

## COVID-19 and IMPACT on Food Security and Livelihoods

Quick overview on current situation, and anticipated impact for: Livelihoods, Food Security and Nutrition

Livelihoods are a vital means of making a living. It encompasses people's capabilities, assets and activities required to secure the necessities of life. The shocks and stresses of the COVID-2019 crisis worldwide, although primarily considered a public health crisis, will have a much broader impact on the global economy predictably for a long term, leading to worldwide socio- economic disruptions and will not only diminished the well-being and livelihoods of people, but also undermined the social nets, markets and food security on which life depends. Both lives and livelihoods are at risk from this pandemic.

Independently of the evaluation of the crisis, the current measures already impact the most economically and food insecure people. With less resources, no access to social protection or safety nets, they incapacity to cope with the loss of incomes put them at high of in depth poverty.

Quarantines, bans, restrictions on the movement of goods and people can have significant socio-economic repercussions on people's livelihoods. While these restrictions are necessary to limit the spread of a disease, they often lead to disruption of market chains and trade of agricultural and non-agricultural products, with significant potential impacts on the populations that depend on them for their livelihoods and their food and nutrition security.

### ACRONYMS

ALNAP Active Learning Network for Accountability and Performance)  
ESA East and Southern Africa  
FSL Food Security and Livelihoods  
ILO International Labour Office  
IPC Integrated Food Security Phase Classification  
NGOS Non-Governmental Organizations  
UN United Nations  
WCA West Central Africa

## Current Situation and Anticipated Impact – LFS Sector

### Immediate impacts

#### Context:

Around 2 billion people—61% of the world’s working population—toil in the informal economy, and have little or nothing to protect them if they’re unable to go to work. They usually have neither sick pay nor health insurance and may not be eligible for government benefits given to furloughed workers. The situation threatens to be particularly acute in Africa, where 86% of employment is informal, according to ILO<sup>1</sup>

### Medium/Long-term Impacts

*This information is a scenario build on learnings from past crisis such as Ebola and analysis of UN agencies such as ILO and WFP.*

*Although there is much uncertainty yet on the evolution of the crisis, the measures in place will impact livelihoods and food security of most vulnerable in the long term as they have no capacity to cope with the situation. Analysts are already suggesting that, for many poor countries, the economic consequences could be more devastating than the disease itself*

ILO estimates under the mid and high scenarios, there will be between 20.1 million and 35.0 million more people in working poverty than before the pre-COVID-19 estimate for 2020 (For comparison, the global financial crisis of 2008-9 increased unemployment by 22 million).

### Rural livelihoods

- **Agriculture production.**
  - **Seasonality** of production cycle: due to movement restrictions and markets closure 1) planting season may be disrupted limit farms access to essential inputs such as seeds, fertilizers or pesticides; 2) seasonal workers may lose job opportunities and so incomes for their families.
  - **Health impact on household’s capacity to maintain their activities:** planting, maintain the crops, harvest

### Rural livelihoods

Especial attention must be paid to the impact of this crisis on rural areas already affected by drought, floods or locust outbreak, that were in process of recovery and might not be able to stand a second shock.

From similar previous crisis, most common impact was:

- **Farmers incapacity to maintain their activity due to loss of incomes:** lower sales, lower incomes and increase in prices, might put at risk farming as it become more difficult for farmers to buy seeds and cultivate their crops for the next harvest season.

<sup>1</sup> [https://www.ilo.org/global/about-the-ilo/newsroom/news/WCMS\\_627189/lang--en/index.htm](https://www.ilo.org/global/about-the-ilo/newsroom/news/WCMS_627189/lang--en/index.htm)

### Immediate impacts

- **Incomes losses** farmers at risk of losing their main incomes source as they cannot sell their products and have no capacity to storage or process production into new products.
- **Livestock**
  - **Transhumance impact due to borders closure and movement restriction:** 1) increase pressure on natural resources (water and pasture) in the areas where they are blocked that impact grazing areas capacity to regenerate and leads to animal food shortage 2) risk of exacerbation of conflict with settled farmers; 3) risk of new conflict while looking for new routes for migration.
  - **Loss of incomes** due to livestock markets closure, restriction of gathering and reduction of meat consumption as families reduce their incomes
- **Fishing**
  - **Limited capacity of fish processing and impossibility of selling highly perishable fishing products** due to market closure and movement restrictions leads to cessation of fishing activities and consequent loss of jobs and incomes
  - **Health impact leads to income loss** as it is a skill specific labour that is difficult to be replaced by other member of the household

### Urban livelihoods

- **Loss of jobs (employees) and self-employment (micro and small businesses)** in e.g. Services, Industry, Tourism and no Social Protection will make people highly dependent on humanitarian assistance.

### Medium/Long-term Impacts

- **Reduction on the production due to reduced size of fields:** could be due to farmers health conditions (if one or more family members is unwell), lack of migrant workers to support farming due to movement restriction or lack of capacity of farmers to pay salaries
- **Increase competition for agricultural jobs with people returning from urban areas** that may reduce wages and so purchasing power and exclude women as men are preferred workers
- **Reduced resources for livelihoods as increase the expenditures on health care**

#### Possible damaging coping strategies:

- Altering food consumption to reduce costs to levels with consequences for health
- Increase consumption of wild food
- Selling assets that are irrecuperable like animals or land
- New unaffordable debts
- Migration
- Abandon of fields

### Urban livelihoods

In urban contexts, the households are completely dependent on incomes from labour or self-employment and markets to cover all their needs, while the cost of living is higher in urban than rural areas mainly due to housing costs.

### Immediate impacts

- **Informal activities to continue with high risk of exposure to contamination** for themselves and their families as there are no safety nets or social protection or alternative incomes

#### Remittances

An essential source of incomes for many families in both urban and rural areas. In general, migrant remittances surpass official aid and foreign direct investment and remittances flows contribute substantially to economy growth and to household incomes both in urban and rural areas.

Impact:

- Migrants are one of the first at risk of losing their jobs and so neither can they support their families home
- Limited access to financial services to transfer or receive money
- Migrants returning home

### Medium/Long-term Impacts

- **Less job opportunities**, formal and informal: increased competition, including skilled labours in non-skilled jobs
- **Impact on the quality of work conditions**: reduction on wages, restriction of social insurance and benefits, abusive hours, etc.
- **Increase unemployment among women and youth** (the groups with higher rate of unemployment). Less demand on services that may affect especially women as main delivery of: e.g. selling prepared food, care services, petty trade, beauty and care services, etc.
- **Increase cost of transport that affects mobility** and incomes for transport businesses (taxi drivers, moto drivers, etc.)
- **Small businesses reliant on face to face interactions** are the most likely to suffer a loss of customers and income if the context is not enabling for digital transactions e.g. in Liberia Ebola context *Petty traders have raised concerns that it could take between 6 and 12 months for vendors to recover from debts and rebuild business capital (ALNAP)*

#### Possible damaging coping strategy:

- Take children out of schools, with higher risk of girls
- Increase child labour and use of children for begging
- Migration of some of the household members, including minors alone
- Involvement on illegal activities
- Selling household items and items essential for livelihoods
- Not investing in health care and education to ensure food

For both, rural and urban, migrant workers returning home are dependent on their families are an additional pressure on the resources

### Immediate impacts

#### Food Security

The context: 2020 already started with an increase in food insecurity due to conflicts, drought, locust invasion and other climate change effects, with over 800 million people facing chronic undernourishment and over 100 million people in need of lifesaving food assistance, previous to COVID-19 crisis. With ongoing responses in ESA and WCA increasing numbers.

- **Availability:**
  - **Supply chain disrupted** that leads to limited availability of essential food products in the markets
  - **Panic buying** that leads to basic needs products shortage and increase in prices
- **Access:**
  - **Movement restrictions** limits the physical access to the markets
  - **Reduced purchase power** due to drop on households' incomes
  - **Increase of prices of staple cereal due to the outbreak in Asia** has started to impact prices in local markets countries dependant on import
- **Utilisation:**
  - **Prioritisation of poor nutrition** quality products that are more affordable
  - **Reduce meals** as increase pressure of family members returning when left without incomes e.g. urban workers returning to the villages; or elderly to meet the basic needs of youth
- **Stability:** long term household food security is at risk for all vulnerable populations

### Medium/Long-term Impacts

#### Food security

*Important: the evolution of the situation must be analysed together with the monitoring of current food crisis, as for many countries this COVID-19 crisis doesn't come in normal times. In those cases, the impact should be compared with a normal year baseline and not the immediately previous situation.*

#### Impact:

Poorest people tend to spend the higher percentages of their incomes in food, they don't have savings or access to credits and an increase in prices could push them into deeper poverty.

Evidence from Ebola outbreak in WCA (2014- 2016) shows that panic and quarantines led to a spike in hunger and malnutrition. Also, the increase in food prices and economic crisis in 2008 has shown that those that suffered more were poorest households, female headed households, households with high dependency ratio, casual labourers and petty traders.

- **Rural areas:** although in rural areas people produce part of the food they consume, the reality is that in poorer countries, even the rural areas depend on incomes for food security as the food staple is many times not locally produced but purchased e.g. rice. Nevertheless, the rural population is more likely to produce part of the food basket or may have the option to rely more on own food production in times of crisis.
- **Urban areas:** urban population is totally dependent on markets as food is purchased, lack of incomes and increase in prices can put at risk of food insecurity

#### Availability:

- **International:** analysis say that globally there is enough cereals staple but if outbreaks around the world are severe or continue over long

### Immediate impacts

#### Case example:

Import-dependent countries (like most of Sub-Saharan African countries) are particularly vulnerable to global price hikes on staples cereals. E.g. Mauritania is 70% dependent on cereal importations to complete their cereal production; Sierra Leone is facing inflation issues since 2019 which have increased imported and local rice price to, respectively, more than 89% and 73% compared to the average of the last 5 years. The Covid-19 situation may exacerbate the food security situation of already 1.3 million people acutely food insecure in Sierra Leone (IPC 3) or 4.3. million in Zimbabwe (IPC 3 and 4)

### Medium/Long-term Impacts

periods of time, there are likely to be serious disruptions that may reduce food availability in the markets over the medium and longer terms, influenced by border closure, transport limitation, activities stopped due to quarantine in supplier countries may limit availability in dependent countries.

- **Local production:** the impact on agriculture can affect local markets and highly impact the availability of fresh food items such as vegetables.
- **Conflict areas:** a negative impact on local production may have severer consequences for those affected by conflict that are more reliant on internal production than importation.

#### Access

- **Main constraints will be linked with economic access** due to the reduction of incomes, increase of prices and limited availability may limit the access to essential food items
- **Market access:** movement restriction may limit the access to more affordable markets

#### Utilisation

- **Change in food consumption patterns** is one of the first coping strategy households adopt in times of difficulties: use of cheaper, less nutritious and less varied food, to reduce costs.

#### Food related coping strategies examples from Ebola crisis:

- Reduction of number and quality of meals (IRIN, 20/10/2014).
- Spending a larger proportion of household income on food (Mercy Corps, 04/11/2014).

### Immediate impacts

### Medium/Long-term Impacts

- Consumption of less-preferred foods: substitution of rice consumption with cassava (WFP, 29/10/2014).
- Incurring debt to purchase food (WFP, 29/10/2014)
- Adult household members limiting their food consumption for the benefit of their children (WFP, 2014/10/27).

*The situation will also increase the dependence on humanitarian assistance from NGOs and UN.*

### Nutrition

The context: Africa's 1.2 billion people face the highest percentage of undernourishment on the planet, affecting over 20 percent of the population. The COVID-19 virus has proved especially deadly for those who are elderly or whose health is already compromised. This likely includes people suffering from malnourishment

- **Malnourished individuals are at higher risk** of becoming ill, long term recovery, and greater risk of death (Existing evidence from other infectious disease outbreaks)
- **School feeding programmes** for many children accounts for nearly 50% of their daily calories, with schools shutting down, this critical lifeline of food is gone
- **Nutrition linked activities in current programmes have stopped** because of gathering bans and movement restrictions (community nutrition awareness session, mass screening, referrals and home visits from care workers, etc.) putting at risk of cases being neglected.
- **Reduction in access to fresh food and high nutritional value** essential to boost immune system of population at risk.

### Nutrition

- **Increased mortality rate** among malnourished people that have developed the disease.
- **Increased caseload of malnourished individuals** among those that can't ensure proper food intake due to illness and loss of incomes; this will add pressure on the health families and health facilities.
- Increase vulnerability to other diseases and malnutrition for those recovering from COVID-19 due to **long term duration of recovery**. It is reported that full recovery for affected people may require months, with subsequent consequences of not having full capability to work and so provide enough food for themselves and their households.
- **More than 6 months** of inappropriate nutrition intakes can impact intellectual and physical development of children.

### Immediate impacts

#### Social Protection

**Context:** An estimated 36 percent of the very poor escaped extreme poverty because of social safety nets. Yet, in low-income countries, only 1 in 5 of the poorest are covered by safety net programs<sup>2</sup>. In addition, less than 20 percent of people living in low-income countries have access to social protections of any kind, and even fewer have access to food-based safety nets.

**Response:** As of 3 April, a total of 106 countries have introduced or adapted social protection and jobs programs in response to COVID-19<sup>3</sup> **Responses are present in all regions, but very limited in Africa.** (WB<sup>4</sup>) The most widely used measures include cash transfers, wage subsidies, subsidized sick leave, and various forms of subsidized social security contributions and unemployment insurance.

#### Impact:

- **Competition over institutional resources:** the coverage will depend on the prioritisation of funds by Governments, International Institutions and INGOs. While the focus is in supporting the Health response, there shouldn't be a competition to ensure enough resources for social protection as these are crucial to enable individuals and households cope with this crisis and protect the livelihoods and wellbeing of all affected

### Medium/Long-term Impacts

#### Social Protection

The Ebola outbreak in 2014-2016 in WCA showed that the lack of social protection measures in the context of health epidemics aggravates poverty, unemployment and informality, leading to a vicious circle of even greater fragility.

The objective in times of crisis is to help people cope with the situation. The impact of the crisis will be highly conditioned by the support Governments can provide through social protection systems, but also on the safety nets supported by Humanitarian Actors.

Cash assistance is likely to be the default response of government-led shock responsive safety nets in the face of COVID-19. This can be an opportunity for cooperation and strengthen mutual programmes.

#### Impact

The lack of appropriate, timely and enough support for the people put the more vulnerable at risk of increase poverty and new more people to fall below the poverty line

- Increase number of people living below the poverty line
- Increase in the numbers of ultra-poor
- New more costive and long-term programmes required to support graduation and recovery

<sup>2</sup> <https://www.worldbank.org/en/topic/socialprotectionandjobs/publication/the-state-of-social-safety-nets-2018>

<sup>3</sup> <http://www.ugogentilini.net/>

<sup>4</sup> [Social Protection and Jobs Responses to COVID-19: A Real-Time Review of Country Measures](#)



### Immediate impacts

- **Humanitarian programmes on hold** put at risk the survival of those depending on the seasonal assistance (e.g. lean season support) or emergency responses
- **Increase number of people in need of support increase pressure on the resources** as more people are in need of support for survival

#### **Challenges: how much, how long, to whom, how, ...**

- **Targeting:** in most countries in development there is no such a formal employment and business system as in EU, USA, some Asia countries to be able to identify those affected
- **Transfers:** in countries with limited bank access or alternatives systems
- **Systems not prepared to be shock responsive**
- **Resources available**

### Medium/Long-term Impacts

For more information please visit our websites:

- <https://www.livelihoodscentre.org/>
- <https://media.ifrc.org/ifrc/>
- <https://www.redcross.org.uk/>