CHAPTER 8

Rethinking the Role of Social Protection in African Food Systems Post-COVID-19

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Introduction

Efforts to contain the spread of COVID-19 have further exacerbated long-standing challenges within African food systems and exposed new sources of vulnerability in people's livelihoods. Emerging evidence demonstrates that the impacts of the COVID-19 pandemic across African food systems are heterogeneous. They vary across income groups, occupations, and geographies and are closely tied to the structural features of the food systems (Egger et al. 2021; Josephson, Kilic, and Michler 2020; Kansiime et al. 2021; Belton et al. 2021; Nechifor et al. 2021).

Structurally, African food systems are characterized by a highly uneven distribution of income and resources within and between actors in the system (Jayne et al. 2003; Sitko, Burke, and Jayne 2018); a preponderance of small-scale and informal actors (Reardon 2015; Sitko and Jayne 2014; Jayne, Mather, and Mghenyi 2010); limited access to formal risk management tools, including credit and insurance; and highly diverse and multivalent livelihood portfolios of many food system actors (Barrett, Reardon, and Webb 2001; Reardon et al. 2007; Davis et al. 2010; Davis, Di Giuseppe, and Zezza 2017). These unique features influence both the vulnerabilities of food system actors in the region and the potential distribution and severity of the welfare impacts caused by the pandemic (Liverpool-Tasie, Reardon, and Belton 2021). Although many countries in the region have implemented new or expanded existing social protection programs to mitigate welfare losses due to the pandemic, the majority of them have been of a relatively small scale in terms of additional populations covered, have been short in duration, and have bypassed many food system actors (Beazley, Marzi, and Steller 2021; Gentilini, Almenfi, and Dale 2020; Barba, van Regenmortel, and Ehmke 2020).

In this chapter we apply a food systems lens to examine how governments in Africa south of the Sahara (SSA) have responded to the COVID-19 crisis, focusing specifically on the social protection response, and to explore the emerging empirical evidence on the impacts the crisis is having on food system actors. We show that the social protection response to the COVID-19 crisis was largely insufficient to stem widespread and substantial welfare losses throughout African food systems and rural spaces. The findings highlight the urgent need to strengthen, reconceptualize, and redesign social protection systems in the region to support effective and inclusive postpandemic recovery efforts and to strengthen resilience to future shocks. Ultimately, we seek to provide conceptual guidance on how social protection systems can be leveraged not only to enhance the building back and resilience of African food systems but also to support more socially, economically, and environmentally sustainable food systems transformation in the region.

Livelihood Vulnerabilities of African Food System Actors in the Context of COVID-19

In this section we explore some of the key socioeconomic features of African food systems, how those features may influence the vulnerability of food system actors to welfare losses caused by the pandemic, and what that implies for leveraging social protection to mitigate such losses. Food systems consist of all the diverse actors and relationships involved in the primary production, aggregation, distribution, processing, and consumption of food, as well as in the distribution of inputs and provision of services for its production. For the purposes of this chapter we conceptualize the food system as comprising four principal actors: farm laborers; primary producers; value chain intermediaries (including aggregators, processors, retailers of food and agricultural inputs, and service providers); and consumers. The impacts of COVID-19 on the welfare of these actors are a function of their level of exposure to economic and health challenges created by the virus and associated control measures, and their socioeconomic capacity to withstand such shocks.

The first set of actors we consider is made up of farm laborers. In SSA, farm labor is overwhelmingly informal and seasonal, relying heavily on family members, particularly women (ILO 2018). It includes periodic piecework carried out on local family farms, as well as seasonal and permanent employment on commercial and estate farms. In SSA, agricultural wage laborers are the poorest of the poor and are often landless or functionally landless, with limited access to both development interventions—in particular those that use land size and other asset (for example, livestock ownership) thresholds for targeting—and social protection (Davis, Di Giuseppe, and Zezza 2017). Moreover, high levels of informality among farm laborers limit their ability to access unemployment benefits or social insurance. For agricultural laborers who rely on seasonal migration, mobility restrictions will have profound adverse welfare impacts. Conversely, for those who work near their homes, welfare losses caused by the pandemic may be

less severe. However, given their economic vulnerability, even small reductions in income can have substantial effects on the livelihoods of agricultural laborers.

Primary producers make up the second set of actors we consider. Significant heterogeneity exists among farmers in SSA, which manifests in terms of (1) access to, and control over, productive resources, including land and livestock; (2) variations in levels of production and livelihood diversification versus specialization; (3) degrees of input and output market integration; and (4) access to support systems, including public agricultural subsidy programs, social protection, and development interventions and services (such as health, education, financial, and agricultural extension services).

Despite this heterogeneity, the majority of producers are highly resource constrained, operate under rainfed conditions in a context of increasing climate variability, lack access to formal instruments to manage risks, and often orient their production toward meeting subsistence needs rather than toward maximizing profits (Reardon 2015; Frelat et al. 2016; Barrett et al., n.d.; Zezza et al. 2011). Importantly, their livelihoods are often multivalent, with income derived from a range of sources, including farm production, off-farm business and wages, remittances, transfers from formal and/or informal social protection mechanisms, and gifts. Such diversification, while it may limit specialization and profit maximization, is an important source of resilience to idiosyncratic and covariate shocks. However, in the context of COVID-19, which directly affects a wide range of economic activities simultaneously, high levels of diversification may also increase the number of channels through which the pandemic can influence the welfare of food producers. Those include disruptions to markets for food, inputs, and farm and nonfarm labor, as well as the loss of remittances, closures of off-farm enterprises, and reduced access to services. Moreover, limited savings and assets, combined with the self-employed nature of agricultural production, means that many food producers in SSA lack resources to adequately cope with major income shocks and typically lack access to formal risk management tools, such as insurance and social protection. Current data on social protection coverage in Africa by employment category is not available, but estimates show that SSA has the lowest social protection coverage of any region of the world, with the estimated effective coverage at just 18 percent of the total population (ILO 2017). Given that the majority of the region's poor live in rural areas and rely on agricultural production to meet their subsistence needs, we can assume that low overall coverage levels in the population equate to low levels of social protection coverage of primary producers and other food system actors.

Intermediaries within African food systems are diverse and include a wide range of different types of actors that link producers to consumers, including small- and medium-scale agricultural traders, food processors, input and service providers, and food retailers. The intermediary segment of the food system is a critical source of nonfarm employment in rural SSA, accounting for at least 20 percent of all rural employment—second only behind primary production (Liverpool-Tasie, Reardon, and Belton 2021). Several features define intermediary food system actors in SSA. First, they are overwhelmingly small-scale, unregistered, and self-employed (Sitko and Jayne 2014; Reardon 2015). Liverpool-Tasie, Reardon, and Belton (2021) estimate that roughly 85 percent of food system intermediaries in SSA are small- or medium-scale. Second, mobility is another key feature of this segment of the food system. Aggregators and wholesalers in African food systems consolidate a myriad of small-volume transactions coming from geographically dispersed smallholders into marketable lots that are then sold into processing and urban retail markets (Sitko, Burke, and Jayne 2018; Tschirley et al. 2010). Mobility restrictions implemented to contain the spread of COVID-19 are, therefore, highly disruptive to such actors. Moreover, because such actors are often linked to global and regional markets through cross-border trade, bottlenecks at shipping ports and border crossings caused by lockdown measures can directly affect their capacity to make a living. Finally, efforts to contain the spread of COVID-19 have led to closures and other limitations on informal food retail markets, with implications for marketers and the traders and producers that supply them (Liverpool-Tasie, Reardon, and Belton 2021). Taken together, these factors make food system intermediaries both highly vulnerable to COVID-19 lockdown measures and difficult to target and support through formal fiscal and social protection interventions.

Finally, the consumer segment of the food systems in SSA prior to the COVID-19 pandemic was characterized by persistently high levels of food and nutrition insecurity, with particularly high levels in rural regions (FAO et al. 2021). This has important implications in terms of the additional burdens the COVID-19 crisis has created in terms of food and nutrition security. In The State of Food Security and Nutrition in the World 2021, FAO et al. (2021) estimate that the number of food insecure people in Africa increased by 46 million, reaching

a total of 282 million people, or roughly one-third of all food insecure people in the world. In rural areas, the adverse impacts of COVID-19 on food consumption likely come through two channels: (1) effects on livelihoods and purchasing power due to reductions in farm and off-farm income, and (2) increases in food prices driven by market restrictions and lack of availability. Conversely, in urban areas closures of informal food retail markets combined with income losses create a double burden in terms of food access by poor consumers who purchase their food in these markets. An additional factor affecting consumers is the relative reliance of a country on food imports. Some countries face structural food deficits and therefore must rely on food imports to make up for production gaps (Jayne, Mather, and Mghenyi 2010). Disruptions in global trade and bottlenecks in shipping ports caused by labor restrictions has led, in some cases, to reductions in food supplies in urban markets and higher national food prices.

Table 8.1 summarizes the pandemic-related vulnerabilities of each of the four food system actors and the effects of the pandemic on them.

TABLE 8.1—SOCIOECONOMIC FEATURES AND COVID-19-RELATED VULNERABILITIES IN AFRICAN FOOD SYSTEMS

Food system node	Structural features of vulnerability	Effect of pandemic
Farm laborers	• High informality • High poverty • Dependent on mobility • Dependent on casual labor	• Loss of employment due to restrictions on mobility • Elevated risk of COVID-19 exposure due to working conditions • Few options to cope with income loss
Producers	• High informality • Limited assets and resources • Pervasive market failures • Lack of access to formal instruments to manage risk • Sensitive to market disruptions for inputs, outputs, and labor • Reliant on multiple income sources that are vulnerable to COVID-19 disruptions	• Loss of access to input and output markets and access to services • Loss of farm labor • Reduction in remittances • Loss of nonfarm income
Intermediaries	• Preponderance of small-scale actors • Highly informal • Reliant on mobility • Markets subject to closure • Few mechanisms to cope with drops in volumes	• Reduced capacity to acquire products due to mobility restrictions • Temporary closure of and other restrictions on informal food retail markets • Disruption in global input and food trade
Consumers	• Already high levels of food insecurity • Existence of a large number of food producers that also rely on markets to access food	• Loss of purchasing power among households already vulnerable to food insecurity • Disruptions in food markets due to retail market closures

Source: Authors' own elaboration.

The Rising Importance of Social Protection in SSA: Understanding the Prepandemic Trends

Social protection comprises a set of policies and programs aimed at preventing, managing, and overcoming situations that adversely affect people's well-being. Such policies and programs are typically categorized as follows:

- Social assistance/social safety nets typically consist of noncontributory measures that provide resources, either cash or in-kind, to individuals or households. These include cash and food transfers, as well as public works programs.
- Social insurance schemes consist of contributory measures intended to mitigate risks associated with unemployment, ill health, disability, work-related injury, and old age, such as health insurance or unemployment insurance.
- Labor market interventions include policies and programs designed to promote employment, increase the efficient operation of labor markets, and protect workers.

The evidence shows that in rural areas of SSA social protection measures not only protect the income and consumption of beneficiaries in the context of shocks, but also may have beneficial impacts on household-level production and investments as well as on economic activity in local economies (Daidone et al. 2019). Those are critical findings in the context of COVID-19, where policymakers must implement interventions to mitigate short-term welfare losses and support future recovery efforts. The productive impacts

come through two mutually reinforcing channels. On the one hand, social protection helps relieve liquidity constraints that prevent households from making investments in their farms or nonfarm enterprises. On the other hand, social protection reduces consumption risks associated with making productive investments. As a result, evidence shows that in rural spaces social protection can, for example, foster diversification into commercialized agricultural enterprises (Pace et al. 2021) and investments in agricultural inputs and nonfarm enterprise assets (Handa et al. 2018; Prifti, Daidone, and Davis 2019). The household-level productive impacts also tend to ripple through local rural economies, generating multiplier benefits for nonbeneficiaries, many of whom operate nonfarm businesses tied to intermediary food system activities (Taylor and Filipski 2014).

The last two decades have witnessed a growing prominence of social protection in the global development discourse, particularly in SSA. Globally, social protection is mentioned in three of the 17 Sustainable Development Goals, whereas it was not mentioned at all in the Millennium Development Goals. In Africa, in 2000 not even one country had a social protection policy. By 2019, 35 out of 55 countries had produced a social protection policy or strategy (Devereux 2020). Excluding subsidies, around 1.5 percent of gross domestic product (GDP) in 2018 was invested in social safety nets in SSA, which is lower than in Europe and Central Asia (2.2 percent of GDP), similar to in Latin America (1.5 percent), and higher than percentages in the other regions (World Bank 2018).

In SSA, the average number of new social safety net programs launched each year rose from seven during the 2001–2009 period to 14 in the 2010–2015 period (World Bank 2018. Moreover, since 2015 all countries in SSA implemented at least one social safety net program, including innovative ones associated with digital technologies. Thanks to this progress, today millions of people in SSA have access to regular social assistance that did not exist 20 years ago. Recent years have also seen some, albeit still limited, progress in terms of extension of social security coverage to informal economy workers, including farmworkers, and economic inclusion programs.

Despite the importance of social safety nets in SSA countries' political agendas, even prior to the pandemic financing fell well below needs—with development partners providing more than half of social safety net financing in the region and coverage extending to only a low share of the population (World Bank 2020; Devereux 2020). As of 2016, 71 percent of the population in the poorest income quintile in SSA had no access to any form of social protection program, and many relied on food systems for their livelihoods (World Bank 2018); only 16 percent of African children were covered by some type of social protection program and only 4.2 percent of SSA workers were covered (ILO 2017). In addition to generally low coverage levels, resource limitations have led policymakers and donors to focus social protection support on the most vulnerable population. As a result, many social protection systems in SSA have targeting criteria, registries, and delivery modalities that are specialized to reach the most vulnerable, and lack the flexibility (and means) required to extend their reach beyond those clients when conditions require it—as was the case following the COVID-19 outbreak.

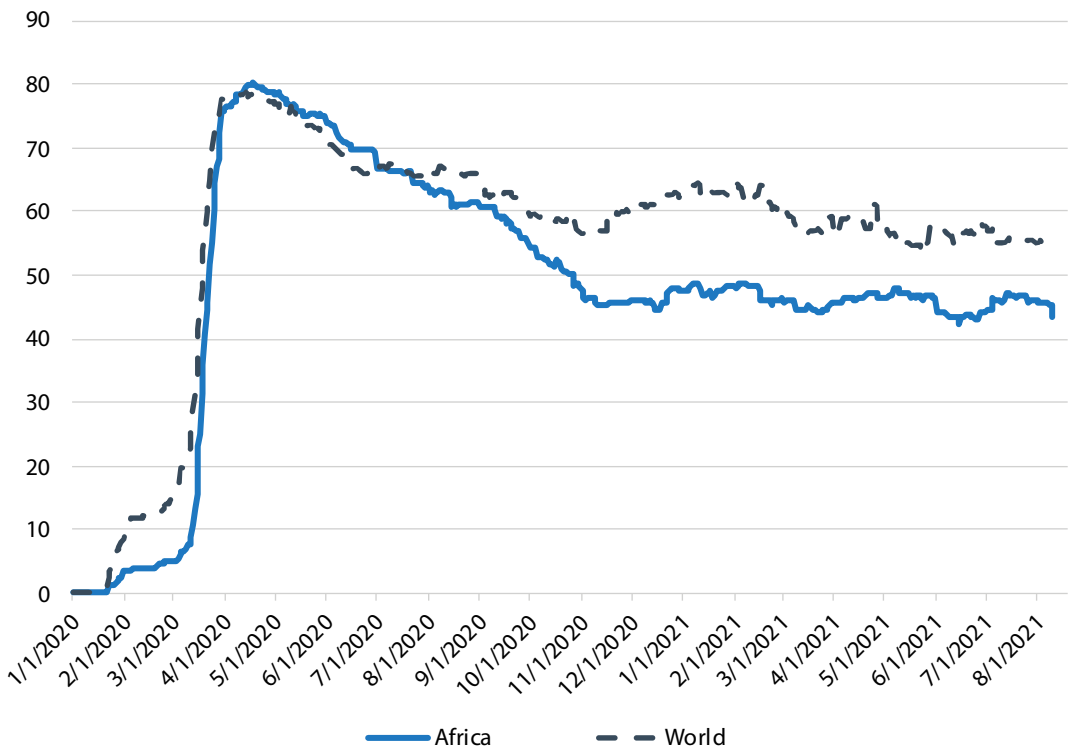
Of course, these figures mask heterogeneity between countries. A limited number of countries, such as Gabon, Mauritius, Seychelles, and South Africa, have large-scale domestically funded noncontributory schemes that provide people with basic income security (ILO 2017). For example, South Africa has managed to reach universal coverage through social assistance and social security schemes (ILO 2017), while the country's child grant program covers more than 60 percent of total households. Ethiopia's Productive Safety Net Program, Africa's second largest social assistance program, reaches 8 million rural people with cash and food assistance and supports the creation of critical public assets. The social safety net programs of Botswana and Namibia cover around 40 percent of the total population (World Bank 2018).

Thus, despite progress in recent decades, many social protection systems in SSA were positioned poorly to respond to an economic and health crisis of the magnitude generated by the pandemic. Moreover, the safety nets that do exist often exclude large segments of the population, among them farmers and the myriad small-scale and informal actors that make up Africa's food systems.

The Response of SSA Governments to COVID 19: Lockdowns and Economic Relief (for Some)

Early on, countries in SSA introduced measures to restrict movement with the intention of containing the spread of COVID-19. As Figure 8.1 shows, such measures were most restrictive in April 2020, soon after the World Health Organization (WHO) characterized COVID-19 as a pandemic, and included restrictions on the movement of people and goods, limits on social gatherings

FIGURE 8.1—TRENDS IN COVID-19 LOCKDOWN STRINGENCY INDEX: AFRICA AND THE WORLD



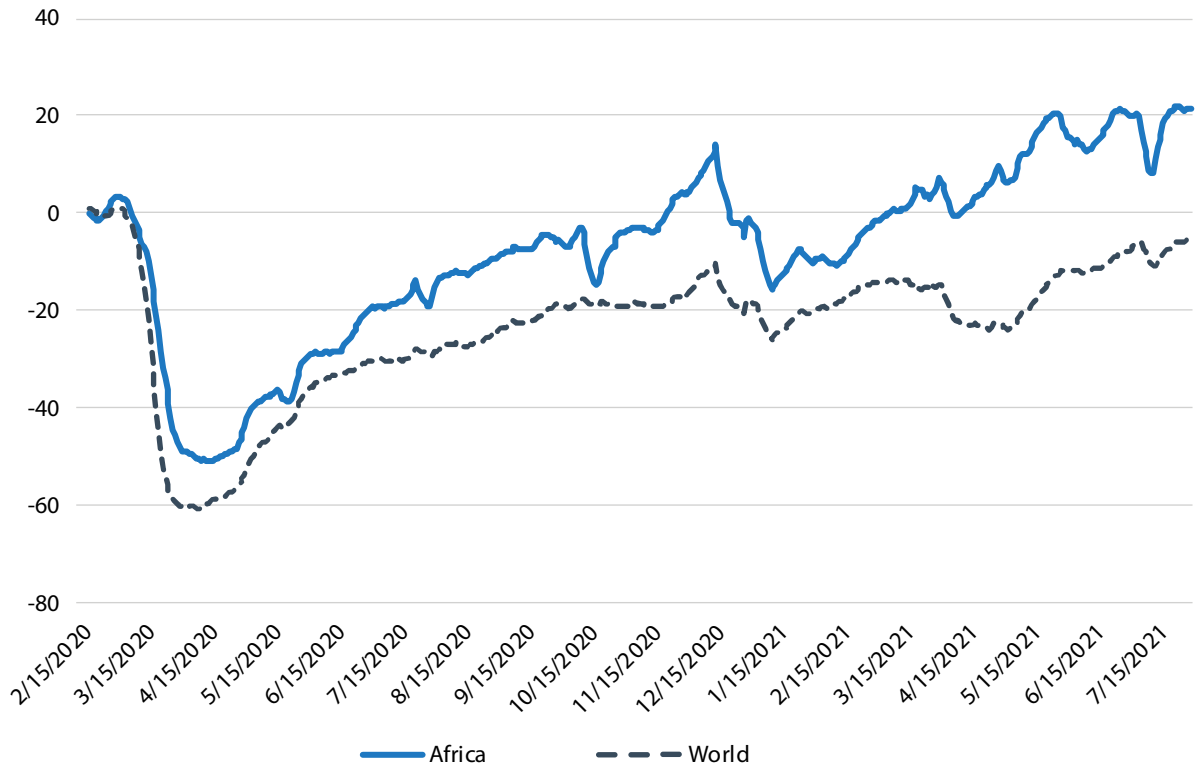
Source: Own elaboration on data by Our World in Data, University of Oxford (https://ourworldindata.org/). Regional averages are computed aggregating national data by using population weights.

(markets, workplaces, eating establishments), and school closures. As Figure 8.2 shows, those restrictions led to significant reductions in the movement of people. Inevitably that reduction in movement limited economic activity, and the effects have rippled through all segments of food systems, from agricultural input availability to food retail outlets. Indeed, even though food products and agricultural inputs were exempted from restrictions on internal and cross-border movements, additional inspections and checkpoints slowed the trade in agricultural products and inputs and increased costs. For example, in Uganda the costs of dairy production increased due to difficulties in accessing inputs, while low demand in domestic markets and bans on dairy imports by Kenya led to a crash in milk prices. Thus farmers experienced the double burden of increased production costs coupled with reduced output prices. In Sierra Leone, small- and medium-scale agribusinesses had made substantial investments to develop export markets for palm oil, ground cassava, and certain fruits and vegetables (FAO, n.d.). Because of supply bottlenecks and the increased transaction costs associated with transport and trade, those firms may lose the nascent export markets as a result of lockdown measures.

SSA governments implemented a range of relief measures in response to the economic hardship COVID 19 containment policies caused. The responses can be divided into three categories (Sotola, Pillay, and Gebreselassie 2021). The first comprises fiscal and financial measures, including tax exemptions on imports, loan guarantee facilities, and suspension of interest payments on government-backed loans. For example, in Sierra Leone, the government provided guarantees on loans to small- and medium-scale enterprises and suspended interest payments. In Niger, the government entered into a partnership with the Professional Association of Banks and Financial Institutions of Niger to establish a line-of-credit support to local enterprises, one-third of which is guaranteed by the state. While not directly targeting food system enterprises, such actions likely benefited some segments of the sector, particularly larger and better-off enterprises (FAO, n.d.; 2020a, 2020b). However, given the degree of informality in the sector, food system actors' access to financial and fiscal interventions is limited, and consequently so is the ability of those interventions to reduce welfare losses in large segments of the food system.

The second type of government response is direct in-kind support targeting primary producers. Recognizing that input supply bottlenecks are hampering food production, governments have both modified existing input subsidy

FIGURE 8.2—PERCENTAGE CHANGE IN THE NUMBER OF VISITORS TO TRANSIT STATIONS (BUS, TRAIN, AIRPORTS) COMPARED WITH PREPANDEMIC LEVELS



Source: Own elaboration on data by Our World in Data, University of Oxford (https://ourworldindata.org/). Regional averages are computed aggregating national data by using population weights.

programs and introduced new ones. In Malawi, for example, the government increased the number of beneficiaries of its input subsidy program fourfold. The governments of Sierra Leone and Liberia supported production by distributing assets and inputs ahead of the planting season (FAO 2020a, 2020c). Such measures can provide critical relief, particularly when private input markets are not functioning; however, they also tend to be high cost, with benefits often concentrated among relatively better-off farmers, and they are not effective or appropriate for nonproducers in the food system (Jayne and Rashid 2013).

The third type of government response is the creation of new social protection programs or the extension of existing ones. In the following section, we explore in detail the social protection response to the pandemic and its implications for food systems in SSA.

Exploring the Social Protection Response to COVID-19 in SSA

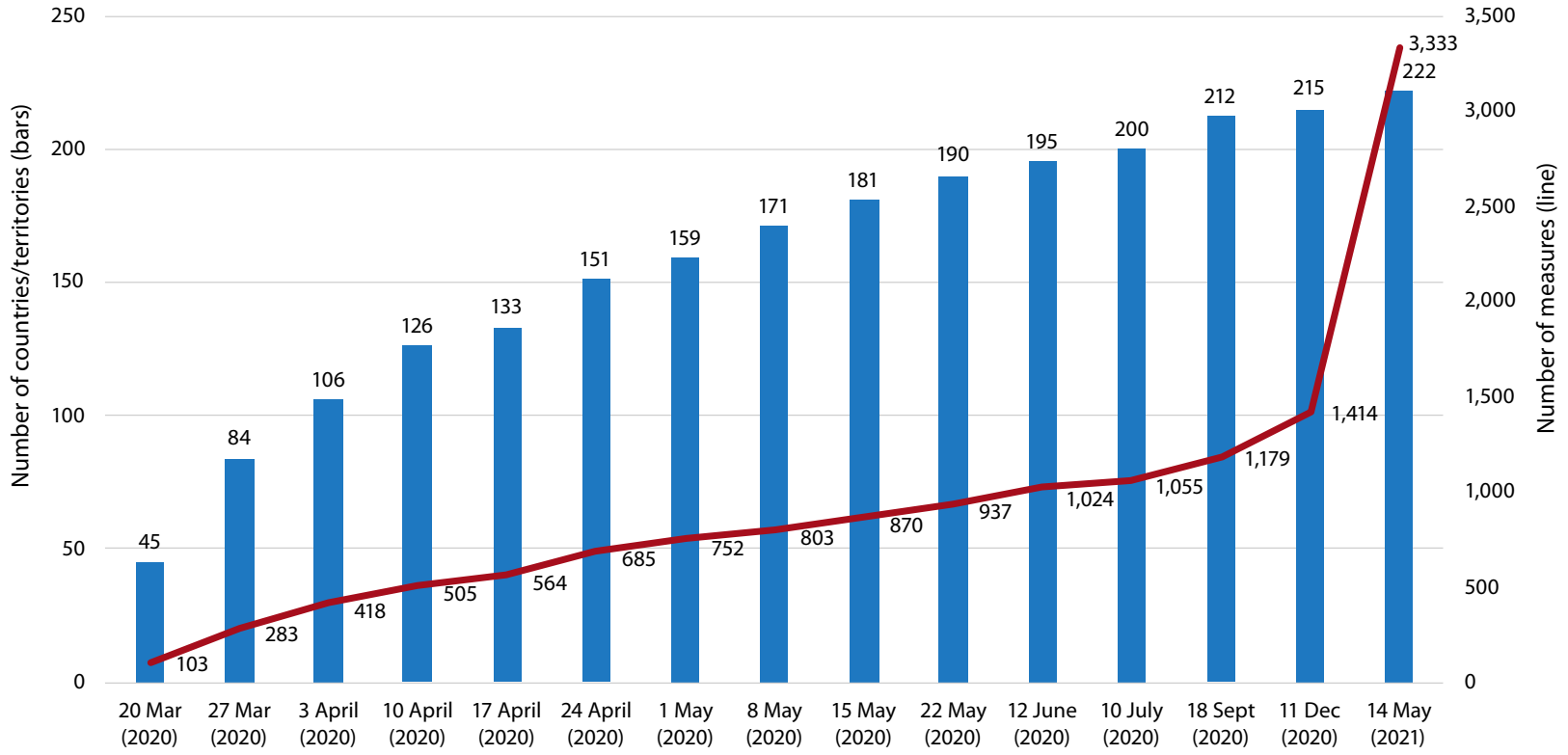
In response to the COVID-19 crisis, countries worldwide, including SSA governments, announced an unprecedented number of social protection measures. However, the SSA governments' social protection response was relatively slower than the rest of the world, and the measures implemented have left many without adequate coverage.

Figure 8.3 shows data on the number of countries introducing social protection measures in response to the pandemic (left Y axis) and the total number of social protection measures proposed (right Y axis) from March 2020 to May 2021. One can see that upon the WHO's characterization of COVID-19 as a pandemic in March 2020, 45 countries around the world announced that they would introduce new social protection programs and/or adapt or expand existing ones in response (Gentilini, Almenfi, and Dale 2020, version 1). The most widely used measures included cash transfers (30 programs), followed by wage subsidies (11), subsidized sick leave (10), and various forms of subsidized social security contributions and unemployment insurance. In most cases, these first responding countries adapted existing social assistance programs,

including immediate, anticipatory payments to people through existing cash transfer programs (Colombia and Indonesia), the provision of additional payments (Argentina, Armenia, Australia, Turkey), an increase in benefit levels (China), and an increase in the coverage of existing cash schemes (Brazil) and public works (Uzbekistan). However, in March 2020 no country in Africa implemented a social protection response to the pandemic (Gentilini, Almenfi, and Dale 2020, version 1).

One month later, the number of countries that had introduced or adapted social protection measures in response to COVID-19, or planned to introduce such measures, had increased by three times (151 countries), but the response in SSA was still muted, with only a few countries, including Ethiopia and South Africa, introducing new social protection interventions or expanding existing ones. Despite the late response, between April and December the number of SSA countries introducing at least one social protection intervention increased substantially, and followed a trend similar to the trend observed for the rest of

FIGURE 8.3—TRENDS IN NUMBER OF SOCIAL PROTECTION MEASURES AND NUMBER OF IMPLEMENTING COUNTRIES/TERRITORIES, MARCH 2020–MAY 2021



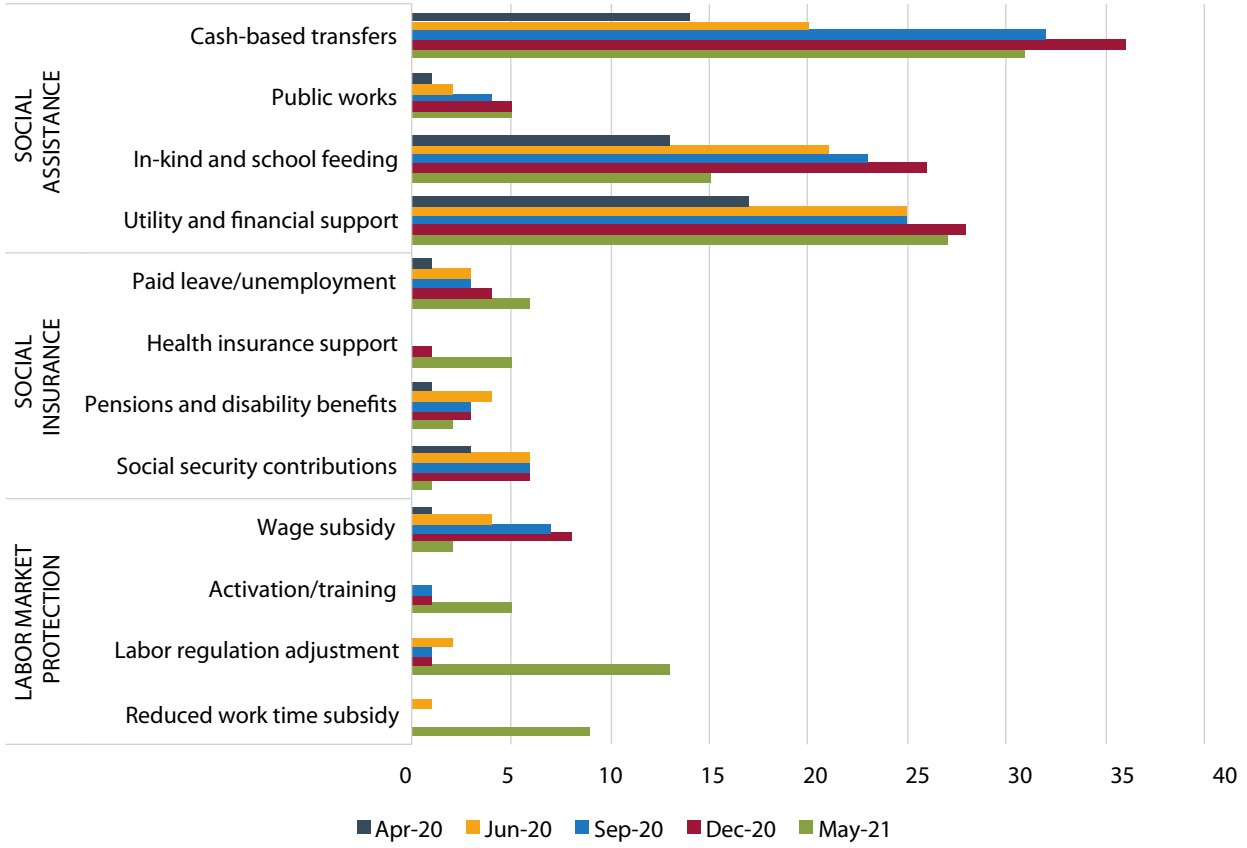
Source: Gentilini, Almenfi, and Dale (2020, version 15).

the world. The delayed social protection response in SSA was due to both budgetary issues, including a lack of resources and challenges mobilizing external support, and a lack of well-developed systems that enable rapid changes in targeting and delivery.

As Figure 8.4 shows, the most prominent form of planned social protection response in SSA was the expansion of existing or creation of new social assistance programs (see the appendix). In particular, between April and December 2020 the number of planned cash-based transfers and in-kind support programs increased substantially in the region. The number of countries with planned cash-based transfer programs increased from 14 in April 2020 to 36 in December (a 250 percent increase). During the same time period, the number of countries that planned to introduce in-kind support or modify existing in-kind/school feeding support rose from 13 to 26 (a 100 percent increase). Conversely, the number of countries with planned social insurance interventions increased only slightly between April and June 2020, and remained stable, and very low, throughout the year. Only six countries planned to introduce policies related to social security contributions and only three countries planned to introduce pension and disability benefits. Labor market protection interventions remained low throughout the year with only eight out of 46 SSA countries providing wage subsidies and just one country introducing labor regulation adjustments (Ethiopia) and one introducing training programs (Botswana) for formal workers. The prioritization of social assistance over labor market and insurance interventions reflects the preponderance of informal workers in SSA, who typically do not benefit from formal labor market and social insurance interventions.

Whereas the trends in the number of countries proposing new social protection interventions (or adapting existing ones) and in the number of social protection programs introduced are indicative of a strong, albeit delayed, response by the SSA governments, these data do not say much about the adequacy of the interventions. For a clearer picture, we must look at data

FIGURE 8.4—NUMBER OF SSA COUNTRIES WITH PLANNED SOCIAL PROTECTION INTERVENTIONS IN RESPONSE TO COVID-19

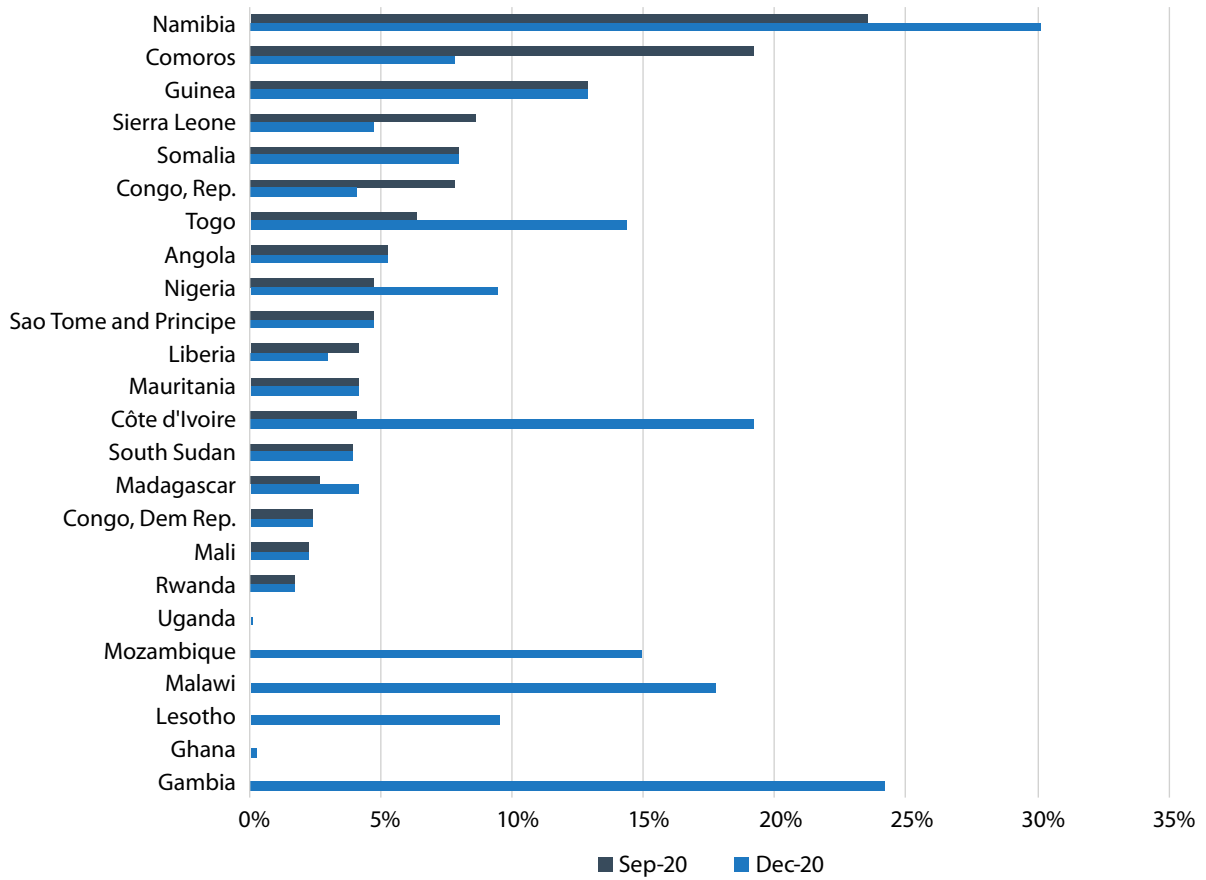


Source: Gentilini et al. (2020, versions 6, 11, 13, 14, 15). Own elaboration of data.

on the coverage and duration of coverage of social protection. Figure 8.5 presents data on the planned number of beneficiaries of cash-based transfers in SSA countries in September and December 2020 (where data are available) as a share of the population. It shows that intended coverage in most countries in SSA is low, exceeding 20 percent of the population in only a few cases. In the majority of cases, the intended number of beneficiaries of cash transfers constitutes less than 5 percent of the population.

Data collected through the World Bank's High-Frequency Phone Survey (HFPS) project substantiates the concern about the lack of overall social protection coverage.[1] HFPS data for Ethiopia, Nigeria, Kenya, Malawi, and Uganda (Figure 8.6) show that social protection coverage since the beginning of the pandemic has been low in all of those countries and lower than generally announced by the governments, and it remains low even five months after the pandemic outbreak (wave 4 for Ethiopia and Nigeria). In general, the data show an initial surge in social protection coverage early in the pandemic (wave 1) and a tapering off in subsequent waves. Differences between rural and urban areas are also apparent, but with no systematic patterns over time or between countries. This likely

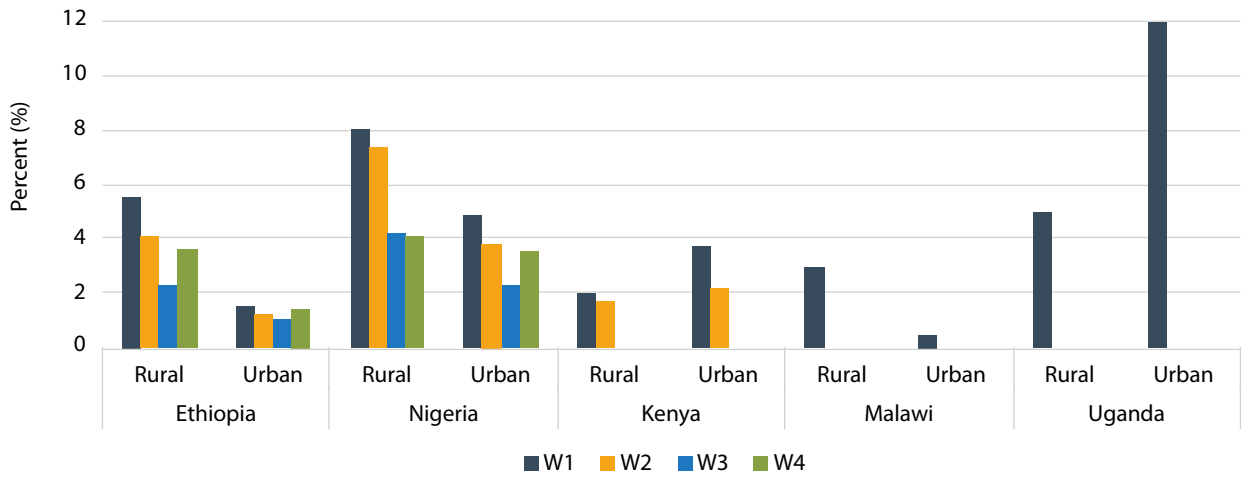
FIGURE 8.5—COVERAGE OF CASH-BASED TRANSFERS IN SSA IN RESPONSE TO COVID-19



Source: Own calculation based on Gentilini, Almenfi, and Dale (2020, versions 11 and 14).

1 In May 2020, the World Bank began implementing phone surveys aimed at collecting data from a nationally representative sample of households that were part of the World Bank Living Standards Measurement Study—Integrated Surveys on Agriculture (LSMS–ISA) initiative prior to the COVID-19 pandemic. The anonymized survey data and documentation are accessible through the World Bank Microdata Library and are comparable across countries (https://microdata.worldbank.org/index.php/catalog/hfps). Whereas phone surveys have proved to be a useful data collection tool during the pandemic, they do have some limitations that are important to mention. First, individuals without access to a phone or with limited network coverage, who normally belong to the poorest and most remote social categories, are underrepresented in the sample. Second, the surveys are affected by high levels of nonresponse and attrition. Third, a trade-off had to be made between the breadth and depth of the questions asked and the length of the calls. Fourth, all questions are asked to a single respondent per household, and therefore individual-level answers might be biased by respondent selection. Finally, in countries where the HFPS panel is a sample from existing prepandemic national surveys, the designated respondent is the household head, and therefore data on employment might differ from those measured by conventional labor force surveys due to characteristics related to being the head of household, such as gender and age. To correct for such biases, household-level weights have been applied to the data in the dashboard.

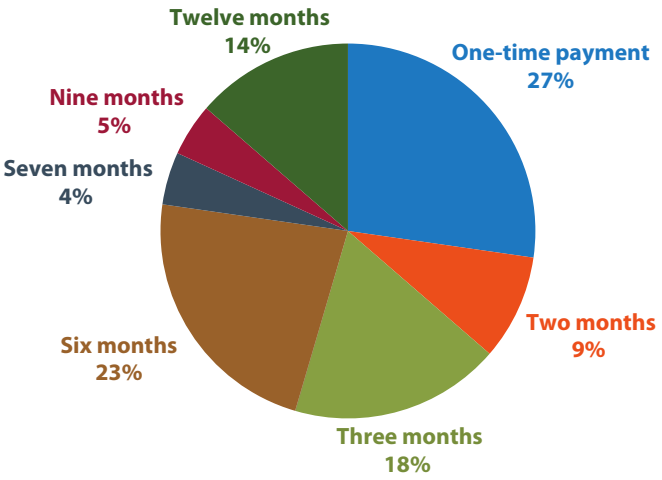
FIGURE 8.6—PERCENTAGE OF HOUSEHOLDS RECEIVING ANY FORM OF GOVERNMENT ASSISTANCE SINCE THE START OF THE PANDEMIC



Source: COVID-19 High-Frequency Phone Survey data, www.worldbank.org/en/programs/lsms/brief/lsms-launches-high-frequency-phone-surveys-on-covid-19.

Note: W1, W2,W3, and W4 refer to the panel survey waves.

FIGURE 8.7—DURATION OF CASH-BASED TRANSFERS IN SSA IN RESPONSE TO COVID-19



Source: Own calculation based on Gentilini, Almenfi, and Dale (2020, version 14) and Barba, van Regenmortel, and Ehmke (2020).

reflects a preponderance of short-term interventions targeting specific regions or subpopulations, as opposed to more systematic and long-term approaches (Barba, van Regenmortel, and Ehmke 2020).

Indeed, when looking at the duration of time beneficiaries receive COVID-19-related cash transfers, data show that most programs in SSA are designed to be very short-lived. As we see in Figure 8.7, 54 percent of the cash transfer programs in SSA were planned and financed to last three months or less, with only 23 percent expected to last six months and 14 percent for 12 months. Indeed, 27 percent of the cash transfers introduced in response to COVID-19 consisted of one-off payments.

Taken together, the SSA countries' social protection response to COVID-19 can be characterized as relatively slow and focused appropriately on social assistance programs. However, the interventions have had fairly limited coverage and generally are of short duration. This suggests that many people in Africa, including the large share of the population that depend on food systems for their livelihood, were not sufficiently protected from major welfare losses caused by lockdown measures.

Exploring the Evidence on the Impacts of COVID-19 on Food System Actors

The limited social protection response in SSA combined with the high level of vulnerability faced by food system actors suggests that the pandemic is likely to have substantial and long-lasting adverse impacts for food system–dependent people (Egger et al. 2021; Josephson, Kilic, and Michler 2020; Kansiime et al. 2021; Belton et al. 2021; Nechifor et al. 2021). In this section, we review evidence from a wide range of studies to understand how household incomes, agricultural production, nonfarm income opportunities, and food security have been affected by the crisis. Where feasible, we present evidence on specific food system actors, but in many cases this sort of disaggregation is infeasible. We, therefore, also provide information that is specific to rural areas where we can infer that these data are likely closely tied to food system–related activities,

including production, agricultural labor, and intermediation (for example, Liverpool-Tasie, Reardon, and Belton 2021).

Impacts on Household Income

Multiple data sources from multiple countries in SSA confirm that rural regions have not been spared the adverse effects of the pandemic. Despite lockdown restrictions being most visible and prominent in urban areas (Liverpool-Tasie, Reardon, and Belton 2021), rural people's livelihoods have been upended. In Malawi, Nigeria, Ethiopia, and Uganda, for example, Josephson, Kilic, and Michler (2020) estimate that 77 percent of the population experienced income loss due to the COVID-19 pandemic, with no statistical differences between households in urban and rural areas. This is consistent with findings from Egger et al. (2021) who find that 69 percent of rural households in Kenya and 56 percent of rural households in Sierra Leone lost income due to the pandemic. Rapid phone survey data from Zambia, Ghana, and Senegal are equally consistent, with 51, 81, and 90 percent of rural respondents, respectively, indicating that the pandemic had contributed to a loss of income.

These income shocks are manifesting through multiple livelihood channels including through agricultural income, nonfarm business and wages, and remittances. We explore the evidence on each of these below.

Impacts on Agricultural Income

Reduced competition in output markets, loss of traditional retail market outlets, constraints to accessing agricultural labor, and disruptions in input supplies all contribute to reductions in agricultural incomes (Egger et al. 2021; Belton et al. 2021; Josephson, Kilic, and Michler 2020). Thus, reductions in agricultural incomes not only reflect challenges for food producers, they are emblematic of disruptions to the livelihoods of multiple actors in the food system. In Ethiopia, Senegal, Malawi, Nigeria, and Uganda, households reporting agricultural income losses due to COVID-19 range from 40 percent in Ethiopia to 73 percent in Malawi (Josephson, Kilic, and Michler 2020; Kansiime et al. 2021; IPAR 2020; ISF Advisors 2020). Similarly, in Zimbabwe 58 percent of respondents indicated that farming activities had been negatively affected by COVID-19 (Carreras, Saha, and Thompson 2020).

In Senegal, livestock producers have been particularly hard-hit, with 93 percent of livestock-rearing households reporting declining income from livestock, while in Nigeria 65 percent of households reliant on the aquaculture sector reported a decline in purchasing of inputs for production and 69 percent of households reported a decline in output market participation (Belton et al. 2021; IPAR 2020). Livestock and aquaculture are both high-value and perishable, making them particularly sensitive to drops in consumer purchasing power and disruptions in trade networks associated with COVID-19 lockdowns.

In the context of limited coverage and inadequate social protection, rural households are forced to rely on costly coping measures to maintain consumption as incomes drop, which can have long-lasting adverse effects. As shown by Josephson, Kilic, and Michler (2020), rural households have been more likely to liquidate assets in order to cope with income losses, while in urban areas households are more likely to reduce food consumption and rely on informal support from friends and neighbors. This has worrying implications for the future economic prospects of rural households in the region.

Impacts on Nonfarm Businesses and Wages

The rural nonfarm economy, which is made up in large measure by intermediary food system actors, has been particularly hard-hit by the combination of mobility restrictions and loss of consumer purchasing power due to the pandemic. In rural Malawi, Nigeria, Ethiopia, and Uganda, income loss in the nonfarm sector has been substantial, with 80 percent or more of respondents who earned nonfarm income prior to the COVID-19 pandemic reporting income losses (Josephson, Kilic, and Michler 2020). In Senegal, 95 percent of rural respondents indicated that they have lost income from nonfarm sources (IPAR 2020). Similar results are found in rural western Kenya, where income losses from nonfarm businesses accounted for the largest share of income loss due to COVID-19 restrictions, followed by reductions in formal wages, crop income, and income from informal casual labor (Janssens et al. 2021).

Wage earners in rural areas, which include farm laborers as well as those employed in nonfarm businesses, have also seen a drop in income due to COVID-19. These range from 40 percent of wage earners in Ethiopia to 62 percent of respondents in Uganda (Josephson et al. 2020). Wage losses come from both reductions in wage rates and increased unemployment. In Kenya and Uganda, 21 percent and 16 percent of rural respondents, respectively, indicate that employers have cut their wages as a result of COVID-19 (Kansiime et al. 2021). These adverse impacts are disproportionately concentrated among the poor in the informal economy. They show that people whose monthly

incomes range from US$500 [2] to $2,000 and those making more than $2,000 were 18 percent and 35 percent, respectively, less likely to report a loss of income relative to those making less than $500 per month (Kansiime et al. 2021). In Nigeria, the percentage of individuals employed in fish value chains dropped from 52 percent of men prior to the pandemic to 11 percent and from 22 percent of women to 3 percent following the pandemic (Belton et al. 2021).

Mobility restrictions, health concerns, and other factors also contribute to significant challenges in terms of both the availability of work in African food systems and the ability of firms to hire workers. In Ethiopia, Ghana, Zimbabwe, and Nigeria, only between 17 and 33 percent of rural respondents to a rapid survey of food system actors said they could access nonfarm work since the pandemic (Carreras, Saha, and Thompson 2020). At the same time, 66 percent or less of food system employers in these same countries indicated they could hire needed labor (Carreras, Saha, and Thompson 2020). In contrast, in Tanzania, where the government only recently began adopting COVID-19 containment policies, 80 percent of respondents indicated they could find nonfarm work and 79 percent of firms indicated they could hire needed labor (Carreras, Saha, and Thompson 2020).

Remittances

Remittances make up a substantial share of total income for many rural households. In Kenya, for example, gifts and remittances constituted 22 percent of total average income prior to the pandemic (Janssens et al. 2021). Global lockdown measures have undermined the livelihoods of many migrants, with consequences in terms of quantities of remittances they can send home. Survey data from Malawi, Nigeria, Ethiopia, Senegal, and Uganda all show that in rural areas this loss in income is widespread, where between 57 and 92 percent of households report a reduction in income from remittances (Josephson, Kilic, and Michler 2020; IPAR 2020).

Food Security

As the preceding discussion suggests, the COVID-19 pandemic is rippling through rural spaces and undermining livelihoods tied to food systems along multiple dimensions. As an immediate consequence, food insecurity is on the rise. This is linked to both a loss of food markets and a loss of purchasing power.

Because of mobility restrictions, closed markets, and food shortages, access to food markets has been severely constrained by lockdown measures, with adverse impacts on consumers, food retailers, and their suppliers. In national survey data from Burkina Faso, Ghana, Kenya, Rwanda, and Sierra Leone, between 30 and 67 percent of respondents report a loss of food market access since the pandemic (Egger et al. 2021). The disappearance of markets is contributing to a rise in food prices. UN-Habitat and WFP (2020), for example, report food price increases of 8 to 10 percent in eastern Africa between April 2019 and April 2020. Fresh produce such as vegetables, meat, and fish recorded the highest increases, driven mainly by shortages related to disruptions in the supply chain (UN-Habitat and WFP 2020). This is substantiated by data from northern Kenya, which shows that between 61 and 97 percent of respondents, depending on the county, reported increases in food prices since the pandemic (Omosa and Njiru 2020).

Kansiime et al. (2021) estimate that in Uganda and Kenya the prevalence of moderate to severe food insecurity increased by 30 to 37 percent, respectively. They also find that during the pandemic there was a 20 percent increase in the number of respondents in Kenya that indicated that they worried about accessing sufficient food, were unable to eat healthy and nutritious food, ate reduced portions of food, and consumed limited food varieties.

As Husain et al. (2020) argue, the combination of widespread working poverty, high levels of informality, and low social protection coverage before the pandemic exacerbates the negative welfare impacts of lockdowns. Indeed, emerging evidence from Ethiopia suggests that adequate social protection can offset the food insecurity impacts of the pandemic. Abay et al. (2021) find that the Productive Safety Net Program (PSNP), Ethiopia's flagship social protection program that is primarily focused on providing cash for work in rural areas, mitigated the adverse impacts of the pandemic on food and nutrition security. They found that following the pandemic, average rural household food insecurity increased by 11.7 percentage points and the size of the food gap increased by 0.47 months. Participation in the PSNP offsets nearly all of this adverse impact. They show that the likelihood of becoming food insecure increased by only

2 All references to dollars are to US dollars.

2.4 percentage points for PSNP households and the duration of the food gap increased by only 0.13 month. This impact was greatest for poorer households and those living in remote areas. Moreover, PSNP participants were less likely to reduce expenditures on health and education by 7.7 percentage points and less likely to reduce expenditures on agricultural inputs by 13 percentage points. This finding highlights the importance of leveraging social protection in rural areas and among food system actors to address the myriad welfare and food security challenges brought on by the pandemic.

Conclusions

The multiple and overlapping channels through which the COVID-19 pandemic has undermined the livelihoods and welfare of food system actors in SSA suggest the need for a more flexible and multidimensional policy response. Fiscal and financial measures, although important in some cases, can address only the needs of bankable enterprises, which in the context of African food systems make up a small share of the population. Similarly, while input subsidy responses can help reduce the costs of production for those that can access such programs, they do nothing to mitigate losses of income coming from off the farm, including business income, wages, and remittances.

Social assistance interventions can help fill this gap in the context of African food systems by providing a more flexible, and relatively low-cost, mechanism to reach people operating in the informal sector, including the myriad small-scale informal actors that constitute African food systems (Tiwari et al. 2016). As initial evidence from Ethiopia suggests, sustained participation in social protection programs over time is offsetting much of the adverse food insecurity effects of the pandemic and reducing reliance on detrimental coping strategies (Abay et al. 2021). Social protection can also help people—particularly those with few savings or resources to cope with sustained income losses—comply with lockdown measures without jeopardizing their food security and welfare (Ravallion 2020). The prioritization of social assistance by African governments in their COVID-19 response packages is, therefore, commendable.

Moreover, social protection programs have a vital role to play in supporting the recovery of rural livelihoods and economies following the pandemic. The large and growing evidence on the productive impacts that such programs can have in terms of agricultural and nonfarm investments (Daidone et al. 2019; Handa et al. 2018; Prifti, Daidone, and Davis 2020; Pace et al. 2021; Sitko, Scognamillo, and Malevolti 2021) coupled with the substantial growth multipliers such systems can foster within local rural economies (Taylor and Filipski 2014) suggests that social protection must be considered a key element of building back rural economies.

However, as this chapter shows, the scope, scale, and speed with which governments in SSA responded to the pandemic through social protection instruments was limited. Governments and policymakers must urgently address the obstacles that have impeded an adequate social protection response to the crisis in order to support the COVID-19 recovery effort and to enable better responses to future crises. The evidence in this chapter suggests that by addressing four key areas, governments and policymakers can make social protection programs more responsive to shocks and can contribute to the recovery and economic development of African food systems.

First, governments must expand coverage of social protection to reach a larger share of vulnerable rural populations as well as productive populations within the food system who are often excluded from social protection in SSA. This requires changing the targeting criteria for noncontributory social assistance programs and increasing budgetary allocations to support the change. Moreover, opportunities exist to broaden the gamut of social protection instruments in SSA to also include labor market interventions that can reach informal laborers, such as agricultural workers and employees in intermediary food system enterprises.

Second, we need to reconceptualize the role of social protection in SSA. In particular, governments and policymakers should regard social assistance as more than simply a safety net and humanitarian tool for the most vulnerable. When social assistance is predictable and well targeted it can support households to engage in new economic activities and to capitalize on opportunities created by the continued economic dynamism in many parts of SSA (Daidone et al. 2019; FAO 2017; Kangasniemi, Knowles, and Karfakis 2020). At a policy level, this entails better integrating social protection programs into development frameworks and fostering greater coordination and coherence between social protection interventions and public- and private-sector development investments and activities. COVID-19 recovery efforts offer a unique opportunity to put this into practice.

Third, to expand coverage and better respond to crises, there is urgent need to invest in strengthening social protection systems. This includes, among

other things, expanding and integrating registries across sectors and industries involved in the food system (for example, social protection, farmers, fisheries, traders), adopting less demanding modalities for identifying beneficiaries (for example, simplifying eligibility criteria, switching to demand-based approaches for identifying beneficiaries), digitalizing payments, and providing a legal framework for social protection. Countries that were able to rapidly provide people with increased social protection coverage in response to the crisis are those that had better developed a gamut of programs through which to respond to different population groups and had more-developed systems (Barca 2020; Beazley, Marzi, and Steller 2021). In much of SSA, these platforms do not exist or are underdeveloped, which hampers policymakers' capacity to respond quickly to crises.

Finally, the ability to strengthen social protection systems critically relies on the availability of adequate financing. Taking into account the impacts of the pandemic, the International Labour Organisation (2020) estimated that countries in SSA will have to invest an additional 8.2 percent of GDP—that is, US$137 billion—to close the financing gap for social protection in 2020 alone. Filling that gap is immensely challenging and will likely require a multipronged approach. An important starting point is to work with international financing institutions (IFIs) to create budgetary space, perhaps through deficit spending, to invest in social protection programs. Indeed, IFIs have encouraged high-income countries to expand fiscal spending on social protection but have not done the same with lower-income countries (Georgieva 2020; IMF 2020). In addition, governments may increase progressive tax revenues and corporate social security contributions. At the same time, governments should invest in ensuring greater tax compliance, reducing leakages, and reducing illicit financial flows. While tax revenue has a critical role to play in increasing fiscal space, it is important that this does not place additional burden on the poorest. The international community also has a role to play. Richer countries should stick by the commitments made to overseas development assistance. Ideas have also been proposed for global financing mechanisms such as the global solidarity taxes, the creation of a global fund for social protection, or the International Monetary Fund's call for temporary "COVID-19 recovery contributions raised on high incomes or wealth to help meet the extraordinary financing needs following the pandemic" (Klemm et al. 2021; UN 2021).

While the pandemic has had devastating impacts on the economies and lives of millions of people in SSA, there is a silver lining. It has placed social protection at the center of government responses and the policy debate at national and global levels (Gentilini, Almenfi, and Dale 2020; *Economist* 2021). This creates a unique moment to mobilize political support for social protection in SSA and to begin to leverage social protection programs to support a more inclusive development pathway from the aftermath of COVID-19 for African food systems and the rural economies and livelihoods they support.

Appendix

TABLE A8.1—PLANNED SOCIAL PROTECTION IX NTERVENTIONS

Country	Planned social protection interventions
Ethiopia	On April 3, 2020 the prime minister's office announced a COVID-19 Multi-Sectoral Preparedness and Response Plan: (1) US$635[1] million (0.6 percent of GDP) for emergency food distribution to 15 million individuals (14 percent of the total population) vulnerable to food insecurity and not currently covered by the rural and urban Productive Safety Net Programs (PSNPs); (2) $430 million (0.4 percent of GDP) for health sector response under a worst-case scenario of community spread, primarily in urban areas; (3) $282 million (0.3 percent of GDP) for provision of emergency shelter and nonfood items; (4) the remainder ($293 million, 0.3 percent of GDP) allocated to agricultural sector support, nutrition, the protection of vulnerable groups, additional education outlays, logistics, refugee support, and site management support. The government plans to temporarily expand the urban PSNP in early fiscal year (FY) 2020–2021 to cover 500,000 new beneficiaries for three months. A broader set of measures is under discussion with the donor community but has not been formalized. The urban PSNP is expected to expand to 16 additional cities in FY 2020–2021, in collaboration with the World Bank.
Ghana	The government has so far committed a total of 11.2 billion cedis (¢) to face the pandemic and its social and economic consequences. The bulk of these funds (¢10.6 billion) is being used under the Coronavirus Alleviation Programme to support selected industries, support small- and medium-sized enterprises (SMEs), finance guarantees and first-loss instruments, and build or upgrade 100 district and regional hospitals. To compensate for larger spending related to the COVID-19 crisis, the government plans to cut spending in goods and services, transfers, and capital investment. In September 2020, Ghana launched a ¢11 million COVID-19 Relief Fund, a cash transfer program to COVID-19-affected daily wage earners. Seventy-five thousand people (0.25 percent of the total population) would benefit from the relief fund.
Kenya	The government, as part of the FY 2019–2020 budget (ending June 30, 2020), initially earmarked 40 billion shillings (KSh) (0.4 percent of GDP) for COVID-19-related expenditures, including health sector; social protection (cash transfers and food relief); and funds for expediting payments of existing obligations to maintain cash flow for businesses during the crisis. The FY 2020–2021 budget includes a KSh56.6 million (0.5 percent of GDP) economic stimulus package that includes a new youth employment scheme, provision of credit guarantees, fast-tracking payment of value-added tax refunds and other government obligations, increased funding for cash transfers, and several other initiatives.
Malawi	The government's response plan includes US$20 million (0.25 percent of GDP) in spending on health care and targeted social assistance programs; this includes hiring 2,000 additional health care workers. In addition, tax waivers are being granted on imports of essential goods to manage and contain the pandemic. An Emergency Cash Transfer Program of about $50 million (0.5 percent of GDP), mostly financed by development partners, is being implemented during May–November.
Nigeria	The government adopted a revised budget for 2020 in response to the COVID-19 shock. A 500 billion naira (₦) (0.3 percent of GDP) COVID-19 intervention fund is included to channel resources to additional health-related current and capital spending and public works programs to support the incomes of the vulnerable. The coverage of the conditional cash transfer program has been broadened and an allocation of ₦150 billion to support state and local governments' spending needs has been made available through the budget. Import duty waivers for pharmaceutical firms were introduced. Regulated fuel prices have been reduced, and an automatic fuel price formula introduced to ensure fuel subsidies are eliminated. Electricity tariff was increased. The social register was increased by 1 million households to 3.6 million to help cushion the effect of the lockdown.
Uganda	In FY 2019–2020, two supplementary budgets increased the spending envelope for critical sectors and vulnerable groups by about US$270 million (0.7 percent of GDP), of which around $110 million (0.3 percent of GDP) is estimated to have been executed. In FY 2020–2021, a supplementary budget increased the COVID-19-related spending by around $310 million (0.8 percent of GDP), partly driven by the delayed execution of some measures originally planned for FY 2019–2020. This includes providing additional funding to the health sector, food to the vulnerable in the urban areas, and social insurance (by continuing the Social Assistance Grants for Empowerment Scheme); introducing a tax exemption on items destined for medical use; and expanding labor-intensive public works programs in the roads and water and environment sectors.
Zambia	The government has waived tax penalties and fees on outstanding tax liabilities resulting from COVID 19. In July, Zambia launched an emergency COVID-19 social cash transfer scheme to help vulnerable communities affected by the pandemic. Kampamba Mulenga, minister of community development, said the emergency social cash transfer will help mitigate the impact of the pandemic in vulnerable homes of the elderly, women, and their children. The beneficiaries will be given money as well as food hampers for a period of six months.
Zimbabwe	In 2020, the government launched the Stimulus Package for COVID-19 aimed at (1) providing liquidity support to agriculture, mining, tourism, SMEs, and the arts; (2) expanding social safety nets and food grants; (3) setting up a health sector support fund; and (4) scaling up investments in social and economic infrastructure in Cyclone Idai–affected communities. It also supported the food security–related program, which included wheat farming and maize procurement, and the Pfumvudza Program, which supports vulnerable households with farming inputs. To cushion the vulnerable members of society, the government provided COVID-19 cash transfers.

Source: International Monetary Fund Policy Tracker, www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19.

1 All references to dollars are to US dollars.