of-October-22-2020.pdf>

---

Supported by the UK Foreign Commonwealth and Development Office (FCDO), the Covid Collective is based at the Institute of Development Studies (IDS). The Collective brings together the expertise of, UK and Southern based research partner organisations and offers a rapid social science research response to inform decision-making on some of the most pressing Covid-19 related development challenges.

