

Introducing the IPA-IGC COVID-19 Economic Impact Surveys

By [Lucia Sanchez](#) and [Matthieu Teachout](#)



Workers from an SME chicken farm in the Philippines organizing eggs for distribution. Photo by: Neil Mirochnick

The COVID-19 pandemic and consequent containment measures are dramatically affecting the economic activity and livelihoods of a wide array of economic agents, from large companies and small and medium enterprises (SMEs), to informal and micro- enterprises, self-employed people, workers, and farmers. However, reliable and up-to-date information about these impacts is particularly hard to find in most low-and middle-income countries, where the necessary data and monitoring systems are not strong enough.

Innovations for Poverty Action (IPA) and the International Growth Centre (IGC) have jointly developed the [COVID-19 Economic Impact Surveys](#), a multi-country effort to understand COVID-19's impacts on economic activity **on firms, farmers, and workers in low- and middle-income countries**. Together, we have built a simple [survey instrument](#) to help

generate useful data for policymakers, with modules tailored to each group and translated into several languages.

The survey instrument developed by IPA and the IGC has been created as a public good and is intended to be used in a variety of ways: as an add-on module to existing surveys, as a stand-alone survey in nationally-representative samples, and as an online survey to be distributed widely across countries. There are already 37 groups of researchers who have incorporated (or are planning to incorporate) this questionnaire into their projects to collect data in 17 different developing countries.

This survey instrument builds directly on conversations with longtime policy partners in the countries where we work. Our goal is to make data collected through this survey publicly available through our joint website to produce research that will inform policy responses to the pandemic in the months to come.

Additionally, we are now teaming up with the World Bank to make this initiative stronger and even more useful to policymakers. On our [joint website](#), we will also be sharing data and results from the World Bank's Business Pulse Survey, which has been harmonized with the IPA/IGC survey questionnaire in a joint effort to draw results that are more comparable across projects and countries.

Why This Initiative?

The global COVID-19 pandemic, in addition to its immense toll on human life, is expected to severely impact businesses and employment. The resulting global economic crisis is unprecedented—it combines a massive supply and demand shock, as well as a financial shock. The global outbreak, the lockdown, and other containment strategies have severely disrupted value chains. The rise in unemployment and uncertainty about the future spread of the virus will likely impose a prolonged shock on consumer expenditures, particularly for urban services, durable goods, and tourism. A liquidity crunch will be expected as millions of people and businesses start defaulting or delaying payments on their loans and mortgages.

This crisis is already having drastic consequences for a wide range of economic actors:

- Small and medium enterprises (SMEs) are particularly vulnerable to severe demand shocks and supply chain disruptions, and traditional difficulties in accessing finance exacerbate the problem. Moreover, in many countries SMEs have been asked to shut down their activities for an extended period of time, severely harming their ability to pay bills and keep employees on payroll.
- Large businesses are not exempted. Disruptions to global value chains and cross-border trade and a weakened financial sector severely obstruct their activities.
- Employment is already being significantly impacted, especially in the informal sector. The International Labour Organization (ILO) estimates that global working hour losses

will be equivalent to 305 million full-time jobs in the second quarter of 2020 alone. According to the ILO, almost 1.6 billion informal economy workers have already been significantly impacted by the COVID-19 pandemic, leading to a 60 percent decline in their earnings. For them, stay-at-home requirements effectively translate into losing their jobs (and potentially their livelihoods) as working from home is in most cases infeasible.

- Women-owned businesses and female workers are likely to bear a disproportionate brunt given the additional burden of childcare and care for sick members of the family that they are likely going to take.
- Farmers and workers in agriculture are also severely impacted by not having access to inputs or not being able to sell their products in the markets.

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In high-income countries, administrative data such as transactions collected through Value Added Tax reporting systems or unemployment claims can provide a real-time tracker on the magnitude of the shock and the constraints faced by businesses. But in low-and middle-income countries, where a large fraction of economic activity is driven by the informal sector, survey data is needed to better understand which challenges are most acute and how they differ across sectors and locations, to identify which policy responses are appropriate.

The Benefits of Harmonization

Since the beginning of the pandemic, many ongoing research projects have shifted their focus towards monitoring the impact of the virus on people and businesses. Additionally, a new set of studies looking at the impact of different mitigation programs has started to shape up. A large number of surveys of people and businesses will be rolled out in the coming months and yield large benefits of these harmonized questionnaires. Apart from simplifying the survey development process, using this standardized questionnaire will allow for comparisons across studies, samples, sectors, and countries on how businesses and workers are being affected by the crisis.

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The IPA/IGC survey instrument is short and covers multiple economic agents, so it can easily be included in ongoing or planned surveys without jeopardizing the ability of researchers to ask additional questions that are relevant to their specific projects. It can be used for a wide range of economic actors, from large firms to micro business, self-employed, workers, and farmers. For example:

- **Firms** are asked about how demand for their goods and services has been affected, whether they have closed and why, whether they have been in the need to lay-off employees (or reduce their salaries or working hours) and whether they have adjusted their business models to remain open while complying with government-mandated mitigation measures.
- **Workers** are asked how their jobs have been affected, whether they have moved or migrated as a consequence, and how these factors have affected their economic status broadly; and both groups are being asked about uncertainty and their expectations of the future.
- **Farmers** are asked how their purchase of seeds and other inputs have been impacted by the crisis, how much they expect to harvest in the coming months, their expectations about the price they will face then, and if/how they plan to sell their output to markets.

In addition to asking respondents about their economic circumstances, the questionnaire also specifically asks them about different policy responses— grants, loans, loan deferrals, tax cuts, tax deferrals, salary subsidies, to name a few—to give policymakers a sense of the support needed to help the economy recover. The full questionnaire is available [here](#).

To facilitate adoption, the survey instrument has already been tested, [coded on SurveyCTO](#), and translated into several languages (so far: English, Portuguese, Urdu, Bangla, Burmese, Spanish, and French—with more to come). There are also different versions available, optimized for phone and online surveys.

Where We Are Now

We are integrating our new survey module into a variety of research activities:

- **Add-ons to existing projects:** We are already working with 37 groups of researchers to add the survey module into their existing projects in 17 countries. For example, in Kenya, we are working with [Julian Jamison](#) (University of Exeter), [Abla Safir](#) (World Bank), and [Bilal Zia](#) (World Bank) to study the impact of COVID-19 on young entrepreneurs and workers. The researchers will incorporate the COVID-19 Economic Impact Survey module to an additional survey round they are planning to implement in the coming weeks with a sub-sample of participants from the Kenya Youth Employment and Opportunities Project (KYEOP). IPA has just completed the baseline survey of the KYEOP evaluation in early 2020 and this survey will provide answers to how young

workers and youth-led businesses in different stages of growth are adapting and managing in response to lockdowns and other economic impacts of COVID-19.

Another example is [Michael Gechter](#) (Pennsylvania State University), [Nick Tsivanidis](#) (UC Berkeley), and [Nathaniel Young](#) (European Bank for Reconstruction and Development) whose project in Jordan rapidly pivoted with COVID-19 and included the module in its survey instrument. The data collected will be merged with cell phone data to better understand how mobility restrictions have impacted different sectors and occupations.

- **Nationally-representative surveys:** A number of IPA's country offices will be running the survey with nationally representative samples of respondents. For example, in Kenya, IPA is in discussions with the Micro and Small Enterprise Authority (MSEA) to collect data on how COVID-19 is impacting businesses at their worksites. MSEA works with business associations across the country that represent businesses in different sectors and regions. MSEA would like to share gathered information with the National Emergency Response Team, tasked with formulating policy responses for affected business, including easing liquidity constraints. In Sierra Leone, the IGC country office worked with policymakers to collect their needs in terms of monitoring household and economic activity and are now running representative surveys across the country which are gradually rolled out every day and allow policymakers to track several indicators on a [live dashboard](#).
- **Global Online Survey:** The module has been coded to be rolled out online. We plan to advertise it widely through the IGC and IPA country offices, to complement our phone survey efforts.

A Multi-Pronged Effort to Understand the Socio-Economic Impacts of COVID-19

This survey is one element of wider efforts by both IPA and IGC to respond to COVID-19 in low- and middle-income countries:

- IPA's [RECOVR](#) initiative is carrying out several efforts to support the immediate policy response and provide longer-term evidence to decision-makers working to mitigate the impacts of the crisis in the 22 countries where we work. Apart from the IPA-IGC COVID-19 Economic Impact Surveys, other important elements related to this effort are the [RECOVR survey](#), which measures the socio-economic impacts of COVID-19 at the household level; and the [RECOVR Research Hub](#) which includes research projects, a survey repository, and results from a number of contributing partners on the socio-economic impacts of COVID-19 and related containment efforts.
- The IGC's overriding strategic priority in this period is to support developing country governments as they design and implement their COVID-19 policy response. We are focusing our research efforts, our country teams, and our policy relationships on

providing this support. The [IGC's website](#) contains research, blogs, publications, videos, online events, and tools to aid policymakers and researchers with developing evidence-based responses to the social and economic facets of the crisis.

For more information, please reach out to covideconsurveys@theigc.org.

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