



Food and Agriculture Organization
of the United Nations

Social protection and COVID-19 response in rural areas

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**Social protection for forest-dependent communities: building on the response
to the COVID-19 pandemic for more resilient forest livelihoods**

FAO Forestry Technical Network (FTN) Webinar

22 July 2020



Three key messages

1. COVID has underscored and exacerbated existing structural inequalities
 2. The poor in rural areas are particularly hard hit by pandemic
 3. Social protection is a key response to COVID-19, from both poverty reduction and natural resource management perspective, in both acute response and recovery phases
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The social and economic devastation of COVID-19

- Worst economic crisis since the Great Depression
 - 80% of ~734 million people in extreme poverty prior to COVID live in rural areas
 - 75% rely on agriculture for their livelihoods and food security
 - Economic impact may push an additional 71-100 million people into extreme poverty, most in rural areas
 - Rural areas more vulnerable and less prepared to deal with socio-economic consequences of the pandemic
 - Despite physical distance, relative isolation and lower population density
 - Given interconnected nature of most rural spaces, this vulnerability has implications for broader food system and urban food security
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Transmission to rural areas

- Rural areas are integrated into regional, national and international food supply chains
 - Demand shocks transmitted directly to rural areas, and restrictions on movement of labour and transport of goods (both input and outputs) affect production and incomes
 - Small scale producers, processors and traders face difficulty in accessing credit, inputs and markets
 - Most rural inhabitants, and particularly the rural poor, rely on diversified sources of income
 - Curtailing of local wage labour, seasonal migration and remittances constitute a severe income shock.
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COVID-19 has exposed vulnerability and inequality between high and low income countries, and by wealth, urban/rural divide, ethnicity and gender

Inequality in:

- Health services, insurance and outcomes
 - Sanitation
 - Education
 - Access to ICT
 - Housing
 - Formality of employment
 - Ability to manage risk
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Who is paying the highest price for COVID-19?

- Clearly the urban and rural poor
 - But COVID impact is not equal, not even among the poor
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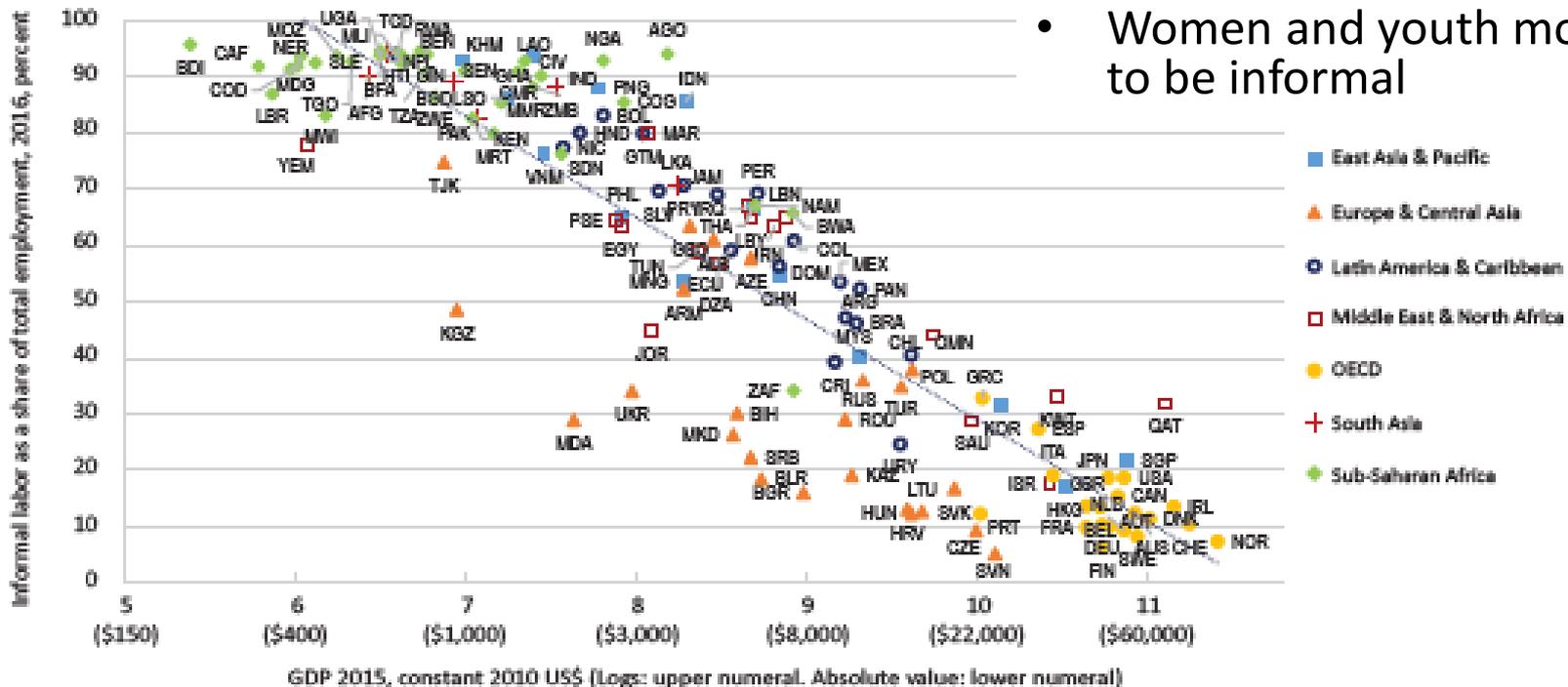
Rural women bear a disproportionate burden

- Double/triple burden of care with sick and children out of school
 - Deep rooted gender discriminatory social norms and economic practices
 - Often first to go and last to be rehired
 - Higher share of employment is informal
 - Reduction in access to non-COVID, reproductive health services in rural areas
 - Increases in gender-based violence
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Informal workers, producers and migrants

- 70% of food system employment is informal
- 90% of employment in agriculture is informal
- Lower income the country, greater labor informality
- Women and youth more likely to be informal

Figure 3. Labor Informality is Higher in Poorer Countries



Source: Prepared by Loayza and Shaharuddin based on data from ILO 2018; Loayza and Meza-Cuadra 2018.
 Note: Data labels use the International Organization for Standardization (ISO) country codes. OECD includes high-income countries that have been members of the Organisation for Economic Co-operation and Development for more than 40 years. Developing countries are grouped in geographic region as presented in the legend.



Indigenous peoples, ethnic groups, mobile populations

- Historic economic, social and political marginalization
 - Higher poverty and informality
 - Customary access-rights to resources and collective rights to communal lands and resources may lead to higher levels of insecurity and land-related conflicts
 - Violence and threats of forced displacement of indigenous peoples and others with insecure land tenure have been reported in the mainstream press.
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Inequality in ability to manage risk leads to negative risk coping

- Defining characteristic of poor households is lack of a cushion with which to weather a crisis.
 - Little access to insurance, credit and/or risk management mechanisms
 - Difficulties in accessing liquidity
 - Without access to formal or informal safety nets, many households resorted to negative coping mechanisms that may have long term consequences
 - Selling of assets, exploiting natural resources, reducing meals, pulling children out of school and increased child labor
 - Reduction in dietary diversity in favour of cheaper staples
 - Informal nature of work, lack of proper health and sanitation services, digital divide and lack of safety net make it harder to follow containment measures, deal with economic consequences and have a longer term horizon
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Why social protection as the first response

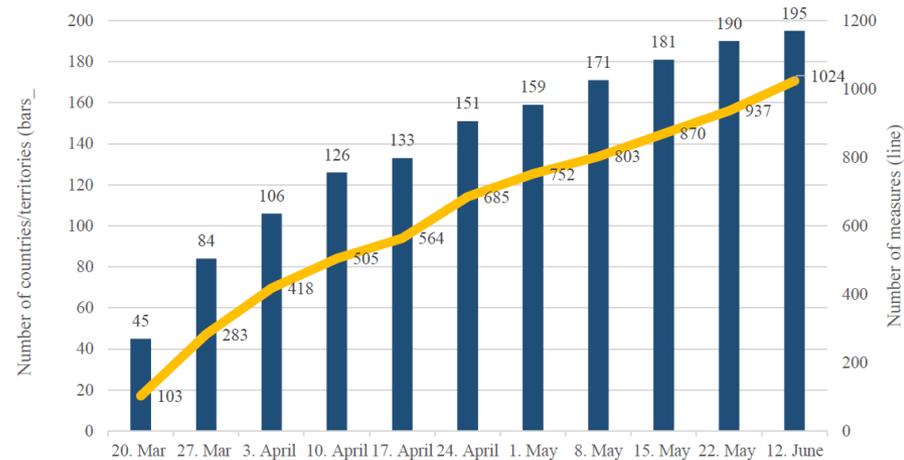
- Immediate support into hands of the people
 - Ensuring food security and basic needs
 - Protect incomes
 - Strengthen rural livelihoods: keep value chains alive and inclusive
 - Prevent negative risk coping strategies
 - Address demand side constraints to health services
 - Facilitate compliance with confinement measures
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Social protection is number one response around the globe

- **195** countries/territories planned or introduced **1024** social protection measures in response to COVID-19
- **60%** social assistance (cash, in-kind, waivers)
- Short term: average **3** months duration
- **Generous**—on average 30% of monthly GDP per capita
- Reaching a lot of people—**22%** of world pop
 - Additional in cash, unclear in-kind



Figure 1. Trends in number of countries/territories and social protection measures



Gentilini, et al (12-6-2020)

- Wide regional disparity—from **5%** in SSA to **39%** in SAR (and cash only from **2%** in SSA to **22%** in NA/LAC)
- **26%** social insurance (unemployment benefits, etc)
- **14%** labor market (wage subsidies, etc)
- More prevalent in NA, EAP, MNA, ECA



A massive response, but need to address gaps

- COVID-related social protection interventions are mostly temporary with limited plans for long-term
 - Coverage in lower income countries is still very low: vulnerable populations often missed
 - Designs generally not adapted to specific vulnerabilities faced by vulnerable groups
 - Lower income countries tend to have less developed social protection systems, financial constraints
 - Remoteness, low density of population, high mobility and pervasive informality hinder access to social protection in rural areas
 - Social protection is more than cash
 - Moving towards a life cycle, systems approach
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Forest dependent communities

- Geographically isolated, politically disenfranchised
 - Historic marginalization of indigenous peoples, ethnic minorities
 - High vulnerability to climate-related risks
 - Custodians of significant share of global forest area, but less likely to have formal control over natural resources
 - Link social protection to sustainable natural resource management
 - Avoid negative risk coping strategies/incentives in terms of natural resources
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Towards a more equitable recovery: fostering economic inclusion

- Prioritize economic recovery towards sectors of economy most relevant for poor: small and medium producers and businesses, particularly in rural areas
- Recover and improve conditions of formal, informal and temporary employment
- Facilitate safe and orderly migration
- Focus on interdependency of policies, programmes and outcomes
 - livelihood support, social protection and climate adaptation strategies
- Empowerment and agency
- Strengthen resource rights, with specific focus on women and indigenous peoples
- Social protection as key element in fostering economic inclusion
 - From focus on survival to planning for the future
 - Help households manage risk: insurance, facilitate access to credit, relax liquidity constraints and smooth consumption
 - Combine/coordinate with measures to support economic activities



Economic recovery that does not address inequalities runs risk of reinforcing and deepening into future

- In the spirit of the 2030 Agenda and principle of Leaving No One Behind, emergency and longer-term recovery policy should prioritize the most vulnerable first
 - Non-targeted responses tend to reinforce existing inequalities by benefitting the better-off and urban
 - Universal \neq inclusive
 - By addressing demand size constraints, key element social protection is key to making universal policies inclusive
 - Inequality is not inevitable or appear by magic—product of policies and political will
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