

3 August 2020

Economic Policies African States have implemented to respond to the COVID-19 Pandemic

Background

The COVID-19 pandemic has been dubbed the “*defining global health crisis of our time since World War II*,” by international health systems experts.(Source: www.undp.org/content/undp/en/home/coronavirus.html).

To curb the spread of the virus, search for a remedy and vaccine, mitigate the socio-economic effects: governments, healthcare specialists, the private sector and international health organisations have come together to formulate policies, researches and action plans.

Economists have stated that the pandemic represents an unprecedented shock to the global economy.

The global tally by the World Health Organisation (WHO) as of 29th July 2020 illustrates that there are 16,253,815 confirmed cases with about half of those having recovered and 655,112 deaths.(Source:covid19.who.int/?gclid=Cj0KCQjwvIT5BRCqARIsAAwwD-QhnOJJJTgq5l1TDwluytEllwIJIZpogeNhbpzbzWmG5shSAfTuB80aApGtEALw_wcB).

With an already ‘synchronized slowdown’ of the world economy in 2019, the COVID-19 pandemic has sent countries into a recession, with a predicted world GDP contraction of 3%.

Additionally, there remains some uncertainty as to growth and recovery of economies with the threat of reoccurrence of the virus looming.(Source:www.imf.org/en/Publications/WEO/Issues/2020/06/24/WEOUpdateJune2020).

Notably, the United Nations (UN) predict that the economic effects of the Corona

virus will see the reduction of 6.7 % of working hours; this is equivalent to 195 million full-time workers. In Sub-Saharan Africa the International Monetary Fund (IMF) estimates \$ 37-75 billion in output losses. African governments have allocated funds for the strengthening health care systems, stimulation of the economy and mitigating the social and economic shocks arising from the pandemic.(Source:blogs.imf.org /2020/04/14/the-great-lockdown-worst-economic-downturn-since-the-great-depression/).

Recognising the huge debt burden many countries have, the World Bank and IMF have called for a bilateral debt standstill with the hope of softening the impact of COVID-19 and debt crises on developing economies. The world's largest economies the G20 countries, have allowed for the suspension of the collection of debts to some of the developing countries currently facing the effects of the pandemic.(Source: www.worldbank .org/en /news/factsheet /2020/05/11/debt-relief-and-covid-19-coronavirus).

This brief paper aims to give an outline of the national economic strategies in response to the pandemic from a select number of countries in the African continent. Data has been relied on from various UN economic and health bodies, government institutions published strategies and research institutions publishing's. This research has also relied on the Corona Virus Dashboard by the World Health Organisation for information on the number of confirmed cases. The countries chosen were Egypt and Tunisia from North Africa, Kenya and Rwanda from East Africa, Cameroon and DRC from Central Africa, Nigeria and Senegal from West Africa and South Africa and Botswana from Southern Africa. The aim of this research is to highlight the fiscal, monetary and micro-financial policies implemented to mitigate the economic shocks caused by the virus and prepare nations for a post COVID recovery.

CONTINUE READING

August 2020

DISCLAIMER

The contents of this publication is for informational purposes only. It is not intended to provide legal or other professional advice or opinions on specific facts or matters. Pavia e Ansaldo assumes no liability in connection with the use of this

publication.