

Economics Aspects of COVID-19 in Pakistan

Health & Population Think Tank, HSA

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The Ministry of National Health Services, Regulations and Coordination convened an international consultative meeting under the Health and Population Think Tank (HPTT) to deliberate on ‘Economics Aspects of COVID-19 in Pakistan’. The purpose was to have deliberations with international technical experts, national leadership, academia, scholars and Government officials to gather specific policy recommendations for the Federal as well as Provincial Governments to manage the economic impact of disease outbreaks as COVID-19.

COVID-19 has severely impacted the global economies particularly of the populous regions. Even the developed countries with strong economies and emergency response systems are devastated. Pakistan, the 6th most populous country of the world with a struggling economy and weak health system need to deal with the huge public health threat. Since the start of the pandemic, the Government focused on containing the virus, controlling mortality, immediately building up necessary healthcare capacity, while taking all possible measures to save the economy. It includes unprecedented initiatives of social protection EHSAAAS program that garnered the positive attention from international experts for timely implementation and impact on poverty control. Despite various measures, sharp increases in poverty, slow down of economy and escalating unemployment rate up to 5.1% by 2021 is expected, putting livelihood of millions at risk ^[1]. The pandemic has exposed various gaps in emergency response preparation, healthcare financial allocations, financing mechanisms, health systems, social protection strategies, universal healthcare coverage and fiscal space available for health. Therefore, stakeholders, international and local experts gathered to deliberate on the issues to give sustainable solutions as a policy recommendation in the light of COVID-19. The following three questions were deliberated.

1. What are the alternative resource mobilization strategies and funding mechanisms to mitigate the economic impact of COVID-19?
2. How should Pakistan create a sustainable fiscal space for health in time of emergency?
3. What are the economic revival steps to address unemployment, poverty and inequality due to COVID-19?

In the light of the issue, government leadership including SAPM on poverty Dr. Sania Nishtar, Dr. Shabnum Sarfraz from planning commission and Mr. Eazaz Aslam Dar from Finance ministry enlightened stakeholders about inequality caused by COVID-19, historical social protection relief initiatives EHSAAAS, inter-ministerial collaboration for COVID-19, status of health budgets, allocations and foreign funding. Dr. Zulfiqar A. Bhutta from sick children hospital, Experts from World Health Organization and World Bank enlightened on transforming health financing system, direct and indirect effects and fiscal space in the light of COVID-19 ^[2]. The stakeholders agreed on coordinated work, regular collaboration, use of

technology for data gathering, evidence-based decision making, simplification of processes that cause delays and suggested following recommendation.

Priority Recommendations

1. **MoNHSR&C** should invest in infrastructure development for effective emergency response system including (Integrated Diseases Surveillance Response) IDSR, deploying cost effective Public health services, expanding universal healthcare coverage to transform the health system emergency response.
2. **MoNHSR&C** should identify health system needs through systematic assessments of health security, revise national health financing strategies to reprioritize budgetary resources toward emergency preparedness programs.
3. **MoNHSR&C** should redesign components of health financing system to control wasteful use of resources, fragmentation and uncoordinated health coverage schemes by different entities.
4. **M/o Planning Development & Special Initiatives** should work with the relevant Ministries through a dedicated and efficient coordination platforms to expedite collaboration, planning, follow-ups and timely execution in national emergency situations.
5. **Economics Affairs Division** should develop a fast track dedicated system to expedite fund allocation, funds release and use of foreign funding to streamline emergency response during emergencies like COVID-19.
6. **Government of Pakistan** should increase health sector allocations to almost 5% of the country's GDP.
7. **MoNHSR&C, EAD** and relevant Ministries should work to improve health sector governance by deploying efficient monitoring and evaluation parameters and built technical capacity to effectively deal with healthcare emergencies.
8. **Pakistan Bureau of Statistics** should improve data collection strategies to strengthen the databases for health, employment, incomes and expenditures to accrue sound evidence for data driven decisions and policy making for use in any future public health emergencies.
9. **MoNHSR&C** to digitalize health system to optimize health service delivery.

References:

[1] International Monetary Fund (IMF) Country Data Mapper Pakistan, Indicator Unemployment. Retrieved on 30-9-2020 from: <https://www.imf.org/en/Countries/PAK#countrydata>

[2] World Bank. 2018. From Poverty to Equity - Pakistan at 100. Washington, DC: World Bank. As cited in UNDP (May 2020). COVID-19 – Pakistan Socio-Economic Impact Assessment & Response Plan