

Research for Policy and Practice Report Covid-19 Responses for Equity (CORE)

The impact of Covid-19 on livelihoods and food security

Foreword

Studies of livelihoods and food systems since the start of the global pandemic in 2020 have shown a consistent pattern: the primary risks to food and livelihood security are at the household level. Covid-19 is having a major impact on households' production and access to quality, nutritious food, due to losses of income, combined with increasing food prices, and restrictions to movements of people, inputs and products.

The studies included in this *Research for Policy and Practice Report* and supported by the Covid Response for Equity (CORE) Programme of IDRC span several continents and are coordinated by leading research organisations with a detailed understanding of local food system dynamics and associated equity and livelihood issues in their regions:

- The impact of the Covid-19 pandemic on livelihoods in sub-Saharan Africa – the African Economic Research Consortium (AERC).
- Supporting small and medium enterprises, food security, and evolving social protection mechanisms to deal with Covid-19 in Pakistan – Sustainable Development Policy Institute (SDPI).
- Impact of Covid-19 on family farming and food security in Latin America: evidence-based public policy responses – Latin American Center for Rural Development (Rimisp).

Together, these studies show how the hardest hit in both rural and urban areas are frequently women and those working in informal economies. They also draw out key lessons and priority actions that need to be taken to respond to food and livelihood security challenges in a way that addresses informality and gender dynamics, for food systems to become equitable and resilient:

- To mitigate Covid-19's impacts on livelihoods and food systems, countries must meet the immediate food and income security needs of their vulnerable rural and urban populations, keep agricultural markets open and trade flowing, and support smallholder farmers and small and medium enterprises to continue to operate.
- Adaptive social protection measures can build the resilience of both rural and urban households to the impacts of large



People queue to buy tortillas in a local shop after a lockdown was ordered by Guatemala's President to contain Covid-19.

PHOTO: DANIEL HERNANDEZ-SALAZAR/SHUTTERSTOCK

natural and human-driven shocks, such as pandemics, but structural inequalities must be addressed to ensure these reach the poorest and most vulnerable populations.

- Particular attention must be paid to women and young people, who are more likely to work in the informal sector, have lower incomes and often play a central role in household reproduction and the care economy.
- Covid-19 provides an opportunity to rethink policies for ensuring food and nutrition security and economic recovery that are aligned with the commitment of the UN 2030 Agenda for Sustainable Development to 'leave no one behind'.

The concept of 'building back better' has already become a well-worn cliché since the start of the pandemic, but these studies show that it is possible to view this crisis as an opportunity for fundamental reform and for creating more just and sustainable food futures.

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REFERENCES:

Carreras, M.; Saha, A. and Thompson, J. (2020) *Rapid Assessment of the Impact of Covid-19 on Food Systems and Rural Livelihoods in Sub-Saharan Africa*, APRA Covid-19 Synthesis Report 1, Brighton: Future Agricultures Consortium

Ebata, A.; Nisbett, N. and Gillespie, S. (2021) 'Food Systems After Covid-19', *IDS Bulletin* 52.1: 73–94, DOI: [10.19088/1968-2021.107](https://doi.org/10.19088/1968-2021.107)

FAO (2021) *Agricultural Livelihoods and Food Security in the Context of Covid-19: Results from Household Surveys in 11 Countries with High Pre-Existing Levels of Food Insecurity*, Rome: UN Food and Agriculture Organization

Swinnen, J. and McDermott, J. (eds) (2020) *Covid-19 and Global Food Security*, Washington DC: International Food Policy Research Institute

The impact of the Covid-19 pandemic on livelihoods in sub-Saharan Africa

The Covid-19 pandemic and the policy responses to contain its spread have impacted negatively on livelihoods and food systems in Africa. New research suggests that more emphasis is now urgently needed on early preparations to fight infectious disease outbreaks that also include adequately targeted social protection systems.

The African Economic Research Consortium (AERC) has contributed to this debate with a study on the impact of Covid-19 on extreme poverty and income inequality based on large and nationally representative household surveys in five African countries. AERC analysis of daily changes in the mobility of people, epidemiological data, community understanding of the pandemic, lockdown-related violence, and other socioeconomic data, has produced crucial information for decision makers in dealing with the pandemic going forward.

- Results show that the various steps taken to contain the pandemic by government authorities, such as lockdowns to limit the mobility of people, the closure of borders, and the shutting or scaling down of some businesses and public offices, have led to economic recessions, loss of jobs and incomes, and pushed millions to the brink of poverty and destitution.
- AERC's research also shows that the stringent measures taken by governments have led to significant declines in infection rates. AERC studies in Ethiopia, Ghana, Kenya, Senegal, and Uganda show a massive increase in extreme poverty during the pandemic, ranging from 33 percentage points in Senegal to four percentage points in Ethiopia.
- The income loss estimated in the wake of the Covid-19 pandemic has reached more than 10 per cent of GDP in most of these countries, implying a long road ahead to recovery.
- AERC predicts that a combination of **community compliance, some degree of stringency, and improvement in social protection and health systems** may be effective in managing the pandemic while keeping the engines of African economies running.

The AERC hosted a Senior Policy Seminar in March 2021, where it shared its findings, which led to a communiqué that recognised the value of the policy implications that emerged. Recommendations included:

- Investment in social protection programmes including universal cash transfers, targeted transfers to youth and elderly, tax reliefs, and rebates to mitigate the challenges of Covid-19;
- Strengthening the evidence base for policy and programme design and implementation for tackling Covid-19;

FURTHER READING

Ndung'u, N. and Shimeles, A. (2021) 'Trade-Offs between Lockdown Measures to Control the Spread of the Covid-19 Pandemic and the Economic and Social Consequences', paper presented at the virtual 23rd Senior Policy Seminar, AERC, 30 March 2021



A municipal worker in Dakar, Senegal, uses a fumigant to disinfect the Tilene Market in the Medina neighbourhood, while outside a bulldozer demolishes informal shops to stop the spread of Covid-19.

PHOTO: SYLVAIN CHERKAOUI/PANOS PICTURES

- A commitment to design and implement measures that benefit the poor directly, and removing the belief in an inevitable trade-off between efficiency (growth) and equity (poverty reduction);
- Further commitment to address levels of inequality and poverty and generate a more inclusive growth pattern, such as better health facilities benefiting the poorer segments of society, post Covid-19.

Executive Director of AERC, Professor Njuguna Ndung'u said:

Policymakers have an opportunity to convert the adversities brought about by the pandemic and turn them into an opportunity for undertaking pragmatic and transformative economic reform in Africa to spur structural change and accelerate growth.

This research suggests that while African Covid-19 policy responses generally succeeded in mitigating infections and reduced the burden on health systems, it has come at a heavy price. More emphasis is now needed on early preparations to fight infectious disease outbreaks, and on adequate social protection systems.

Njuguna Ndung'u

Executive Director, AERC

Nafula, N.; Kyalo, D.; Munga, B. and Ngugi, R. (2020) *Poverty and Distributional Effects of Covid-19 on Households in Kenya*, AERC Working Paper, Nairobi: African Economic Research Consortium

Food insecurity reaches alarming levels in Latin American territories

Covid-19 is having a major impact on households' access to good quality, nutritious food in Latin America. New research recommends that policy actors need to pay particularly urgent attention to women-led households and rural areas which are experiencing some of the worst levels of food insecurity.

As governments struggle to hold back the spread of the virus, the collapse in the demand for many products and services, weak social protection systems, and rising food prices, are leaving many households in extremely precarious situations. The high level of informality in Latin American labour markets has accelerated the shrinkage of household incomes during the pandemic, jeopardising food security for the poor and marginalised.

Research conducted by Rimisp – Latin American Center for Rural Development, has exposed reductions in income caused by the pandemic in over 70 per cent of households in some areas. A phone survey conducted towards the end of 2020 with over 6,000 randomly selected households across ten Latin American territories in Mexico, Guatemala, Ecuador, Colombia, and Chile, asked people about how the pandemic has affected their income and access to food.

- Fifty per cent of the Latin American households who responded to the survey reported that they were eating less meat and fish, and fresh fruit and vegetables due to a decline in income and increasing food prices.
- Twenty-five per cent have increased their consumption of cheaper processed and packaged food, significantly worsening their diets.
- The share of households that reported lower income due to the pandemic exceeds 60 per cent in most territories under analysis.
- The economic impact of the pandemic has not been limited to urban areas, with some rural areas worse hit than urban centres.
- The share of households whose income has decreased is highest among women-led households in all countries.
- To compensate loss of income, households are adopting coping strategies that may compromise their recovery capacity, such as selling assets or getting into debt.

The research suggests that it will be vital to address the vulnerability of women, who are more likely to work in the informal economy, have lower incomes, and bear the extra burden of reproductive and domestic work. Often employed in the most affected economic sectors, the share of households whose income has decreased is higher among women-led households in all countries, although differences are small in some of them.

FURTHER READING

Albacete, M.; Quesada, C. and Suaza, J.D. (2021) *Estrategias de abastecimiento: una pieza fundamental en el rompecabezas del sistema agroalimentario*. Series Análisis de Coyuntura Covid-19 en América Latina N°17, Bogotá: Rimisp

Table 1 Prevalence of food insecurity

Country	Territory	Moderate or severe food insecurity (%)	Severe food insecurity (%)
Chile	La Araucanía	14.0	1.9
	Los Lagos	17.6	1.9
Colombia	Huila	42.9	8.2
	Nariño	46.3	13.0
Ecuador	Guayas	28.5	8.2
	Los Ríos	29.5	8.9
Guatemala	Alta Verapaz	58.6	28.1
	Sacatepéquez	36.0	6.5
Mexico	Puebla	48.9	11.8
	Tabasco	49.0	18.1

NOTE: Moderate food insecurity: compromises on quantity, variety, and quality of food. Severe food insecurity: skipping meals and experiencing hunger. SOURCE: Rimisp – Latin American Center for Rural Development.

Miguel Albacete, Project Coordinator, Rimisp: 'The results of our study suggest that the war against hunger and malnutrition enshrined in SDG 2 is at stake in the face of the pandemic's impact on food security.'

The results represent a call to step up efforts to hold back, not only the spread of Covid-19, but also the spread of food insecurity and hunger, paying particular attention to rural women. Improving the targeting, timing, and quantity of relief measures makes up an important part of those efforts. Exploring opportunities to strengthen local supply, especially in small towns and cities, may additionally bring gains in improving households' access to affordable and quality food. In both cases, efforts would benefit from engaging and increasing the capacity of municipalities and local governments, which have an important role to play in improving response. In the middle and long term, efforts also include building better social protection systems while simultaneously investing in the territories and in putting in place inclusive economic structures. Greater efforts for the creation of improved, formal livelihood opportunities must then be at the core of reconstruction strategies.

Miguel Albacete

Project Coordinator, Rimisp – Latin American Center for Rural Development

Cano, A.; Albacete, M. and Quesada, C. (2021) *Inseguridad alimentaria en tiempos de Covid-19: Evidencia de ocho territorios latinoamericanos*. Series Análisis de Coyuntura Covid-19 en América Latina N°16, Bogotá: Rimisp

Supporting small and medium enterprises, food security, and evolving social protection mechanisms to deal with Covid-19 in Pakistan

Pakistan is facing numerous socioeconomic impacts of Covid-19, one of the most important of which is on the food security of workers and smaller food producers. New analysis by the Sustainable Development Policy Institute (SDPI) suggests that there is a need for balancing government interventions (e.g. through fiscal stimulus) across small, medium, and large exporters, which make special provisions for new and potential exporters.

Declining incomes caused by lockdown measures, disruptions to the informal economy, and the collapse of small- and medium-sized enterprises (SMEs) are having a direct impact on food security and livelihoods. According to the World Bank's recent Pakistan Development Update (World Bank 2021), 20.7 million people, or 37 per cent of the country's labour force, were laid off between June and December 2020. Extended lockdowns have disrupted food supply chains, leading to hoarding and artificial food inflation. Many SMEs, who are a crucial source of employment, urgently need support to stay in business.

SMEs play a vital role in Pakistan's economy; they contribute around 40 per cent to GDP, 40 per cent to exports, 80 per cent to non-agricultural employment, and 35 per cent in total value additions. SDPI is working with the Government of Pakistan to support the design of support packages for SMEs and prepare a crisis management food security plan to cope with the negative effects of Covid-19 on livelihoods, food security, and food supply chains.

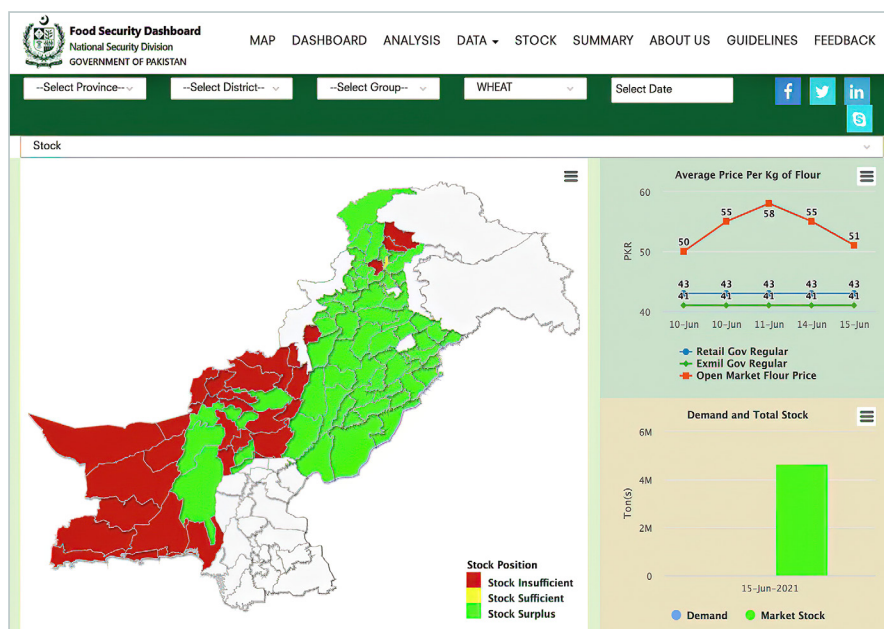
Current policies and research assume that SMEs face only the issue of cash flows and fail to recognise that SMEs in Pakistan are overwhelmingly from the informal sector. Many SMEs will not benefit from the helping packages announced by the Treasury and State Bank of Pakistan (SBP). Data show that the share of credit to SMEs has declined to 7 per cent of total credit to the private sector in 2020. This warrants an assessment of drivers of, and barriers to, the financial inclusion of SMEs.

- The Covid-19 crisis provides an opportunity to rethink the current structure of SME incentives and spur innovation.
- There is an urgent need in Pakistan to strengthen both the demand and supply sides of the economy.
- SMEs are unable to retain workers which is triggering job lay-offs in Pakistan, and the job losses are higher for women.
- Covid-19 has demonstrated that existing social protection systems are limiting Pakistan's response to Covid-19.
- Structural inequalities and weak social protection systems need to be urgently addressed.

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Javid, S.A. and Ayaz, M.U. (2020) *Covid-19: Projected Impact of Lockdown on SMEs in Pakistan*, Covid-19 Policy Review Series, Islamabad: SDPI

World Bank (2021) *Pakistan Development Update: Navigating in Uncertain Times*, World Bank



SDPI Food Security Dashboard data visualisation tool, showing relationship between food supply, demand and price.

SOURCE: NATIONAL SECURITY DIVISION, GOVERNMENT OF PAKISTAN

SDPI's Centralised Data Visualisation Facility for Food Supply Chains analyses and monitors food supplies, demands, and price fluctuations to support policymakers in curbing food hoarding, removing bottlenecks in logistics, and controlling food prices through smooth supplies. It provides the government with much-needed information about supply, demand, and price fluctuations at district, provincial, and national levels. This dashboard will help in developing a Centralised National Data Facility for Food.

Covid-19 provides an opportunity to develop new policies for ensuring food security and economic recovery, which are inclusive in relation to job creation and aligned with the agenda of the Sustainable Development Goals (SDGs). Through the production of consolidated research on the effectiveness of government stimulus plans and engagement with policymakers, there is an opportunity to join up actions designed to support economic recovery from the pandemic with attempts to build more secure sustainable food systems.

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R4PP Food Security project list

The impact of the Covid-19 pandemic on livelihoods in sub-Saharan Africa

Partner: African Economic Research Consortium (AERC)

Research partner: Oxfam International

This project focuses on the impacts of the Covid-19 pandemic on livelihoods in selected African countries, with special emphasis on vulnerable groups. Specifically, the project will evaluate the macroeconomic consequences of the pandemic (including the impact on food security, malnutrition, and hunger) and the gendered socioeconomic impacts of the pandemic. It will further aim to use the evidence to build the capacity of researchers and institutions in target countries and build a network of stakeholders that can continue to track the pandemic's impacts and design practical and gender-transformative solutions.

Further information: <https://c19re.org/project/the-impact-of-the-covid-19-pandemic-on-livelihoods-in-africa/>

Impact of Covid-19 on family farming and food security in Latin America: evidence-based public policy responses

Partner: Rimisp – Latin American Center for Rural Development

This project will generate evidence and promote changes to agri-food systems in the aftermath of the pandemic. It will contribute to mitigating the impact on the food security and consumption of the most vulnerable, with particular emphasis on women. It will promote small- and medium-scale farming, and promote more sustainable, gender-sensitive, and inclusive agri-food systems that are more resilient to shocks such as the Covid-19 pandemic.

Further information: <https://c19re.org/project/impact-of-covid-19-on-family-farming-and-food-security-in-latin-america-evidence-based-public-policy-responses/>

Supporting small and medium enterprises, food security, and evolving social protection mechanisms to deal with Covid-19 in Pakistan

Partner: Sustainable Development Policy Institute (SDPI)

This project will map formal and informal small- and medium-sized enterprises (SMEs) in the country and provide evidence on the effectiveness of a stimulus package for SMEs to the Ministry of Industries and Production to strengthen national SME policy. Given that existing social safety nets are insufficient to support the 60 per cent of Pakistan's labour force which is working in informal undocumented sectors of the economy, there is an urgent need to devise a roadmap for a universal social protection regime in Pakistan. The project will help fill these information and action gaps.

Further information: <https://c19re.org/project/supporting-small-and-medium-enterprises-food-security-and-evolving-social-protection-mechanisms-to-deal-with-covid-19-in-pakistan/>

This summary highlights the key learning from research focusing on **the impact of Covid-19 on livelihoods and food security** from the Covid-19 Responses for Equity (CORE) initiative. Supported by the International Development Research Centre, CORE brings together 21 projects to understand the socioeconomic impacts of the pandemic, improve existing responses, and generate better policy options for recovery. The research is being led primarily by local researchers, universities, thinktanks and civil society organisations across 42 countries in Africa, Asia, Latin America and the Middle East.

This output was published by the CORE Knowledge Translation Programme, led by the Institute of Development Studies (IDS), which supports the translation of knowledge emerging from the CORE initiative. It was written in collaboration with CORE research teams led by Njuguna Ndung'u (AERC), Miguel Albacete (Rimisp) and Abid Q. Suleri (SDPI), and collated by James Georgalakis, Director of Communications and Impact (IDS). CORE's knowledge translation goals are to connect the research with policymakers and practitioners. The initiative is identifying synergies between projects and grant-holders, supporting researchers as they exploit influencing and engagement opportunities, and facilitating mutual learning.

 c19re.org

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The views expressed herein are those of the authors and do not necessarily represent those of IDRC, its Board of Governors, or IDS.



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