COVID-19 in Papua New Guinea: Economic and Social Impacts

Insights from the fourth round of high frequency phone surveys

Data collected in December 2021
Economic recovery was weak with household incomes falling. Low vaccination rates may further hinder recovery and welfare outcomes:

- Consistent with the weak economic recovery in 2021 (GDP growth of 1 percent), the share of employed adults was stable from December 2020 to December 2021. For many households, particularly rural households and those in the bottom 40 percent of the wealth distribution, incomes were under pressure.
- To cope with economic pressures households used coping strategies – such as selling assets, which will not be sustainable in the long run. One in four households experienced moderate or severe food insecurity.
- Community security concerns did not worsen in the six months to December 2021. However, close to half of households perceived alcohol and drug abuse to be worsening.
- Vaccine hesitancy increased over the six months to December 2021.
- Fewer households were worried about their finances in December 2021 than June 2021.
Supporting employment and income growth and promoting COVID-19 vaccination should be priorities:

- Supporting employment and income growth for households should be a priority. This hinges on the trajectory of economic growth in 2022 and beyond.
- Programs to mitigate and reduce the need for coping strategies should be considered. Expanding the coverage of formal safety nets and building the foundations for sustainable recovery are critical.
- Programs to reduce vaccine hesitancy are needed if COVID-19 vaccination rates are to increase.
- Alcohol and drug abuse may be both a symptom and a cause of economic hardship. Addressing these issues may have social and economic benefits.
- Provide support for households with school aged children to keep them in school, as a fifth of households reduced the number of children attending school as a coping strategy.
Survey timing: end of the third COVID-19 wave (December 2021)

COVID-19 Cases and Vaccinations in PNG

Note: The stringency index is a mean of nine measures of government response to lockdown, specifically: school closures; workplace closures; cancellation of public events; restrictions on public gatherings; closures of public transport; stay-at-home requirements; public information campaigns; restrictions on internal movements; and international travel controls. Higher measures indicate a stricter response.

Note: "People vaccinated" is relative to the total population, not those 18 years and older as is reported in subsequent charts.

Employment and incomes

Employment was stable, but incomes were under pressure.
Employment was stable across 2021

- Across urban and rural areas, across wealth quintiles, and for men and women, employment was stable
- More people worked in agriculture than services or industry

Note: The figures above represent cross-sectional data from round two (December 2020), round three (June 2021), and round four (December 2021).
Note: Vertical lines represent 95 percent confidence intervals.
Note: The proportion of people in PNG who live in urban areas is relatively low, at around 13 percent of the total population.
Source: Rounds two, three, and four of the World Bank high frequency mobile phone surveys.
People in the Southern Region (which includes Port Moresby) were somewhat more likely to have no agricultural income or no income from non-agricultural enterprises than people from other regions.
Remittances fell for some households

Most people didn’t receive remittances, but those who did received less, or the same, as six months prior. For 98 percent of households, remittances were exclusively domestic, implying economic recovery in PNG will be decisive in whether future remittance incomes increase.

![Percentage of households receiving remittances in December 2021](chart1)

![Change in remittances between June 2021 and December 2021](chart2)
Household incomes fell

A third of households experienced falls in income in the second half of 2021, but financial anxiety fell, which may be a signal of recovery. Incomes of rural households and households in the bottom 40 are particularly under pressure.

Almost no households reported increased incomes.
Coping strategies and food security

Most households are adapting to economic hardships. While food insecurity is common, community trust and security are stable.
Households made tough choices to make ends meet, which will be hard to keep up

Sustainable coping strategies June 2021 and December 2021

- Total sustainable coping strategies
- Found ways to earn extra money
- Received other assistance from friends or family
- Sold harvest in advance
- Reduced non-food consumption
- Received government assistance

- Spent from savings
- Received cash or borrowed from friends or family
- Reduced the number of children attending school
- Sold assets
- Purchased items on credit
- Reduced food consumption
- Delayed making re-payments

Note: Horizontal dotted lines at end of bars are 95 percent confidence intervals.
Note: Uncommon coping strategies (selected by fewer than five percent of respondents in June 2021 and December 2021) are excluded from the chart but included in the total for “unsustainable coping strategies”.
Source: Rounds three round four of the World Bank high frequency mobile phone surveys.

Unsustainable coping strategies June 2021 and December 2021

- Total unsustainable coping strategies

Note: Horizontal dotted lines at end of bars are 95 percent confidence intervals.
Note: Uncommon coping strategies (selected by fewer than five percent of respondents in June 2021 and December 2021) are excluded from the chart but included in the total for “unsustainable coping strategies”.
Source: Rounds three round four of the World Bank high frequency mobile phone surveys.
Many peoples’ food needs were not met…

While food insecurity fell, moderate and severe food insecurity remained widespread problems, affecting households in rural and urban areas, and households with and without children.
... even though staple foods were widely available

- The main reason people didn’t try to purchase essential food items was because they grew these food items in their home garden.
Community security was stable. Drugs and alcohol remained a problem

- People in the Islands Region were more likely to say that community trust and social relations worsened than people in the Southern Region.
- Drug and alcohol abuse stands out as the issue most likely to be reported as worsening and least likely to be reported as reducing (improving).

![Change in community security, by issue, between June and December 2021](chart1)

![Change in community trust and social relations between June and December 2021](chart2)

Source: Round four of the World Bank high frequency mobile phone surveys.
COVID-19 vaccination & health care access

Vaccine hesitancy worsened. Fewer people could access healthcare when they needed it.
Half of all people did not want a COVID-19 vaccine

- Few people are vaccinated. Awareness of COVID-19 vaccine availability increased, but so did vaccine hesitancy, which is associated with concern about side effects and mistrust of vaccines.
Health clinics were a trusted source of COVID-19 vaccine information

- Health workers could be utilized in an increased push toward vaccination. Family and friends can also help to change minds about the COVID-19 vaccine, which suggests that convincing one person to get vaccinated could lead to others getting vaccinated too.
Fewer people could access healthcare when they needed it December 2021 than in June 2021. Travel restrictions were the reason more than half of households were unable to access routine/preventative care. Many people did not access urgent care because they were fearful of catching COVID-19.
Acknowledgements and further information

Core Team: Darcey Johnson, Darian Naidoo*, Shohei Nakamura, Chris Wokker, Jeffrey Woodham, and Shuwen Zheng
Extended team: Rhea Gupta, Kristen Himelein, Ritika Khandelwal, Elene Metreveli, and Ruth Llovet Montanes
Task Team Leaders: Utz Pape* and David Gould
Practice Manager: Rinku Murgai

*For inquiries please contact Utz Pape (upape@worldbank.org) and Darian Naidoo (dnaidoo@worldbank.org)
The team gratefully acknowledges the Australian Department of Foreign Affairs and Trade, as well as the Korea Trust Fund for Economic and Peace-Building Transitions for financing the data collection and analysis.

References


Annex: Survey methods

- Data was collected using a phone survey in December 2021, with a sample size of 2,714. Implementation was led by Digicel in Port Moresby. Each interview took around 15-25 minutes.
- The high attrition was expected because it is common to ‘cycle’ SIM cards in Papua New Guinea. To maintain sample size number, new households were added in each round to replace the dropping households.
- Given the difficulty contacting people towards the bottom of the wealth distribution, weights have been applied to increase their representation in the results presented.

<table>
<thead>
<tr>
<th>Round</th>
<th>Date collected</th>
<th>Household sample size</th>
<th>Attrition (refers to the last round)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Round one</td>
<td>Jun/Jul 2020</td>
<td>3,115</td>
<td>NA</td>
</tr>
<tr>
<td>Round two</td>
<td>Dec 2020/Jan 2021</td>
<td>2,820</td>
<td>67.4%</td>
</tr>
<tr>
<td>Round three</td>
<td>Jun/Jul 2021</td>
<td>2,533</td>
<td>86.3%</td>
</tr>
<tr>
<td>Round four</td>
<td>Nov/Dec 2021</td>
<td>2,714</td>
<td>67.0%</td>
</tr>
</tbody>
</table>

Note: Bolded months are those when most data collection occurred, and are the months used as the shorthand to refer to each round in this presentation.