



Food systems and COVID-19 in Latin America and the Caribbean: The role of social protection measures

Bulletin 7

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1. Editorial



As the pandemic has progressed, governments have had to face new challenges. While countries initially focused on mitigating the effects of severe health restrictions, over the weeks, their attention has shifted to a particularly serious threat: the economic and social crisis. Unfortunately, the outlook is not encouraging.

Resources must be directed to those most affected by this crisis, the vulnerable population, in this case, people without sources of income (the unemployed, the elderly, children and dependents) and informal workers, a group composed mainly of young people, women, migrants and indigenous people. It should be noted that the proportion of vulnerable population is even higher in rural areas.

Social protection programmes, among mitigation measures, are a fundamental right. Therefore, in this edition of the bulletin, we analyse the existing protection alternatives, with special attention to rural areas, which we cannot neglect.

2. Key messages



- Social protection measures have a dual function in the context of COVID-19: mitigating the immediate economic impact, and rebuilding the livelihoods of the most vulnerable.
- Rural areas are particularly vulnerable to the effects of COVID-19 due to their high level of informality, a higher concentration of poverty, lower social protection coverage and high seasonality of agricultural work. These characteristics will make the recovery process even more difficult in these areas.
- The particular characteristics of rural areas require differentiated responses.
- As an immediate response, it is essential to rapidly expand social assistance measures to vulnerable sectors in rural areas. It is recommended to start with cash transfers.
- *Cash+* (transfer + training + inputs) is a measure that, in addition to cash, provides tools to support small-scale agriculture.
- Food baskets are another way to respond immediately to a shock. Although important, it is a complementary measure. It is necessary to be concerned about the quality of the diet and to maintain a level of food intake that is as nutritionally adequate as possible.
- Special attention needs to be paid to childcare, and it is strongly recommended to continue with school feeding programs.
- As a recovery measure, it is recommended to articulate social assistance instruments with broader strategies of productive and economic inclusion.
- In the long-term reconstruction process, dynamic models must be generated, integrating social protection programs with emergency and climate change adaptation systems. It is also critical to strengthen social registration systems and their interoperability with productive and environmental registries.
- In the region, countries have mainly opted for vertical or horizontal extension of pre-existing measures, although a few have created special measures for rural families.



3. The role of social protection in the pandemic



Social protection is the "set of policies and programmes that address the economic, environmental and social vulnerabilities to food insecurity and poverty by protecting and promoting and livelihoods" (FAO, 2017). According to its typology, this set of interventions can be classified into three groups of measures:

- social care
- social security
- labour market interventions

The objectives and types of programmes that can be carried out for each of these groups of measures are listed and described below (see Table 1).

Table 1/ Areas of social protection and labour market intervention

Social protection and labour programmes	Objectives	Types of programs
Social security networks/social assistance (non-contributory)	Reducing poverty and inequality	Conditional cash transfers
		Unconditional cash transfers
		Social pensions
		Food and in-kind transfers
		School feeding programs
		Public works
		Dues exemptions and targeted subsidies
Social Security (Contributory)	Ensuring adequate living standards in the face of normal changes of status and shocks	Other interventions (social services)
		Contributory old-age insurance and disability pensions
		Health Insurance
		Maternity/Paternity Benefits
		Health Insurance Coverage
Labour market programmes (contributory and non-contributory)	Improve employment and earnings opportunities	Other types of insurance
		Active labour market programmes (training, labour intermediation services, wage subsidies)
	Income supplement	Passive labour market programmes (unemployment insurance, early retirement incentives)

Source: FAO, based on World Bank (2018).

The Economic Commission for Latin America and the Caribbean estimates that during this year, as a result of the current crisis, poverty will increase by at least 4.4 percent (28.7 million additional people) with respect to the previous year, affecting a total of 214.7 million people – more than a third of the regional population (34.7 percent) – which is expected to have a decisive impact on the deterioration of hunger and food insecurity levels (ECLAC, 2020a).

Focusing on poor households is, therefore, a matter of the utmost urgency, as they are much more exposed to the consequences and shocks associated with disasters (floods and droughts, among others) and social ones (economic crises and conflicts). Besides, their risk management capacity is limited. Therefore, crises and disasters can have devastating impacts on the incomes and livelihoods of the poor. In such situations they may be pushed to adopt coping strategies that are harmful to them, such as selling productive assets, reducing children's and adolescents' food intake and putting them out of school, and over-exploiting natural resources.

Social protection systems help reduce vulnerability to various hazards, improve risk management capacities, and rebuild agricultural livelihoods. They also help to maintain even levels of consumption (even in situations of shock and stress), minimizing the adoption of negative coping strategies (FAO et al, 2019).

In *The State of Food and Agriculture. Social protection and agriculture: breaking the cycle of rural poverty* (FAO, 2015), the Food and Agriculture Organization of the United Nations (FAO) shows how social protection can help reduce poverty and food insecurity. For example, according to studies cited in that publication (FAO, 2015), in 2013 social protection lifted some 150 million people out of extreme poverty – people living on less than USD 1.25 a day. Given its historical success in the region, it is essential to analyse applications of social protection that help to mitigate the social crisis triggered by the COVID-19 pandemic, especially in the most vulnerable households.

It is important to note that households in which income is earned informally are the most vulnerable during this crisis (FAO and ECLAC, 2020b). Furthermore, this group is over-represented in rural areas, both in the agricultural sector and in the service and industry sectors (see Figure 3 of FAO and ECLAC, 2020).

FAO is currently providing technical, policy, programme and emergency assistance to countries in the region to address immediate short-term needs resulting from the COVID-19 crisis. Such assistance seeks to find ways to protect rural livelihoods and functioning food systems – particularly in conflict situations – as well as to promote an inclusive process of medium and long-term economic recovery in which no one is left behind. To give one example, FAO assists small producers, youth, rural women, migrants, informal workers and indigenous peoples with interventions that aim to strengthen inclusive rural livelihoods and rural transformation. The organization also facilitates partnerships and international cooperation in all its forms, which play a key role in sharing experiences, good practices, knowledge, technologies and resources.

Within this emergency context, FAO has developed the Hand-in-Hand Initiative. Focusing on Sustainable Development Goals (SDGs) 1 and 2 – the eradication of poverty and hunger in all its forms – the initiative promotes a territorial approach to agricultural development and the acceleration of agricultural and sustainable transformation. This approach is based on the coordination of efforts by government, development partners, the private sector and civil society. The Hand-in-Hand Initiative aims to promote coherence and coordination among international agencies to improve the effectiveness of investment in the context of the COVID-19 crisis, in the short and long term (FAO, 2020a).

In the following sections, we will analyse in depth the types of social protection measures and good practices in some countries of the region that can serve as a guide for others, considering their context and characteristics.

4. Social protection measures to address the pandemic



As the pandemic progresses, the health crisis has mutated into an economic crisis. We know this because the effects of the pandemic are becoming better known, which has made it possible to update projections on expected economic growth in the region for this year. According to ECLAC (2020a), the information available so far suggests that the economy of Latin America and the Caribbean will shrink by 5.3 percent in 2020, although the economic performance of the region's countries will vary considerably. Poverty is expected to increase by 4.4 percent in the region, equivalent to an additional 30 million people in poverty.

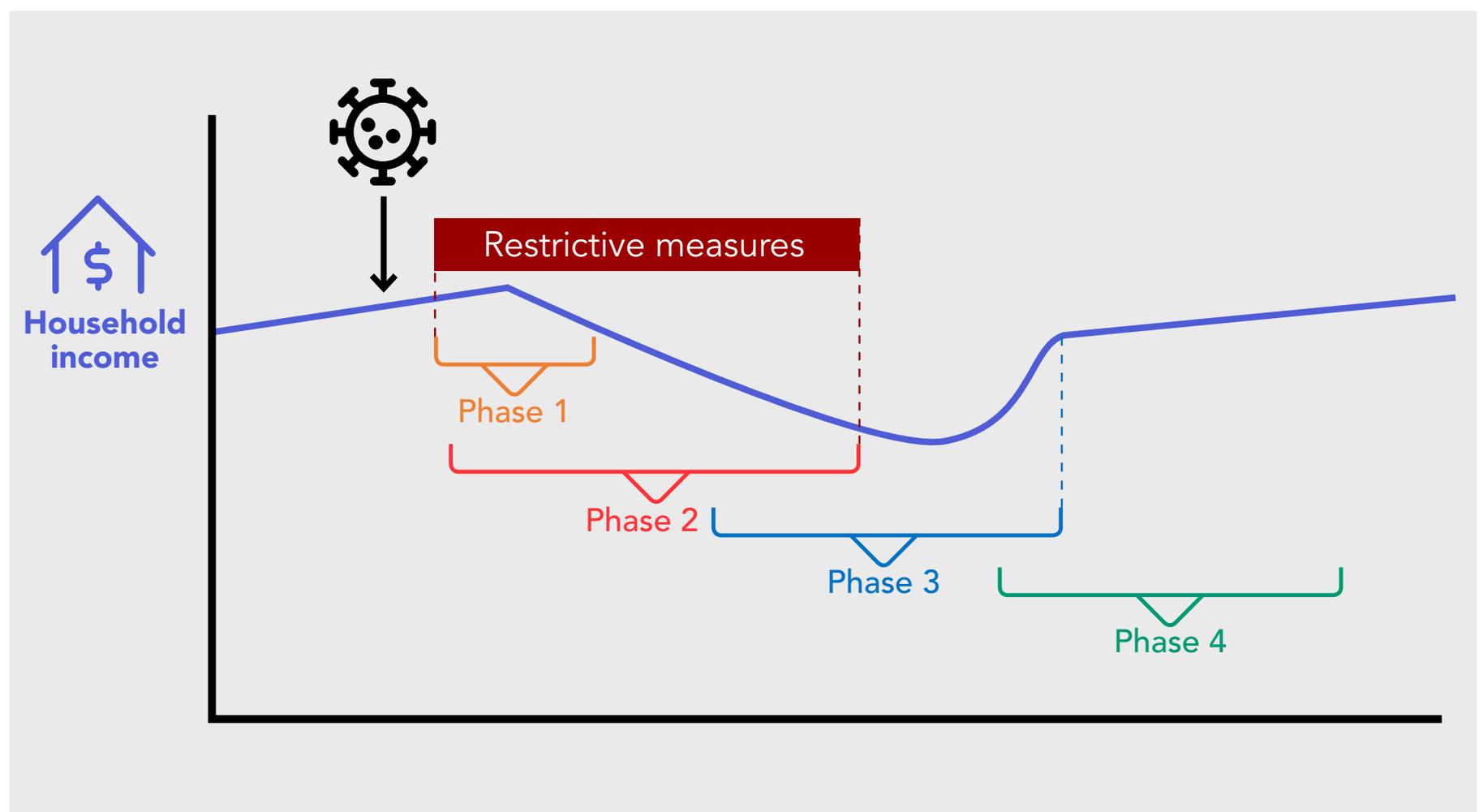
Therefore, the economic impact is expected to be greater and the recovery process more extensive than after the crisis of 2006 and 2007. Thus, the pandemic is expected to have an impact on family income generation, initially among the most vulnerable groups (informal, young people, women, indigenous people and migrants), and subsequently among groups of people with formal jobs but in productive sectors at risk. This is already happening in several small Caribbean island States in the tourism and catering sector (FAO and ECLAC, 2020c).

In short, the decline in income will increase the risk of food insecurity in the region.

The impact may be even greater in rural areas due to the comparatively high proportion of informality in the agricultural labour market, higher levels of poverty, the seasonality of production systems, and lower levels of social protection coverage. According to ECLAC data (2020d), the proportion of people living in poverty in rural areas is almost double that of those living in urban areas (45.1 percent and 26.4 percent, respectively).

This way, we build on the FAO and ECLAC proposal (2020a) to manage social protection measures, depending on the phase of the pandemic.

Figure 1/ Phases in managing COVID-19 impact



Source: FAO, based on FAO and ECLAC (2020a)

Phase 1

Begins with the restrictive measures and ends a few days later, the necessary to carry out a projection of the possible affected people.

Phase 2

Begins shortly after the first case is presented, and begins and ends with the sanitary restrictive measures. Its impact corresponds to the impossibility for people to move freely, which mainly affects informal workers, who generate their income according to what they have worked on during the day.

Phase 3

Begins a little before the end of phase 2 and ends when the economic recovery process is complete. Its impact is due to the lack of economic dynamism caused by COVID-19. In this phase, a group of people that exceeds the informal workers begins to be affected. Their recovery process will be quite long.

Phase 4

Starts during the economic recovery process. It is a long-term process, with no set end date. In this period, all the affected sectors begin their recovery process.

Phase 1



Even though this phase has already concluded, considering the time when the virus appeared in the region, it is necessary to emphasize that countries must carry out in the short term (first weeks after the initial measures of confinement and physical distancing) a rapid assessment of the number of people who will potentially be affected as a result of the pandemic. However, it is still necessary to take appropriate measures in case of further outbreaks. Carrying out these actions is critical before the implementation of social protection measures and policies, as it allows for the quantification and dosage of resources.

- **Rapid assessment:** It is essential to collect data on the state of the most vulnerable populations (indigenous peoples, children, women, migrants, refugees, the sick and the elderly, among others) and informal workers, who depend on income generated during the working day and lack the basic protection that formal sector jobs often offer, such as social security coverage (ILO, 2020).

It is key to take into consideration that these populations may be underrepresented in the available statistics, as they do not appear in the social security databases (FAO and ECLAC, 2020b). In this regard, the region's agricultural sector is particularly important, with a rate of informal employment – considering wage earners and self-employed workers – of 82.6 percent, (ILO, 2020). This group includes women, young people, migrants and indigenous people (FAO and ECLAC, 2020b).

Phase 2



In the region, social protection components and instruments must be activated and adapted to protect the most vulnerable. As mentioned earlier, the vulnerability rate is higher in rural areas because of, among other reasons, the high proportion of informal workers, who are mainly women, young people, indigenous people and migrants. This is the target population that social protection instruments should initially focus on during phase 2.

The most commonly used measures at this stage are **social assistance**. These are:

- **Cash transfer:** making cash transfers is FAO's first recommendation, as it empowers men and women by enabling them to prioritize and target resources according to their own needs. As an immediate response measure, the transfers are one-time or for the duration of the restrictive measures.

We also recommend that transfers be unconditional. If not, they should be conditional on the purchase of food at the local market, or of healthy food. In this way, the resources delivered can be used to invest

in agricultural inputs for family production, fostering the local economy by buying from small shops that belong to the community. It is estimated that for every dollar transferred, two dollars can be generated in the local economy (FAO, 2018).

Another notable aspect of transfers is their transparency, since in many cases they allow for the traceability of expenditure, especially when the transfer is electronic. Digital transfers also have lower implementation costs than other transfer modalities (between 25 and 30 percent cheaper) (FAO, 2018).

Therefore, bank transfers are recommended when local markets are functioning, basic goods and services are available, and the risk of inflation is limited.

However, flaws are observed when people do not have a bank account, which is not uncommon in rural areas, among people of a certain age and migrant or indigenous populations. In these cases, however, gifts or smart cards can be distributed, or transfers made through mobile devices.

- **Family baskets:** there is a need to generate coordinated responses and measures aimed at reducing disruptions in food supply chains, boosting capacity to improve emergency food aid, and strengthening safety nets for the most vulnerable population, through kits delivery with products from the basic food basket.

Deliveries are made to homes or locally available food delivery sites, with unrestricted adherence to sanitation protocols for such a pandemic.

This measure responds to total lack of supply or lack of purchasing power of a certain population group. It is important to mention that food delivery, as an immediate response, should be implemented only when cash cannot be delivered or there is a total lack of supply in typical places of purchase.

The lowest income quintiles can also be considered to normally spend between 40 and 90 percent of their income on food. If the crisis drags on, people will have no choice but to buy cheaper food of poorer nutritional quality. That is, highly processed food rich in fat, sugar and salt, which will have an impact on overweight and obesity rates, a risk factor for COVID-19. Therefore, the basket should consider having fresh produce such as fruits and vegetables, in order to encourage healthy eating.

If possible, public purchase mechanisms should be implemented that favour local family producers in order to generate income for more vulnerable farmers (FAO and ECLAC, 2020c).

- **School feeding programmes:** children in vulnerable situations are among the population sectors most affected by the closure of schools because they no longer receive their daily food through school feeding programmes.

It is strongly recommended to continue with the delivery of food, either at home or by allowing the withdrawal of food at the school, without neglecting, of course, health protection measures. There will undoubtedly be greater logistical problems in making the delivery in rural areas: many students live in isolated areas far from educational establishments.

It is necessary to maintain the diversity and nutritional value of the food delivered. If possible, it should not be all canned and non-perishable and should include fresh foods (at least fruits and vegetables).

Maintaining school feeding programs also allows maintaining the income of family farmers who are providers of the programs. The disruption of these programs further amplifies the economic effects of COVID-19 on farmers.

- **Subsidies, freezing or deferment of payment for basic services:** in general, the services considered as basic are electricity, water and Internet. However, in rural areas access to these services is rather limited, compared to urban areas.

Even so, some of the recommended measures are:

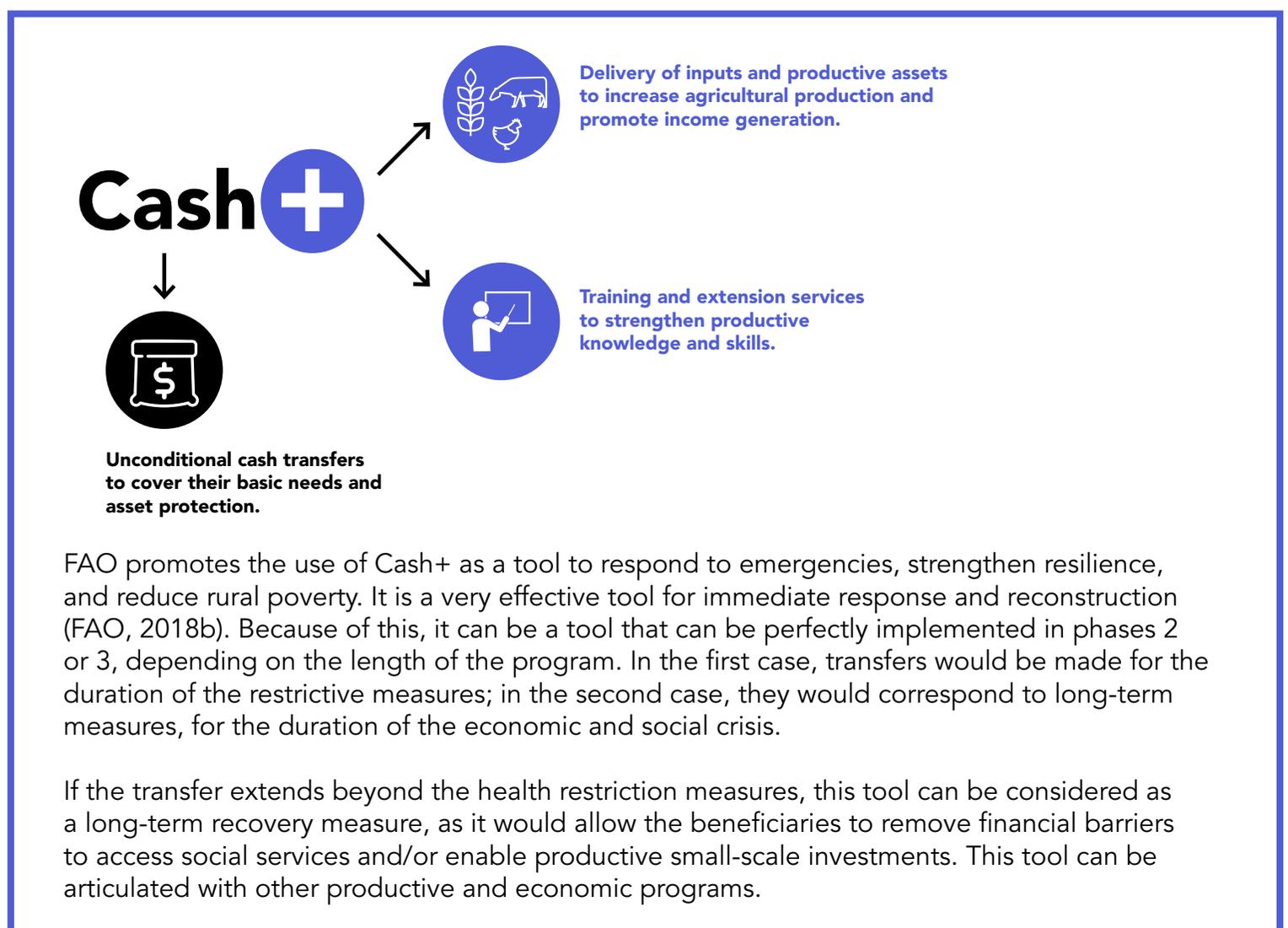
- subsidies, exemptions and extraordinary discounts on invoices;
- guaranteeing the continuity of services and the right to housing, prohibiting service outage and evictions for rentals; and
- temporary freezing of rents and services, postponing and making payments more flexible.

In rural areas, given its importance in the context of the current pandemic, access to water is critical.

According to WHO-UNICEF data (2017), 58.3 percent of rural households in the region do not have access to quality drinking water, compared to 17.7 percent in urban households. It is therefore essential to implement the necessary actions to maintain and improve access to drinking water in rural areas, in addition to prohibiting cuts, reconnecting services, and developing financial instruments to facilitate payment (UNICEF, 2020).

- **Family or psychosocial support:** These types of support are increasingly important in a context of growing vulnerability and risks that mainly affect women and children, such as situations of physical and emotional abuse, gender violence or psychosocial stress. In response to this growing concern, mental health care and psychosocial support services have been implemented, as well as prevention and control measures for vulnerable groups such as children, women, the elderly and people with disabilities, and some specific measures for alternative protection services (UNICEF, 2020).

Generally, these measures coincide with complaints made by telephone and social networks. In rural areas, it would be necessary to conceive ways of implementing these measures to make them effective.



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