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Economic Shocks and Child Wasting

Derek Headey & Marie Ruel

Poverty, Health and Nutrition Division

The International Food Policy Research Institute (IFPRI)

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- Although macroeconomic volatility is common in LMICs, C19 crisis is exceptional, largely because of C19 prevention measures
- IFPRI studies show that these measures can shrink economies by 20-40% during stringent lockdown periods
- As a result, projections of economic growth for 2020 have progressively gotten worse as the pandemic has worn on.
- June: World Bank estimated 90% of LMICs economies will shrink
- July: IFPRI global general equilibrium model estimates that 140 million people will fall into \$1.90/day poverty in 2020
- August: ADB revised India's forecast down to -10%

- Young children are typically immune to direct effects of C19, but are very vulnerable to economic & health system disruptions
- In the short term, nutritional insults often manifest in the form of acute weight loss or wasting
- Wasting usually the result of severe reductions in food intake and/or recent or repeated episodes of infectious diseases
- Infants and young children at greatest risk of wasting and of mortality due to wasting because of immature immune system and their high nutrient requirements for growth and development.
- Wasting less prevalent than stunting, but a stronger predictor of child mortality.
- Pooled analysis of 10 prospective cohort studies estimated that severe wasting had a hazard ratio of 11.6 compared to 5.5 for severe stunting

- Despite the serious health risks of wasting, the underlying economic causes of wasting are under-researched
- Many studies linking longer term economic growth to stunting, or examine the impacts of economic shocks on child mortality
 - Mortality studies often hypothesis poor nutrition as a mechanism, but rarely explore this mechanism empirically
- Moreover, while LMICs have made progress against stunting, progress in reducing wasting is uneven at best
- Globally, around 50 million under-5 children were wasted in 2019*
- Vast majority of wasted children reside in South Asia and sub-Saharan Africa, particularly Sahel, Horn of Africa
- Wasting in India was 20% in 2015-16 and India has close to half of the world's wasted children



- In this study we explore the impacts of short-term economic growth and contraction on the risks of child wasting using historical data
- One motivation was to project impacts of C19 economic crisis on wasting, and then on mortality
 - sub-study as part of the 'Standing Together for Nutrition' consortium formed to provide evidence on C19's impact on undernutrition and mortality
- To do so we use 177 Demographic Health Surveys (DHS) with data on 1.256 million children in 52 LMICs over 1990-2018
- Link child/household DHS data to national level macroeconomic estimates of Gross National Income per capita (hereafter GNI).
- With some modifications we follow the empirical strategies of previous papers to rule out a range of confounding factors
- We also explore mechanisms, by looking at short run economic growth and child diets and disease, as well as maternal BMI



- Our dataset comprises 177 DHS rounds that collected data on for children 0-59 months in 52 LMICs between 1990 and 2018
 - DHS has excellent coverage of sub-Saharan Africa and South Asia, the two regions with the highest rates of wasting, but under-represents South-East Asia Even so, the surveys are representative of approximately 400 million under-5s

Outcome variables

- We defined 3 standard measures of wasting: any wasting (WHZ<-1), moderate/severe wasting (WHZ<-2); severe wasting (WHZ<-3).
- Our key explanatory variable is lagged annual change in GNI from UN

Key Explanatory variable

We used the lagged GNI growth in wasting regressions for two reasons.

- 1. Lag ensures that growth shocks always precede measurement of wasting
- 2. When faced with major income shocks households can use various coping mechanisms to protect child nutrition, causing delayed effects

- Other control variables include:
 - Asset ownership
 - Maternal education
 - Maternal and child health care (ANC, medical facility births, vaccinations)
 - improved sanitation and water supplies
 - Demographics: teenage births, fertility, child sex and rural location.
- We also controlled for two national-level confounders:
 - climate, 1-year lag of total annual rainfall and average temperature
 - conflict, captured by battle-related deaths per 100,000 people
- Finally, we used several other indicators to explore mechanisms:
 - Morbidity symptoms: DHS measure of whether a child was reported to have had diarrhea or fever in past 2 weeks.
 - Diets: minimum dietary diversity (MDD): 4 or more of foods in past 24 hrs
 - Maternal nutrition: Whether mother had BMI<18.5

- We use weighted linear probability models to test GNI effects
- Weighting is important for several reasons:
 - DHS samples are unbalanced: weights needed for survey representation
 - DHS rounds within countries are unbalanced: weights needed to attach equal importance to each round within a country
 - DHS country populations are unbalanced (India vs Comoros): weights needed to balance across countries
- Without weighting GNIpc growth coefficient would remain implicitly weighted by number of observations in each survey
- To address this, we construct a three-step weighting metric
 - 1. Population data on 0-5y children to create a country-level population weight
 - 2. Re-weight observations within a country's DHS rounds to correct for imbalances in sample sizes.
 - 3. Apply DHS weights to make each DHS survey nationally representative

- Linear probability models interact lagged GNI shocks with each country's average wasting prevalence to model effect of GNI as proportional: i.e. cab be interpreted as a wasting-growth elasticity
- This is biologically appropriate and mathematically appropriate:
 - countries with more wasting should have larger absolute changes in wasting
- Linear probability models also controls for other confounders:
 - Country fixed effects (climate, genetics, etc)
 - Regional wasting trends
 - Regional seasonality in wasting (e.g. Sahel, Horn of Africa, West Africa, etc)
 - Age-specific wasting trends (wasting may have different etiologies in different regions: e.g. more low birthweight in Asia)
- Finally, we test sensitivity to specifications, age ranges and rural/urban location but not much sensitivity

Results

Figure 2. Local polynomial estimates of moderate/severe wasting (WHZ< -2) prevalence against child age for various regions in Asia and sub-Saharan Africa



Source: Authors' estimates from DHS data using the *lpolyci* command in STATATM. Sample sizes are as follows: South Asia = 402990; South-East Asia = 27,614; Sahel = 80,717; West and Central Africa = 248,204; Horn of Africa = 68,608; Southern and Eastern Africa = 228,818.

Results: Descriptives

Figure A1. A histogram of lagged annual changes in GNI across 177 surveys covering 1990-2018



Results

- Elasticity of wasting with respect to economic growth is negative and significant for all three cut-off levels of wasting
- Magnitudes are also large: a 10% contraction in GNI could increase moderate or severe wasting prevalence by 14%
- In India alone the model suggests a 10% contraction would increase the number of wasted children by 4 million, including 2.5 million moderate/severe wasted

	(1)	(2)	(3)
	N=1,256,076	N=1,256,076	N=1,256,076
	Any wasting	Moderate/severe	Severe wasting
	(WHZ < -1)	(WHZ < -2)	(WHZ < -3)
Growth elasticity (w.g ⁿ)	-0.071***	-0.144***	-0.222***
	(-0.092, -0.050)	(-0.185, -0.103)	(-0.293, -0.151)
R-squared	0.119	0.068	0.033

Results: Model predictions for Ethiopia

What do these results imply for Ethiopia?

-2.0

End of

2019

Q1

Q2

Q3

Q4

- IFPRI study found the following (Aragie et al. 2020):
 - GDP is estimated to fall by 14% during 7-week period of COVID-related restrictions
 - Incomes expected to decline by 14%, but 19% in urban areas, during C19 restrictions
 - Poverty rate expected to have increased by 9 percentage points
 - Food system mainly affected by declining food services & exports
 - Relative to no-COVID, GDP expected to decrease by -4.8% to -6.2%

Cumulative changes in 2020 GDP from end of 2019 (pre-COVID expected growth rate for 2020 was 7.2% according to IMF's 2019 Economic Outlook) 8.0 7.0 6.0 5.0 US\$ billions 4.0 3.0 Pre-COVID expected growth 2.0 COVID + Faster recovery 1.0 0.0 COVID + Slower recovery -1.0

Results: Model predictions for Ethiopia

- We apply these elasticities to Ethiopia to estimate additional wasted children due to COVID19, by comparing to 2020 GNI estimates without COVID19:
 - 5.5% decline in GNI in 2020 (average of pessimistic & economic predictions)
- Prior to C19, just under one third of u5 children had any wasting (5.34 million) while just over 10% (1.7 million) had moderate/severe wasting
- In % terms the changes are modest, but because Ethiopia has such a large population of u5 children, absolute numbers are large:
 - 134,000 moderately or severely wasted

		Specific categories of wasting		
	Any wasting (WHZ<-1)	Mild wasting (-2 <whz<-1)< td=""><td>Moderate wasting (-3<whz<-2)< td=""><td>Severe wasting (WHZ<-3)</td></whz<-2)<></td></whz<-1)<>	Moderate wasting (-3 <whz<-2)< td=""><td>Severe wasting (WHZ<-3)</td></whz<-2)<>	Severe wasting (WHZ<-3)
Pre-COVID19 wasting prevalence	31.80%	21.68%	7.04%	3.09%
Pre-COVID wasting numbers	5,340,478	3,640,290	1,181,447	518,741
Change due to 10% decline in GNI	1.24%	0.44%	0.42%	0.38%
Post-COVID wasting prevalence	33.05%	22.12%	7.46%	3.47%
Newly wasted Ethiopian children	208,546	73,891	71,317	63,338

Results: Model predictions for Ethiopia

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Of course, there are lots of caveats to these projections:

- Urban populations more economically affected, but less wasting to begin with
- However, rural populations affected by locusts & agro-climatic shocks
- Projections are from a global model, not an Ethiopia-specific model
- Projections do not factor in additional health service disruptions due to either supply disruptions or demand disruptions (fear of contagion)
- Projections do not factor in protective or preventative actions
 - Social safety nets like PSNP
 - Prevention and treatment of severe acute malnutrition
 - C19 response measures

Results: mechanisms

- Results made more plausible by establishing mechanisms: poor diets, disease and poor maternal nutrition (which may affect birthweight especially)
- Growth shocks predict large same-year increased risks for all four measures
- Results are especially large for child minimum dietary diversity
- Dietary results consistent with household survey data evidence on C19 impacts

	(1)	(2)	(3)	(4)
	N=1,230,393	N=1,230,393	N=884,436	N=323,014
Dependent variable	Child diarrhea in past 2 weeks	Child fever-only in past 2 weeks	Maternal low BMI	Child minimum diet diversity
Age range	0-59m	0-59m	15-49 years	6-35m
Growth elasticity	-0.073***	-0.071***	-0.087***	0.194***
	(-0.101, -0.046)	(-0.104, -0.039)	(-0.126, -0.047)	(0.157, 0.230)
R-squared	0.063	0.065	0.164	0.156

Results: mechanisms

Figure A4. The elasticity of child food consumption with respect to GNI growth



Discussion: limitations

Important to understand limitations of this study:

- 1. Historical data: extrapolations to C19 situation are tricky:
 - C19 Health system disruptions
 - C10 Food system disruptions
 - Lots of altered C19 behaviors on food and health, labor markets, etc
- 2. We don't model government responses
 - Historical data includes observations with weak government SAM responses
- 3. We model average impacts across countries
 - Some countries may have more/less resilience to economic shocks
- 4. Difficult to distinguish between negative & positive growth shocks
 - No differences in our data, but we study relative few negative shocks
- 5. Point estimates of impacts are relatively imprecise: uncertainty
- 6. GNI is not the best measure of impacts on households

Discussion

- Wasting seems to be highly sensitive to recent growth shocks
- In a Lancet commentary we used economic growth projections from April (IFPRI) to estimate that COVID19 would increase the number of wasted children by 6.7 million compared to a 2020 without C19
- The same Lancet study also shows that health service disruptions also have major effects on child mortality
- Government face difficult choices with tradeoffs between C19 prevention measures and economic growth, at least in short run
- Critical to protect children with :
 - Nutrition-sensitive social protection at unprecedented scale
 - Expanded programs to prevent and treat severe acute malnutrition
 - Policy emphasis on continuing safe maternal and child health care services
 - Expanded micronutrient supplementation programs

Discussion

- Very important role for M&E in C19 crisis, including phone surveys
 - How are incomes and employment changing month to month?
 - How is household, maternal and child dietary diversity changing?
 - How is food insecurity changing?
 - What disruptions have been taking place in health systems?
 - Which populations are feeling the worst impacts?
 - How are other shocks affecting income, livelihoods and nutrition?
 - How effective is the targeting of social protection and emergency response measures? How effective are these measures at improving welfare.
 - What do nutrition surveillance systems tell us about trends in health-seeking behaviours and need for treatment?
- IFPRI and others are implementing phone surveys
- These should be continued and triangulated with other measures, especially with ongoing risks of second waves of C19

Thank you!

Further readings available online (open access):

- Headey, D., Ruel, M., 2020. Economic shocks and child wasting. IFPRI Discussion paper No. 01941.
- Headey, D., et al., 2020. Impacts of COVID-19 on childhood malnutrition and nutrition-related mortality, The Lancet. **396**, 519-521.
- Headey, D., Ruel, M., 2020.
 - COVID-19: The virus will mostly spare young children; the economic crisis will not: Pandemic poses risk of rising child malnutrition and mortality
 - The COVID-19 nutrition crisis: What to expect and how to protect. IFPRI blog.

COVID-19 and its Impacts on Childhood Malnutrition and Nutritionrelated Mortality

NIPN: www.nipn.ephi.gov.et

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