



# VITAL ECONOMIC OPERATIONS MANAGEMENT (VEOM)

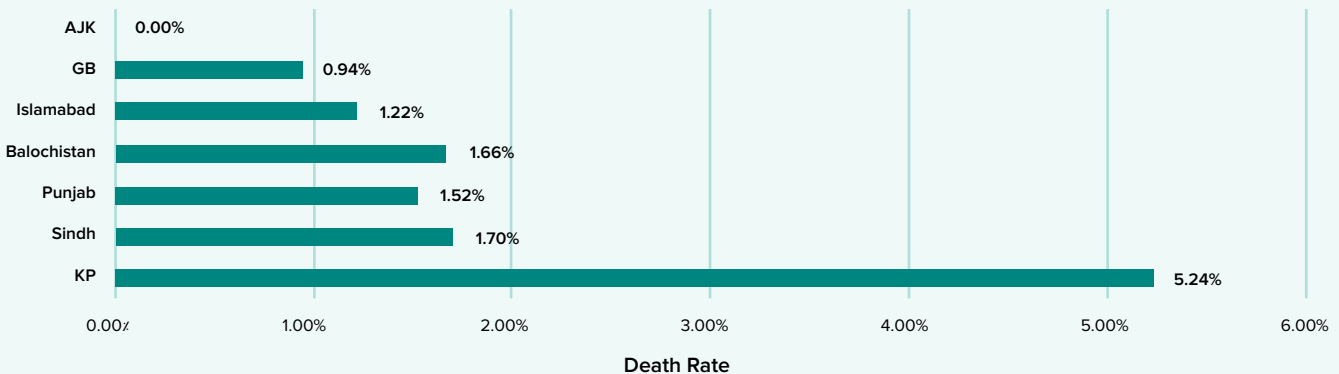
PLANNING AND DEVELOPMENT DEPARTMENT, GOVERNMENT OF KHYBER PAKHTUNKHWA

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## IMPACT OF COVID-19 ON THE INFORMAL SETTLEMENTS OF KHYBER PAKHTUNKHWA

With Pakistan recently recording its highest number of deaths in a single day due to COVID-19, the situation within the informal settlements in urban areas of Khyber Pakhtunkhwa has come into focus. Informal settlements are particularly vulnerable to outbreaks of diseases as high population densities and lack of water, sanitation and waste disposal outlets catalyse their spread and increase the loss of health and livelihoods. In addition, their very state of being “informal” prevents them from the adequate access to benefit from the government developmental schemes and relief packages during periods of crisis. Khyber Pakhtunkhwa has by far the highest death rate due to COVID 19 among the federating units of Pakistan and therefore the high-density population areas in the province like those in Peshawar are especially vulnerable.

COVID-19 DEATH RATE IN PAKISTAN



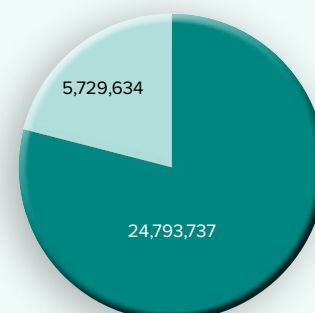
Source: Ministry of National Health Services, 2020<sup>1</sup>

## DEMOGRAPHIC OVERVIEW OF THE INFORMAL SETTLEMENTS IN KHYBER PAKHTUNKHWA

Informal settlements in Khyber Pakhtunkhwa, otherwise known as *katchiabadis*, have risen as the urbanisation rates of the province’s cities have increased. As of 2017, the proportion of the population living in urban cities of the province was 18.77%.

Khyber Pakhtunkhwa Population

Khyber Pakhtunkhwa	Population
RURAL	24,793,737
URBAN	5,729,634



Source: City Population DE, 2017.

<sup>1</sup>These figures are as of 30th April 2020. Daily changes to this data can be found on Government of Pakistan Corona Virus Database: <http://covid.gov.pk/>



Work opportunities in the cities of Khyber Pakhtunkhwa have attracted an influx of migrant workers and Afghan refugees to seek employment. This influx has met with a shortage of supply of formal housing units in the cities. According to a study by the World Bank in 2013, 25% of the gap between the demand and supply of available housing units in Pakistan's cities was fulfilled through informal settlements.<sup>2</sup>

Since these informal settlements don't fall under the governance of the district councils, their surveillance is at a minimum with only a few receiving any support from municipal corporations.<sup>3</sup> Overall, there have been very few studies on the demographics and operations of *katchiabadis* in Pakistan and even fewer in Khyber Pakhtunkhwa. One study in 2013 by the UN Habitat, in collaboration with the Urban Policy Unit and the Government of Khyber Pakhtunkhwa, identified 18 urban slums in Peshawar, of which it conducted an in-depth study on four of *katchiabadis*.

	# OF HOUSING UNITS	AVERAGE MONTHLY RENT (IN PKR)
TAJABAD	2000	3,280
SHAHEEDABAD	2,500 - 3,000	2,876
CHANGARABAD	1,200	2,360
GUJJAR CAMP	500	2,180
<b>AVERAGE<sup>4</sup></b>	<b>1,612</b>	<b>2,674</b>

Source: United Nations Human Settlements Programme (UN-Habitat) KP Urban Policy Unit , 2013.

Another study by the World Bank indicated that in 2008, there were about 65 *katchiabadis* in the province.<sup>5</sup> Considering that the average rate of urbanisation in Khyber Pakhtunkhwa since 2008 has been roughly 2.77%, this could mean that *katchiabadis* in the province could have increased by approximately 11.5%.<sup>6</sup>

A different variation of data that is more updated can be obtained from the 2017 Population and Household Census conducted by the Pakistan Bureau of Statistics (PBS). Of the houses surveyed in urban cities of Khyber Pakhtunkhwa, 24.02% were what are deemed as “katcha” or in other words, made of materials such as mud, wood and straw. Here we assume the *katcha* houses surveyed are the unregistered homes (informal settlements) built due to a lack of affordable housing. Inhabitants of *katcha* houses are mostly employed in the informal economy and face severe limitations and threats to their health and livelihoods due to COVID-19.

#### KHYBER PAKHTUNKHWA HOUSING UNITS BY TYPE (IN PERCENT)

	Pakka	Semi Pakka	Katcha
RURAL	53.01	5.87	41.11
URBAN	71.85	4.13	24.02
TOTAL	56.15	5.58	38.26

Source: Population Census 2017, Pakistan Bureau of Statistics.

<sup>2</sup> World Bank (Sánchez-Triana, Afzal, Biller, & Malik, 2013).

<sup>3</sup> UNDP, 2018.

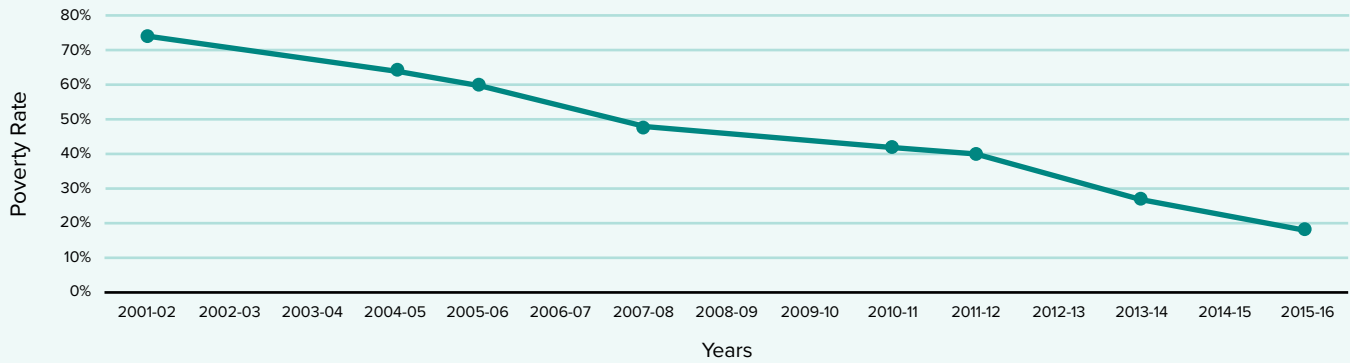
<sup>4</sup> This figure represents the average of only 4 out of 18 slums (22.2%) in Peshawar in 2013 and may not reflect the true average housing units of all slums in Peshawar.

<sup>5</sup> World Bank (Nenova, 2010).

<sup>6</sup> See Appendix 1.

With the rise in the number of informal workers laid off due to the COVID-19 crisis, there will be an increase in the poverty rates within Khyber Pakhtunkhwa. An increase in poverty could result in a loss of formal housing, which may in turn correspond with a rise in the number of *katcha* houses.

### KHYBER PAKHTUNKHWA POVERTY RATES



Source: World Bank Poverty Levels by Province, 2019.<sup>7</sup>

A recent study by Pakistan Institute of Development Economics assesses the impact of COVID-19 on the poverty levels in Pakistan. Assuming a low impact of the crisis is a loss of 10% of household income, a medium impact is a loss of 20%, and a high impact is a loss of 30% of income, this study calculated the following estimates of the rise in poverty levels in Pakistan due to COVID-19.

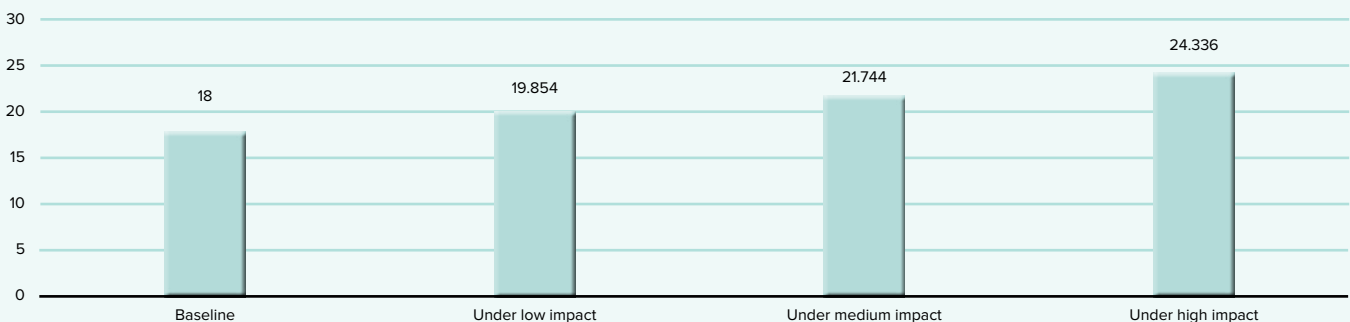
### ESTIMATED POVERTY IN PAKISTAN DUE TO COVID-19

	Baseline	Low Impact	Medium Impact	High Impact
<b>ESTIMATED POVERTY</b>	23.40%	33.70%	44.20%	58.60%

Source: Pakistan Institute of Development Economics, Covid-19 Bulletin no. 1, 2020.

Assuming Khyber Pakhtunkhwa's poverty rates are impacted by the same amount, average poverty levels in the province could rise from a baseline poverty rate of 18% (based on the 2015-16 PLSM Survey) to 19.854% under a low impact, 21.744% under a medium impact and 24.336% under a high impact scenario.

### ESTIMATED POVERTY IN KHYBER PAKHTUNKHWA DUE TO COVID-19 (IN PERCENT)



Source: Author's calculations<sup>8</sup> based on estimated poverty rates of Pakistan by (Pakistan Institute of Development Economics, Covid-19 Bulletin no. 1, 2020)

<sup>7</sup> Poverty is defined using per capita household income according to the (Planning Commission in National Poverty Report 2015-16). Per capita household income for Khyber Pakhtunkhwa is obtained from (Pakistan Social and Living Standards Survey) from 2001-02 to 2015-16.

<sup>8</sup> See Table 2 in Appendix 1.



## Limitations for informal settlements in Khyber Pakhtunkhwa and the implications of the spread of COVID-19

Based on the aforementioned studies, we find that the number of *katcha* houses in Khyber Pakhtunkhwa could rise as a direct impact of the rise in poverty. Urban slums in the province therefore, face an even greater threat from the spread of COVID-19 in their communities. These settlements are already overcrowded, lack open spaces and in the case of Peshawar's slums, have an average household size of 11 members<sup>9</sup> with healthy and immunocompromised individuals sharing the same small spaces. This makes social distancing, the precautionary measure to curtail the spread of the corona virus, almost impossible.

In addition, the World Health Organization has prescribed the need for constant disinfecting and washing to combat the disease, which is something households in these informal settlements have, very limited access to. Untreated sewage water from the city flows into the canals around which most informal settlements are scattered. Therefore, access to clean water for washing and drinking is limited to communal water taps and tube-wells, which are limited in number and in the capacity of water they generate.<sup>10</sup> In addition, these frequently accessed community spots serve as potentially great vectors of transmitting the corona virus. The lack of support from Khyber Pakhtunkhwa's municipal corporations to address these issues could also aggravate the health impact of the disease should it spread in these communities.

## POLICY OPTIONS

### 1. Reaching out

Firstly, this virus can perhaps become the cause that encourages Khyber Pakhtunkhwa's Village and Neighbourhood Councils to be more proactive and involved in the operations at the ground level of informal settlements. Tehsil Municipal Administrations may form strategies to reach out to the communities in these informal settlements. COVID-19 is a good opportunity to broaden the administrative scope to the informal settlements.

### 2. Engaging with community leads

According to the International Institute of Environment and Development,<sup>11</sup> delivering ration packages to the mosques and temples of *katchiabadis* in Karachi served as a better way of effectively delivering goods to the deserving members of the population instead of distributing them on first come first serve basis. This can be made effective through identifying the community leads of informal settlements such as Tajabad, Saheedabad and Gajjar Camp in Peshawar who know their communities better. In fact, such a community outreach may possibly help the provincial government to facilitate the needs of the inhabitants of *katchiabadis* for future projects as well.

### 3. Mainstreaming the data collection process

Especially with reference to the informal economy of which most of workers belong to in the informal settlements. The last official survey on *katchiabadis* by Pakistan Bureau of Statistics was carried out in 2,000 covering only the *katchiabadis* in Islamabad. One way this may be carried out is through cost effective mobile phone surveys. The latest study performed by Peshawar Urban Policy Unit in 2013 found that 85% of households in 4 *katchiabadis* own mobile phones. This was the highest owned asset across all the surveyed slums. One of the options is conducting short telephonic surveys to obtain updated data on residents of the informal settlements. Engaging the community leads to participate can make this process not only cost effective but politically inclusive as well.

<sup>9</sup> Water and Sanitation in Khyber Pakhtunkhwa, 2014.

<sup>11</sup> International Institute for Environment and Development, 2020.



Type of Asset	Percentage of Households Having Asset	Estimated Value of the Average Number of Asset	Percent Households using Asset to Earn Income
<b>Mobile Phone</b>	85%	4161.36 PKR	1%

Source: United Nations Human Settlements Programme (UN-Habitat) KP Urban Policy Unit , 2013.

The Government of Khyber Pakhtunkhwa may seek to incentivise record keeping at the Neighbourhood and Union Council level and invest in incorporating the use of satellite surveillance to measure the rise in the number of *katchiabadis* during this recession.

#### 4. Initiating development projects to provide safe water

According to WATSAN,<sup>12</sup> the reason for an over reliance on tube-wells in slums (which serve as potentially great vectors of transmitting the corona virus) in Khyber Pakhtunkhwa is due to untreated sewage issues in available water bodies. There are three wastewater treatment plants in Peshawar that were constructed in the 1990s but never put to operation and have since been abandoned. Restarting such development projects may become a source of employment for the provincial workforce. Additionally, workers unemployed in informal sectors as a result of COVID-19 may be employed in development projects within their informal settlements such as installing borehole systems all over their community to extract water.

#### 5. Initiating projects for sanitation

Policies from existing sanitation projects in the informal settlements of other cities may be replicated in the slums of Khyber Pakhtunkhwa. Findings from the Orangi Pilot Project (an NGO operating in Orangi Town, Karachi) show that building sanitary toilets in houses, underground sewers in lanes and neighbourhood collector sewers are projects that can be self-funded and built by communities within the informal settlements themselves.

#### 6. Broadening the formal economy

Azm-e-Nau, the Khyber Pakhtunkhwa Economic Recovery Plan 2020-23 outlines the creation of several employment opportunities that can generate up to 300,000 jobs under the initiative ‘Temporary Jobs for Development’ to tackle the impact of COVID-19. These government-administered jobs vary from tree plantation and plastic clean up drives to running disinfectant and education campaigns, helping 100,000 primary beneficiaries. Broadening the scope to *katchiabadis*, such projects can be extended to include the labour force residing in informal settlements. This crisis could in this way become the catalyst in transitioning the informal economy to the formal one.

#### 7. Putting an end to forced evictions from the informal settlements

The UN Special Rapporteur to the Right of Housing has issued policy recommendations pertaining to mitigating the impact of COVID-19 on informal settlements.<sup>13</sup> The framework advocates ending forced evictions from these settlements through various methods such as providing rent subsidies. The local administration has a huge role to play.

<sup>12</sup> Water and Sanitation in Khyber Pakhtunkhwa, 2014.

<sup>13</sup> UN SPECIAL RAPPOREUR HOUSING, 2020.



## APPENDIX 1

Table 1:

### KHYBER PAKHTUNKHWA URBAN POPULATION ESTIMATES (IN PERCENT)

	2014-2015	2015-2016	2016-2017	2017-2018
ABBOTTABAD	254	261	267	274
BANNU	53	53	54	54
CHARSADDA	284	291	297	304
CHITRAL	47	48	49	50
DERA ISMAIL KHAN	176	179	183	187
HANGU	119	123	127	131
HARIPUR	124	127	130	133
KARAK	56	58	60	62
KOHAT	263	271	279	287
LAKKI	114	119	124	129
LOWER DIR	78	80	83	85
MALAKAND	75	78	80	82
MANSEHRA	100	103	105	108
MARDAN	516	532	547	563
NOWSHERA	343	352	360	369
PESHAWAR	1713	1766	1820	1874
SWABI	277	280	283	285
SWAT	339	352	364	376
TANK	51	52	53	54
UPPER DIR	35	36	37	38
<b>TOTAL</b>	<b>5017</b>	<b>5161</b>	<b>5302</b>	<b>5445</b>
<b>% CHANGE</b>		<b>2.87%</b>	<b>2.73%</b>	<b>2.70%</b>
<b>AVERAGE % CHANGE</b>				<b>2.77%</b>



Table 2:

ESTIMATED POVERTY IN PAKISTAN AND KHYBER PAKHTUNKHWA DUE TO COVID-19

	Baseline	Low Impact	Medium Impact	High Impact
ESTIMATED POVERTY IN PAKISTAN	23.40%	33.70%	44.20%	58.60%
CHANGE FROM BASELINE POVERTY		10.30%	20.80%	35.20%
ESTIMATED POVERTY IN KHYBER PAKHTUNKHWA	18%	19.854%	21.744%	24.336%

The first two rows are calculated by Pakistan Institute of Development Economics (COVID-19 Bulletin no. 1, 2020). Estimated poverty in Khyber Pakhtunkhwa is calculated based on the same percentage changes as Pakistan's under low, medium and high impact of COVID-19.

