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Socio – Economic Policy Response to Covid -19 in the Economic Commission for Community West Africa States (ECOWAS)

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ABSTRACT: The macroeconomic impact of the COVID-19 epidemic in a quantitative dynamic period general equilibrium setup with nominal rigidities. Worldwide, the social and economic effects of the pandemic have been unprecedented, and Africa has not been spared. This study is aimed at assessing the socioeconomic impact of the Covid-19 pandemic in Africa with specific reference to four West African countries, Ghana Nigeria Senegal, and Mali. The study adopted qualitative research, through a systematic review of the literature. This was done by following a keyword search on literature that relates to the Covid 19 pandemic. The study confirmed that the covid-19 pandemic has had multiple negative socio-economic consequences in West Africa. It found that socially, the pandemic has increased inequality, and triggered sexual and gender-based violence against women and children. Economically, it had increased public debt, overburdened the health care system, and destroyed livelihoods. various containment policies were employed to dramatically reduce the welfare cost of the disease; social policy measures such provision of free meals, and cash donations to vulnerable groups were implemented, and public debt management mechanisms and stimulus packages were introduced.

KEY WORDS: Covid-19, Zambia, Economic Policy Measures, Monetary Policy Measures, Fiscal Policy Measures

1.0 INTRODUCTION/BACKGROUND OF THE STUDY

The COVID-19 pandemic, also known as the corona virus pandemic, is an ongoing global pandemic caused by severe acute respiratory syndrome corona virusnavirus 2 (Kingsley Ofei-Nkansah, 2021). The novel virus was first identified from an outbreak in the Chinese city of Wuhan in December 2019. Attempts to contain it failed, causing it to spread across the globe. The World Health Organization (WHO) in that regard, declared a Public Health Emergency of International Concern on 30 January 2020 and a pandemic on 11 March 2020. It is also reported that the pandemic had caused more than 412 million cases and 5.81 million deaths, making it one of the deadliest in history.

According to the World Health Organisation (www.afro.who.int, 19 August 2021) West Africa has recorded its highest number of COVID-19 deaths since the pandemic began as several countries grapple with outbreaks of cholera, Ebola Virus Disease and Marburg Virus Disease that threaten to further strain the already stretched emergency response capacity in the region Kingsley Ofei-Nkansah (2021) also observes that even before the pandemic, the IMF had projected a contraction in world economic output. In Africa, the GDP losses were said to have ranged between$145.5 - 5 $189.7 billion in 2020. In view of this, loss of livelihood and exacerbation of poverty could not be overemphasized. West Africa has not also been spared from the impact of the Covid 19 pandemic.

2.0 RESEARCH PURPOSE AND AIM

This study seeks to assess the socioeconomic impact of the Covid-19 pandemic in Africa highlighting four West African countries.

3.0 RESEARCH OBJECTIVES

To assess the impact of Covid-19 on the socioeconomic status relating to the women and youth of West Africa.
To determine the effects of Covid-19 on small and medium-scale enterprises.
To evaluate the influence of Covid-19 on the creation of sustainable employment.
To ascertain the mitigation measure that policy makers have put in place against negative socioeconomic effects of Covid-19 pandemic.

4.0 RESEARCH QUESTIONS

How has Covid-19 affected the socioeconomic status of women and youths of West Africa?
What are the effects of Covid-19 on small and medium-scale enterprises?
How does Covid-19 influence the creation of sustainable employment?
What strategies have policy makers put in place to reduce the negative socioeconomic effects of Covid-19?

5.0 RATIONALE/SIGNIFICANCE OF THE STUDY

The findings and conclusions of this study will provide additional knowledge on the impact the Covid-19 pandemic has had on the average people in West Africa. Lessons learned from this study will also provide information which will equip and enhance relevant policy makers to better prepare for other pandemics. Recommendations from this study will also enhance national and regional level interventions and engagements to better deal and manage the impact of Covid-19 and other future pandemics in Africa, and West Africa in particular.

6.0 METHODOLOGY

The research design used in the study is qualitative. The qualitative responses will to some extent analyze the responses on what measures could be taken to alleviate the social-economic impact it has on economies and society at large. The study population is the West African countries affected by COVID-19 from Ghana, Nigeria, Senegal, and Mali. The study will adopt a purposive sampling technique and will review different literature on the Covid-19 impact and situation in the four countries.

7.0 PRESENTATIONS OF THE FINDINGS

7.1 Social Policy Responses

According to Boasiako, Abbey, Ogby, et al, (2021). The COVID 19 pandemic has generally had a negative social impact in Africa. This is evidenced through increased poverty and inequality among vulnerable groups such as women and children. To curb the spread of COVID 19, governments in West Africa imposed social distancing policies that that are designed to restrict social interactions among members of society. In Ghana, public gatherings such as conferences and religious activities were banned in 2020 pursuant to a Presidential directive. In addition, social protection measures such as the distribution of free meals among vulnerable persons and free water for all Ghanaians to adhere to World Health Organization recommendations on handwashing were introduced. The measures that were taken by Ghana are commendable, but the concept of free meals did not provide a long-term solution to the financial challenges that created by the pandemic through loss of income sources.

A study conducted by Ozili (2020) revealed that the exact impact of COVID 19 and the impact of the policy responses of governments of West African states is unknown. The study further revealed that each country in the region had imposed social distancing policies and lockdowns to help curb the spread of COVID 19, but the said policies and lockdowns were implemented with varying levels of stringency. For example, Ghana imposed a four week lock down, while Nigeria imposed a two week lock down in 2020. As a result of social distancing, societal groups in ECOWAS member states had developed fear for, and lost trust in members of society, who were regarded as threats that could spread the COVID 19 virus to them. In addition, lockdowns caused hunger for poor households, and the government did not provide household support for the affected households. The findings from Ozili's study may be prevented in future health pandemics; there is need for west African countries in general to develop legislation for the protection of social welfare, and effective social welfare programs.

Saalim, Sakyi, Zolia et al (2021) explained the social implications of measure imposed to control the spread of COVID 19 in west Africa. Travel restrictions and curfews that were imposed not only triggered economic instability but disrupted social interactions as well; social celebrations and entertainment activities were disrupted. Social distance among families caused stress, and anxiety. This affects the mental health of individuals. The economic burden of staying at home has escalated tensions in homes, and women and children have had to bear the effects. They have been subjected to sexual abuse and other forms of sexual violence. In response to their plight, local and international donations towards the COVID pandemic have been distributed. This is meant to relieve the burden of finances in vulnerable homes.

Buonsenso, Cinicola, Raffaelli et al (2020) conducted a study in a rural part of Sierra Leone, and they concluded that psychological and economic consequences of COVID 19 in rural Africa are unknown. This study yielded similar result to the on conducted by Saalim, Sakyi, Zolia; the lock down measures that were imposed in Sierra Leone cause anxiety amongst heads of households, because of reduced sources of income. They further identified a lack of government support for rural households during lockdown periods.

From the studies that have been reviewed COVID 19 had the same social impact in West African states. The pandemic had a high social impact on women and children. It is further seen that not every government in the region had the financial capacity to provide support for vulnerable homes that faced financial challenges.

7.2 Economic Policy Responses

The IMF (2020) reports that the public debt of some African countries was relatively low before the current crisis. Some West African countries have an average debt-to-GDP ratio of 60%. A debt-to-GDP ratio of 60% is the threshold set by the IMF and the African Monetary Cooperation Programme for an appropriate level of debt. The Heavily Indebted Poor Countries (HIPC) initiative has been particularly important in reducing debt and freeing up resources for poverty reduction in 13 African countries: Benin, Burkina Faso, Côte d'Ivoire, Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Niger, Senegal, Sierra Leone and Togo. It was noted that many countries have adopted a coordinated global response to the COVID-19 crisis, including public debt management mechanisms for the most vulnerable and indebted economies. African finance ministers called for an immediate $100 billion stimulus package. This includes the cancellation of all interest payments on sovereign debt and government bonds, which the ministers estimate at $44 billion for 2020. A possible medium-term extension of the lifting would provide governments with immediate fiscal space and liquidity. The World Bank and IMF stressed the need for debt relief for poorer countries affected by the coronavirus pandemic and said official bilateral lenders had an important role to play. The G20 Action Plan and its suspension clause are a step in the right direction; as it states, private creditors should participate in the effort on comparable terms to official creditors (Odeya, 2021).

In relation to IMF findings, a Howard (2020) study in Nigeria found that the president approved a stimulus package in the form of a NZ$500 billion ($1.4 billion) COVID-19 intervention fund to support health care facilities, provide taxpayer relief, and provide incentives for employers to retain and hire staff during the economic downturn. Such was the case in Senegal, where the government created an emergency fund of up to 1,000 billion CFA francs (7 percent of GDP), funded by donor contributions, voluntary donations from the private sector, and the budget. The fund will be used to support vulnerable households and businesses (African Union Commission, 2020).

On the other hand, a study by the African Centre for Strategic Studies (2021) shows that West African countries, including Niger, Mali, and Burkina Faso, are facing a dual health and economic crisis that threatens to overburden health systems, destroy livelihoods and dampen the region's growth prospects for the coming years. Prior to COVID-19 in 2019, the continent was already experiencing a slowdown in growth and poverty reduction in general, albeit with wide variations between countries. The current Covid-19 crisis could undo years of development gains. To cushion these negative effects of covid-19, countries have provided an immediate fiscal stimulus. Some additional public spending, such as funds for health care, job retention, subsidies for SMEs, public investment and revenue shortfalls, such as the elimination of some taxes and social security contributions. Such measures lead immediately to a deterioration of the budget balance without a direct compensation later.

Similarly, Simson (2021) conducted a study in Côte d'Ivoire and Senegal which showed that these countries had adopted deferral measures. Governments have decided to postpone some payments, including taxes and social security contributions, which in principle should be paid later. These measures improve the liquidity situation of individuals and entities but do not eliminate their liabilities. Thus, these measures will lead to a worsening of the budget balance in 2020 and 2021, but to an improvement thereafter.

In addition, Bruegel (2020) reported that 19 countries, such as Nigeria and Ghana, have taken some liquidity and guarantee measures to prevent the negative effects of Covid-19. These measures included export guarantees, liquidity assistance and lines of credit through national development banks. Some of these measures have improved liquidity in the private sector, but unlike deferrals, which are automatic and usually apply to target groups, credit lines require action by the affected companies. Credit lines and guarantees may not weaken the budget balance in 2020, but they will create contingent liabilities that could turn into actual spending either in 2020 or later.

The OECD (2020) also conducted a study on the socio-economic implications and policy measures of COVID-19, in which West Africa was part of the case study. The results showed that, from a socio-economic perspective, policy measures to address the effects of Covid-19 included measures to mitigate income and job losses while addressing specific issues related to high levels of informality. In addition to immediate response and recovery strategies, government measures included a strong structural component to reduce dependence on external financial flows and global markets and to develop more knowledge-intensive, higher value-added, industrialized economies supported by a more competitive and efficient service sector. Effective implementation of the African Continental Free Trade Area (AfCFTA) and the African Union's manufacturing transformation agenda can strengthen regional value chains, reduce vulnerability to external shocks, accelerate the digital transition and build economic resilience to future crises.

7.3 Fiscal Policy Measures

Romer (2007) refers to fiscal policy as the use of government spending and tax policies to influence economic conditions for governments to stabilize the business cycle and regulate economic output by either increasing or reducing tax rates. Lowering tax rates increases aggregate demand and stimulates economic growth which is employed when government is pursuing the expansionary fiscal approach.

From the findings, Governments in the four west African countries generally responded by trying to boost economic activity through discretionary spending and some tax cuts. The immediate effect of Covid-19 was that growth rate in the four countries contracted and the most affected sectors being tourism and hotel businesses as international tourists were almost nonexistent in the years 2020 -2021 within the region. That affected the hotel business as they were not able to fully cover their overhead costs without their clients who were mainly travelers within the country and abroad.

Ultimately, there was a reduction in the GDP growth which led to a decline in the amount of taxes collected as corporate profits and taxpayers' incomes reduced drastically. To mitigate the impact of Covid-19, Governments in the West African Countries in question employed tax cuts in the most affected sectors of the economy, thereby relieving those sectors of some tax burden which eventually kept them afloat during the lockdowns which were the most difficult times.

In Mali, the Government's fiscal measures were to cancel the late penalties to be paid by holders of public contracts from March to August 2020. This was particularly important as it helped companies to safeguard their production tools and secure jobs for their workers. The government of Mali also increased and supported cash transfers whilst providing relief to hard-hit sectors and firms and supported public entities in the transport sector to ensure continuity in supply chains.

To ensure that the raw materials were always available for production which would in turn avoid shortages and price instability, the Government created a few supportive special funds. The postponement of the tax obligations was meant to reduce the financial burden of the businesses as they already are faced with losses caused by the decrease in profits due to demand constraints triggered by the restrictions and loss of livelihood translating to low incomes at household level.

Some social measures which were implemented to mitigate the hardships at household level included the lifesaver units in electricity which was the minimum amount of electricity units which were charged at a very low cost and affordable almost to everyone. Units above the lifesaver units became more expensive for those who could afford them. That ensured that even the poor people had electric power connections during the hard times of lockdowns. There was also a temporary suspension of water bills payment for three months and taxes on the bills were suspended for about seven months from May to November 2020 to provide relief to the most disadvantaged, and the establishment of a solidarity fund for the most vulnerable households.

In Senegal, one of the fiscal measures undertaken was the establishment of the National and Economic Solidarity Fund of the US $300 million which was to be financed by the government, international partners, and private citizens. The fund was established to provide relief services to businesses and identified vulnerable groups. The VAT rate was reduced from 18% to 10% for the hotel and catering sectors in order to help reduce the cost of production and maintain a certain level of production to keep businesses afloat.

The fiscal measures put in place by the Government of Ghana were to pledge a total of US $218 million to deal with the pandemic. The bulk of the funds was used under the Corona Virus Alleviation Programme to support selected industries such as the pharmaceutical sector supplying COVID-19 drugs and equipment, the SMEs, building or upgrading 100 district and regional hospitals, and addressing the availability of test kits, pharmaceuticals, equipment, and bed spaces.

The Social measures related to payment exemptions of water and electricity bills, food sales at subsidized prices, and wireless cash transfers. The action was aimed at giving relief to those who lost their livelihoods and businesses. Other pay incentives for frontline health professionals dealing with the pandemic were also available to motivate the health workers. This was particularly a motivation given the high risk associated with handling COVID-19 patients. The Most venerable households also received free food packages and hygiene during the lookdown periods. Some prisoners who had almost served their sentences were released a few months before the release date and those who proved to have reformed were given a presidential pardon based on the recommendations by the prison warders in order to decongest the prisons and reduce the spread of covid-19 in prisons.

The Federal Government of Nigeria adopted a revised budget for 2020 in response to the COVID-19 shock. The notable fiscal intervention was to set aside a US $1.3 billion fund as the COVID-19 intervention fund. This fund was used in the procurement of test kits and drugs, and to fund research centers that were doing research activities on the Covid-19. The import duty waivers for pharmaceutical firms were introduced so that they can have a continuous supply of raw material for production activities and save the lives and livelihoods of the Nigerian People.

7.4 Monetary policy

Monetary policy is explained as a control of the quantity of money available in an economy and the channels by which new money is supplied. Doing so, managing the money supply, a central bank aims to influence macroeconomic factors including inflation, the rate of consumption, economic growth, and overall liquidity.

7.4.1 Monetary Policy Tools

This name by Federal funds rate. Popularly knowns as the fed funds rate, or the fed funds target rate, this is the target interest rate set by the Federal Open Market Committee at its eight yearly meetings. The Commercial banks reference the fed funds rate when they lend their excess reserves to each other overnight.

Open market operations. They buy and sell government securities, like Treasury bills and bonds, in the open market. By buying back securities, the Fed effectively increases the supply of money circulating conversely, selling curities lowers the supply. Historically, open market operations are the most used tool to conduct monetary policy.

The federal government keeps a close eye on reserve requirements, or the amount of cash banks must have on hand at any time to comply with banking regulations. The reserves must either be secured in bank vaults or via a deposit in a qualified Federal Reserve Bank to ensure they have money available should customers need it. Through lowering the amount of cash banks are required to keep on hand, the Fed can encourage banks to lend out more money. In addition, by raising that requirement, it can do the inverse.

Discount rates. While discount rates are interest rate charged by the Fed on short-term loans to financial institutions. Mostly, these loans are meant to cover reserve requirements or liquidity issues banks are unable to meet through loans from other banks, which offer a lower federal funds borrowing rate.

7.4.2 Expansionary Monetary Policy

The expansionary monetary policy also known as loose monetary policy, expansionary policy increases the supply of money and credit to generate economic growth. A central bank may deploy an expansionist monetary policy to reduce unemployment and boost growth during hard economic times.in addition its usually does so by lowering its benchmark federal funds rate, or the interest rate banks uses at to lend each other money to satisfy any reserve requirements. While in the U.S. the named Federal Reserve cannot require a certain federal funds rate, it can set through guidelines and influence the rate banks charge each other by altering the supply of funds. In addition, this may lower other interest rates, like those banks use when they lend money to consumers, the theory helps consumer spending through increased credit and lending throughout the nation's economy.

7.4.3 Contractionary Monetary Policy

The contractionary policy also known as tight monetary policy, it decreases a nation's money supply to curb rampant inflation and keep the economy in balance. A central bank will likely hike interest rates and try to slow the growth of prices and money. At the time of the 1980s, an example, the U.S. inflation rate soared to almost 15%, and the Fed aggressively raised interest rates to nearly 20%. Therefore, that move led to a nationwide recession, this brought inflation back to about 3%, helping set the stage for a robust U.S. economy for the remainder of the decade.

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In response to the COVID-19 crisis, central banks around the world assumed an expansionary policy stance (Cant´u et al., 2021). This manifested itself in the form of deep interest rate cuts and subsequent rounds of quantitative easing. An important goal of these interventions was to avoid a collapse of the economic and financial system and alleviate pressure on the governments that were implementing 18 huge rescue plans aimed at preventing a wave of bankruptcies and an increase in economic in equality. In addition, the pandemic recession is a mixture of endogenous reactions an administrative policy measures intended to limit social and economic interactions, and hence the spread of the pandemic. From this perspective, an accommodative monetary policy stance could be counterproductive, because it could accelerate the epidemic and bring about more fatalities. Therefore, the alternative formulation, that refers to as standard monetary policy, is more common in central bank practice as the natural level output is unobservable. Second, the design monetary policy optimized for the pandemic world. With this said the return to baseline assumption that monetary policy reacts to the output gap and search for the monetary policy rule parameter that maximizes the social welfare function. While such an approach does not produce a globally optimal policy in our model, the believe is that relating the interest rate to the number of infected agents allows to realistically capture the idea of reacting to the pandemic while keeping the rule operational.

Furthermore, the outbreak of the COVID-19 pandemic monetary policy has been eased in many countries to an unprecedented degree. At the same time several economists have pointed out that in the pandemic central banks face a new trade-off, one between stabilizing the economy and containing the epidemic. While the latter is obviously not the standard goal of central banks, it is known that the special circumstances monetary policy actions have an impact on the epidemic and its consequences

In addition, explanation to the moderate reactions of inflation to the epidemic visible in the data during the first year since the outbreak of COVID-19. This occurs because reactions of aggregate demand are similar to reactions of aggregate supply.Hence, as in the data, in spite of the unprecedented recession, inflation changes only slightly. Moreover, the direction of inflation reaction depends on the containment measures applied. In our framework containment measures are relatively efficient in containing the epidemic. In particular, lockdowns can largely reduce the spread of the disease and the number of fatalities, and substantially lower the welfare cost of the epidemic. Their impact on inflation is relatively small and depends on the particular measures introduced.

The pandemic creates new challenges to stabilization policy. The needed amassive and unconventional response from central banks to prevent financial turmoil and create favorable market conditions for fiscal packages aimed at protecting the most affected industries and house places. Our model abstracts from these considerations, implicitly assuming well functioning financial markets and reasonable safe nets in place that can be provided by the state without creating significant market break down . In consequence, the only relevant source of economic heterogeneity among households in our model is their health history.

8.0 OTHER POLICY RESPONSES

The paper has discussed economic policy, fiscal policy and monetary policy in relation to COVID-19 pandemic outbreak and its socio-economic consequences on livelihoods. The paper will further highlight other policy responses and socio-economic induced by the pandemic. These range from the invention and promotion of digitalization to increase access to education, loss of tax revenue and increased challenges in accessing quality health services, education and commodities by the marginalized in society (de Mello and Ter-Minassian, 2020).

The lockdown and other COVID-19 restrictions negatively impacted on learning and teaching. The situation force governments and stakeholders resulted in accelerated digitalization of services, including expansion of online delivery mode of instruction. According to UNESCO report (UNESCO, 2020), there were over one and half (1.5) billion world over outside of school during the period of confinement. The report argues that COVID-19 crisis led to a massive shift towards e-education and online courses since March 2020 (UNESCO, 2020[132]). African countries, including West African, were heavily affected.

The infrastructure suitable for the delivery of digitalized e-learning was not adequate and, in some cases, non-existent. Inadequate human resource, dwindling financial resources and humanitarian crises caused by COVID-19 Pandemic negatively affected operations for education service providers such as religious institutions, Civil Society Organizations and other strategic partners. According to African Development Bank Group (2020), organizations, agencies and governments numerous challenges, most of these challenges could only be responded to by increased funding. Organizations, agencies and governments were required to respond with utmost urgency to help communities cope with the deteriorating societal crisis (Rhodes, N. 2020).

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The other sector affected COVID-19 induced socio-economic challenges was the health sector. In developing countries such as West Africa, even under normal circumstances, access to quality health services is a challenge (OECD, 2020). The situation is even more volatile for marginalized sections of the society such as youths, especially girls and those youths living with disabilities. These faced exclusion from personalized health services, and decision-making, and were exposed to increased Sexual and Gender Based-Violence. The systems and institutions, as the COVID-19 pandemic worsened around the world, overall vulnerabilities and barriers faced by youths, such as physical, psychological and economic challenges worsen day by day (DfID, 2020). Though the developed world and other favorable economies opted for e-Health services, and their use increased significantly since March 2020, the weakened economy among ECOWAS did not promote this initiative. This is especially true of e-prescriptions and telemedicine.

9.0 POLICY IMPLICATIONS

The COVID-19 pandemic was surrounded by uncertainties, panic and desperation. Most governments went into lockdowns and state of emergencies. There was gross human rights violation; physical, economic, psychological and sexual violation. People's freedom and movement was curtailed. The introduction of personal protective equipment for every citizen became mandatory, and with prices of the same were increased sharply. The increased prices affected all goods and services as production was drastically reduced due to reduce or non-productivity altogether. This resulted is a volatile combination of political, economic, health and social crises. The necessity of survival was more pronounced than policy guidelines.

10. CONCLUSION

In summary words, After the outbreak of the COVID-19 pandemic monetary policy has been eased in many countries to an unprecedented degree. At the same time several economists have pointed out that in the pandemic central banks face a new trade-off, one between stabilizing the economy and containing the epidemic. therefore, the latter is obviously not the standard goal of central banks, they must be aware that under these very special circumstances monetary policy actions have an impact on the epidemic and its possibly fatal. Moreover, the direction of inflation reaction depends on the containment measures applied. The framework containment measures which are relatively efficient in containing the epidemic. To be specific then, lockdowns can largely reduce the spread of the disease and the number of fatalities, and substantially lower the welfare cost of the epidemic. The impact on inflation is relatively small and depends on the measures introduced. The COVID – 19 pandemic creates new challenges to stabilization policy.

In addition, some of them require a massive and unconventional response from central banks to prevent financial turmoil and create favourable market conditions for fiscal packages aimed at protecting the most affected industries and households. The abstracts from these considerations, implicitly assuming well-functioning financial markets and appropriate safety nets in place that can be provided by the state without creating significant market distortions. Nevertheless, the only relevant source of economic heterogeneity among households in our model is their health history. Under these conditions, the implications for monetary policy during the pandemic are that it should not react to a sharp deviation of output from trend as it typically does when face with standard business cycles.

Furthermore, these polices reduce the welfare irrespective of the underlying containment measures. The trade-off faced by the central bank is relatively flat: a decrease in the number of fatalities that can be achieved with monetary policy happens at a relatively large economic cost. This can be understood that, not surprisingly, that monetary policy is not a good tool to contain the epidemic, especially when compared to lockdowns. On the other side of this coin is that the side effects of expansionary monetary policy in form of changes in fatalities are relatively small, so that monetary policy may have some freedom to support the economy Nevertheless, such side effects do exist, and they are higher if containment measures are absent. Finally, some consequence of monetary policy should be contractionary if appropriate containment measures are not in place. If sufficiently tough measures have been introduced, monetary policy should be eased to support the economy.

11. RECOMMENDATIONS FROM THE FINDINGS OF THE STUDY

It is now a fact that most African countries have negatively been impacted by the Covid 19. Almost all the four countries in the study have a high debt ratio to the GDP and reliance on external borrowing-led growth strategy could only worsen their debt situations and the burden of repayment that comes with debt contraction. This study, therefore, recommends that debt contraction should be only on sectors that will outgrow the debt repayment. It should only be on those sectors which will produce a positive net effect on the social economic situation in the four countries as debt servicing is more difficult when social spending is highly desirable to mitigate the effects of Covid 19 on people and local businesses.

The four countries should also attempt to grow the industrial base to create the required economic resilience which is locally led and driven. This will reduce the effects of foreign economic shocks. The increased industrial base will also improve the currency exchange rates as the respective countries increase their export earnings. Increased industrial base will also reduce unemployment which is also bedrock for demand driven expansionary policy.

Findings from the four countries also indicate that the majority of their poor in rural areas are dependent on rain-fed small-scale agriculture and are very venerable to climate change. In view of this, Governments should increase the social security spending in these communities through the provision of farming inputs and support from agricultural experts from the respective governments to improve food production as way of proving basic food requirements in the rural areas. Excess of the food could also be sold in towns, and it could be among the factors in the implementation of the demand driven expansionary policies.

The study also revealed that more women were involved in informal sector jobs and earned less than their male counterparts. With the effects of lockdowns during the peak times of the pandemic, most women were more affected as they depended on daily sales for their home food supplies. Lockdowns only worsened their situations as they experienced reduced sales due to the reduced demand as most people opted to consume less so as to save on the little money they had. Youths were equally badly affected. In view of this, this study recommends that governments should increase social spending budgetary allocation on women and youth empowerment programmes in order to boost their businesses. The governments in that regard could encourage the creation of women and youth led cooperatives where funds could be pooled together for bigger projects that could bring life changing effects for the women and youth during the pandemic period and beyond.

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