Africa's corona response rests on two things: markets and money transfers

BY RACHEL STROHM / APRIL 2, 2020 / 6
African countries can’t just copy rich countries’ responses to COVID-19. Here’s what they can do instead.
As the coronavirus pandemic (https://africanarguments.org/category/covid-19/) has spread across the world, it has become clear that not all countries have the same options for responding to it. Rich countries have a range of options for allocating spending and strengthening health systems. Poor countries – including many in Africa (https://blogs.lse.ac.uk/africaatlse/2020/03/27/coronavirus-social-distancing-covid-19-lethal-consequences/) – often have few resources and little public health capacity to begin with.

But that doesn't mean that African countries have no options. Public markets and cash transfer programs can cushion the economic blow of the pandemic, and make it easier for people to stay safe.

**Four options for responding to the pandemic**

_African countries could reconfigure markets to ensure they can stay open in some form. Credit: Erin Johnson._
To get a sense of the possible set of responses, let's look at the four main strategies that have been considered by rich countries. They all address the twin goals of containing the virus and keeping people from going hungry until a vaccine can be developed. They involve different combinations of public health interventions and economic support.

The first is “uncontrolled spread”. This means letting the pandemic spread mostly unchecked (https://www.vox.com/2020/3/10/21171481/coronavirus-us-cases-quarantine-cancellation) in order to rapidly build immunity in the population. This leads to many avoidable deaths, completely overwhelms the healthcare system, and causes a major economic crash as employees get sick and supply chains are interrupted. It is clearly a bad idea. The UK briefly considered this approach before changing its tune (https://www.theguardian.com/world/2020/mar/24/confused-dangerous-flippant-worlds-media-pans-pms-handling-of-coronavirus-boris-johnson).

The second is “lockdown without income replacement”. This involves prohibiting people from leaving their homes for non-essential activities in order to contain the spread the virus, but without compensating them if they lose their jobs because of the pandemic. It's not too expensive for governments to do this, but runs the risk that people will go hungry without work and worsens the rate of economic contraction. The US is a good example of this approach. It is only replacing a fraction of people's lost incomes with a one-time $1,200 cheque (https://www.cnbc.com/2020/03/25/congress-to-send-taxpayers-1200-checks-in-the-wake-of-coronavirus.html), not even one month's rent in many cities.

The third is “lockdown with income replacement”. This approach slows the spread of the virus while preserving people's ability to access the goods and services they need to stay healthy. However, it's also extremely expensive. There are a variety of ways for governments to replace lost incomes. These range from paying companies to keep their workers on board (like Denmark (https://www.theatlantic.com/ideas/archive/2020/03/denmark-freezing-its-economy-should-us/608533/?fbclid=IwAR260xrdDs4x-lK6ejB2a-nywsAidGnFtui_ZbVZOolwcewxI1ROBN7tTn4)) to offering direct cash transfers to people who've lost their jobs (like Canada (https://www.bbc.co.uk/news/world-us-canada-52022506)).

The fourth and final response is “testing and containment”. This involves testing enormous numbers of people in order to contain infections before they spread, and letting people who are not infected continue to work as usual. This is the Taiwan-Singapore (https://www.nytimes.com/2020/03/13/opinion/coronavirus-best-response.html) approach and has been successful at constraining the spread of the virus while minimising economic disruption. It relies, however, on strong public health systems and access to hundreds of thousands of coronavirus tests.
**What's feasible for African countries?**

We can immediately rule out two options. Uncontrolled spread is simply a bad idea, and many African governments are already taking steps to avoid this. Meanwhile, testing and containment requires extensive public health infrastructure that most countries on the continent do not have.

This leaves us with lockdowns, either with or without income replacement. At the moment, an increasing number of African countries have cut back on economic activity without immediately replacing lost incomes. This is clearly not sustainable. Many people live in poor urban neighbourhoods without regular access to water and food even at the best of times. Many others are subsistence farmers who depend on markets to access inputs like seeds and fertiliser. It is little surprise that some governments have already had to resort to violence to enforce these lockdowns. We can't lose sight of the fact that hunger and violence are also threats to public health.

The best remaining option is to pursue a lockdown with income replacement. This will not be straightforward. Most African governments can't afford to massively scale up their welfare systems in a short time. However, with a combination of donor support and targeted interventions to keep markets open while protecting vulnerable people, it may be possible to keep people from going hungry while also reducing the spread of the pandemic. People will only follow social distancing measures if they can meet their basic needs while doing so.

**Keeping the economy running**

One way to maintain incomes is to ensure a baseline level of economic activity can continue. This could involve physically reconfiguring markets – such as by expanding them, installing...
handwashing facilities and training retailers in safe product handling practices so people can continue to buy and sell but with greater social distancing. It could also include staggered lockdowns (http://www.rfi.fr/fr/afrique/20200327-rdc-kinshasa-entamera-samedi-confinement-total-trois-semaines) in some neighbourhoods to keep markets open while controlling the number of people entering at any given time.

Public transport remains a point of vulnerability, but it may be possible to distribute masks and hand sanitiser at bus stops or via transport unions (https://africanarguments.org/2020/03/30/preparing-for-covid-19-in-africa/) to lower the risk of transmission. This follows the lead of countries like Taiwan which have made masks mandatory (https://www.taiwannews.com.tw/en/news/3908366) for public transit users.

These kinds of practices could help keep some of the economy going. However, even with these in place, many will still lose their livelihoods as demand for things like tourism and agricultural exports (https://www.independent.co.ug/coronavirus-inflicts-pain-on-horticulture-exporters/) drops. As well as these measures therefore, governments will have to directly replace people’s incomes.

**Give people money**

Since most people in Africa work in the informal sector, a Denmark-style approach of compensating businesses for keeping their employees isn’t feasible. Instead, the best solution is to provide cash transfers (https://blogs.worldbank.org/impactevaluations/what-can-low-income-countries-do-provide-relief-poor-and-vulnerable-during-covid?CID=WBW_AL_BlogNotification_EN_EXT?cid=SHR_BlogSiteShare_EN_EXT) directly to individuals. These are less logistically complex than in-kind transfers of food and contribute to the normal functioning of food markets rather than competing with them.

The good news is that almost all African countries have existing social protection programmes (https://rachelstrohm.com/2016/09/18/mapping-the-spread-of-cash-transfers-in-africa/) which offer cash transfers to poor citizens. They do tend to have very limited reach, supporting only small percentages of the poor, but at least the infrastructure exists. There are also cash transfers run through humanitarian aid organisations (https://www.odi.org/sites/odi.org.uk/files/odi-assets/publications-opinion-files/9828.pdf) and NGOs like GiveDirectly (https://www.givedirectly.org/). As of 27 March, only a few African governments (http://www.ugogentilini.net/?p=817) had announced plans to scale up their social protection programmes. However, most countries are early enough in the progression of their pandemics to be able to do this before infections peak.
African governments should immediately focus on scaling up the infrastructure for universal cash transfers. Aid donors must do the same. Many African countries can't afford a huge increase in welfare expenses, especially as tax revenues fall during the pandemic. Major donors must step in to support them – ideally with grants rather than loans.

Time is really of the essence. Food prices have already begun rising and will continue to do so as imports get delayed or shut down and domestic food supplies are threatened by supply chain disruptions. Rapid coordination is needed to keep people from going hungry and ensure that all of the progress African countries have made against poverty in recent years is not lost.

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6 COMMENTS

PHOENE OWARE
Even the two options that we can somehow implement have their obstacles. Most cash transfer programmes are residual and some depend on donor support.

I research informal systems that are prevalent in Africa and they can be leveraged to provide solutions at times like these. I keep thinking of their relevance today but not much comes up.

This crisis, when we overcome it will be a wake up call for us prioritize social welfare and public health systems.

TEDDY NAKANWAGI
3 APRIL, 2020 AT 14:06

Rachel thanks for the piece but at this point, I don’t know if donors are in position to help much considering that they are also struggling.
We can just say for now if we survive, we build household independence

OLAM
3 APRIL, 2020 AT 17:18

The best strategic option for African countries is actually not listed in your article, the best strategies is far from the once you have written there. Africa is a unique continent that lacks basic amenities like electricity and water, lockdown of people or restriction of movement will cause more damages to people than the virus itself many people will die of hunger before the virus will even kill them, the best strategies for Africa is to allow its people to go out and work and develop immunity for d virus while the government focus on two basic things,
1. Since there are very few direct cases the government should focus on isolation of the idex cases and also concentrate on contact tracing and identify all the people that might have come incontact with the index carriers of the virus...Africa should not follow thus western method that are been use in europe america and Asia if it doesnt want is people to die more of hunger virus and if it doesnt want it economy to collapse and struggle for a very long time to recover from the impact of the economic collapse as aresult of the damage done to its economy by shut down and lockdown and restriction of movement.... Depending and believing in what the west is telling Africa to do to or is doing to fight the virus this will not help Africa.

2. Secondly What the government of these african coutries should do is to channel their energy and resources into finding local cure to the disease, as an african who have lived both in the west and in Africa for many years i know that the best strategies for africa in tackling this
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pandemic is far from those strategies been applied in europe and Asia, these strategies are different and can't afford any of those...

But what Africa has got that those countries of the west and Asia's don't have is extensive traditional knowledge of the use of alternative medicine to treat and contain diseases, what the african leaders should do is to assemble a group of its country's expert in traditional medicine and give them a deadline of 7 days to come up with the best and 100% efficient cure for coronavirus through herbs and other traditional african medicine method, trust me the best herbs would be found within the deadline...

It will be interesting if the experience of cash transfers for C-19 response pushes NGOs to doing it more widely afterwards.

Olam's second option is the best that I have read ever since the outbreak of this virus. The biggest challenge about us Africans is that we tend to forget that we are Africans at time. This Eurocentric approach of dealing with our problems will cost us BIG time.

Where are you African herbalists!? We need you!

Thanks, Rachel, for this serious thought sharing. I feel close to the view of Olam, the previous commentator. My thinking can be summarised as follows:
1. Focusing on those tested positive + their contact tracing for test and follow-up;
2. Minimizing social intermingling and maximizing handwashing (by massive sensitization and enforcement for personal and collective discipline to take some physical distanciation) without stopping work and business, except for intermingling-based activities like bars and night clubs;
3. Organising some form of solidarity for those who will be affected like those who live on...
intermingling activities which should be stopped like bars (bar waiters for instance will be affected);  
4. Getting out of the restrictions progressively as the disease falls under control.
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