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SOCIO-ECONOMIC EFFECTS OF COVD -19 PANDEMIC IN AFRICA

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ABSTRACT

This paper examines the socio-economic effects of COVID-19 Pandemic in African countries. The study uses discourse analysis for the socio-economic effects of COVID-19 in Africa. The findings reveal that African countries like other countries and continents of the world have been affected by the coronavirus pandemic. The pandemic affected social interaction and

Introduction

This paper examines the socio-economic effect of COVID-19 Pandemic and the policy response in African countries. Coronavirus, ("COVID-19") originated from the Wuhan Province of China in December 2019. It began spreading rapidly in China and to other parts of the world through the movement of people in early 2020. The spread of COVID-19 affected economic activities in China, and in February, the Chinese economy came to a halt. China is a major exporter of commodities to African countries, and the economic contraction in China is expected to have spill over consequences for African countries through the negative impact on African businesses that rely heavily on China for the supply of primary and intermediate raw materials. The coronavirus crisis has affected many African countries, and the number of confirmed cases has been rising rapidly with a particularly severe situation in South Africa, Egypt, Algeria, Morocco and Cameroon.

Prior to the COVID-19 pandemic, most of the healthcare infrastructure in African countries had deteriorated. Currently, in Africa, 65% of healthcare expenses are made from out-of-pocket expenditure compared to Europe where the

economic activities through the imposed social distancing policies that have different levels of strictness in several African countries. Other areas affected by the pandemic includes food insecurity rates, mortality risk, self-employment, travel band, slow down of global economy, cancellation and postponement of sport/tourism and religious activities, economic crisis and total lock down. The implication of the findings shows that Africa had the lowest number of confirmed cases, new cases, total death and new death over the globe. The confirmed cases in the Sub-region was 8.9%. In Africa, the number of confirmed cases rose exponentially within 30 days interval from March to May 2020. North African countries was the most affected sub-region in Africa with number of confirmed cases of 39.7% and total recovery rate of 47.3%. The East African sub-region had the lowest number of total deaths of 5.1% and recovery rate of 12.9%. In Southern Africa countries, south Africa had the highest number of deaths in the sub-region followed by Zambia. The west and the central African countries were moderately affected compared to other African countries. The following recommendations can affect the social and economic well-being of citizens during and after the pandemic: Mandatory days of quarantine for infected people, continuous free testing for the public, band on international and inter-state travels at the peak of the pandemic, nation-wide lock down during the pandemic, health security protocol, availability of palliative for the poor and the aged, development of health capacity system and development of e-learning programmes for students. The most important sociological consequence of the coronavirus outbreak for African citizens focuses on how to adjust to the new normal so as to cope with the aftermath of the pandemic and to further prevent the likely re-occurrence of it among families and households in the region.

Key Words: *Socio-economic, Effects, Covid-19 Pandemic, Policy response, Africa.*

national and regional authorities are respon sible for the health policies and expenditure of citizens. During the COVID-19 pandemic, despite the

quarantine and other measures adopted to stop the spread of COVID-19 in African countries, the number of infected cases continued to increase significantly. This situation mounted unprecedented pressure on the public health systems in many African countries. Some private hospitals refused to admit infected patients while public hospitals exceeded their carrying capacity. This pressured the government of some countries to build isolation centres in large open fields around the country; notably, football stadiums were converted to isolation centres in countries such as Cameroon and Nigeria. In African countries where good healthcare systems exist, the government had to scale-up intensive care units and provide more resources for hospitals and healthcare systems to control the spread of coronavirus.

The severe social effect of the coronavirus crisis was felt through the imposition of movement restrictions in many African countries. Some restrictive measures that were imposed to control the spread of coronavirus include: restricting non-essential activities, closure of schools and universities, encouraging people to stay home, the lockdown of entire cities, requiring essential businesses to run skeletal operations and employees should work from home. These measures inevitably affected economic activities in African countries, and policymakers had to use economic policies, both fiscal and monetary policies, to mitigate the negative effect on the economy. Many African countries deployed the national budget and Central Bank's support in developing policies to mitigate the health and economic crises.

Because of the recent occurrence of the pandemic and the sudden spread of it, the exact socio-economic effect of COVID-19 on African countries is still unknown. There is still scanty literature that documented the effects of the coronavirus pandemic on African countries. This emerging literature has not explored the effect of the coronavirus pandemic on societal interaction in many countries especially for African countries that are vulnerable to the outbreak of diseases. The findings reveal that African countries have been affected by the coronavirus pandemic, and the effect was more severe for African regions compared

to other regions. The rising pandemic affected social interaction and economic activities through the imposed social distancing policies.

Statement of Problem

The sudden and unexpected occurrence of Corona virus Disease (Covid-19) and the fast-global spread of it took the whole globe by surprise as it ravages the entire globe without any exception. What could have been the root cause of the pandemic? What was responsible for its global spread? How has it affected the global, regional and national economies? How could its occurrence and spread be controlled? How will the after math of the pandemic be addressed? This study therefore focuses on the socio-economic effect of covid-19 pandemic on African countries.

Literature review

A recent body of literature explores the impact of coronavirus on society. For instance, Chinazzi *et al.* (2020) show that, at the start of the travel ban from Wuhan on 23th January, 2020 most Chinese cities had already received many infected travelers. The travel quarantine of Wuhan delayed the overall epidemic progression by only 3–5 days in mainland China but had a more severe effect on the international scale. Haleem *et al.* (2020) show that COVID-19 has affected day-to-day life of people all over the world and is slowing down the global economy. They argue that the economic effects of coronavirus include: the slowing of the manufacturing of essential goods, disruption of the supply chain of products, losses in national and international business, poor cash flow in the market, significant slowing down in the revenue growth while the social consequences include the cancellation or postponement of large-scale sports and tournaments, disruption of celebration of cultural, religious and festive events, undue stress among the population, social distancing with peers and family members, closure of hotels, restaurants and religious places, closure of places for entertainment such as movie and play theatres, sports clubs, gymnasiums, swimming pools etc.

Chen *et al.* (2020) shows find that cities that suffered from SARS and have greater migration ties to Wuhan in China had early, stronger and

more durable public awareness of the outbreak. Fornaro and Wolf (2020), using a simple model, shows that the coronavirus trigged a negative supply shock. They suggest that drastic policy interventions both monetary and fiscal might be needed to prevent this negative supply shock from severely affecting employment and productivity. Goodell (2020) suggests that there is need to examine COVID-19 in the context of other past events that in some ways are similar to the COVID-19 pandemic. Ramelli and Wagner (2020) shows that the health crisis transformed into an economic crisis which was amplified through financial channels. Barro *et al.* (2020) examines whether the 1918–1920 Great Influenza Pandemic led to economic contraction and mortality. They found that higher flu death rates decreased the realized real returns on stocks and short-term government bills.

Ozili and Arun (2020) finds that the increasing number of lockdown days, monetary policy decisions and international travel restrictions severely affected the level of global economic activities and the closing, opening, lowest and highest stock price of major stock market indices in the world. Also, they observe that the imposed restriction on the internal movement of people and higher fiscal spending had a positive impact on the level of economic activities. Kuckertz *et al.* (2020) states that the coronavirus (SARS-CoV-2) and the spread of COVID-19 led many governments to take drastic measures. They argue that the lockdown of large parts of society and economic life came as an exogenous shock to many economic actors and innovative start-ups. Oruonye and Ahmed (2020) finds that the outbreak and spread of COVID-19 disease in Nigeria led to rapid shutdowns in cities and states across the country which severely affected the tourism industry. Zhang *et al.* (2020) state that the coronavirus (COVID-19) affected financial markets all over the world. It created an unprecedented level of risk, causing investors to suffer significant loses in a very short period of time. Ozili (2020) analyses the COVID-19 spill overs to Nigeria and finds that the existing structural weaknesses in Nigeria contributed to making the crisis more severe in the country.

Analysis of COVID-19 information from the World Health Organization (WHO) suggest that Africa appears to be the least affected region compared to other regions in the globe. European region has the largest number of confirmed COVID-19 cases, new cases and total deaths and new deaths. America had a high number of confirmed cases, new cases, total deaths and new deaths, which is greater than that of the Western Pacific, Eastern Mediterranean and Africa combined. Africa has the lowest number of confirmed cases, new cases, total deaths and new deaths. This implies that the African region is the least affected region. According to WHO, the number of confirmed cases, new cases, total deaths and new deaths were lowest in March and highest in May, which suggest that the coronavirus was rising at an exponential rate, and that had a negative effect on social interactions in the African society.

Based on WHO's data, Nigeria, South Africa and Cameroon had the lowest number of confirmed cases in March while South Africa and Algeria the highest COVID-19 cases in May. The sociological implication is that the rising coronavirus cases in South Africa and Algeria led to social separation which hurt social cohesion in these countries during the pandemic. The number of confirmed COVID-19 cases rose exponentially within 30-day intervals from March to May in the African region, which led to social separation that hurt social cohesion in African countries.

Methodology

This study uses discourse analysis to analyze the socio-economic effects of COVID-19 in Africa. The analysis used information obtained from the World Health Organization (WHO), UNESCO, media and other public sources. The period of analysis was May, 2020 to capture the events that occurred at the peak of the pandemic in order to identify the significant effects of COVID-19 in Africa at a time when many African countries were imposing strict lockdown rules due to the rapidly spreading coronavirus in African countries. The country selection covers all African countries that have public/official information on country-specific coronavirus cases and policy response.

Sub-region Analysis:

Analysis of COVID-19 in Africa used information from Worldometer (which supplied a reliable source of real-time data on world events official COVID-19 statistics reported in each country) in May, 2020. This analysis contributes to the literature that examines the effect of the pandemic on the well-being of individuals in society by exploring the socio-economic effect of coronavirus in African countries. The sub-region analyses are as follows:

North African sub-region:

The North African countries combined have the largest number of confirmed COVID-19 cases in Africa at 39.7%. The sub-region also has the highest number of total recoveries at 47.3% and the highest number of active cases in Africa at 39.5%. It also has the highest number of infected African countries such as Egypt, Morocco, Algeria and Tunisia. This implies that the North African sub-region was the most affected region in Africa with rising confirmed cases and total deaths.

East African sub-region:

The East African countries combined have 8.9% of the confirmed cases in Africa. The region also has the lowest number of total deaths at 5.1% and a low recovery and active cases at 12.9 and 6.9%, respectively. Djibouti, Somalia and Kenya have the highest number of confirmed cases in East Africa while Somalia, Kenya and Tanzania report the highest number of total deaths in the region. Countries such as Rwanda, Madagascar and Uganda did not report any death caused by COVID-19 compared to other East African countries. This suggests that the East African region was moderately affected compared to other African sub-regions.

West African sub-region:

The West African countries combined have 33% of the confirmed cases in Africa. The total number of deaths in the sub-region was 21% which was much lower than that of the North African sub-region. The West African sub-region also had the lowest recovery cases at 2.4%. Nigeria, Ghana and

Cameroon have the highest number of confirmed cases in West Africa while Benin, Gambia and Mauritania reported the lowest number of confirmed cases and deaths in the sub- region.

Southern African sub-region:

The Southern African countries combined have 15.7% of the confirmed cases in Africa. The sub-region accounts for 8.3% of the total deaths and a fairly low recovery and active cases at 16.9 and 15.4%, respectively. South Africa and Zambia have the highest number of confirmed cases in Southern Africa while South Africa and Zambia report the highest number of deaths in the sub-region. Countries such as Mozambique and Namibia did not report any death caused by COVID-19 compared to other Southern African countries.

Central African sub-region:

The Central African countries combined have 8.6% of the confirmed cases in Africa. The sub- region accounts for just 7.3% of the total deaths and a fairly low recovery and active cases at 7.3 and 9.3%, respectively. Cameroon and Gabon have the highest number of confirmed cases in Central Africa while Cameroon has the highest number of deaths in the sub-region. Countries such as the Central African Republic did not report any death caused by COVID-19 compared to other Central African countries. This suggests that the Central African sub-region was moderately affected compared to other African sub-regions such the West African and North African countries.

Country-level analysis:

Some African countries have more severe cases than others. For instance, South Africa, Egypt, Morocco, Algeria, Nigeria, Ghana and Cameroon have the highest number of total confirmed cases and total deaths in Africa while Comoros, Western Sahara and Mauritania have the lowest number of confirmed cases in Africa. The overall findings from the analysis shows that countries in the North African sub-region are the most affected by the COVID-19 pandemic in Africa while countries in the

Central are least affected. The rising coronavirus cases really hurt social cohesion especially in Northern African countries that share similar cultural values. The lack of trust and social interaction among societal members due to fear of contracting the disease affected social cohesion during the pandemic.

Sectorial effect of the Pandemic in Africa

The socio-economic effects of the pandemic in Africa affected the following sectors:

Aviation sector

Several markets reacted to the coronavirus pandemic and a number of industries were affected from the COVID-19 shock (Ozili and Arun, 2020). The global demand for air travel, including travel in and out of Africa, dropped significantly and the resulting loss of revenue was estimated at US$113bn according to the International Air Transport Association (IATA) estimates. African Airlines lost US$400m (£312m) since the outbreak of the coronavirus in China in February, 2020 according to the IATA. The pandemic was not as widespread in Africa compared to Europe and Asia, but it led airlines such as South African Airways, Royal Air Maroc, Air Tanzania, Air Mauritius, Ethiopian Airlines, Egypt Air, Rwanda Air and Kenya Airways to suspend flights to and from China.

Financial market sector

Financial markets in Africa were also affected by the coronavirus pandemic. In South Africa, the Johannesburg Stock Exchange Top 40 Index, many of which have exposure to China, slumped 3.7% on the 24th February, 2020 as investors began to consider short-selling strategies. The decline in stock prices in the SA Top 40 Index in March following the announcement of coronavirus cases in South Africa. In Morocco, the All Shares Index fell in March in response to the announcement of confirmed coronavirus cases in Morocco which led to loss of value in investment equity in the stock exchange. In Kenya, major stocks such as

Safaricom and KCB Bank declined by 5.4% and 7% respectively on the first day the first coronavirus case was announced in Kenya. As stock prices continued to plunge on the second day, the Nairobi Stock Exchange (NSE) suspended trading for the NSE 20 index on 13th March, 2020 according to its equity trading rules which require trading suspension if there was a drop of more than 5%. In the tourism sector, tourism to South Africa fell by about 80% following the COVID-19 outbreak, and the situation further worsened when a nationwide lockdown was enforced in South Africa. Kenya also witnessed a 55% fall in tourist visits following the coronavirus outbreak.

Health care sector

The health systems in African countries are fragile and highly vulnerable to an outbreak compared to the health systems of developed countries. Although African countries appear to be the least affected by coronavirus, there are concerns that the rising coronavirus cases will overwhelm Africa's fragile health infrastructure and that many more Africans will die of diseases left untreated than from the virus or its complications. Currently, Africa has two medical doctors per 10,000 persons while Italy has 41 medical doctors per 10,000 people according to data obtained from Bloomberg. This shows the weakness of Africa's health system. For instance, in South Africa, the country's healthcare system was struggling and over 500 health workers contracted the COVID-19 disease. Wealthy individuals receive treatment in private hospitals while poor residents are left to rely on state hospitals that are already filled to capacity, and this led to more deaths among poor residents. In Egypt, the health system was ill-prepared to deal with the coronavirus. There was shortage in medical supplies, lack of testing and insufficient protective gear which endangered the lives of doctors, nurses and the patients' families in Egypt. In Morocco, the coronavirus crisis overwhelmed the existing healthcare system which led the authorities to set up a field hospital of 700-bed capacity at Casablanca's exhibition Centre which cost about US$4.5m. However, there have been concerns that only a few privileged residents receive priority treatment

in the newly created crisis hospitals. The WHO had warned that countries with poor healthcare systems may not be able to cope with the coronavirus outbreak with many in Africa being of particular concern.

Education sector

The government of many African countries temporarily closed all educational institutions in an attempt to contain the spread of the COVID-19 pandemic. Many African countries shut down all schools, and some closed down their schools much earlier than others. For instance, in Morocco, the education minister announced the closure of all schools and universities starting from 16th March, 2020 as a precautionary measure against the coronavirus outbreak and that classes would be substituted by distance learning. In Ethiopia, the Prime Minister announced the closure of schools across the country and banned all public gatherings, including sports events. In Tanzania, the Prime Minister extended closure of schools for an indefinite period. These are just few examples of the many closures announced in almost all African countries. The nationwide school closures in many African countries are impacting over 85% of the Africa's student population.

Some non-African countries only implemented local closures rather than nationwide closure which means that only some schools were closed in some communities rather than a nationwide school closure. More so, UNESCO recommended the use of distance learning programmes and open educational applications and platforms that schools and teachers can use to reach learners remotely and limit the disruption of education. But the absence of a robust online learning platform or distance learning educational programmes in most African countries made the continuity of education very difficult in the continent. Also, the closure of schools led to an increase in crime rate such as robbery, kidnaping and raping, increase in online fraud and increase in domestic violence due to the stay-home policies.

Sociological and Economic effects of the pandemic in Africa

The coronavirus crisis affected all segments of the African population especially social groups in vulnerable situations including people living in poverty, older persons, persons with disabilities, youth and indigenous peoples. For example, homeless people in African countries are unable to find safe shelter and are highly exposed to the danger of coronavirus. People without access to running water, refugees, migrants or displaced persons also suffered disproportionately from both the coronavirus pandemic and the resulting economic effect such as fewer employment opportunities. If the social crisis caused by coronavirus is not properly addressed through social policy, the COVID-19 pandemic may also increase inequality, exclusion, discrimination and global unemployment in African countries in the medium and long term. Restrictive measures, particularly those that limit social interaction such as lockdowns, were imposed in many African countries which severely affected social events, communal meetings, entertainment events and other social activities that promote social development because large parts of the African society depend on person-to-person interactions.

Debt-laden and oil-dependent African countries

The immediate shock to African countries resulted from the global supply chain disruptions due to the lockdown in China and also due to the falling oil price that hurt oil-dependent African countries such as Nigeria and Angola. For instance, during the coronavirus crisis, Nigeria was exposed to a significant drop in oil prices which hit the Nigerian economy hard as it could not sell its oil to foreign buyers, and this led to loss of oil revenue to Nigeria. Also, Nigeria's 2020 budget which was planned at an anticipated oil price of US$57 was no longer sustainable and the budget had to be revised downward to US$30 per barrel. The global supply chain disruption and low commodity prices put great pressure on African countries and pushing them close to default. Zambia is already considering debt restructuring while Angola is facing the highest risk for a potential debt restructuring because its debt-to-GDP was 90% in 2018.

Conclusion

The effect of coronavirus on African countries and suggested opportunities for reforms is the focus of this article. The findings reveal that the coronavirus outbreak in Africa affected the social and economic well-being of most citizens during the period even though the social distancing measures were temporal. Citizens were not allowed to socialize in large groups as before, and they were not allowed to engage in business activities in the market place due to the imposed social distancing rules during the pandemic period. The implication of the findings is that social policies can affect the social and economic well-being of citizens. Though we cannot ascertain fully how long the coronavirus crisis will last and how many African citizens will be affected, we know that the number of infected people in Africa is much lower compared to those infected in Europe and the United States, and the economic impact is already severe particularly for oil-dependent African countries and for African countries that benefit significantly from the global supply chain.

Country-specific measures, such as social distancing and lockdowns, have been adopted by many African countries, and it is possible that, once the pandemic is over, most African countries will enter into an unavoidable recession. African governments should use fiscal policies to immediately address the public health emerg//.ency and to provide direct support to affected individuals and businesses in order to protect the productive capacity that will be needed to revive the economy of African countries when the coronavirus crisis ends. The pandemic will provide an opportunity for each African country to rethink its exposure to the global economy and the spill over implication for each country and to consider whether the negative effects of globalization outweigh the benefits.

Recommendations

Though some of the recommendations below were already implemented, however, sub-regions and countries that were not fully committed to the implementation of the health observation protocols

should follow suit immediately while the new normal as against the old normal should be strictly adhered to.

1. Mandatory days of quarantine for international, regional and state should be maintained for as long as would be necessary.
2. Free testing should be made available to the public.
3. The government should ban all inbound and outbound travels to seriously infected countries and regions.
4. The government should officially declare a "Health State of Emergency" until the spread of the virus is reduced to the minimum level.
5. The nationwide lockdown and curfew should be enforced by the police and the army until when the spread of covid 19 has drastically reduced.
6. Proper coordination, risk communication and community engagement, infection prevention and control, continuity of healthcare and nutrition, continuous access to child protection services, social policy such as cash transfer and social services referral, procuring protective and critical supplies of masks, infrared thermometers, gloves and the use of hand sanitizer to strengthen infection prevention and control. should be intensified.
7. The development of e-learning training packages should be provided for students.
8. Social distancing policies should be continuously enforced in African countries to expel the virus out of society.
9. The social distancing policy caused hunger to many poor households and many African countries. Cash transfer payments, other financial, material and food palliative should be provided by the government to the citizens to support the poor households during crisis.
10. Domestic spending should be increased by the national government in African countries to mitigate the effects of the coronavirus pandemic. Both domestic and foreign fund raised by the government in African countries to respond to the COVID-19

pandemic should be judiciously utilized for the purpose they are meant for.

11. African countries should develop the capacity of health systems. Whenever there is a public health crisis, the first priority in any country is to protect the health of its citizens.
12. Government should make adequate protection for health and emergency workers such as doctors and nurses so as to prevent them from getting infected and to have adequate health facilities for themselves and the patients.
13. There should be regular and continuous support for the agricultural sector. There should be a range of measures to ensure that farmers and other beneficiaries can get the support they need so as to avoid food insecurity in Africa.

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