



Queen Mary

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Post-Crash Economics in a Post-COVID  
World

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# **COVID-19 and economic development in sub-Saharan Africa: has the pandemic taught us anything we didn't already know?**

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# Motivation for this presentation

- Policy response entangled with economic concerns (everywhere!)
- Crises as times for a reflection on mainstream economic theory
- Deluge of comment pieces on COVID in Africa (disclaimer – I am not blameless in this respect!)
- <https://www.ids.ac.uk/opinions/preparing-for-the-covid-19-recession-in-sub-saharan-africa/>
- Note – I acknowledge the problematic element of talking about 'Africa'!

# COVID-19 in Africa

“Analysis by the World Bank shows that Africa will likely face its first recession in 25 years, with the continental economy contracting by up to 5.1% in 2020. Africa will have scant financial ammunition to use in the fight against COVID-19 with currencies weakening, food prices rising, local agri-food supply chains disrupted and food imports likely to decrease as well. A food security emergency appears a strong possibility.”

<https://www.chathamhouse.org/expert/comment/beyond-lockdown-africa-s-options-responding-covid-19> (April 2020)

“Malnutrition and disease means COVID-19 could be more deadly in Africa than elsewhere in the world. Health systems in Africa have limited capacity to absorb the pandemic.” <https://www.weforum.org/agenda/2020/03/why-sub-saharan-africa-needs-a-unique-response-to-covid-19/>(March 2020)

“...scientists are unsure about how the virus will behave, given the disproportionate challenge of other infectious diseases in Africa, and the difficulty of what has now moved from ‘social distancing’ to ‘physical distancing’. This is owing to overcrowded cities and informal settlements, and the inability of the most vulnerable to skip work even for a day. It appears to be a ticking time bomb” <https://issafrica.org/iss-today/replicating-global-responses-to-covid-19-may-not-work-for-africa> (March 2020)

“Given the fragile health systems in most sub-Saharan African countries, new and re-emerging infectious disease outbreaks can paralyse health systems and existing structures”

[https://www.thelancet.com/journals/laninf/article/PIIS1473-3099\(20\)30465-5/fulltext](https://www.thelancet.com/journals/laninf/article/PIIS1473-3099(20)30465-5/fulltext) (June 2020)

The simulations suggest an additional 9.1% of the population in sub-Saharan Africa have immediately fallen into extreme poverty as a result of COVID-19, with about 65% of this increase resulting from the lockdowns themselves. 8 million people (3.6% of population), including 3.9 million of children under 5, are very severely food deprived at the end of an 8-week lockdown. <https://www.theigc.org/publication/lockdowns-in-africa/> (May 2020)

# Key themes and concerns

- Limited set of policy responses
  - Africa unable to mimic the response seen in high-income countries
- Lockdown as the key policy response
  - Challenges associated with poverty, informal sector livelihoods, lack of savings etc
- Weak and Underfunded Health Systems
  - Testing Capacity
  - Lack of ventilators and emergency care
- Recession
  - Reduced global demand
    - Trade
  - Decreasing Commodity Prices
    - Oil
  - Reduced International Tourism
  - Disruption of local and regional supply chains
  - Reduced Remittance flows

# Revisiting old (and newer) debates

- The role of the informal sector
  - World Bank 'jobs'
  - Reification of the own-account entrepreneur
- Dependent Development
  - Ripple impact of economic crises in global north (not dissimilar to Financial Crisis of 07/08)
- Financing of public health systems
  - Increasing global income inequalities
  - Debt (payment of historical debt many times over despite debt relief programmes)
  - Capital flight (Africa as a net creditor)
  - Tax
  - Private Sector healthcare provision (for those that can afford it)
- The role of the state
  - Concerns around state capacity to respond (recalling the impact of SAP in the 1980s and HIV/AIDS crisis)
  - 'Trust' and limited legitimacy of African states (see recent UNWIDER study)
  - Limited social protection programmes

# Some thoughts on a Post-Covid world

- COVID-19 has shone a light on existing structural issues
- An end to the perpetuation of disaster narratives about Africa
  - Has the continent perhaps avoided the worst of COVID-19?
- ‘African-Led’ responses
- Alternative economic impacts/responses
  - Agricultural Production – self sufficiency?
    - Shift to local produce as imports are disrupted
    - Urban and peri-urban farming
  - Local Tourism?
  - Increased intra-African trade
    - Hopes pinned on new African Continental Free Trade Area
- Can global institutions critically engage with questions of power, unequal relations and dependency?
- More research on how experiences of previous health crises can inform current and future responses