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COVID-19 AND CHILDREN, IN THE NORTH AND IN THE SOUTH

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I. Introduction

This paper aims to document the likely impact, both **direct** and **indirect**, of the COVID-19 crisis in both developed and developing countries, and to identify possible and urgent measures to alleviate such impact on children.

First, some data taken from the website http://ncovid2019.live/ (consulted on 6 April 2020). This website shows that about 88 per cent of COVID-19-related deaths (about 70,000) and infections (about 1.4 million) have occurred in industrialized countries (the 'North'). In 'China and Iran combined' (where the pandemics started in January and into early February) the percentage share of world infections and deaths represents almost 10 per cent of the world totals, while the nearly 60 developing countries ('the South') that provide some data in this regard represent 2 to 3 per cent of the total.

These figures clearly offer a partial and, no doubt, misleading *interim* picture of the current situation and, even more so, of COVID-19's future evolution of infections and deaths. In particular, the low figures for developing countries reflect the weakness of data reporting systems in these countries as well as the fact that, for many, the pandemic has only recently arrived. How the pandemic may evolve in relation to the measures being adopted is discussed in the following pages, especially in section 3.

A major argument of this paper is that, whatever the state of the pandemic in their own country, developed countries must give more attention to international action. Especially needed is support for poorer countries, which will find it more difficult to implement all the actions required to protect their children from the direct and indirect consequences of the pandemic.

II. The situation in the 'NORTH' (the developed countries)

The **direct** impact of each major mortality crises has affected very different population groups.

The unexpected and terrible transition mortality crisis—that in 1994 alone raised the number of excess deaths in the Russian Federation by 720,000 units in relation to the 1989 baseline[4] in the Russian Federation) affected 'fathers' and 'mothers', that is, adults 20–40 and 40–60 years old. While there was a sharp increase in the number of orphans, child mortality did not go up. In turn, the huge increase in HIV-AIDS mortality (about 675,000 in the United States since the 1980s[5]) affected the sexually-active population and the drug users. Some newborns could be infected while 'in utero', but a 28-day drug course could save them – while for the most part anti-retrovirals were not easily accessible for several years by the adults.

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4 Giovanni Andrea Cornia (2020), 'The mortality crisis of the former Soviet Bloc countries, 1989-2014', in Popov, Vladimir, 'When Life Expectancy is Falling in Post- Communist Countries in the Global context' Nova Publishers, New York.

5 https://en.wikipedia.org/wiki/HIV/AIDS_in_the_United_States

In contrast, the **direct** mortality impact of COVID-19 on children of the main affected areas (China and the 'North') is so far small or close to zero. The COVID-19 mortality crisis has so far affected children's grandparents (and, in some rather rare cases, the adult population). While the economic health of the elderly is protected in most industrialized countries by a universalistic pension system, the cost has been disproportionate in terms of much higher mortality rates.

The immediate causes that explain the cross-regional COVID19 mortality differentials in the advanced countries (see later for the developing countries) include, among others, the following variables (these are informed and plausible conjectures that need to be tested formally):

1. **Age structure of the population**, ***i.e. the share of the population over 80*** in the total, especially those with prior medical conditions (who can have a mortality risk of 15 per cent or more).
2. **Living arrangements**, ***i.e. the proportion of the elderly population living in (private or public) 'senior homes'***, with a high density of frail guests. Life expectancy for these groups seems to be affected more than in the case of those living in a three-generation family, or those who remain in their homes with the help of a carer. Other forms of living arrangements that have proved deadly in the 'North' are those observed in prisons, convents and possibly the army—where people are required to live very close to each other.
3. **Latitude and climate**. Most of the countries of the 'North' heavily affected by the virus have temperate climates because they are located in the land band comprised between 20 and 40 degrees of latitude. Such is the case of Lombardy, Wuhan, Madrid, New York, London and other areas with high infection rates. The virus does not seem to thrive at higher temperatures.
4. **Prior environmental contamination**. The most affected areas such as Wuhan, Milan and the valleys around Bergamo, as well as Madrid, are heavily industrialized and therefore have suffered for decades from high air pollution. People's lungs may have been already weakened before COVID-19.
5. **High territorial mobility** (due to high rates of urbanization, road density and economic exchange among firms located in neighbouring provinces). This may increase the contacts between people and spread the disease.
6. **The strength and affordability of the national curative system** and difficulties met in procuring masks, respirators and necessary equipment.

In contrast, the **indirect** effects on children in advanced societies will be severe and enduring. Children do bear costs, which vary according to the general response governments adopt towards the epidemic, and in particular policies and programmes of the state and civil society towards the needs of children and the poor. The lockdown and quarantine policies adopted universally in industrialized countries will have an immediate negative impact on the education and socialisation of children, in particular those with special needs.

These effects will occur through the usual channels—in particular, through the employment and earnings of parents, and unequal access to health services. These depend on:

- The overall increase in unemployment caused by the lockdown and the ensuing recession. This is estimated at 5 to 10 per cent of GDP or more over the next year, but no one really knows how strong the contraction will be.
- The type of employment of adults and parents, who may or may not be able to work at home.

- The existence and scope of unemployment subsidies and other subsidies to compensate for wage losses and price increases.
- Child-care arrangements, both within and outside the household. If within (e.g. by grandparents this may continue, unless there is illness/mortality of grandparents that may be a source of loss of socialization of children). If outside the household, these will stop during the lockdown but may resume thereafter. In some countries, when both parents have resumed work, governments may provide 'babysitter vouchers' or step up kindergarten services.
- The fragmentation of the labour market of the last 20 to 30 years will be a major cause of problems and policy challenges. Those with short-term or precarious contracts will, in particular, be badly affected and least likely to receive compensation. In Italy, there are 43 different types of employment contracts. The situation is no better in the United Kingdom, United States and Spain. The uninsured or partially-insured workers include:
  - → Seasonal workers, part-time workers, contract workers, legal and illegal immigrants (though not all of the latter have children with them) with short-term contracts;
  - → People working in the informal labour market with no written contracts (as in the case of the about 1 million foreign '*badante*' (carers of elderly people living with them) that work in Italy;
  - → People running small firms, shops, restaurants, and small services;
  - → People without legal status;
  - → People excluded from the labour market, that is the poor, the homeless and disabled people who may see the donations they normally receive dwindle.
- Education levels of parents and other family adults (e.g. the grandparents) is crucial. Better educated parents and family adults are more likely to be able to respond to the new challenges generated by the crisis.
- Inflation, especially of prices for food and key health items. There are already reports of people putting pressure on supermarkets.
- Access to health and other key services.

III. The situation in the 'SOUTH' (low- and middle-income developing countries)

The above considerations are valid – *a fortiori* – in the developing countries that have weaker economic, health and social protection structures. Yet, as of the writing of this paper, it is possible that the COVID-19 Contagion may be less rapid and intense than in the industrialized countries, as present data suggests. This conjecture reflects, as noted, weaker data reporting systems and the fact that COVID-19 has barely been reported in some of these countries. But it may be due to important structural differences in the first 5 points listed in pages 1 and 2, that is:

1. The share of the over-80s in the total population is much lower than in the advanced countries.
2. The proportion of the elderly living in senior homes is negligible. In many countries the extended family and other communal living arrangements are dominant, at least in the still important rural sector. And *'people to people help and aid'* is not uncommon, as shown by the literature on the extended family and informal social security arrangements in developing countries.

3. Territorial mobility is much lower, at least in rural areas, as lack of roads and trains reduces contacts between people. This may provide some automatic form of social distancing. In South Asia and sub-Saharan Africa about 60 to 70 per cent of the population lives in rural, and sometimes, remote areas.

   In contrast, in towns and cities many poor people living in low-income 'informal sector areas' live in very close proximity, much closer with one another than in developed countries. This is likely to diminish the possibility of adopting strategies of social distancing and could increase the speed of infection.

4. Moreover, as noted, these countries have much weaker health systems and mostly less extensive formal social support systems. This is a major disadvantage. This is where much international aid is needed, both in concentrating research on COVID-19 vaccines and drugs, in the supply of these and health equipment, and in strengthening support for local NGOs and 'people to people' initiatives.

The impact of the virus on economic opportunities in developing countries depends both on the extent of the infection and mortality rates – which hopefully may be less than in the developed countries – and also on government reactions to it: will there be lockdown? will schools close?

Lockdown is likely to be less effective in developing than developed countries because of the very large informal sector which makes it impracticable as well as difficult to police. This said, lockdown is being widely adopted in India.

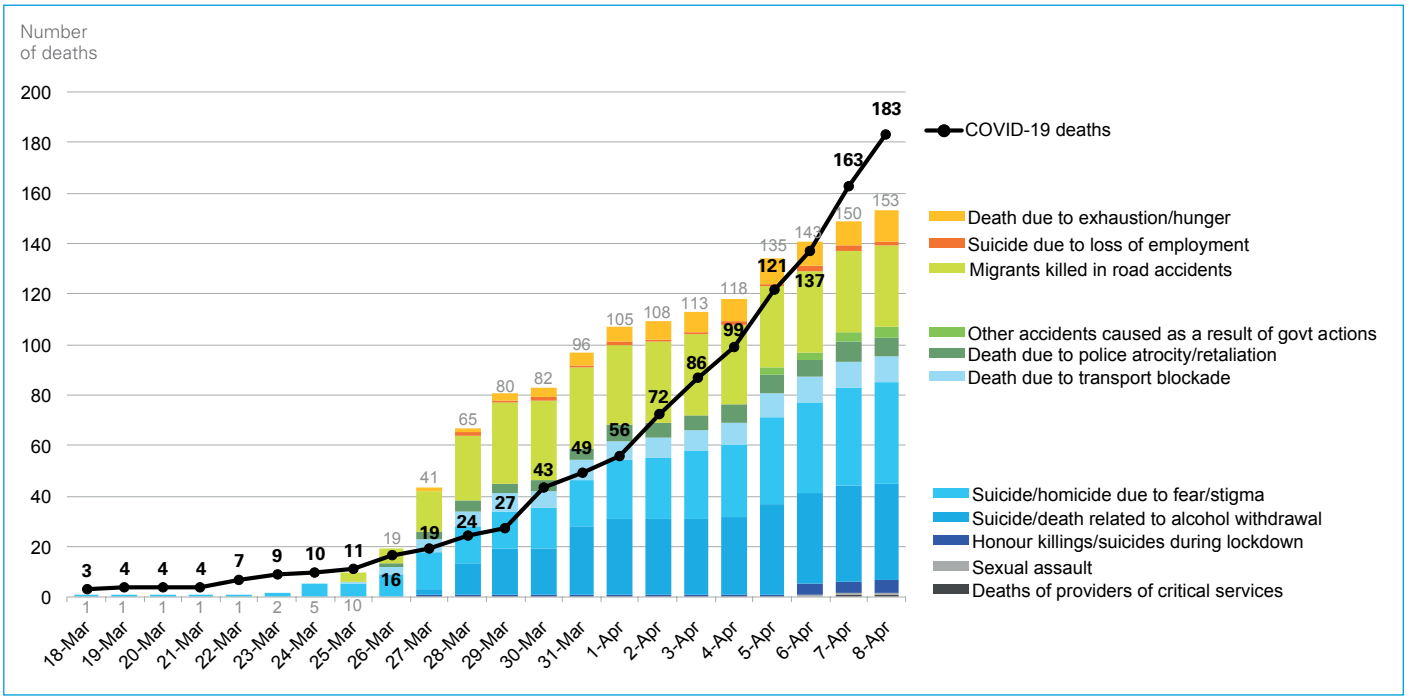
More important, lockdown may *not* be desirable even from a mortality perspective because the health costs of the consequent loss in employment and earnings could be huge. Indeed, it could lead to famine, as food production declines and purchasing power falls. Some pressure on food prices is already evident. While the main advantage of lockdown policies—to space out health needs to be consistent with health capacity—are evident in the 'North', it makes much less sense if health capacity to treat the most serious cases is low or non-existent. The situation here will vary country by country, according to the capacity of the health system, the extent of the informal sector and the existence of safety nets.

Lockdown may also entail large transitional costs if there is reverse urban-to-rural migration caused by a contraction of economic activity in urban areas. For instance, as shown by the case of India – where a large migrant labour force (generally people in their 30s to 50s) works in the urban sector of large cities like New Delhi, Kolcata, Mumbay and others. The sheer return to the villages of such labour force provoked large indirect human costs for a variety of different causes listed in Figure 1. The reverse migration may also spread the contagion in rural areas that, as argued above, may have otherwise enjoyed some benefits from structural isolation.

Beyond these internal effects of the virus within developing countries, poorer countries will suffer from the economic contraction caused by the coronavirus and reactions to it in developed countries. This includes:

- ➔ Worsening terms of trade
- ➔ Reduction in markets for manufactured goods
- ➔ Reduced remittances
- ➔ Reductions in private capital flows
- ➔ Loss of income from tourism

Figure 1. India: number of COVID 19-related deaths of people returning to rural areas in only 20 days



Source: Data from Impact of Covid-19 Policies in India, 2020. https://coronapolicyimpact.org/. Chart provided by Jayati Ghosh and Vikas Rawal.

- ➔ Currency depreciation
- ➔ Difficulties of servicing debt and raising finance
- ➔ International aid may also contract, partly because of a fall in GDP in developed countries and partly because of the increasing demands for public support in the developed countries themselves.

Together, these effects are likely to be very considerable—greater than in the financial crisis of 2007–2009 and comparable to previous major recessions, such as the recession and debt crisis of the 1980s. Children will suffer especially, as they did then, from falling household incomes and employment, possibly from rising food prices, and reductions in social sector spending. These effects are likely to be much worse than the direct domestic impact of the virus.

The biggest threat to children in many developing countries today is hunger and malnutrition. The indirect effects of COVID-19 (such as the logistical difficulties in moving large amount of food to poor rural areas), will make this worse. Action for children on this front is urgently needed.

Heavy costs for children can only be avoided with systematic and concerted efforts by governments to provide extensive social support for the poor and for the health and education systems. And systematic efforts by the international community are necessary to provide financial resources and other support to offset the negative impact of the virus-induced recession.

Financing an *adjustment policy with a human face* in the 'North' and 'South' will require huge resources and the recasting of the policy framework. Fortunately, the EU suspended the contractionary Maastricht criteria and the ECB, IMF and World Bank have quickly launched a few new COVID-19 fast disbursing facilities and some debt relief. But the debate on the respective role of MES, the European Investment Bank and Coronabonds in the European Union is hopelessly slow and not encouraging. Without sufficient external resources, the level and distribution of subsidies, incomes and consumption will worsen; income inequality will likely rise; and, despite the progress of the 2010s, the children of low-income families will be left behind, again.

Systematic and concerted efforts by governments to provide extensive social support for poor families and children—as well as for the health, food support and education systems—could moderate the heavy costs. The extensive experience from many countries with social assistance schemes during the 1990s and 2000s (such as the conditional and non-conditional cash transfers) can be a source of inspiration. These must be backed up by systematic efforts by the international community to provide resources to offset the negative impact of the virus-induced recession. The USA and China have already launched massive reconstruction efforts that should be replicated in Europe. It is critically important that developing countries are not forced to adopt expenditure cutting programmes in reaction to the economic difficulties caused by the world recession, as occurred in the 1980s, but are able to expand their support for social transfers and for their health systems.

IV. A call to action

For WHO, UNICEF and individuals and institutions concerned for children, important conclusions can be drawn:

First, the evidence to date suggests that the **direct** effects of COVID-19 on children in both the 'North' and 'South' are, fortunately, small and short-lasting even if they catch the virus.

However, the **indirect** effects on children in both developed and developing countries are considerable—and some likely to last into 2021 and beyond. Action is needed to offset these indirect effects.

- In richer countries the repercussions of lockdown will have many knock-on effects on children in these countries through rises in unemployment and prices; school closures; and reduced opportunities for regular or emergency health services, especially for poorer families who do not receive or cannot access state support.
- In poorer countries, there may be negative impacts on the provision of food and other essentials, particularly if the repercussions of COVID-19 hit agricultural production and food transport and consequently food availability and prices.
- Children will also suffer if parents or grandparents become sick and are unable to care for them. In developing countries, these impacts may be large if parents, adult relatives or neighbours are sick or cannot work or earn the incomes needed to provide food or other necessities, or if they die.
- In developing countries, the knock-on impacts of lock-down in the developed countries will be much more serious—through declines in trade, shortages or increased prices of food and medical equipment and supplies. If exports are reduced or remittances and international aid are cut or diverted this will add to the financial pressures on governments and people.

- The long-term consequences on children in developing countries could be serious but are unforeseeable at present. Much depends on how richer countries deal with their debt and other financial issues after the pandemic has passed. If there is a return to austerity, to 'balance the books', the consequences could be disastrous, for poorer people in richer countries and for economic opportunities in poorer countries. If at the same time, China, South Korea and other countries which have more successfully coped with the virus, step up their support for poorer countries in Africa and elsewhere, much quicker recovery would be possible—as well as further shifts in global power and politics to the 'East' from the 'West'.

International action

Specific action is needed to support a multitude of research efforts on COVID-19 vaccines, possibly coordinated by WHO, on curative drugs that may neutralize the direct effects of the virus, and on the distribution of any vaccines and drugs at low prices across the globe. UNICEF, with its extensive support of immunization programmes within developing countries, may also help in the inclusion of new vaccines in its operational activities. Key immediate actions are needed to:

1. Track the changing health and broader situation of children in poorer countries. This should cover hunger and nutrition as well as health.
2. Advocate internationally to offset the widespread impression that children are not much affected by COVID-19.
3. Consult UNICEF country offices and staff (through online conferences) to identify policy needs in particular countries; to encourage action and to obtain step-by-step information which can be used for advocacy as well as analysis and policy-making. UNICEF hosts a database of basic information on child mortality and other key statistics. UNICEF could now support surveys to better understand necessary changes in community actions and behaviours in response to the pandemic.
4. Invite social scientists and anthropologists to offer their expertise. They have already produced important studies and conclusions about how local communities have reacted to previous virus epidemics, with both positive and negative lessons about traditional practices and how they can be changed or adapted, to knowledge about viruses like Ebola. An online conference or consultation should be organized to share knowledge and guide further research and actions.
5. Developed countries should immediately increase their aid support to help developing countries to respond to the virus challenges, to monitor progress and document which actions are most effective. Some of this support should be provided through the WHO, UNICEF and WFP as well as through NGOs like Save the Children.

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