

Seasonal Poverty

Policy implications of COVID-19

July 2020

Summary

In Bangladesh, the pre-harvest season sees incomes fall by an estimated 50-60% while expenditures on food drop by 10-25% (**Figure 1**). Many poor, landless households temporarily migrate to cities for work when job opportunities become scarce in rural areas during the lean season. Unfortunately, this successful and widely practiced coping strategy will be limited by pandemic-related restrictions on mobility and economic activity.

This is becoming more urgent to consider, because economic hardships already felt by the poor since April 2020 provides an incomplete picture of the longer-term costs of the pandemic. COVID-19 hit South Asia during a fortunate post-harvest period when poor rural households still have some grain stocks to draw down. The expected seasonality in crop cycles in agrarian economies implies that we are likely to see even more acute deprivations after September 2020. Moreover, our past research has shown that seasonal migration mitigates the effects of lean season deprivations, but the crisis puts that livelihood opportunity at greater risk.

Key Insights

- We have observed an unusual degree of food insecurity in rural Bangladesh and Nepal this year, even during the relatively abundant post-harvest period (**Figures 2a and 2b**). The effects of the crisis will be exacerbated when the pre-harvest lean period arrives
- Total work hours in April are significantly below even the pre-harvest lean season in September 2019 - subdued local economic activity will push many families below the poverty line (**Figure 2**)
- Furthermore, remittance earnings - which is another major income for households affected by seasonality - is sharply down (**Figure 3**)
- Risks may persist in agricultural communities even after the lean season - if past and present hardships lead to reduced agricultural investments, then lower productivity may perpetuate cycles of poverty. The risk of a likely reduction in investment is implied by our prior research, which showed that rural households used loans during the pre-harvest lean season in 2019 to finance the purchase of fertilizer: substantial loss of income during COVID-19, these investment are likely to be impacted

Implications

- Adequate provision of safety net programs (e.g. FFW, VGD, VGF) at the local level in the short to medium term to adequately support households that are vulnerable to seasonal poverty
- Ensure implementation of agricultural subsidies and monitor continued agricultural investment to mitigate future risk of reduction in harvest
- Need for smart containment strategies that incorporate regional variation in disease risk as well as activities critical for maintaining food security and sectors indispensable for the livelihoods of ultra-poor and poor

Recommendations for Specific Ministries

Ministry of Agriculture

- Targeted subsidy allocations in areas prone to seasonal poverty. One of our teams is currently collaborating on using data from telecom companies to refine targeting COVID-19 stimulus payments and we are keen to collaborate on extending similar data analytical strategies for targeting agricultural subsidies
- Monitoring of agricultural investment

Ministry of Food, Ministry of Disaster Management & Relief

- Targeting VGD, VGF, FFW and other safety net to ensure food security for most vulnerable households

A2i, Ministry of Information & Communication Technology

- Provide support to above ministries for tracking relief distribution at high frequencies in order to keep track of progress with SDG goals

Contact Details

Research on the above is being conducted under the Yale Research Initiative on Innovation and Scale (Y-RISE). Please contact Dr Mushfiq Mobarak (ahmed.mobarak@yale.edu), Faculty Director at Y-RISE for facilitating further research and data tracking on topics related to those above.

Figures and Tables

Figure 1: Month-by-Month Food Insecurity in Northern Bangladesh, Reported in 2016

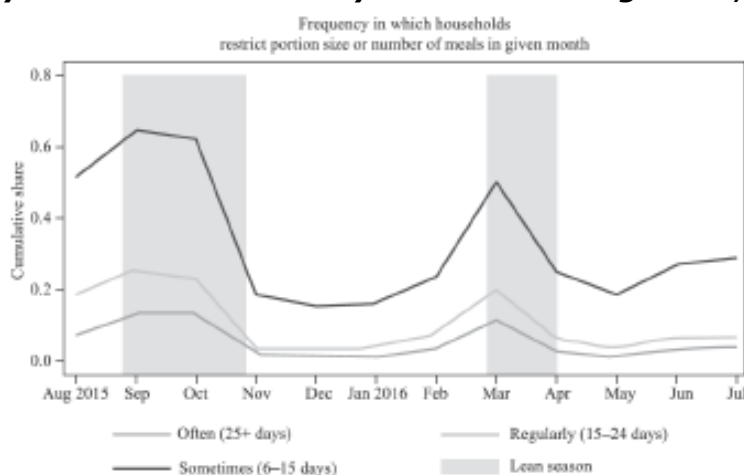


Figure 2a: Seasonality in Food Insecurity in Northern Bangladesh in 2019-20 Compared to Prior Years

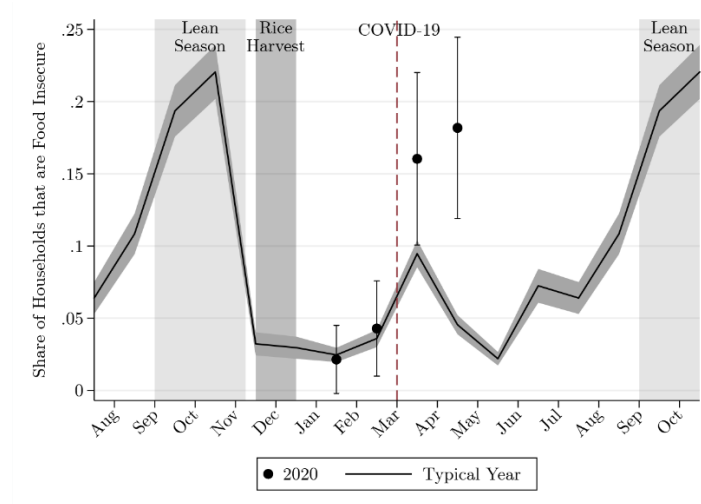


Figure 2b: Seasonality in Food Insecurity in the Western Terai of Nepal in 2019-20 Compared to Prior Years

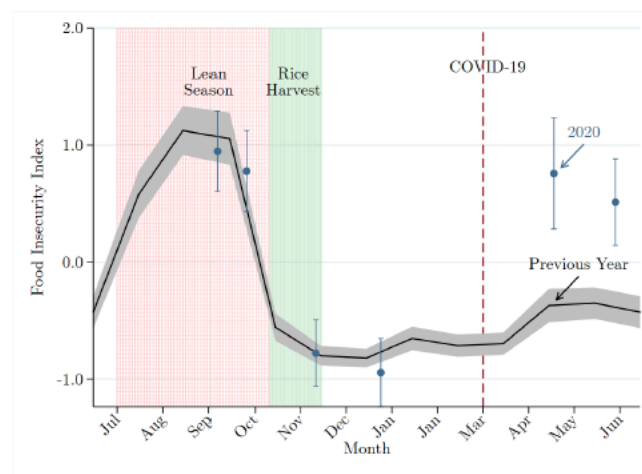


Figure 3: Hours Worked by Survey Round in Nepal, Sex

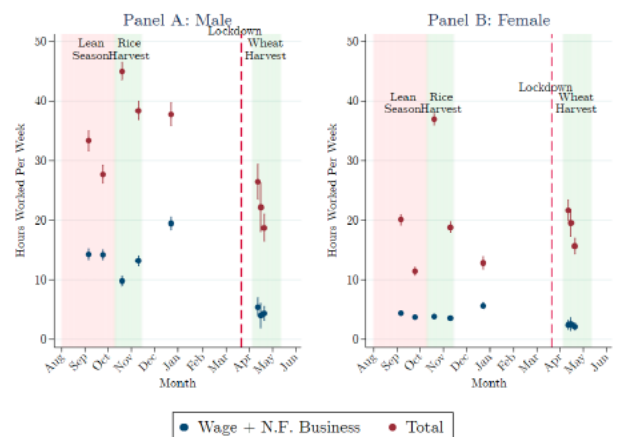


Figure 4: Male Temporary Migration by Survey Round

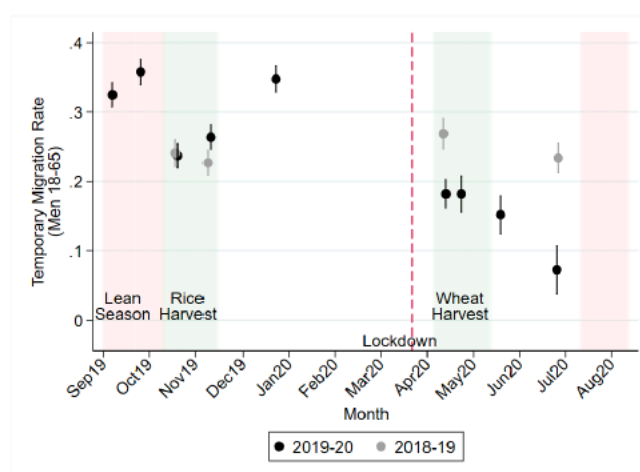


Table 1: Further Data Collection and Tracking

Govt Ministry/Agency	Data
Ministry of Agriculture	Tracking distribution of food subsidies
Ministry of Food, Ministry of Disaster Management & Relief	Tracking safety net programs
Surveys (High Frequency Mobile surveys)	Consumption, Health, Employment, Income
Telecom Companies	Money Transfers, Hotline Calls to report food insecurity, Mobility and Movement