African Economic Research Consortium (AERC)

African Economies during COVID-19
The Impact and the Road Ahead

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Conditions in most African Economies when Pandemic Struck

- Poor state of health infrastructure and health care facilities
- Diminished fiscal space
- Public debt pushing the fiscal space further
- Youth unemployment and unemployment in general
- Fragility of growth in most African economies: Those fragile due to civil conflict, those in post-conflict recovery and those suffering due to commodity price collapse, etc.
- Weak institutions and strained governance structures – leakage in public revenue administration
The Impact and Road Ahead
The Lockdown: Important Implications

- Low economic activity – this means low incomes
- The dynamic effects – lockdown without adequate safety net response – unemployment and poverty in the urban
- Lockdown without an appropriate system to identify and locate the vulnerable groups
- What should be the focus in the short term?
  1. Self preservation: PPEs, Social distancing, information and education
  2. Protect private investments
  3. Protect markets – they will be important for future recovery
  4. Coordinate supply chain routes to minimize any form of disruptions
AERC’s Response: Improve Knowledge base for Policy and Administrative Response\Interventions

- Updating studies and moving to new Grounds
  1. Fragility of Growth in Africa and the COVID-19
  3. Growth, Poverty, Inequality and Redistribution – Redistribution for inclusive growth. But COVID-19 will increase household poverty and perhaps increase inequality
  5. Strengthening East Africa Community Administrative and policy response to COVID-19 (BMGF Support): Several activities are mapped out:
     a) Minimize social and economic disruption and economic consequences in the region – including Cross-border coordination to minimize supply chain disruptions in EAC
     b) Foster inter-country transfer of best practices
     c) Adopt regional approach to regulatory harmonization for introduction and uptake of new ideas and tools
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THANK YOU