

Gcina Mtengwane and Andiswa Khumalo

Do the economic consequences of Covid-19 advance or hinder the structural transformation in Africa?

Since its outbreak about six months ago, Covid-19 has emerged as one of the most consequential health emergencies of our time. It is a pressing health threat that is burdening health systems across the world, while also taking people's lives within a short period of infection. As a developing continent with inadequate healthcare facilities, Africa has already been struggling to cope with current diseases like Tuberculosis, Diabetes and HIV/AIDS. The advent of Covid-19 has compounded the problem as health facilities often struggle to not only accommodate patients infected with the coronavirus, but also to do enough testing and provide enough PPEs to healthcare workers.

Although Covid-19 is mainly a medical condition which should be understood from a health perspective, it is also important to look at its impact beyond epidemiology and biostatistics. While primarily focused on curbing the spread, and saving lives, the impact of the deadly corona virus has unsurprisingly extended beyond the health sector, negatively impacting economies, especially in Africa.

The outbreak of COVID-19 halted daily economic activity in a way not seen before. As things stand, many companies are struggling to survive and this has resulted in the laying off and in some cases the retrenchment of workers in various sectors across the land. This on its own poses a great threat to transformation as it means that the very same people who are probably at the bottom of the 'income strata' are without an income during and possibly post this pandemic.

Currently the entire world economy is crumbling, taking Africa ten steps backwards in the aspect of transformation. This applies to both the formal and informal sectors, as more countries have enforced lockdowns in order to restrict movement among people

in order to curb the spread of the pandemic. These lockdowns have become the proverbial pill that killed the patient.

Of major concern is that the very little business relief support is awarded to the formal businesses, leaving out the informal sector which is the mainstay of African economies providing livelihoods to many. Most of these businesses run on a day-to-day basis and that is how people make ends meet. This further highlights that the economic impact of Covid-19 has been nothing but a setback for African transformation. At this stage increasing numbers of people are struggling to survive, transformation is on a halt and, the repercussions of this economic catastrophe, though still unquantifiable at this stage, will set Africa back more than ever before.

Though this may be the case, not all hope is lost. It is perhaps time for Africa to take charge of its own issues. These issues include both health and economic survival. If Africa is to advance its own development, it needs to find its own solutions informed by local research, ideas, and context. It would be dishonest to claim that this brief discusses ground-breaking solutions. It doesn't. If anything, it is hoped that Africa will be inspired to own its own reality and work from it. Africa can, must and will rise in the face of all this despair and hopelessness.

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(The views and opinions expressed in this blog are those of the authors and do not necessarily reflect the organization, FES South Africa.)