



COVID-19 and rural poverty: Supporting and protecting the rural poor in times of pandemic

KEY MESSAGES:

- While physical distance, relative isolation and lower population density play in favour for rural areas in terms of the direct impact of COVID-19, as the contagion spreads rural areas are increasingly hard hit.
- Rural areas are much less prepared to deal with the direct and indirect impact of the crisis. Of the 734 million extreme poor prior to the COVID-19 crisis, 80 percent live in rural areas. Of these, 76 percent work in agriculture. Rural inhabitants have dramatically less access to adequate sanitation, health services, education, internet and communications technology, social protection and public infrastructure.
- The challenges in accessing health services and health information faced by the rural poor in normal times will be intensified. Those with health conditions are more likely to be infected and affected by the virus, making the rural poor – who have higher rates of chronic conditions as well as less diverse diets that undermine the body's immunities to illness – even more vulnerable.
- Economic activity in rural areas, particularly in developing countries, whether in self-employment or in wage labour, is primarily informal. In agriculture and rural areas, more than 80 percent of the self-employed are informal, and in developing countries more than 90 percent of workers in the agricultural sector are informal (ILO, 2018). Rural workers are excluded for the most part from employment related social protection, including social insurance or employment guarantees, if they exist in rural areas. Casual day labourers are the poorest of the poor in most rural areas of the developing world, and they will be the hardest hit in terms of lost income.
- Many of the rural poor, including both those with and without productive assets, depend on mobile livelihoods and on seasonal and migrant work, including remittances. Lockdowns restrict both movement in relation to work as well as returning home, sometimes leaving them stranded and excluded from family support.
- The rural poor have little or no cushion with which to manage or weather this crisis. The poor in rural areas typically face multiple market failures and have little or no access to formal insurance, and credit and risk management mechanisms. The rural poor typically face difficulties in accessing liquidity, which is exacerbated by lost casual wage labour opportunities and the closure of informal markets, where they tend to sell production.
- The income shock will negatively affect the food security and nutrition of the poorest; as incomes fall and food prices increase, poor households will reduce dietary diversity in favour of cheaper staples. Those with already low food consumption will reduce it even more.

- The informal nature of work, the lack of proper health and sanitation services, the digital divide and the lack of any kind of safety net or cushion makes it harder for rural inhabitants to follow containment measures and to deal with their economic consequences.
- Rural women bear a disproportionate burden of the COVID-19 crisis not only as health care workers, but also from the burden of care of out-of-school children and the sick, the reduction in economic opportunities, the reduction in women's reproductive and health services, and increases in intimate partner violence.

RECOMMENDATIONS

- Public action needs first to recognize possible urban bias in planning and response to the COVID-19 pandemic and pay attention to the evolving and potential impact of COVID-19 in rural areas. Policies need to take into account the constraints rural areas face in terms of containing and responding to both the direct and indirect impact of COVID-19 and accompanying containment measures. While meeting immediate needs is of first priority, planning the promotion of an inclusive process of economic recovery needs to commence.
- In the spirit of the 2030 Agenda and Leaving No One Behind, the focus of public action should be on the most vulnerable – indigenous peoples, castes and other marginalized populations, the elderly, women and children – and the poorest of the poor, particularly those who depend on casual day labour, seasonal migration or mobile livelihoods, who have insufficient access to productive assets, and who are without savings and with little recourse to insurance or alternative sources of income.
- Social protection is the most immediately needed intervention. Social protection systems, even in low income and fragile countries, need to be expanded in response to COVID-19 in order to protect lives and livelihoods and ensure ongoing access to food and the resilience of food systems.
- Rural livelihoods need support through emergency employment as well as keeping the food system and rural economy moving, particularly those segments driven by small, informal producers, service providers, rural institutions, and value chain participants.
- In both the immediate and longer term, protecting and supporting livelihoods will require the combination of social protection interventions to protect income, provide liquidity and prevent negative coping strategies, and measures to support production and access to employment (such as public works) throughout the agri-food system. This approach can provide the right stimulus on the supply side, while avoiding imbalances between production and consumption.
- In the medium to longer term recovery process, the focus needs to be on maintaining and strengthening local and inclusive food systems to ensure sustained resilient food security and poverty reduction.
- Interventions should explicitly recognize the specific constraints faced by rural women and their roles in agri-food systems as key actors in maintaining household food security, food producers, farm managers, processors, traders, wage workers and entrepreneurs, ensuring that their needs are adequately addressed.

1. The context

While the immediate impact of COVID-19 in most parts of the world has been primarily urban, the economic impact of COVID-19 spread quickly to rural areas. In most cases, the contagion will eventually follow. The initial direct impact of COVID-19 is on health, in terms of morbidity and mortality, with quickly overburdened health care services, which has led to reduced access to services for non-COVID-19 related health problems.

The indirect impact of COVID-19 through containment measures has been socially and economically devastating, and will significantly set back the 2030 Agenda, including SDG 1 and 2 on poverty and food security. The containment measures include stay at home orders, physical distancing, closing of schools, the prohibition of gatherings and the closure of non-essential businesses and economic activities. Travel and transport restriction have disrupted economic activity, in terms of the movement of labour and primary, intermediate and final goods. Agricultural production has contracted, and food supply chains have been negatively affected. The sharp decline in demand and production from the most economically developed countries where contagion has hit hardest until now – China, the European Union and the United States of America – has caused a global recession.

While physical distance, relative isolation and lower population density play in favour for rural areas, in terms of the direct impact of COVID-19, as the contagion spreads, rural areas are particularly vulnerable to suffering severe impact from the pandemic and the ensuing economic contraction. Given the interconnected nature of most rural spaces, this vulnerability has important implications for the broader food system and urban food security.

Greater vulnerability in rural areas

Most of the world's poor and food insecure live in rural areas. Of the 734 million extreme poor prior to the COVID-19 crisis, 80 percent live in rural areas. Of these, 76 percent work in agriculture. Past global recessions have had direct impacts on increasing poverty, and particularly rural poverty. An IFPRI model indicates that the number of people living in poverty will increase by 2 percent for every percentage point of global economic slowdown (Vos *et al.*, 2020). Sumner *et al.* (2020) estimates show that COVID-19 could lead to an increase in global poverty for the first time since 1990. Early estimates from the UN Economic Commission for Africa predict that economic growth in the region will drop from 3.2 percent to 1.8 percent (United Nations Economic Commission For Africa, 2020), while the World Bank projects that economic growth in Sub-Saharan Africa will decline from 2.4 percent in 2019 to -2.1 to -5.1 percent in 2020 (Calderon *et al.*, 2020).

Rural areas, particularly in the developing world, are much less prepared to deal with the direct and indirect impact of the crisis. In most countries, and almost all lower income countries, rural inhabitants have much less access to adequate sanitation (23 percent compared to 44 percent), health services (22 percent compared to 56 percent), education, broadband internet, social protection or public infrastructure, such as electricity (27 percent to 67 percent) or access to roads (World Bank, 2020a; ILO, 2015; ILO, 2019). Rural inhabitants are also less likely to have birth certificates or formal identification, which may limit access to public programmes and services.

The constraints in accessing and paying for health services, in the availability and costs associated with prevention such as masks, and in accessing public health information faced by the rural poor in normal settings will be intensified. People with health conditions are more likely to be infected and affected by the virus, and poor populations often have higher rates of chronic diseases, as well as poorer diets that undermine the body's immunities to illness.

For those countries that do have social protection programmes in rural areas, these services are rarely delivered electronically in the poorest countries, exposing them to distribution disruptions. Programmes that are linked to health or education conditionalities can also pose additional barriers to accessing essential income if these are not removed or relaxed. School feeding, one of the most common social protection instruments in rural areas, has been curtailed, leaving hundreds of millions of school children without their daily school meal. School closure in rural areas also heightens the risk of child labour – the number of child labourers in the agriculture sector has increased globally since 2012, reaching 71 percent of all child labour. Moreover, traditional relations of reciprocity within rural communities, which in bad times have served as an informal safety net in many rural communities around the world, will be unable to accommodate such a large crisis with high covariate risk that affects everyone.

Women, and particularly rural women, are bearing a disproportionate burden of the COVID-19 crisis across a number of dimensions. Women are on the front line of the defence against COVID-19, representing the majority of health workers around the world, almost 70 percent globally and over 80 percent of nurses in most regions. Due to prevailing social norms in most parts of the world, and particularly in rural areas, women are expected to bear the brunt of the increased burden of care of the sick, the elderly and school-aged children who have been sent home – over 1.5 billion across the globe. The combination of increased care responsibilities and economic crisis may reduce female participation in the labour force, and in many rural areas women represent a disproportionately large share of service workers and informal small-scale traders. As has been shown in previous crises, COVID-19 will likely lead to a redirection of health resources away from reproductive/women's health, and school closures will lead to an increase in teenage pregnancy and risky behaviour – both phenomena with negative long-term social and economic effects on women. The crisis is also expected to lead to an increase in intimate partner violence.

Populations such as indigenous peoples, castes and ethnic minorities are historically marginalized economically, socially and politically, and as such are more vulnerable to the direct and indirect impacts of COVID-19. Pastoralists and indigenous peoples, whose access-rights to resources are customary, and whose livelihoods depend on collective rights to communal lands and resources, may suffer higher levels of insecurity. Violence and threats to force the displacement of indigenous peoples have already been reported in the press.

The elderly are particularly vulnerable to COVID-19 as well as the economic fallout, which is important given their continued labour force participation in low income countries. Both the elderly and the young are more vulnerable to falling demand for labour. In rural areas with high levels of migration, the elderly often live alone, and/or are responsible for the care of children left behind and household economic activities.

A negative shock on informal rural livelihoods

Economic activity in rural areas, particularly in developing countries, whether in self-employment or in wage labour, is primarily informal. For the most part, rural workers are excluded from employment related social protection, including insurance or employment guarantees, if they exist in rural areas. Casual day labourers are among the poorest of the poor in most rural areas of the developing world, and they will be the hardest hit in terms of lost income. This was the case of COVID-19 in China, as observed in a study of the rural areas outside of the city of Wuhan (Rozelle *et al.*, 2020).

The informal nature of work, the lack of proper health and sanitation services, the digital divide and the lack of any kind of risk management mechanism or cushion means that it is harder for rural inhabitants to follow the containment measures advocated by the World Health Organization (WHO) and governments, and to deal with their economic consequences. It is literally a question of life or death, which means containment may be less effective in rural areas, and either way, rural areas are particularly vulnerable. Social protection and other assistance measures are needed to make containment measures more effective, and to ensure that the nature of safe work in the rural context is explicitly addressed.

Most rural inhabitants, and particularly the rural poor, even when having access to land, livestock and/or forest or fishing natural resources, rely on diversified sources of income, including wage labour and non-agricultural activities, to survive. Seasonal migration and national and international remittances are a key element in income diversification in rural areas – over 40 percent of global remittances are sent to rural areas. The curtailing of local wage labour, seasonal migration and remittances will constitute a severe income shock in the rural areas of many developing countries (Garcia Mora & Rutkowski, 2020; World Bank, 2020b).

Rural areas are integrated into regional, national and international food supply chains, with high levels of informality in the rural areas of less developed countries (Reardon *et al.*, 2020). Demand shocks are transmitted directly to rural areas, and restrictions on movement of labour and transport of goods (both input and outputs), particularly for perishables, will affect incomes and production. In areas and regions where export crops and plantations dominate, the reduction in demand combined with logistic bottlenecks will have particularly negative effects on agricultural wage workers with few employment alternatives.

Increased food prices have been reported in a number of countries, including middle- and lower-income countries. Most of the rural poor are net buyers of agricultural products, meaning price hikes for agricultural products will have a net negative effect on their incomes, even if they are able to get their production to market. The absence of seasonal day labourers also poses a risk to food security, as produce remains in fields and harvests stand to be lost.

The income shock will affect the food security and nutrition of the poorest; as food prices rise and incomes fall, historically poor households will fall back on the consumption of staples, and reduce their consumption of meat, dairy and fruits and vegetables. This was also found in the Rozelle *et al.* (2020) study in the rural areas outside Wuhan.

The rural poor have little or no cushion with which to manage or weather this crisis. The poor in rural areas typically face multiple market failures and have little or no access to formal insurance, and credit and risk management mechanisms. The rural poor typically have difficulties in accessing liquidity, which is exacerbated by lost casual wage labour opportunities and the closure of informal markets, where they tend to sell production. The repercussions of physical distancing combined with the covariate nature of the crisis will likely overwhelm and/or reduce the rural poor's access to traditional community networks and institutions of social reciprocity, which have historically provided a safety net in times of crisis. Studies carried out after past pandemics show that infectious diseases can influence economic development by creating a "disease-driven poverty trap" characterized by a combination of the causal effects of health on poverty and poverty on health (Bonds *et al.*, 2009).

2. Policy Recommendations

Immediate support to rural livelihoods

Government action in the short term needs to ensure the flow of critical food systems and value chains important for national and local food security and nutrition, as well as for the livelihoods of the vulnerable rural poor, including indigenous peoples, migrant and informal workers, and small-scale producers and enterprises. Response should focus on ensuring the continued and secured capacity of smallholders for food production and supply, including through extension and advisory services, promoting innovations that are local, increasing resilience and creating opportunities. Response should prioritize measures that provide financial support to small scale producers and Small and Medium Enterprises (SME) linked to food value chains, to ensure continuity of seasonal farm operations (inputs and services) and facilitate adapted marketing channels and links to end-consumers.

Important lessons learned and best practices have been taken from the experience with the 2014 Ebola virus epidemic, including the importance of establishing safe trade corridors based on public health mitigation measures along market chains and developing and communicating health prevention measures to enable traders to collect agricultural products and promote local public procurement of food. Countries early hit by COVID-19, including China and Italy, provided direct support to small producers and rural markets. Rural extension and advisory services in countries such as Côte d'Ivoire, China and India have been part of the frontline public health and productive response to COVID-19, involving the adaptation of existing digital and mobile phone services.

Moving towards a process of inclusive economic recovery

While urgent humanitarian needs must be addressed first, support to livelihoods should look towards the future and the process of economic recovery. Public action needs to recognize what will likely be heavier damage to small-scale producers and enterprises by COVID-19 (Reardon, *et al.*, 2020), and focus on making the economic recovery as inclusive as possible. This requires explicit policies for small-scale producers and SME along the value chains within food systems, and a focus on the extension and advisory services and rural institutions that can make this possible. Social protection is a key complementary intervention. The voices of producer organizations and the rural poor need to be a part of the policy discussions and development of strategic plans for response and recovery.

In the medium and long term, government, private sector, producer organizations and community institutions need to increase capacity to better respond and make decisions, to deliver services to build inclusive value chains and generate employment. Economic recovery should focus more on resilience, promoting policies to shift to more sustainable production systems that rely on multisector strategies to promote resilience. This includes pairing social protections with support to smallholders in accessing markets and considering social and solidarity economies as models for economic development, when appropriate, along with promoting shorter supply chains through a territorial approach for improved food security and resilience. This requires the promotion of stronger local and regional food systems, building on urban-rural linkages that drive small-scale producer access to markets and that ensure access to a more diversified and nutritious diet for urban populations.

Social protection

Access to predictable social assistance, in the form of cash or in-kind transfers, as well as health insurance and specific labour-related guarantees, is key to mitigating the health and economic impacts of the pandemic. Moreover, social protection enables compliance with confinement measures. For many rural small-scale producers and workers, the generation of income depends on their physical access to markets, and on-farm jobs. The needs and specificities of rural populations and livelihoods, and in particular vulnerable groups – such as women and girls, indigenous peoples, people with disabilities, the elderly, migrants and seasonal workers – and the risk of increased child labour, need to be accounted for when designing and operationalizing new or expanded measures, including links to an inclusive process of economic recovery. Specific recommendations can be found in the policy brief on social protection (FAO, 2020a), the FAO and African Union brief (FAO & African Union, 2020), and the joint statement by the Social Protection Interagency Cooperation Board (ILO & SPIAC-B, 2020).

Seasonal, migrant and informal workers

Seasonal, migrant and informal workers are on the front line of agricultural work and the rural economy, and food security depends on their ability to harvest goods safely, as well as to travel in many cases. Public action – informed by rapid assessments – in coordination with the private sector is necessary to ensure their access to public services and social protection systems, as well as to ensure that their work environments are safe in order to limit the transmission of the virus. Facilitating and/or regulating the transit of these workers may be key in preventing the spread of the virus, protecting livelihoods, and ensuring food security. Considerations should be made for safe transportation, protective gear, and ensuring access to information. Specific recommendations can be found in two policy briefs on migrant workers and informal workers (FAO, 2020b; FAO, 2020c).

Gender

Given the disproportionate impact on rural women, rural women's knowledge, voices and leadership should be integrated in the COVID-19 response, to ensure that their needs and priorities as producers, processors, traders, wage workers and entrepreneurs, are adequately addressed. Increased availability of sex- and age- disaggregated data and analyses is important in order to assess the gendered impact of lockdowns on rural women and men. These data and analyses can contribute to improving the design of tailored and differentiated response and mitigation measures, as well as monitoring and reporting frameworks.

Rural women should be specifically targeted in economic recovery efforts and social protection interventions, ensuring that women and men farmers have equal access to agricultural inputs, services, information and appropriate technologies, in time for the next planting season and beyond. Public action needs to recognize the specific food and nutrition needs of women and girls. Governments must adopt measures to address gender-based violence. This includes identifying the most vulnerable men, women, boys and girls and developing measures to reduce exposure to risk and to increase access to support services, which may be lacking in rural areas. Ensuring that survivors have access to adequate reporting (if desired) and resources by establishing links with appropriate psychosocial and health services, is also crucial.

Indigenous peoples

The COVID-19 response should include specific measures that ensure the respect of indigenous peoples' rights and take an intercultural approach. Based on the UN Declaration of Indigenous Peoples Rights, governments should include indigenous peoples' representatives, leaders and traditional authorities in emergency and health response committees, both during the outbreak and in the aftermath. Any policy, programme or intervention that affects indigenous peoples should first obtain their Free, Prior and Informed Consent. Relevant COVID-19 containment information and materials should be translated and disseminated in indigenous languages.

The elderly

The elderly face a higher risk of morbidity and mortality from COVID-19, as well as more vulnerability in terms of loss of employment and care when invalid. In many parts of the developing world the rural population is aging with limited access to pensions or health insurance, particularly in producer households. Public action needs to consider the specific vulnerability faced by the rural elderly, particularly in contexts where traditional social reciprocity has been weakened. Moreover, those who provide nursing and social care services for older people also need to have proper protective gear for their own safety, as well as those they take care of.

3. The Role of FAO

FAO is providing technical, policy, programmatic and emergency assistance addressing the short-term immediate needs (FAO, 2020d) resulting from the COVID-19 crisis in terms of rural livelihoods and functioning food systems (FAO, 2020e), particularly in conflict situations (FAO, 2020f), as well as promoting an inclusive process of economic recovery in the medium- and long-term in order to Leave No One Behind (FAO, 2019). This includes support to small scale producers, rural women, migrants, informal workers, and indigenous peoples with interventions in support of inclusive rural livelihoods and rural transformation, including social protection (FAO, 2020a). FAO facilitates partnerships and international cooperation in all its forms (traditional North-South, South-South, Triangular and even South-North), which have a key role to play in the exchange of experiences, good practices, knowledge, technologies and resources.

The Hand in Hand Initiative is a new initiative focusing on the eradication of poverty (SDG 1) and ending hunger in all forms (SDG 2). The Initiative promotes a territorial approach to agricultural development and accelerating inclusive and sustainable agricultural transformation by targeting the territories with the highest productive (crop, livestock,

fisheries and/or forestry) potential and largest number of poor. This approach is based on coordination across efforts by government, development partners, private sector and civil society. The Hand in Hand Initiative aims to foster coherence and coordination across international agencies to enhance investment effectiveness in the context of the COVID-19 crisis, in the short and long term.

4. References

- Bonds, M., Keenan, D., Rohani, P., & Sachs, J.** 2009. *Poverty trap formed by the ecology of infectious diseases*. *Proceedings. Biological sciences / The Royal Society*. 277. 1185-92. 10.1098/rspb.2009.1778. (also available at: <https://doi.org/10.1098/rspb.2009.1778>).
- Calderon, C., Kambou, G., Zebaze Djiofack, C., Korman, V., Kubota, M. & Cantu Canales, C.** 2020. *An Analysis of Issues Shaping Africa's Economic Future*. Africa's Pulse. 21. World Bank, Washington, DC. (also available at: <https://openknowledge.worldbank.org/handle/10986/33541>).
- FAO.** 2019. *FAO framework on rural extreme poverty: Towards reaching Target 1.1 of the Sustainable Development Goals*. Rome. 56 pp. (also available at <http://www.fao.org/3/ca4811en/ca4811en.pdf>).
- FAO.** 2020a. *Social Protection and COVID-19 response in rural areas*. Rome. <https://doi.org/10.4060/ca8561en>.
- FAO.** 2020b. *Migrant workers and the COVID-19 pandemic*. Rome. <https://doi.org/10.4060/ca8559en>.
- FAO.** 2020c. *Impact of COVID-19 on informal workers*. Rome. <https://doi.org/10.4060/ca8560en>.
- FAO.** 2020d. *Addressing the impacts of COVID-19 in food crises April–December 2020: FAO's component of the Global COVID-19 Humanitarian Response Plan*. Rome. <https://doi.org/10.4060/ca8497en>
- FAO.** 2020e. *COVID-19 and the risk to food supply chains: How to respond?* Rome. <https://doi.org/10.4060/ca8388en>.
- FAO.** 2020f. *Anticipating the impacts of COVID-19 in humanitarian and food crisis contexts*. Rome. <https://doi.org/10.4060/ca8464en>.
- FAO & African Union.** 2020. *Social protection: ensuring effective response and inclusive recovery in the context of COVID-19 in Africa*. Rome. <http://www.fao.org/3/ca8631en/ca8631en.pdf>.
- Garcia Mora, A., and Rutkowski, M.** 2020. *Remittances in times of the coronavirus – keep them flowing* [online]. [Cited 10 April 2020]. <https://blogs.worldbank.org/psd/remittances-times-coronavirus-keep-them-flowing>.
- ILO.** 2015. *Global evidence on inequities in rural health protection. New data on rural deficits in health coverage for 174 countries* [online]. [Cited 11 April 2020]. https://www.ilo.org/wcmsp5/groups/public/---ed_protect/---soc_sec/documents/publication/wcms_383890.pdf.

- ILO. 2019. *Extending Social Protection to the Rural Economy*. Geneva. (also available at https://www.ilo.org/wcmsp5/groups/public/---ed_dialogue/---sector/documents/publication/wcms_437192.pdf).
- ILO & SPIAC-B. 2020. *A Joint Statement on the Role of Social Protection in Responding to the COVID-19 Pandemic* [online]. [Cited 22 April 2020]. https://www.ilo.org/secsoc/press-and-media-centre/statements/WCMS_740551/lang--en/index.htm.
- Rozelle, S., Rahimi, H., Wang, H., & Dill, E. 2020. *Lockdowns are protecting China's rural families from COVID-19, but the economic burden is heavy* [online]. [Cited 22 April 2020]. <https://www.ifpri.org/blog/lockdowns-are-protecting-chinas-rural-families-covid-19-economic-burden-heavy>.
- Sumner, A. Hoy, C. & Ortiz-Juarez, E. 2020. *Estimates of the impact of COVID-19 on global poverty* [online]. [Cited 20 April 2020]. <https://www.wider.unu.edu/publication/estimates-impact-covid-19-global-poverty>.
- United Nations Economic Commission for Africa. 2020. *ECA estimates billions worth of losses in Africa due to COVID-19 impact* [online]. [Cited 11 April 2020]. <https://www.uneca.org/stories/eca-estimates-billions-worth-losses-africa-due-covid-19-impact>.
- Vos, R., Martin, W., & Laborde, D. 2020. *As COVID-19 spreads, no major concern for global food security yet* [online]. [Cited 10 April 2020]. <https://www.ifpri.org/blog/covid-19-spreads-no-major-concern-global-food-security-yet>
- World Bank. 2020a. *3.13 World Development Indicators: Sustainable energy for all* [online]. [Cited April 11, 2020]. <http://wdi.worldbank.org/table/3.13>.
- World Bank. 2020b. *World Bank Predicts Sharpest Decline of Remittances in Recent History* [online]. [Cited April 22, 2020]. <https://www.worldbank.org/en/news/press-release/2020/04/22/world-bank-predicts-sharpest-decline-of-remittances-in-recent-history>

