

# WHO GLOBAL WEBINARS ON THE COVID-19 PANDEMIC'S IMPACT ON EQUITY AND THE SOCIAL DETERMINANTS OF HEALTH

## *CONFRONTING POVERTY AND INCOME INSECURITY DURING COVID-19 THROUGH STRENGTHENING SOCIAL PROTECTION*



25 February 2021

**Peter Hangoma, PhD**

**Affiliation:**

1. University of Zambia, Zambia
2. Chr. Michelson Institute, Norway
3. Bergen Centre for Equity and Priority Setting (BCEPS), Norway



## Evidence from Africa and other low- and middle income countries-

- Household incomes dropped as many lost source of livelihoods. Recovered in short to medium term but long-term effects unclear.
- Children from poor households have limited access to remote learning. The result is reinforced intergeneration poverty and inequality.
- Food insecurity is very high, but in most countries has surprisingly not worsened yet. Possible explanation-poor adherence by poor households to COVID-19 lockdowns.
- Poor adherence may reinforce existing health and economic inequalities by disproportionately clustering deaths among the poor and increasing intergenerational poverty.



# Why poor adherence to lockdowns

- Need to maintain food consumption in light of lower or no incomes.
- Limited trust in political institutions.
- Lack of reliable information

# Addressing Lack of Trust in Institutions

- The 34-country average from Afrobarometer study [shows](#) low trust in presidents at 52 percent while trust in traditional leaders and religious leaders is higher, at 63%. Countries with high levels of trusts in political institutions, e.g., Ghana, have citizens accepting lockdowns more than those with low trust in Government, e.g., Malawi.
- In a [geopoll survey](#), countries with low levels of trust in government reported that their governments had not done enough (e.g., DRC and Zambia) while those with high levels reported that they were satisfied with government efforts (Rwanda and Mozambique).
- **Possible solution:** Utilize local civic groups, community organizations, and village leaders who have the trust of the population.

# Addressing need to maintain consumption and lack of information

- Small once off **cash transfers to households** during this period could help **improve adherence** and reduce the need to undertake activities that increase transmission (social distancing, staying at home, etc.).
- In addition, smaller **cash incentives** can be used to incentivize people to forward messages to their networks, to increase uptake of prevention measures.
- Beyond maintain consumption, there is need for support for **remote learning for poor children** in developing countries to break intergenerational poverty.



# Who should pay for household costs of lockdowns?

- The cost of lockdowns should not only be borne by individuals since the benefits are global.
- Because of this global public good characteristics of lockdowns, cash transfers to help cope should be mobilized from across the global.
- Globalization and business facilitated the fast transmission of COVID-19, taxes of these businesses should be mobilized from everywhere to pay for the externality imposed on households in low- and lower-middle income countries.

# How much is needed?

- [Typical cash transfer programs](#) in Africa provide **5-20 US dollar per household per month**. If doubled for a once off corona annual payment, \$480 dollars would be paid per household.
- **Big push:** We propose paying **ALL household in Africa, South Asia, and South America** a once off \$480 dollars. For several households, this could be life changing.
- It would require almost a third (\$350 billion dollar) of the American stimulus package. Amount to be paid to households, not governments.
- But there is of course the administrative costs and infrastructure of delivering it.

# Administrative costs and infrastructure for delivering cash transfers

- Most cash transfer programs suffer from [huge administrative overheads](#). [Evidence](#) shows that delivering cash transfers by using existing platforms can lower the administration costs of delivering **1 dollar to a beneficiary** from as much as **0.6 dollars to 0.2 dollars**.
- In almost all countries Africa, South Asia, and South America, systems that utilize local communities as well as non-profit NGO sectors to deliver cash transfers are already in place.
- The increase in mobile money and financial inclusion makes payments easy and reduces administrative costs.





# Thank you

Acknowledgements:

**Institute of Health Equity, Swiss Agency for Development and Cooperation**