

International Development Committee Inquiry- Humanitarian Crisis Monitoring: Coronavirus in Developing Countries

Submission from the International Growth Centre (IGC)

Thursday 29th October 2020

About the International Growth Centre (IGC)

The International Growth Centre (IGC) works to promote sustainable economic growth in developing countries by delivering demand-led policy advice based on frontier research. The IGC achieves this by working closely with partner governments to generate high quality research and policy advice that responds directly to key economic growth challenges, using our global network of world-leading researchers, policy advisors and in-country teams in Africa and South Asia. Majority funded by the Foreign Commonwealth Development Office (FCDO), the IGC operates as a partnership between the London School of Economics and Political Science (LSE) and the University of Oxford.

COVID-19 Pandemic and the IGC Response. The COVID-19 pandemic is an unprecedented crisis that will continue to have long-term impact across the globe. As it stands, over 41 million cases have been confirmed worldwide, with 1.2 million total deaths ([WHO, 2020](#)). The impact of COVID-19 goes far beyond the spread of the disease and include enormous long-term economic impacts in many developing countries. These impacts include job losses, food insecurity, the rise of incidences of gender-based violence and increases poverty. According to [World Bank, \(2020\)](#) estimates, an additional 88 to 115 million people are likely pushed into poverty this year due to COVID-19.

The economic and social impacts of the crisis therefore pose a substantial challenge to government policymakers. With both the magnitude of the crisis and the limited availability of evidence on how best to respond, posing an unprecedented challenge to policymakers, particularly in the developing world. There has therefore been substantial variation in the policy responses applied by governments, both in terms of the strategies to contain the virus and the support packages governments have used in an attempt to mitigate its wider impacts.

Responding to this challenge, the IGC's focus has been to quickly arm policymakers in the developing world with evidence on what works, through facilitating rapid real-time data collection¹ and leveraging our global network of experts to develop demand-driven evidence-based policy advice.² Reflecting this approach, and the scope of the International Development Committee's inquiry, this brief provides a summary of the key secondary impacts of COVID-19 that the IGC has observed through our work to support policymakers and our global monitoring of government policy responses to the crisis³, particularly as it relates to the economic impacts of COVID-19.

The global health pandemic has led to global economic crisis. To respond to the health crisis, many affected governments across the globe have imposed lockdowns and social restrictions aimed at reduce the spread of the virus. Domestic lockdowns and containment measures in developing countries have led to businesses closures and large scale job losses.

¹ In 2020 the International Growth Centre (IGC) and Innovations for Poverty Action (IPA) launched the COVID-19 Economic Impact Surveys to rapidly collect data on the economic impacts of COVID-19 in developing countries. See: <https://www.covideconsurveys.org>

² In early 2020 the IGC launched the COVID-19 special call that provided funding for projects that would contribute to informing policy decisions in developing countries in response to the economic crisis from the coronavirus pandemic. See <https://www.theigc.org/special-call-on-coronavirus/>

³ As part of this work, the IGC has been actively monitoring government policy interventions aimed at addressing the pandemic. See: <https://www.theigc.org/covid-19/tracker/>

As a result, economic activities have stalled since April 2020 and household incomes are falling continuously, leading increases in the poverty rate ([IGC, 2020](#))¹. In Mozambique for example, the consequences of containment measures from the government's early response to COVID-19 resulted in a 3% reduction in economic activity, a 7.8% reduction in the employment rate (particularly for people working in tourism and industry) and a 20% reduction in the turnover of companies by May 2020 ([IGC, 2020](#))².

The economic impact of the pandemic derives from the world recession resulting from the halt of global economic activities and disruptions in global value chains. In Uganda, the limitation to international travel and supply-chains constraints had led to 3.3 million people falling into poverty since the beginning of the pandemic ([IGC, 2020](#))³. In other words, around 471,000 have fallen under the poverty line each month since the beginning of the pandemic. Many developing countries have therefore endured a triple economic shock:

- A decline in demand from the trading partners due to border closures;
- A decline in output due to struggling commerce activities; and
- A sharp decline in commodity revenue due to the collapse of commodity prices.

As a result, countries are experiencing sharp rises in food insecurity due to disruptions in transport, food value chains and reduced incomes. In Ethiopia for example, the impact of COVID-19 had significant effects on food value chains, with horticulture expected to be most vulnerable because of their seasonality in labour demand and high perishability ([IGC, 2020](#))⁴. Consumption of vegetables from the urban populations have declined in Ethiopia due to travel bans (as part of the imposed restrictions), while farmers receive lower prices and reduced access to farming inputs. These disruptions are likely to hit the poorest and most vulnerable farmers and consumers the hardest, and likely result to shortages in foods and long-term negative impact on nutrition levels.

To counteract the negative economic impact of these measures, governments in developing countries implemented emergency policy measures, such cash transfers and social protection spending to support households and businesses. The IGC has several on-going projects that are monitoring and assessing the economic impact of the pandemic on firms, employment, and households.

COVID-19 has additionally led to many countries facing public health pressures and overstretched health systems. Major public health concerns have been expressed regarding the rise of other non-COVID-19 infectious diseases. The reallocation of resources away from important and routine treatment and towards treating the disease has resulted to reduced access to non-COVID-19 healthcare and lower rate of routine immunisation treatments. This low rate in access to treatment is also driven by changing public attitudes and communities trust and engagement. For instance, surveys results completed by from [Innovation for Poverty Action \(IPA\) RECOVR](#) show that 43% of respondents in Colombia, 10% in Ghana and 8.4% in Burkina Faso delayed or skipped healthcare visits ([IGC 2020](#))⁵. Many of the respondents explained that reasons for the delayed or skipped healthcare visits have been concerns of catching COVID-19 (the demand for public health), or the lack of capacity at healthcare facilities (the supply of public health).

Routine immunisations have also been interrupted and local healthcare workers are making house visits to alleviate the problem of the drop in routine immunisation. In Nigeria for example, traditional and religious leaders are used to sensitise communities on the importance of routine vaccinations and in Angola and Chad, community health workers have been mobilised to spread awareness and messages of safety. This has been a particular important public health response because of low internet penetration, low literacy rates, and irregular access to television/radio messaging (Wilkinson, 2020).

The IGC has several projects that monitor and assess the impact of the pandemic on community healthcare provision, community trust and engagement and levels non-COVID-19 treatment.

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