

Economic Empowerment COVID-19 Situation Report

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What is Happening Around the World?



In countries around the world, to limit the spread of COVID-19, governments are closing schools, non-essential businesses, forcing people to stay home, and seeking to enforce social distancing. In the USA, this appears to be “flattening the curve” of the spread of the virus. It has also resulted in 17

million people unemployed with more to come.

However, the US government is responding with massive spending, relief, and benefits.

In developing countries, governments are undertaking similar approaches. However, poor countries do not have rich and powerful governments standing by to help. Most of the people World Vision serves are running their own small farm or business. When they cannot work, they do not have income, do not have money for food and essentials, and no one is standing by to help them. We are seeing a developed world solution applied to developing world situations, with very bad impact on the poor.

In general, in the countries where EE or VisionFund are operating, we are seeing:

	Government Action	Impact on Trading and Small Business	Impact on Farmers	Impact on Microfinance
Africa	Least strenuous and quite variable. New restrictions going in place, with limits on meetings and travel. Moratoria on debt payments in some countries	Moderate	Minimal to date	Emerging to become challenging
Asia	Strenuous. Many states of emergency in place. Some population lockdowns. Moratoria on debt payments in some countries.	Significant	Emerging, but highly variable between countries	Negative and in places moving to severely negative
East Europe	Most strenuous. States of emergency in place. Population lockdowns in place.	Significant	No data yet	Challenging
Latin America	Most strenuous. Travel restrictions and population lockdowns in place. Draconian moratoria on debt payments, restructuring, layoffs, and the like.	Severe	Emerging, mostly on accessing supplies	Severely negative

What is Happening to the Poor We Serve?

We need to remember that most of the people we are serving are running their own small farm or business. NONE of the governments in the developing world have announced relief that will directly support the businesses of the people we serve. For those precluded from running their businesses, people are rapidly consuming saved food and cash savings. Many are simply ignoring government recommendations. The following from a BBC report from Nigeria helps us understand reality:



At a crowded bus stop in Lagos, hawkers competed for every inch of available space to sell their wares, ignoring any thought of social distancing. Most were not concerned about the virus. "All death is death," a woman selling smoked fish on a tray said in Pidgin, as she nipped between two yellow buses. "If I stay home, I will die

of hunger, if I come out to hustle you say I will die of coronavirus. "There is nothing we have not seen and we are still here, we shall survive this one," she said, smacking her lips.

In some countries, Savings Groups are still meeting regularly. However, this is evolving, and WV has been working closely with other organizations to provide guidance to our field programs on how to support Savings Groups at this uncertain time, including how to support them when Social Distancing may be needed. See [here for that document](#).

What is Happening with our Programming and Staff?



World Vision staff distribute fresh vegetables to families in need during the COVID-19 response. April 2020. Iov Maluyo.

Although the situations are changing rapidly, THRIVE staff are not able to be in the field and interacting with groups in Honduras, Rwanda, Tanzania, and Malawi. Zambia seems to be operating normally for now. However, wherever possible, staff continue to link with groups and individuals by phone or messaging systems.

Microfinance operations are “the canary in the coal mine” in terms of how COVID-19 and government

actions are affecting both World Vision and the people we serve. VisionFund is:

- Rescheduling loans of people who cannot repay an existing loan
- Helping clients plan for Recovery Loans when it becomes available
- Scrapping all penalties for late payments
- Seeking emergency loans for clients who can keep their businesses going, as long as VFI liquidity allows
- Stopping loans to new clients to preserve liquidity for existing clients
- Maintaining relationships with clients in countries where repayment moratorium is in place
- Maintaining contact with clients to provide encouragement, advice, and connections