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**The 2020 report card**

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A government’s performance at the end of a calendar year is usually measured in numbers – particularly the data about macro-economic indicators such as growth in GDP, fiscal deficit, current account deficit, and debt-to-GDP ratio etc. In 2020, though, one needs to take this data with a big pinch of salt as it can easily mislead.

Since the outgoing year was the year of the deadliest pandemic to have hit humanity in recent times, any analysis of this annus horribilis must look at how successful – or unsuccessful – the government has been in mitigating the pain of Covid-19.

When Covid-19 was declared a global pandemic, many analysts warned of two allied crises that it could trigger: economic recession and food scarcity. While analyzing this year, I am therefore focusing on whether Pakistan’s policy responses have been effective to check the pandemic, avert an economic recession and avoid shortages of food.

In February 2020, when the first Covid-19 case was reported in Pakistan, the country’s health infrastructure, like that of many other developing countries, was not ready to deal with it. From testing kits to oxygenated beds, from personal protective gear for health workers to masks and hand sanitizers for citizens and from isolation/quarantine wards to ventilators – everything was in short supply.

In this situation, the government made the right move to set up the National Coordination Committee (NCC) and the National Command and Operation Center (NCOC) to coordinate the Covid-related work of various federal ministries, agencies and departments as well as the provincial governments. Through this coordination, the government was able to provide testing kits, ventilators, and protective gear – at least in major cities – within a short span of time.

What, however, remained in short supply were the soft skills to act against the coronavirus. Even in the federal capital, and after so many months since the advent of the pandemic, qualified healthcare workers to operate ventilators and provide intensive care to Covid-19 patients are not as many as are needed. What is worse is the fact that the emotional and psychological support that the patients and their relatives need – given all the social stigmas and the need for physical isolation attached to Covid-19 – has been completely missing from our Covid-19 response. Another persisting problem has been the lack of a uniform and standardized treatment regime/protocols across all hospitals – both public and private.

The list of what has been lacking, indeed, can be endless but the government’s performance in averting a collapse of the public healthcare system has been largely satisfactory.

Pakistan’s economic policy response to the pandemic is also a mixed bag. Like almost every other government across the globe, our government, too, doled out a fiscal stimulus to maintain a balance between lives and livelihoods. Thanks to the IMF and other multilateral donors, the federal administration announced a 1.2 trillion-rupee incentive package for various sectors of economy at an early stage of the pandemic. This included substantial reduction in interest rates, temporary refinance facility to keep the industry operational, flexibility in the payment of principal amounts of bank loans, deferred payments of utility bills, one-time cash grant of Rs12000 each to 15 million families and many special perks for the construction industry. Together all these initiatives have helped – and are still helping – reduce the economic suffering that the pandemic could have caused.

The government’s policy of imposing smart lockdowns – rather than putting in place a blanket countrywide shutdown of economic activities – has been helpful in sustaining income-generating opportunities for millions of people. It also helped the textile industry to keep operating and thereby cater to those foreign markets which were not being served by Pakistan’s competitors because of the pandemic. This window of opportunity has allowed the textile sector to secure enough export orders that will keep it busy till the summer of 2021. Rationalization of electricity tariffs through the abolition of peak hour tariffs has been another useful step to support the local industry.

Where the government’s incentive package did not help is the informal sector. Small entrepreneurs, owing to the informal and undocumented nature of their businesses, could not benefit from the reduced interest rates or deferred loan repayments to banks. This major gap in the policy response has hurt millions of small traders, mechanics, street vendors and micro-level service providers.

So, while looking at the larger picture, one can argue that Pakistan did manage to avert an economic recession, yet the government had to incur a larger than planned fiscal deficit in the process. The debt burden, too, has been increasing more rapidly than ever before.

One can make a case that all this was expected in a year when the economy needed to be bolstered through the injection of various financial reliefs and incentives. To beef up social protection programs and to support the vulnerable businesses, the government had to move away from the fiscal tightening it had embarked upon in 2019 under the IMF’s tutelage. If the national economy is not hit by any unforeseen shocks in the near future, the relatively easy money made available to the industrial and construction sectors in 2020 might increase Pakistan’s economic resilience in the medium to long term and improve its ability to bounce back to higher growth rates in the short run.

On the last count – that is, food – it is important to remember that there were warnings at the beginning of the pandemic that there can be shortage of the edibles. The main reasons for that being the impact of Covid-19 on farm workers, the virus-forced restrictions on the transport of food items which could disrupt food supply chains and the closure of businesses under lockdown that could erode food affordability for large swathes of the population. In Pakistan, in particular, there were worries that wheat harvesting operations and the sowing/harvesting of rice and cotton could be seriously jeopardized by Covid-19.

In the event, though, the pandemic did not have a discernible impact on agronomic operations. Admittedly, the yield targets for both wheat and cotton could not be achieved but that was due to non-Covid factors.

Likewise, our food supply chains, though weak and informal in nature, remained intact throughout 2020. One of the factors that kept them running was the policy of smart lockdowns which allowed daily wage earners and informal workers to stay in the cities – unlike in neighboring India where they returned en masse to their villages. This, in turn, also helped contain the spread of the virus to rural areas. An effective response against a highly threatening locust attack was another factor that helped Pakistan avert a food crisis.

That still leaves out food inflation which continued to spike throughout 2020 – though that has little to do with Covid-19. The increase in the prices of wheat and sugar was mainly caused by policy mismanagement and administrative failure while, on the other hand, increase in the prices of perishable food commodities (vegetables, fruits etc) can be attributed to seasonal fluctuation in supplies (which, in the past, was compensated partly with imports from India through the Wagah border).

To sum it up, the government’s performance in 2020 was certainly not as good as it should have been, but it could have been much worse in the year of a global pandemic. So, entering 2021, we should count ourselves lucky as we either survived Covid-19 or we did not contract it. With this ‘feel lucky’ note of optimism, let us look at the year that is passing us by from this perspective: The government could have performed much better but, thank goodness, it did not push us into a triple crisis of health system collapse, economic meltdown, and food scarcity.

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