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Early Impacts of COVID-19 on Household Incomes and Food Consumption – The Zambian Case

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Introduction

The COVID-19 pandemic has devastated health and economic systems worldwide. Projections of its impact in early 2020 were that developing countries in the global south with historic system inefficiencies would be the worst hit, as weaknesses in their economies would be exposed by the pressure the pandemic would place on health, food and economic systems.

In Zambia, it has been expected that food consumption would be reduced as the informal sector, which employs over 70 percent of the country's population, would be hardest hit – particularly for those in agriculture and trade (wholesale and retail) (CUTS and UNDP, 2020). Current local evidence shows that urban households are bearing the brunt of impact compared to their rural counterparts and the sources of impact include rising prices, fewer customers for businesses able to stay open, and reduced business income (Kabisa et al., 2020; Mulenga et al., 2020; Mofya-Mukuka et al., 2020).

This policy brief reports on the impact that COVID-19 had on incomes and food security in Zambia as of July-September of 2020 - four- to six months into the pandemic. Data come from phone surveys conducted in Zambia between September 18 and November 22, 2020 as part of a multi-country effort. The survey was conducted with 800 respondents, who were stratified 50/50 by rural and urban location. This study complements nationwide surveys conducted by IAPRI under the SUNLE program documenting the impact the pandemic is having in real time on the economic livelihoods of Zambians in both rural and urban areas, and tracking food consumption changes during the course of the pandemic, and provides additional empirical evidence for government to consider in setting policy.

Key Facts

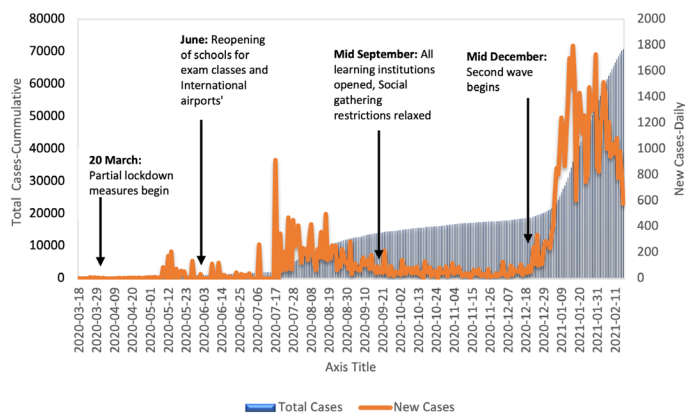
- There was no significant change in per capita per day income from March 2020 (considered pre-COVID) to July 2020 for both rural and urban households.
- Reasons for lack of observed impact could include economic disruptions prior to and unrelated to the pandemic and the fact that first lockdowns happened in March.
- More than half of households reported reduced consumption of food in August-October 2020 compared to a year previous and reported also that the quality of their diets had worsened.



Government Response

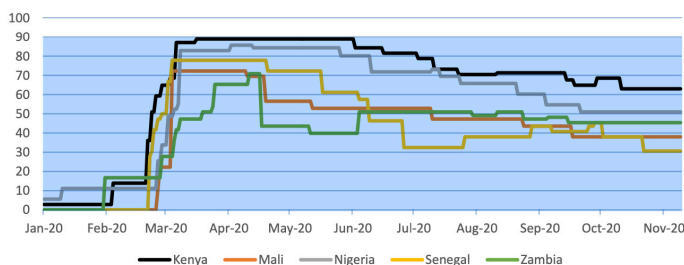
Policy measures responding to the pandemic started as early as February 20, with a partial lockdown imposed on March 20 (Figure 1). However, through June, 2020, Zambia's policy responses were generally the least strict among the five countries surveyed (Figure 2 and Maredia, et al., 2021).

Figure 1: Distribution of policy measures by daily and total cumulative COVID cases.



Source: John Hopkins University (<https://ourworldindata.org/coronavirus/country/zambia>)

Figure 2: Stringency Index



Source: Oxford Covid-19 Government Response Tracker
 Note: Description of the index calculation is available at: <https://github.com/OxCGRT/covid-policy-tracker/blob/master/documentation/codebook.md#containment-and-closure-policies>.

What we found

Household income: Both pre-COVID and in July 2020, households had on average 3 income sources, showing no statistically significant change. This trend was observed for both rural and urban households. There was an increase, albeit small, in the proportion of rural and urban households engaged in trade and non-farm wage labour activities from pre-COVID times to July 2020.

Food consumption: Nearly twice as many households reported consuming less quantity of food compared to more, during the August-October 2020 period. This was also the case with the quality of food indicator, a result consistent with local evidence (Mofya-Mukuka et al., 2020; Mulenga et al., 2020). Households were asked how long they could meet food consumption needs of the households as of the day of the interview. Over a third of all the household types indicated that they could only meet food consumption needs for a period of less than a week. A smaller proportion (less than 20 percent) indicated that they could meet food consumption needs for more than a month. The majority of the households reported to have skipped at least one meal because of lack of food in May 2020 compared to the same time the previous year, with more rural households (60 percent) reporting this in comparison to urban households (55 percent).

Conclusion

Four months into the crisis, income sources of both rural and urban households showed no significant reduction, and this was also the case for per capita per day income in both regions. The main impact identified by a majority of respondents was the reduction of foods consumed and erosion of diet quality in comparison to the same period the previous year (August to October). About a third of respondents in both rural and urban areas reported having enough food for only about a week.

The reasons for this relatively muted impact of the pandemic as of July, 2020, may include the fact that Zambia's actions started in mid-March, thus potentially leading to some downward effect on reported incomes during that month; and the fact that Zambia's policy response was less restrictive than many.

Since the period covered by this survey, Zambia has passed through two more waves of COVID, including a devastating wave in June-August of 2021 that has severely stressed the country's medical system and may have caused substantially more disruption to the economy and to people's access to food.

With less than 2% of the Zambian population having been vaccinated as of mid-August, 2021 (<https://ourworldindata.org/coronavirus/country/zambia>) and new variants of the virus continuing to emerge, it is likely

that the country will see additional waves before the virus is brought under control. The first policy priority is thus to gain access to vaccines and vaccinate the Zambian population as rapidly as possible. Beyond this, and based on experience from multiple countries, the government of Zambia should consider the following policy actions:

- As waves unfold, designate logistics, physical marketplaces, and supply chains delivering inputs and labor as essential. This policy stance is essential to keep value chains functioning smoothly and ensure access to food for all;
- As this is done, provide sanitation and personal protective equipment (PPE) in particular masks, to maintain safety for workers in supply chains and protect public health. COVID testing should be provided to those suspecting that they have been exposed;
- Establish regular consultation between government and business associations at national and sub-national levels to quickly identify emerging problems and implement remedies;
- If emergency financial support to businesses is considered, ensure access by all value chain actors, not just farmers, when allocating resources; focus on SMEs and the informal sector, as these are more labor-intensive than large enterprises, and account for most food produced and traded; and ensure that application criteria are transparent and simple;
- If adequately implemented, safety nets have an important role to play in mitigating the impacts of shocks on the poor and vulnerable. These should include digital transfer mechanisms while addressing issues of digital inclusion. Food aid could be diversified beyond staples to include more nutritious foods, which due to perishability of some may be more subject to supply chain disruptions. Finally, other measures that can be helpful include

lowering bills on utilities such as electricity, water and cooking fuel.

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