

Poverty, growth, redistribution, and social inclusion in times of COVID-19 pandemic in Africa

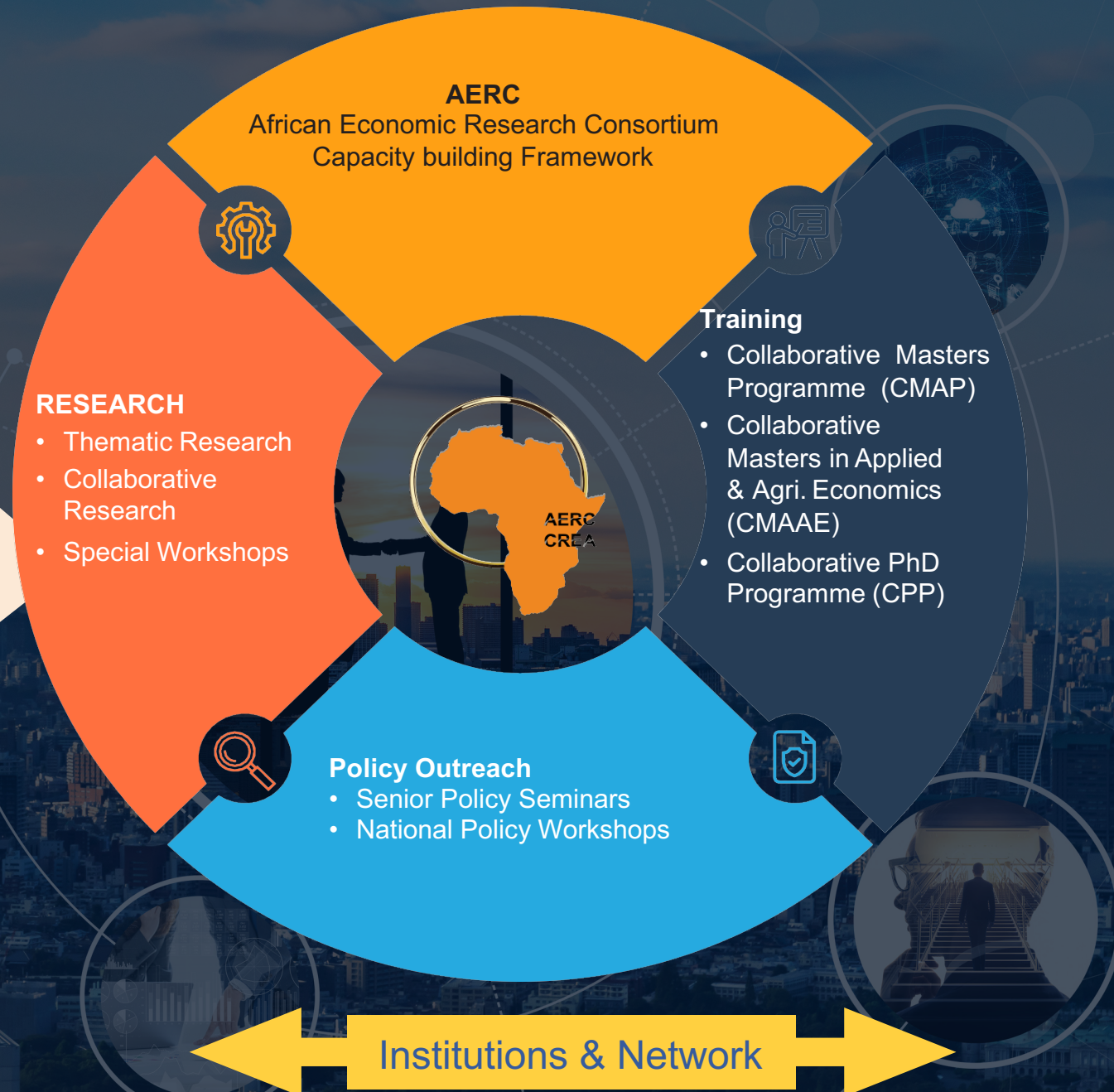
Welcoming Remarks

56th Plenary Session Biannual Research Workshop

30 May 2022

Nairobi, Kenya

The AERC Approach to Capacity Building and Knowledge Generation in SSA for evidence-based policy making



AERC Plenary Sessions

- Over three decades of plenary sessions.
- On topical policy issues - examples of recent plenary themes:
 - ❖ The COVID-19 pandemic and public finance in Africa: Challenges and opportunities (June 2021)
 - ❖ Business Environment, Competitiveness and Economic Growth in Africa (June 2020)
 - ❖ Growing with Debt in African Economies: Options, Challenge and Pitfalls (June 2019)
 - ❖ Governance for Development in Africa (December 2017)
 - ❖ Agriculture and Structural Transformation in Africa (November 2015)
- Plenary sessions have informed, influenced, and inspired policy debate, researchers and the wider public on a wide range of issues relevant to policy making.



The 56th Plenary Session (May 2022)

- Poverty, Growth, Redistribution and Social Inclusion in Times of COVID-19 pandemic.
- Presentations from leading academics, experts and policy makers.

The 56th AERC Plenary: The Impact

Unique features:

Demonstrates AERC's continued commitment to provide a range of policy solutions on the devastating impact of the COVID-19 pandemic through sustained engagement with policy makers, researchers and practitioners.

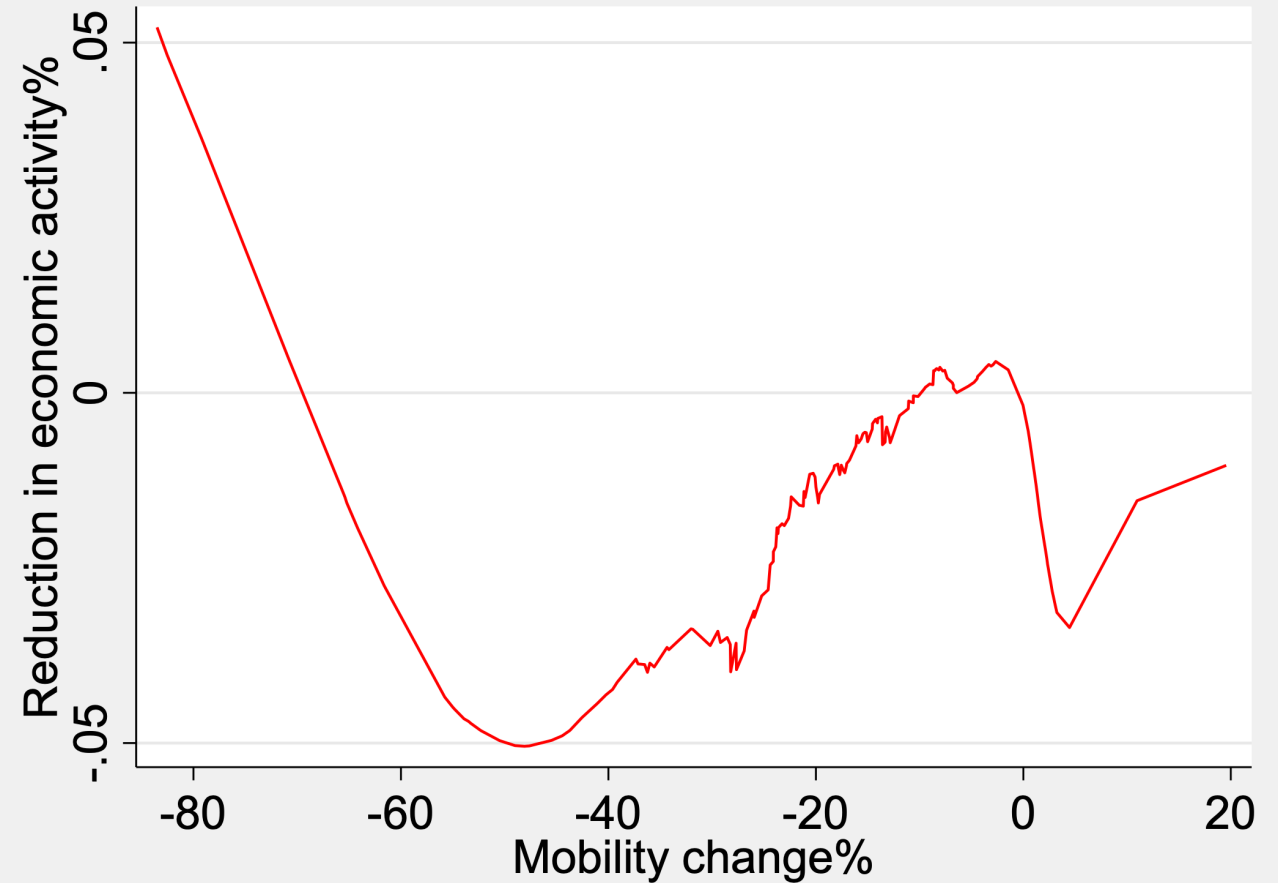
Researchers, lead experts and policy makers will present evidence and policy directions on the path to recovery from the COVID-19 pandemic.

These papers will be published in a special issue of the Journal of African Economies, accompanied by policy briefs and blogs.

COVID-19 pandemic, the economy and households suffering



Policy responses to combat the pandemic led to significant social and economic disruptions. Evidence suggests that at the height of the lockdown, the continent's economic activity declined by 2.5% (Ndung'u et al, 2021).

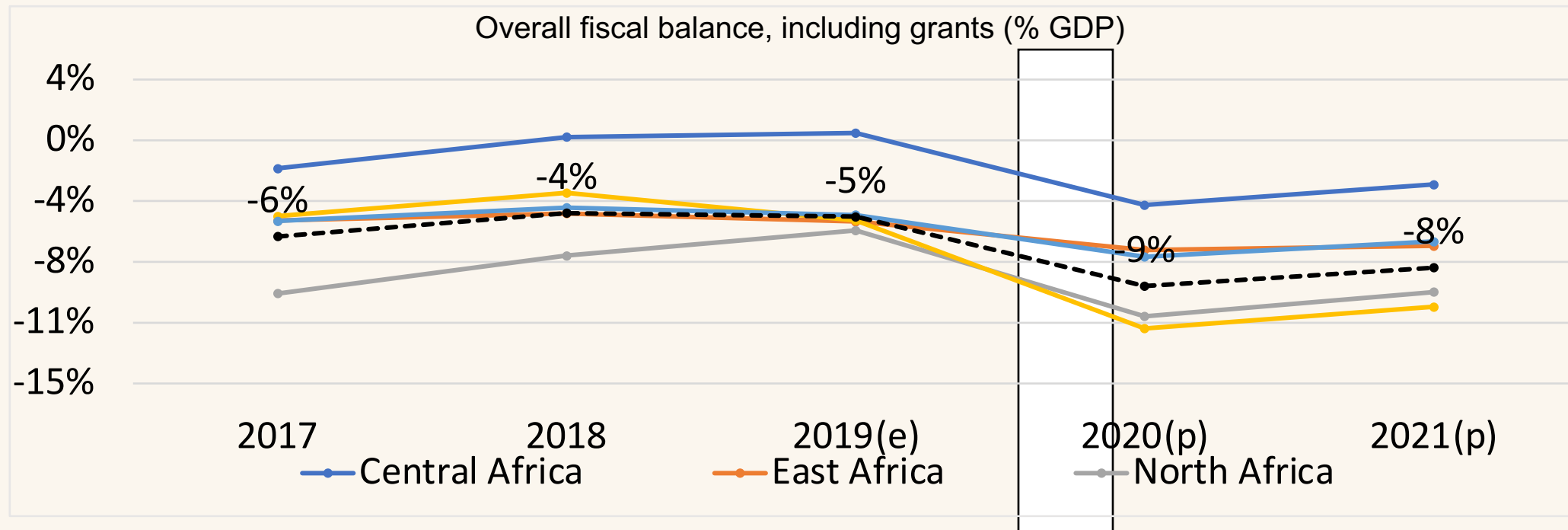


Rate of growth in economic activity proxied by night light data for the period March - August 2020.

Deteriorating Fiscal Balance



- Fiscal deficits have reached levels not seen since late 1990s.



Source: African Economic Outlook Supplement - Worse Case Scenario (April 2020).
2019 figures are estimates, 2020 are projections.

Adverse effects on households



- Increase in prevalence of poverty and inequality, and poor health, negating significant gains made in the past two decades.
- Millions of people without jobs, loss of jobs and food shortages (Ndung'u et al, 2021).
- Pandemic has also brought out the capacity of Africans to help each other; private citizens mobilized resources to help the poor, the needy and the sick.
- There is an opportunity to institute strong social protection programs in Africa to ensure support for the poorest and cushion against future negative shocks.

| Country | Job loss | Income loss | Food consumption reduced | Transfer received |
|--------------|----------|-------------|--------------------------|-------------------|
| Burkina Faso | 20.78 | 45.12 | 46.08 | 45.92 |
| Chad | 33.05 | 58.65 | 43.67 | 49.43 |
| Djibouti | 34.76 | 17.18 | 43.11 | 14.94 |
| Ethiopia | 20.00 | 50.00 | 23.00 | 13.00 |
| Kenya | 12.00 | NA | 40.00 | 9.00 |
| Malawi | 25.43 | 67.43 | 49.47 | 67.12 |
| Mali | 58.54 | 51.14 | 49.25 | 38.39 |
| Nigeria | 65.10 | 72.90 | 56.87 | 14.22 |
| South Africa | 37.10 | 41.00 | 26.00 | 16.00* |
| Uganda | 54.16 | 52.87 | 25.79 | 22.5 |

The 56th Plenary discussions:



- ❑ How has the COVID-19 pandemic shaped the nexus between growth, inequality, poverty, and social inclusion in Africa?
- ❑ What are the policy options and challenges for redistribution and equal opportunities to break the persistence of inequality and promote social mobility and inclusion?
- ❑ Where is Africa when it comes to gender equality? What enablers should be developed?
- ❑ Targeted social protection programs have become important policy construct in recent years. How has it been implemented in Africa and what are the experiences?
- ❑ The COVID-19 pandemic brought into sharp focus the roles of digital finance in facilitating risk-sharing and protecting millions of households from imminent hunger. How can these experiences be harnessed for anti-poverty strategy?
- ❑ What structural reforms do we envisage - take advantage of the pandemic: Human capital development – Health, education and nutrition; Markets; domestic resource mobilization; digital evolution – the 4th Industrial Revolution to chart Africa's development path?





From The AERC

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Thank You

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