Crisis into Opportunity?
Covid-19’s Impact in Africa
Greg Mills
What will the outcome be for Africa?

All bets are off?

Same bets as before?

The field spreads out: those struggling fall farther behind, those improving get farther ahead? With consequences for conflict ... ?
'So in the last 24 hours the CDC has done a radical rethink of mortality projections, cutting their death predictions by, I dunno, couple of hundred percent. And Levitt/Ionnidies/Stanford says one thing and Ferguson/Imperial says another and the dude from Harvard says another and Gupta/Oxford says another and the Israeli prof says another and WHO says another and that Canadian province says masks are useless, and other say not, and Norway now says we shouldn't have locked down, it was a waste of time, and CR says the lockdown saved lives and that German prof says rubbish and Glenda Grey says that and Mkhize says the other and Sweden was an obvious success/no it wasn’t. Sheesh. Less scientific consensus one can barely imagine.

Perhaps all of our own bitterly contested world views are all equally valid until facts really settle, years from now, when all the data is in. Until then choose the research that best fits your predilections, or even your mood.'

Steven Boykie Sidley, 27 May 2020
COVID-19 could …

“Catastrophic economic, health and humanitarian consequences”
- *International Monetary Fund*

“Between 83,000 – 190,000 deaths across 47 African countries in the first year”
- *World Health Organisation*

“Growth to fall to -1.6% in 2020”
- *International Monetary Fund*
1. Geopolitics and the impact on globalisation, the free movement of people and their skills, goods, capital, technology and data. Globalisation will not necessarily be less powerful, or influential, but different.

2. Technology and data, rising speeds and falling costs. Data, Covid-19 reminds us, and bandwidth is now an imperative development resource.

3. The impact of the pandemic on governments and their relationship with their citizens. Governments, at least among those which can afford it, are likely to attempt to become bigger and more influential, with fresh economic and social mandates. Societies will be safer but likely less private, with data the new currency of governments.
4. Human security, encompassing food and migration along with health. Trade disputes and economic nationalism threaten food supplies and people movement. These effects could be worsened by low income for African producers. This could push more people into poverty and increase migration pressures, influencing Europe’s politics at home and abroad. This could offer African food exporters fresh opportunities.

5. The extent to which health, including carbon emission control, becomes the new wealth for people and government is the final trend. This creates certain opportunities, as does the move to telemedicine, the stress on recreation and sports as a lifestyle choice, and the development of retirement facilities for Europe and Asia’s burgeoning elderly population, ranging from communities to care-centres.
COVID-19’s impacts …

Some perspective is helpful:
2.8 million deaths from communicable diseases in Africa every year.
Lower respiratory tract infections (916k), HIV-Aids (719k), diarrhea (653k), malaria (408k) and TB (405k).
As far as we known, there are to date 250,000 cases of Covid across Africa, and <7,000 deaths.
How have African governments responded?

Too early to fully assess – ‘peaks’ have yet to be reached

Nigeria, South Africa, Ethiopia, and Kenya (together 55% of SSA’s GDP and 40% of its population) have acted early to combat COVID-19

Underlying challenges have impeded effective COVID-19 strategies

Corruption, poverty, and access to resources
Nigeria

GDP $397.3 billion (24% SSA)

Population of 196 million (18% SSA)

20,244 confirmed cases

518 deaths

First COVID-19 case on 27 February
<table>
<thead>
<tr>
<th>Response</th>
<th>Criticisms</th>
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<tbody>
<tr>
<td>‘Multisectoral technical group’ to assess COVID-19 risk</td>
<td>Support for rural communities ‘grossly inadequate’</td>
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<td>Central Bank of Nigeria loans for households, businesses, and healthcare</td>
<td>Negative impact of federal lockdown on informal sector</td>
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<td>Federal lockdown in Abuja, Lagos, and Ogun states</td>
<td>COVID-19 has exposed years of chronic underinvestment in healthcare sector</td>
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<td>US$3.4 billion emergency financial assistance from IMF</td>
<td>Testing capacity not met – 113,575 tests as of 22 June</td>
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South Africa

GDP $368.3 billion (22% SSA)

Population of 57 million (5% SSA)

97,302 confirmed cases

1,930 deaths

First COVID-19 case on 5 March
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<th><strong>Response</strong></th>
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<td>National state of emergency</td>
<td>Elements of the lockdown have been classified as unconstitutional &amp; invalid</td>
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<td>National Coronavirus Command Council established</td>
<td>Efficacy of lockdown in impoverished communities debatable</td>
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<td>National 5-stage lockdown</td>
<td>Police and military heavy-handedness</td>
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<tr>
<td>US$26 billion stimulus package</td>
<td>Corruption concerns around distribution – from Cuban doctors to food parcels</td>
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<td>Opportunity for statist temptation</td>
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Ethiopia

GDP $84.4 billion (5% SSA)

Population of 109 million (10% SSA)

4,532 confirmed cases

74 deaths

First COVID-19 case on 13 March
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<tr>
<td>A proactive and ‘critical’ response</td>
<td>Inadequate testing – 216,328 tests as of 21 June</td>
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<td>Five-month state of emergency</td>
<td>Censorship of journalists reporting on the virus. Free speech vs. ‘false news’</td>
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<td>Contact tracing, isolation, quarantine, and treatment programs</td>
<td>Opposition argues COVID-19 is being exploited to extend govt’s rule, viz extension of election by 18 months.</td>
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<td>No lockdown</td>
<td>Dangers of homegrown economic reform strategy being hamstrung, with consequent FX shortages (and political instability)</td>
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<td>US$1.64 billion COVID-19 Multi-Sectoral Preparedness and Response Plan</td>
<td></td>
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Kenya

GDP $87.9 billion (5.2% of SSA)

Population of 51 million (4.6% SSA)

4,738 confirmed cases

123 deaths

First COVID-19 case on 13 March
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<td>Dusk-to-dawn curfew</td>
<td>Use of force in enforcing COVID-19 regulations</td>
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<td>21-day lockdown in Nairobi, Mombasa, Kilifi, and Kwale</td>
<td>Allegations of corruption</td>
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<td>US$503 million economic stimulus package</td>
<td>Inadequate testing – 140,012 tests as of 21 June</td>
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<td>US$1 billion support package from the World Bank</td>
<td>Scarcity of testing resources, notably reagents</td>
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Crisis as an opportunity for domestic economic reforms; what is the prospect of doubling-down on the market?

Or crisis as an opportunity for clampdown? Dangers of closure of political space; or of mercantilism.

For insiders, a chance for more aid and greater debt relief; or for outsiders, is this opportunity for reforming aid strategies?
COVID-19: Summary

Data: African agencies need to urgently find novel ways of gathering accurate data, including via web applications or social media, informing better policy.

Diaspora: Prior to Covid-19, officially recorded remittances to sub-Saharan Africa amounted to $48 billion in 2018, $15 billion more than net FDI inflows. Yet high costs of money transfer limit their accessibility and reduce their net contribution.

Debt: Increasing stress; potentially blow-out. What can donors do, bearing in mind the imperative for reform?
Diversification: Those that emerge best from this crisis (and the next, cause there will be one) are those that can be the first movers to diversify. Can Africa be the next China in terms of taking a slice of global supply chains – and what is required to do so?

Doubling-down: On reforms will be necessary, and on the market per se, but still a role for (a more effective) state. Government need not be an ‘enemy of enterprise’ as it is often portrayed. In the post-Covid-19 world, governments will need to be more active in the areas of incubation, business development, and R&D promotion.

Donors & Democracy: Time for a new tack given the clear link between aid, democracy and development?
Asia and Africa: Share of World GDP Per Capita (constant)
Thank you very much.

NEVER LET A GOOD CRISIS GO TO WASTE.

It's an opportunity to do things you think you could not do before.

Rahm Emanuel

Now available from all major online bookstores.