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Towards Post COVID 19 Resilient African Economies and Societies

United Nations
Economic Commission for Africa

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Editorial

Said Adejumobi

In this edition of the *Journal of African Transformation*, discussion continues to centre on the impact of coronavirus disease (COVID-19) on African countries. The second wave of COVID-19 and the more deadly variants of the virus, especially the Delta variant, have made African countries more susceptible to the virus. Both the health and socioeconomic consequences have become more serious, with infection and mortality rates rising rapidly. As of September 2021, reported COVID-19 cases in Africa numbered about 7.9 million, while there had been 199,132 deaths, representing a fatality rate of about 2.5 per cent. Given the paucity of data and the possibility that many cases go unreported, the real figures are likely to be much higher. The health-care facilities of many countries are overstretched, health budgets are challenged by the declining resources and income of countries, and the socioeconomic impacts of the pandemic are devastating. As part of its contribution to shedding light on the pandemic and proposing policy options, the Economic Commission for Africa (ECA) is devoting the 2021 edition of the *Economic Report on Africa*, its flagship publication on economic development in the continent, to the theme "Addressing the challenges of poverty and vulnerability in a COVID-19 era in Africa". COVID-19 has dramatically increased human vulnerability across the world and markedly expanded the poverty band. Vulnerability to poverty has soared, especially in Africa, where social protection systems are weak and the State is absent in many rural communities. The family and community coping strategies of many rural and urban communities have weakened as resources dwindle at both family and community levels. The ECA report therefore presents the facts and figures on poverty and human vulnerability and the policy options available to African countries to address the challenges.

COVID-19 is a global disruptor. Stunted growth, social dislocations, new modes of social behaviour, a mask culture and social distancing, and online official and business interactions are setbacks, but they are also opportunities to learn and create a better world. The development of vaccines is a major step towards overcoming the virus, but collective global efforts and solidarity, access to development finance and resources by the less developed countries, and equitable access to vaccines are crucial for building forward better and stronger for every country in the world.

This edition features articles on: the impacts of the pandemic on the tourism and hospitality sector, with three case studies; household welfare and social protection; entrepreneurship, industrialization and the role of bilateral trade agreements in facilitating industrial development in the context of COVID-19; and migration. In addition, the role of the African Development Bank in reinventing and reimagining itself in the COVID-19 era is examined. The common thread running through these articles is that, while there are gaps and the pandemic presents serious challenges to societies in Africa, there are also opportunities to explore. It is not all gloom and doom; there are rays of hope and sunshine. The pandemic creates opportunities for innovation and technological transformation, and the development of a new business model that is less costly to enterprises, institutions and public and private corporations and that reduces transaction costs and promotes efficiency and a work-smart culture in many organizations. The article in the commentary section is a keynote address by the former Minister of Trade and Industry of South Africa, Rob Davies, to the 2021 Adebayo Adedeji Lecture Series organized by ECA, in which he discusses adopting a developmental approach to the African Continental Free Trade Area. The developmental outcome of the Area must not be taken for granted; it will be a product of the design and implementation processes of the project. If it is to be relevant to the lives of African people, the Area must address the challenges of inclusive growth, industrial decline, productivity and poverty in Africa.

In the first article, **Henry U. Ubuene** focuses on the hospitality industry in Ibadan, Nigeria, analysing how the COVID-19 pandemic has severely disrupted the sector, causing an unprecedented level of job losses and the demise of many businesses in the tourism value chain in Oyo State, Nigeria.

He employed mixed method design to gather both quantitative and qualitative data on challenges experienced before, during and after the pandemic, and the coping strategies instituted by the hospitality industry in Ibadan. The findings reveal that, during the pandemic, operators experienced huge losses from expired food and drinks, sudden increases in the price of goods, the depreciation of facilities, and staff layoffs. Despite taking extra measures to stay in business, such as improving hygiene and downsizing staff and inventory, many businesses were unable to recover quickly because of global travel restrictions and strict COVID-19 protocols imposed by governments.

Assan L. Sipoaka and **Mathilde M. Enouga** explore the impact of COVID-19 on the tourism and hospitality sector in Senegal and Togo. They use the computable general equilibrium model (CGEM) and run two sets of simulations, covering a period of seven years (2017–2023) for Senegal and one of nine years (2015–2023) for Togo. The results of the simulations show that both countries experienced a significant decline in foreign tourism demand in 2020 and 2021 relative to the level of demand in 2019. The decline had a negative impact on all market sectors. It was more pronounced than for other industries (construction, electronics, pharmaceuticals, minerals, textiles and footwear, etc.), other market services (financial services, real estate rental services, laundry, dyeing and similar services, market health services, etc.), telecommunications, agribusiness and fishing. Efforts by the governments to revive the sector by offering tax reductions to businesses have had little impact on the performance of the tourism and hospitality sectors.

Moment Bhebhe examines the ramifications of COVID-19 on the tourism business and employment in Victoria Falls, Zimbabwe, the country's top tourist destination. Through structured interviews with key tourist operators in Victoria Falls, he assembled a wealth of data to analyse the situation on the ground. Like many countries around the world, Zimbabwe imposed international and domestic bans and restrictions on travel in order to prevent the spread of the virus. His findings reveal that operating capacities reduced to inconceivable levels and constrained the capacity of operators to honour statutory obligations and maintain the commitment to corporate social responsibilities. As business uncertainty remained high and to save businesses, operators were forced to implement such labour cost reduction measures as

job cuts, reduced working hours, unpaid leave and reductions in salaries. The research study envisions the effective containment of the COVID-19 pandemic as significant to alleviating the distress experienced in tourism.

Abiodun Elijah Obayelu and others examine the effects of the pandemic on household welfare, coupled with other indirect consequences, especially on food systems in Nigeria. They analysed data from the Nigeria COVID-19 National Longitudinal Phone Survey and reviews of COVID-19 reports and found that total income earnings of households were substantially affected by COVID-19, which affected the ability of households to access resources to meet their basic needs, especially food. Loss of employment due to COVID-19 affected family welfare in many ways. Learning opportunities for school-age children were also severely affected. Overall, COVID-19 has resulted in many households facing very challenging socioeconomic and livelihood consequences.

Abiodun Egbetokun and others explore the role of social protection in mitigating the impact of COVID-19 on household welfare in Nigeria measured in terms of ability to afford food. The authors ran a regression analysis on a huge amount of panel data. The results of the panel logit regressions on data from 1,925 Nigerian households show that social protection in the form of food or direct cash transfer is associated with a higher probability of households being able to afford the food they need. This positive effect is, however, offset by the increasing intensity of the pandemic. The authors conclude that more robust social protection programmes (such as health insurance and employment benefits) that are responsive to household needs, especially in times of crisis, are badly needed to offset the ill effects of the pandemic on household welfare.

Omobolanle Sodipo discusses the securitization of migration in the era of COVID-19. He adopts the theoretical lens of securitization to critically examine the changes in migration control arising from the COVID-19 pandemic. He argues that the pandemic has provided opportunities for Governments around the world to justify antimigration policies and shows that the heightened securitization of migration arising from the COVID-19

pandemic ignores a whole range of issues pertaining to the vulnerability of migrants, which are likely to become structural.

Ayodele I. Shittu and **Bukola Amao-Taiwo** examine the determinants of teenage entrepreneurial aspirations during the COVID-19 pandemic. They surveyed 189 high school students in Bariga Local Council Development Authority in Lagos, Nigeria, to establish the effect of family background, perceptions of entrepreneurship, and institutional supports on entrepreneurial career choice among teenagers. The findings show that parents' talk about start-ups, grandparents' entrepreneurial status, exposure to entrepreneurial experience and support for entrepreneurship in schools are significant determinants of teenage entrepreneurial intentions.

Patrick E. Ejumedia examines the potential role of bilateral investment treaties in facilitating industrial development in Africa by evaluating those that African countries currently have with the rest of the world and discussing how those treaties can be reformulated to enhance industrial development following the COVID-19 pandemic. He found that bilateral investment treaties that emphasize the inclusion of a national treatment clause and prohibition of the mandatory use of a performance requirement prevent Governments from pursuing policies that will attract foreign direct investment with proper linkages with local industries in Africa because of the prospect of being taken before an international court for direct or indirect expropriation. The study suggests that, to develop the industrial sector following the pandemic, existing African bilateral investment treaties need to be reassessed to attract foreign direct investment that meets the developmental objectives of the region.

Israel Nyaburi Nyandera and others examine the new role of the African Development Bank in assisting African countries in coping with the economic and social consequences of the COVID-19 crisis. The authors argue that the global economic impact of the pandemic will have severe spillover effects, especially on developing countries, thus necessitating an inward-looking regional response. The African Development Bank enjoys unique advantages that can enable it to play a central role in the post-pandemic recovery period. The authors call for a rethink of its priority areas and make recommendations

to help boost the resilience of Africa through its regional development bank and make the recovery experience less painful.

The final paper in this volume is a commentary by **Rob Davies**, former Minister of Trade and Industry of South Africa, that was delivered as a keynote address on 21 March 2021 on the occasion of the annual Adebayo Adedeji Memorial Lecture organized by the Economic Commission for Africa. Mr. Davies offers important pointers on how to make the African Free Trade Area an important tool for achieving structural transformation, inclusive development and green industrialization and diversification in Africa.

Éditorial

Said Adejumobi

Dans la présente édition du *Journal of African Transformation*, le débat continue de porter sur l'incidence de la maladie à coronavirus (COVID-19) sur les pays africains. La deuxième vague de COVID-19 et les variants plus mortels du virus, notamment le variant Delta, ont rendu les pays africains plus sensibles au virus. Les conséquences sanitaires et socioéconomiques sont devenues plus graves, les taux d'infection et de mortalité augmentant rapidement. En septembre 2021, le nombre de cas de COVID-19 signalés en Afrique s'élevait à environ 7,9 millions, tandis que 199 132 décès avaient été enregistrés, soit un taux de létalité d'environ 2,5 %. Étant donné la rareté des données et la possibilité que de nombreux cas n'aient pas été signalés, les chiffres réels sont probablement beaucoup plus élevés. Les structures de soins de santé de nombreux pays sont débordées, les budgets de santé sont mis à mal par la baisse des ressources et des revenus des pays, et les répercussions socioéconomiques de la pandémie sont dévastatrices. Dans le cadre de sa contribution à la mise en lumière de la pandémie et à la proposition de possibilités d'action, la Commission économique pour l'Afrique (CEA) consacre l'édition 2021 du Rapport économique sur l'Afrique, sa publication phare sur le développement économique du continent, au thème « Relever les défis de la pauvreté et de la vulnérabilité en Afrique à l'heure de la pandémie de COVID-19 ». Le COVID-19 a considérablement augmenté la vulnérabilité humaine dans le monde entier et a nettement élargi la bande de pauvreté. La vulnérabilité à la pauvreté est montée en flèche, notamment en Afrique, où les systèmes de protection sociale sont faibles et où l'État est absent dans de nombreuses communautés rurales. Les stratégies d'adaptation familiales et communautaires de nombreuses communautés rurales et urbaines se sont affaiblies à mesure que les ressources s'amenuisaient au niveau des familles et des communautés. Le rapport de la CEA présente donc les faits et les chiffres relatifs à la pauvreté et à la vulnérabilité humaine ainsi que les possibilités d'action qui s'offrent aux pays africains pour relever ces défis.

Le COVID-19 est un perturbateur à l'échelle mondiale. Le retard de croissance, les bouleversements sociaux, les nouveaux modes de comportement social, la culture du masque et la distanciation sociale, les interactions officielles et commerciales en ligne sont des régressions, mais aussi des occasions d'apprendre et de créer un monde meilleur. La mise au point de vaccins constitue une étape importante pour vaincre le virus, mais les efforts collectifs et la solidarité à l'échelle mondiale, l'accès des pays les moins développés au financement et aux ressources pour le développement ainsi que l'accès équitable aux vaccins sont essentiels pour construire en mieux pour l'avenir dans chaque pays du monde.

Cette édition contient des articles sur : les incidences de la pandémie sur le secteur du tourisme et de l'hôtellerie, avec trois études de cas ; le bien-être des ménages et la protection sociale ; l'esprit d'entreprise, l'industrialisation et le rôle des accords commerciaux bilatéraux dans la facilitation du développement industriel dans le contexte du COVID-19 ; enfin, la migration. En outre, le rôle de la Banque africaine de développement (BAD) dans sa réinvention et sa ré-imagination à l'ère du COVID-19 est examiné. Le fil conducteur de ces articles est que, s'il existe des lacunes et que la pandémie pose de sérieux défis aux sociétés africaines, il y a aussi des possibilités à explorer. Tout n'est pas sombre, tout n'est pas catastrophique ; il y a des rayons d'espoir et de soleil. La pandémie crée des possibilités d'innovation et de transformation technologique ainsi que le développement d'un nouveau modèle d'activité moins coûteux pour les entreprises, les institutions et les sociétés publiques et privées, modèle qui réduit les coûts de transaction et favorise l'efficacité et une culture de travail intelligente dans de nombreuses organisations. L'article figurant dans la section des commentaires est un discours liminaire prononcé par l'ancien ministre du commerce et de l'industrie d'Afrique du Sud, Rob Davies, dans le cadre de la série de conférences Adebayo Adedeji 2021 organisée par la CEA, dans lequel le ministre évoque l'adoption d'une approche développementale pour la Zone de libre-échange continentale africaine (ZLECAf). Le succès en matière de développement de la ZLECAf ne doit pas être considéré comme acquis ; il sera un produit des processus de conception et de mise en œuvre du projet. Pour qu'elle ait un effet bénéfique sur la vie des Africains, la ZLECAf doit relever les défis de la croissance inclusive, du déclin industriel, de la productivité et de la pauvreté en Afrique.

Dans le premier article, **Henry U. Ubuene** met l'accent sur l'industrie hôtelière à Ibadan (Nigéria) et analyse comment la pandémie de COVID-19 a gravement perturbé le secteur, provoquant un niveau sans précédent de pertes d'emplois et la disparition de nombreuses entreprises dans la chaîne de valeur du tourisme dans l'État d'Oyo (Nigéria). Il a utilisé une méthode mixte pour recueillir des données quantitatives et qualitatives sur les défis rencontrés avant, pendant et après la pandémie, et sur les stratégies d'adaptation mises en place par l'industrie hôtelière d'Ibadan. Les résultats révèlent que, pendant la pandémie, les opérateurs ont subi d'énormes pertes dues aux denrées alimentaires et boissons périmés, aux augmentations soudaines du prix des marchandises, à la dépréciation des installations et aux licenciements de personnel. Malgré les mesures supplémentaires prises pour rester en activité, telles que l'amélioration de l'hygiène et la réduction du personnel et des stocks, de nombreuses entreprises n'ont pas pu connaître de reprise économique rapidement en raison des restrictions imposées à l'échelle mondiale sur les voyages et des protocoles COVID-19 stricts imposés par les gouvernements.

Assan L. Sipoaka et **Mathilde M. Enouga** explorent les incidences du COVID-19 sur le secteur du tourisme et de l'hôtellerie au Sénégal et au Togo. Ils utilisent le modèle d'équilibre général calculable (MEGC) et effectuent deux séries de simulations, couvrant une période de sept ans (2017-2023) pour le Sénégal et une période de neuf ans (2015-2023) pour le Togo. Les résultats des simulations montrent que les deux pays ont connu une baisse significative de la demande touristique étrangère en 2020 et 2021 par rapport au niveau de la demande en 2019. La baisse a eu un effet négatif sur tous les secteurs du marché. Elle était plus prononcée que pour les autres industries (construction, électronique, produits pharmaceutiques, minéraux, textiles et chaussures, etc.), les autres services marchands (services financiers, services de location de biens immobiliers, blanchisserie, teinturerie et services similaires, services de marketing des soins de santé, etc.), les télécommunications, l'agrobusiness et la pêche. Les efforts déployés par les gouvernements pour relancer le secteur en offrant des réductions d'impôts aux entreprises ont eu peu d'effet sur les performances des secteurs du tourisme et de l'hôtellerie.

Moment Bhebhe examine les ramifications de COVID-19 sur l'activité touristique et l'emploi à Victoria Falls (Zimbabwe), la première destination

touristique du pays. Grâce à des entretiens structurés avec les principaux opérateurs touristiques de Victoria Falls, il a rassemblé une multitude de données pour analyser la situation sur le terrain. Comme de nombreux pays dans le monde, le Zimbabwe a imposé des interdictions et des restrictions de voyage internationales et nationales afin d'empêcher la propagation du virus. Les conclusions de l'auteur révèlent que les capacités d'exploitation ont été réduites à des niveaux inconcevables et ont limité la capacité des opérateurs à honorer leurs obligations statutaires et leur engagement en matière de responsabilité sociale des entreprises. Comme l'incertitude entourant l'activité économique est restée élevée, et pour sauver leurs entreprises, les opérateurs ont été contraints de mettre en œuvre des mesures de réduction du coût de la main-d'œuvre telles que les suppressions d'emplois, la réduction des heures de travail, les congés sans solde et les réductions de salaires. L'auteur de l'article envisage l'endiguement effectif de la pandémie de COVID-19 comme un moyen important d'atténuation de la détresse qu'a connue le tourisme.

Abiodun Elijah Obayelu et autres examinent les effets de la pandémie sur le bien-être des ménages ainsi que d'autres conséquences indirectes, notamment l'effet sur les systèmes alimentaires au Nigéria. Ils ont analysé les données de l'enquête téléphonique longitudinale nationale du Nigéria sur le COVID-19 et les examens des rapports sur le COVID-19 et ont constaté que le total des revenus des ménages a été considérablement affecté par le COVID-19, ce qui a mis à mal leur capacité à accéder aux ressources pour satisfaire leurs besoins essentiels, en particulier en matière d'alimentation. Les pertes d'emplois dues au COVID-19 ont affecté le bien-être de la famille de plusieurs manières. Les possibilités d'apprentissage pour les enfants d'âge scolaire ont aussi été gravement affectées. Dans l'ensemble, le COVID-19 a contraint de nombreux ménages à faire face à des conséquences socioéconomiques et à des problèmes très difficiles de moyens de subsistance.

Abiodun Egbetokun et autres explorent le rôle de la protection sociale dans l'atténuation de l'incidence du COVID-19 sur le bien-être des ménages au Nigéria, mesuré en termes de capacité à se nourrir. Les auteurs ont effectué une analyse de régression sur une énorme quantité de données de panel. Les résultats des régressions logit en panel sur les données de 1 925 ménages nigérians montrent que la protection sociale sous forme de transferts alimentaires

ou de transferts directs en espèces est associée à une probabilité plus élevée pour les ménages de pouvoir se procurer la nourriture dont ils ont besoin. Cet effet positif est toutefois contrebalancé par l'intensité croissante de la pandémie. Les auteurs concluent que des programmes de protection sociale plus robustes (tels que l'assurance maladie et les prestations liées à l'emploi) qui répondent aux besoins des ménages, notamment en temps de crise, sont absolument nécessaires pour compenser les effets néfastes de la pandémie sur le bien-être des ménages.

Omobolanle Sodipo analyse la sécurisation de la migration à l'ère du COVID-19. Il adopte le prisme théorique de la sécurisation pour examiner de manière critique les changements intervenus dans le contrôle des migrations à la suite de la pandémie de COVID-19. Il soutient que la pandémie a fourni aux gouvernements du monde entier l'occasion de justifier des politiques d'anti-migration et montre que la sécurisation accrue de la migration découlant de la pandémie de COVID-19 ignore toute une série de questions relatives à la vulnérabilité des migrants, qui vont probablement devenir structurelles.

Ayodele I. Shittu et **Bukola Amao-Taiwo** examinent les déterminants des aspirations entrepreneuriales des adolescents pendant la pandémie de COVID-19. Ils ont interrogé 189 lycéens de la *Bariga Local Council Development Authority* à Lagos (Nigéria), afin d'établir les effets du contexte familial, des perceptions de l'esprit d'entreprise et des soutiens institutionnels sur le choix de carrière entrepreneuriale chez les adolescents. Les résultats montrent que le discours des parents sur la création de startups, le statut entrepreneurial des grands-parents, l'exposition à l'expérience entrepreneuriale et le soutien à l'entrepreneuriat dans les écoles sont des déterminants importants des intentions entrepreneuriales des adolescents.

Patrick E. Ejumedia examine le rôle potentiel des traités bilatéraux d'investissement dans la facilitation du développement industriel en Afrique, en évaluant ceux que les pays africains ont actuellement avec le reste du monde et en analysant la manière dont ces traités peuvent être reformulés pour renforcer le développement industriel après la pandémie de COVID-19. Il a constaté que les traités bilatéraux d'investissement qui mettent l'accent sur l'inclusion d'une clause de traitement national et sur l'interdiction de l'utilisa-

tion obligatoire d'une exigence de performance empêchent les gouvernements de mettre en œuvre des politiques qui attirent les investissements étrangers directs ayant des liens appropriés avec les industries locales en Afrique, en raison de la perspective d'être traduits devant un tribunal international pour expropriation directe ou indirecte. L'auteur de l'article suggère que, pour un développement du secteur industriel après la pandémie, les traités bilatéraux d'investissement africains existants soient réévalués, afin d'attirer des investissements étrangers directs qui répondent aux objectifs de développement de la région.

Israel Nyaburi Nyandera et autres examinent le nouveau rôle de la BAD dans l'aide aux pays africains à faire face aux conséquences économiques et sociales de la crise de COVID-19. Les auteurs affirment que l'incidence économique mondiale de la pandémie aura de graves retombées, notamment sur les pays en développement, ce qui nécessite une réponse régionale tournée vers l'intérieur. La BAD bénéficie d'avantages uniques qui peuvent lui permettre de jouer un rôle central dans la période de reprise post-pandémique. Les auteurs appellent à repenser les domaines prioritaires et formulent des recommandations pour aider à renforcer la résilience de l'Afrique par l'intermédiaire de sa banque régionale de développement et à rendre l'expérience de la reprise moins douloureuse.

Le dernier article de ce volume est un commentaire de **Rob Davies**, ancien ministre du commerce et de l'industrie d'Afrique du Sud, qui a été fait comme discours liminaire le 21 mars 2021 à l'occasion de la conférence annuelle Adebayo Adedeji Memorial organisée par la CEA. M. Davies donne des indications importantes sur la manière de faire de la ZLECAf un outil important de transformation structurelle, de développement inclusif, d'industrialisation verte et de diversification en Afrique.

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Hospitality industry and impacts of the coronavirus disease pandemic in Ibadan, Nigeria

Henry U. Obuene

Abstract

The hospitality industry, which has contributed immensely to the growth and development of the tourism value chain in Oyo State, Nigeria, suffered a severe setback as a result of the coronavirus disease (COVID-19) pandemic. With the lens of social change theory, the present study employed mixed method design to gather both quantitative and qualitative data on challenges experienced before, during and after the pandemic, and the coping strategies instituted by the hospitality industry in Ibadan. A total of 150 respondents were selected for the quantitative data, 25 of whom were selected for in-depth interviews and 3 for key informant interviews for the collection of qualitative data. The data were analysed using SPSS version 24 software and content analysis. The findings revealed that the challenges encountered by the hospitality industry in Ibadan during the pandemic included expired food and drinks, high spending on few guests affected by the lockdown, lockdown of activities, sudden increases in the price of goods, depreciation of facilities, staff layoffs and increased workload. To cope with COVID-19 and sustain businesses, the strategies adopted included emulating external norms and values within the industry, improving hygiene and sensitization, empowering staff, restructuring and segmentation, and reviewing policies.

Keywords: hospitality industry, COVID-19 pandemic, coping strategy, Ibadan.

Résumé

Le secteur de l'hôtellerie, qui a largement contribué à la croissance et au développement de la chaîne de valeur du tourisme dans l'État d'Oyo (Nigéria), a connu de sérieuses difficultés du fait de la pandémie de coronavirus (COVID-19). Dans l'optique de la théorie du changement social, l'auteur du présent article a utilisé une méthode mixte pour recueillir des données quantitatives et qualitatives sur les défis rencontrés avant, pendant et après la pandémie, et sur les stratégies d'adaptation mises en place par l'industrie hôtelière d'Ibadan. Un total de 150 répondants ont été choisis pour les données quantitatives, dont 25 ont été choisis pour des entretiens approfondis et 3 pour des entretiens en tant qu'informateurs principaux pour la collecte de données qualitatives. Les données ont été analysées à l'aide du logiciel du Paquet statistique pour les sciences sociales (SPSS) version 24 et de l'analyse de contenu. Les résultats ont révélé que les difficultés rencontrées par l'industrie hôtelière d'Ibadan pendant la pandémie avaient pour cause des aliments et des boissons périmés, des dépenses élevées pour les quelques clients touchés par le confinement, de l'arrêt des activités, des augmentations soudaines du prix des marchandises, de la dépréciation des installations, des licenciements de personnel et de l'augmentation de la charge de travail. Pour faire face au COVID-19 et maintenir les entreprises en activité, les stratégies adoptées ont consisté à s'inspirer des normes et valeurs extérieures au secteur, à améliorer l'hygiène et la sensibilisation, à responsabiliser le personnel, à restructurer et segmenter, et à revoir les politiques.

Mots clefs : industrie hôtelière, pandémie de COVID-19, stratégie d'adaptation, Ibadan.

Introduction

As a major unit in the tourism value chain, the hospitality industry has gained recognition in service provision globally (Shaw, Bailey and Williams, 2011; Bharwani and Butt, 2012;). It has contributed greatly to the growth of the service sector by providing accommodation and preserving the environment (Shaw, Bailey and Williams, 2011). While its capacity for employment creation is enormous, so also is its usefulness as a catalyst of economic development through the foreign exchange brought in by the inflow of people in the industry (Amalu and Ajake, 2020). Nigeria became the most populous nation in Africa in 2010, with a population of 170 million, a development that has led to unprecedented growth in the tourism value chain. This background notwithstanding, the success of the hospitality industry is tied to high client patronage, which has resulted in the invasion of the industry by established capitalist-investors in the society (Dominici and Guzzo, 2010; Langvinė Daunoravičiūtė, 2015; Xuhua and others, 2018; Oladele and others, Ajayi, 2019). The industry is nonetheless constantly at the mercy of challenging global economic conditions, natural disasters and outbreaks of disease (Cižmar and Vlahov, 2010). The COVID-19 pandemic provides an opportunity for scholarly examination of its impacts on the hospitality business.

In an attempt to curtail the spread of the COVID-19 pandemic, total and partial lockdown measures were introduced across the country. This generated social issues, such as lack of funds, rape, hunger and an increased poverty rate, among others (Hussein, 2020; Omobowale, Oyelade, Omobowale and Falase 2020; Tade, 2020; United Nations, 2020). The hospitality industry is one of the sectors that suffered the most from the escalation of COVID-19 and little is known about the curtailment of the COVID-19 pandemic in the hospitality industry in Ibadan, Nigeria. Scholars have discussed various aspects of the COVID-19 pandemic from different perspectives. For example, Omobowale and others (2020) investigated the contextual interpretations of the COVID-19 pandemic in the informal sector and concluded that the informal sector in Nigeria perceived the pandemic as a disease of elites traded into the country. Kaushal and Srivastava (2020) explored the COVID-19 pandemic in the hospitality industry in India with a special focus on the relationship of this pandemic to previous pandemic episodes that affected the sector. Gursoy and Chi (2020) focused on a review of the current situation and changes in the industry. They examined the sensitivity of the proactive

engagement of stakeholders and researchers with various aspects of the pandemic in the hospitality sector. Davahli and others (2020) conducted a systematic review of the literature on the hospitality industry during COVID-19 and concluded that various research approaches were used to compare it with past epidemics, especially its economic impact. The present study explores the COVID-19 pandemic in the hospitality and tourism industry in Ibadan and focuses on its impacts on social structures in relation to social relations and patterns of interaction within the hospitality industry.

Ibadan is the capital of Oyo State and the third most populous city in the country after Lagos and Kano. It was the second largest city in West Africa after independence. Since the attributes of population and wide geographical space may attract hospitality and tourism investors (Parsons, 2018), the hospitality industry in Ibadan has grown in recent years. The State has endeavoured to expand the hospitality and tourism industry in order to make it a melting pot and engender patronage from across the globe. Oyo State is blessed with various hospitality and tourism units that promote historical, artistic and cultural heritage. Notable among them are Premier Hotel, Trans Motel, Bower's Tower, Old Oyo National Park and Agodi Parks and Garden. Hospitality and tourism in the State contribute 0.48 per cent of gross domestic product, according to data (Oyo State Tourism and Vision, 2011), but this contribution is not steady as a result of factors such as political instability, lack of political will, lack of inspection and monitoring staff, classification of hotels that does not conform to regulations and non-cooperation of hoteliers. This makes it very difficult accurately to determine the overall contribution of the hospitality industry in Ibadan.

The present study therefore examines the responses to and impacts of COVID-19 on the hospitality business in Ibadan in order to suggest policy recommendations for renewed growth of the hospitality industry in Nigeria. The objectives are to: examine the adoption and practice of the Nigeria Centre for Disease Control guidelines in reducing the spread of COVID-19 in the hospitality industry; investigate the official conduct of staff during the pandemic; investigate the effects of the COVID-19 pandemic on the hospitality industry; identify coping strategies instituted by investors; and recommend policies on the hospitality industry to respond to the COVID-19 pandemic. The paper is divided into five sections. The first gives the background. The second provides an insight into work on

past social epidemics and their effects on the hospitality industry. The third discusses methodology, while the fourth presents the data. The fifth section concludes the paper.

Effects of social epidemic on the hospitality and tourism value chain

It is of utmost importance to trace the historical trajectory of an epidemic in order to identify the techniques employed by any organization to manage that epidemic throughout its course. All investors and businesspeople try to minimize losses in order to stay in business, regardless of any sudden challenge, including an epidemic. All departments of the hotel industry are crucial, but the food and beverage department, as the name implies, is vested with the sole responsibility of determining what staff and customers eat. Studies have shown the relationship between consumption and outbreak of disease in the industry. The avian flu epidemic, which affected the consumption of poultry, is a recent example.

The Centre for Disease Control and Prevention stressed that avian flu does not directly affect human beings but reduces poultry consumption dramatically because of fear of contracting it. Poultry consumption fell by 26 per cent, 16 per cent and 15 per cent in Singapore, Thailand and China, respectively, including in the hospitality industry. The impact on hotels and their financial situation was devastating (see Chen, Jang and Kim, 2007). This is a regional and perhaps global example that should not be trivialized by any Government or organization because preventive, reactive and proactive responses to an epidemic could require a complete overhaul of the industry.

In 2003, an outbreak of severe acute respiratory syndrome in Cambodia affected major areas of the economy, especially the tourism sector (Tang and Wong, 2009). Tang and Wong highlighted the extent of its negative effects on Cambodian tourism and trade, noting a transitional but not permanent effect on the hospitality and tourism industry. They also emphasized that the industry could have been challenged in the areas of employment loss, foreign exchange earnings and domestic and foreign investment. In addition, workable policies were suggested to the Government to tackle the challenge of the epidemic.

The Ebola virus disease epidemic in West Africa was declared by the World Health Organization (WHO) in 2014. Ebola is a haemorrhagic disease that occurs when the virus is transmitted to humans through an infected animal host (Idowu, Atufe, Osuagwu, Bello, Echenin, Ogunmila and Okeke, 2014). This epidemic has had an impact on three Caribbean countries that depended heavily on the hospitality and tourism industry, fear of the disease having led people to stay away. The economies of these three countries were crippled, and even after the epidemic was over, recovery was slow.

Another example is the Influenza A (H1N1) (swine flu) pandemic, found in pigs, birds and humans and first declared in 2009 in Mexico and the United States of America. It is estimated that between 151,700 and 575,400 deaths occurred globally, 80 per cent of them among people under 65 years old, who suffered respiratory and cardiovascular complications. The first positive case found in Hong Kong, China, was reported in 2009, where the movement of customers in some hotels was restricted.

Customers, especially travellers, expect to stay healthy at all points in their journey, including when availing themselves of the temporary accommodation offered by the hospitality industry. To avoid the spread of a disease such as the coronavirus disease (COVID-19) that is airborne, travel and travellers need to be managed according to WHO and Nigeria Centre for Disease Control guidelines. The novel coronavirus, COVID-19, first broke out in Wuhan, China, in December 2019. The Government of China described it as a novel virus and it became a public health emergency of international concern towards the end of January 2020. It spread to other parts of China and other countries and, on 12 March 2020, WHO declared it a pandemic and called for energetic measures to combat it. The hospitality industry was among the sectors most seriously affected (Kumar, 2020), causing hardship to management, staff, and customers. For example, in the United States, the sector experienced a drastic decline of 11.6 per cent before March and the occupancy rate in China dropped by 89 per cent in January. Thereafter, a strict shutdown was introduced in order to avoid uncontrolled spread of the virus worldwide, including in Nigeria, and therefore in Oyo State.

Framework of social change in the light of the coronavirus disease pandemic

Social change theory was first propounded by Augustus Comte (1798–1857). He believed in the evolutionary theory of social change, which he said had three stages: the theological stage, in which religion is the sole reference; the metaphysical stage, in which abstract speculative ideas are referenced; and the positive stage, in which philosophical and political movements are embraced. In the movement through the three stages, there are collapses and unveilings of fundamental orientations. Social change can be defined as the alteration of the status quo within social structures, indicated by changes in cultural symbols, behavioural patterns, and social organizations or value systems (Akujobi and Jack, 2017). It is also seen as any change in social relations. It is worth noting that, although social change is taking place in a society, variations in the social structure continue and attempts are made variously to maintain or overhaul the social structure (social change). For example, a change in a small group may not be emphasized because of the way the group is structured. The social disorder brought about by the group is inevitable and must not be taken for granted because it affects customs and norms, technology and environmental change, thereby reintroducing and redirecting social adaptations in the society. Human beings are at the centre when social change occurs.

Patterns of social change are also important as all paradigms of social change agree that social change is indiscriminate but patterned in ways that have affected the contemporary world. To study social change on a scientific and nonnormative basis, only two patterns can be considered: the cyclic and the one-directional. Cyclic change deals with the arrangements of everyday social life. These are short-term phenomena that may be seen as structural stability requiring certain necessary conditions. Long-term cyclic changes are defined as the evolution, development and attrition of civilizations. One-directional change goes more or less in the same direction. This type of change is cumulative, meaning growth and development, such as population density, size of the organization or the rate of production. Social change comes from various sources (Servaes and Leuven, 2008), including diffusion from one society to another, which shows the interface between societies. There may also be a change in the ecosystem denoted by the loss of natural resources or prevalence of a particular disease. Technological change presents

an industrial revolution in which a new social group is created from a social class, population growth and other demographic variables. Social change also occurs as a result of economic and political ideologies. In sum, social change has human characteristics. Several conceptual underpinnings of social change are relevant with various cultures: the sense of degeneration or decline; the knowledge of cyclic change (mostly relevant within the business world) and the knowledge of persistent progress.

Analysis of the characteristics of social change simply indicates that change is a social phenomenon knitted around social relationships within the social process, interactions and organizations. It is essentially universal and continuous, conforming to the continuity and non-static forms of a society. Another characteristic of social change is its inevitability because human wants are insatiable. It is temporal because of its effects over time. Time is the dependent variable which creates classifications in the social structure as the tempo of change of a society is not uniform but varies from one society to another. Predictions of social change are difficult because of the relative presence of non-established or inherent law that guides social change; the process of social change is not uniform and the drive for change may not always be present. Moreover, social change is a consequence of multiple factors, and it stimulates chain reactions in response to the mutual dependency of all structures of a society.

Within this framework, the philosophy of the processes of social change reveals the analogy represented by the evolution of the COVID-19 pandemic globally. The pandemic started in Wuhan, China, on 31 December 2019 and was transmitted by humans (the vectors) to other parts of the world. It was originally seen as "novel" by many countries, until it manifested its unkind effects by destroying the system through severe symptoms and death. The transmission of the disease from China to other parts of the world created social change in the societies to which it spread; the reality of the COVID-19 pandemic altered social relations and interactions in every sphere of social life, including the hospitality industry. The measures taken by health systems to combat COVID-19 are the adaptation techniques in the face of the pandemic. The stringent measures adopted affected the hospitality industry because they introduced total cultural shifts that affected the industry. This explains the dominance of the change of social pattern of the hospitality industry.

Methodology

Ibadan was selected for the present study as a result of the social change evident in every sector, which made it typical. A mixed methodology was applied to gain more insights into the outcomes of the research. A total of 29 two- to four- star hotels in six districts in which hotels are concentrated were selected: Ibadan North, Ibadan North-West, Ibadan South-West, Iddo, Egbeda and Lagelu. Data were obtained using a questionnaire and interview guides. The qualitative data were sourced through key informant and in-depth interview guides. Interview guides were pretested to identify any problem in the guide and to prevent participant burden during sessions. Accessing the hotels during the pandemic was not straightforward, but possible through strict compliance with COVID-19 guidelines. The guidelines (of the Nigeria Centre for Disease Control) were infrared temperature-reading of researchers at the entrance to the hotels, handwashing and application of sanitizer after handwashing and at the end of each interview session. During sessions, researchers also adhered to a 1 m social distancing rule and wore face masks throughout.

A total of 28 participants were selected for the qualitative aspect of the study. Managerial staff were chosen for this portion because of their experience and their first-hand familiarity with the industry. The participants were: hotel owner (1), suppliers (3), event planners (3), travel agent (1), managing directors/chief executive officers (3), human resources managers (11) and food and beverage managers (6). A total of 24 participants– human resources managers, food and beverage managers, suppliers, event planners and travel agents – were subjects of an in-depth interview, while the chief executive officers participated in key informant interview sessions. Interviewees were selected and located using the snowball sample. Two of the suppliers and one event planner were interviewed through WhatsApp on an Android phone.

The qualitative data collection took five weeks and each session lasted 35 minutes, although three of them took about 39 minutes. Inaccessibility of hotel owners became a bottleneck for the researcher; this was attributed to the sensitivity of the subject matter. Some 185 copies of the questionnaire were distributed but only 162 copies were returned, 150 of which were usable after data cleaning. The questionnaire was created using data from previous investigations. It was tested with a group of 10 hotel and restaurant owners. Their responses and the criticisms of two prominent experts were used to

revise the questionnaire. The final survey had 46 questionnaire items which included: demographic characteristics; questions on how social relations in the hotels were affected; and which coping strategies were adopted by the hospitality industry in Ibadan to manage the pandemic. The internal consistency of the items was assessed using data from the pre-test, and the Cronbach's alpha (a measure of consistency) of the questionnaire was 0.78. For analysis, the data were entered into the SPSS version 24 statistical analysis software. Different variables were subjected to descriptive statistics (frequency tables, simple percentage), as necessary. The replies to the questions set for the present study are provided in the final section of the present article.

Data analysis

Sociodemographic variables of respondents

Table 1 shows that 68 (45.3 per cent) of the respondents were male, while 54.7 per cent were female. One (0.7 per cent) respondent was under 20 years old; 52.7 per cent of the respondents were aged 21–30; 32 per cent were aged 31–40 years; 12 per cent were aged 41–50 years, while 2.7 per cent were aged 51 years and over. Regarding level of education, four (2.7 per cent) respondents had no formal education; 16 per cent had primary school education; 52.7 per cent were secondary school certificate holders; 26.7 per cent had tertiary certificates; and 2 per cent had other forms of schooling. Moreover, the majority (81 or 54 per cent) of the hospitality units had 1–10 workers, 24 per cent had 11–20 workers, 16.7 per cent had 21–30 workers, 1.3 per cent had 31–40 employees, and 4 per cent had 41–50 employees. Finally, the table shows that 97 (64.7 per cent) of the respondents had 1–5 years' work experience, 28.7 per cent had 6–10 years of experience, 3.3 per cent had 11–15 years' work experience, while 3.3 per cent had 16 years and more work experience.

Table 1: Sociodemographic variables of respondents

Sociodemographic variables of respondents		
Gender	**Frequency**	**Percentage**
Male	68	45.3
Female	82	54.7
Total	150	100.0
Age (years)	**Frequency**	**Percentage**
Under 20	1	0.7
21–30	79	52.7
31–40	48	32.0
41–50	18	12.0
51 and over	4	2.7
Total	150	100.0
Education	**Frequency**	**Percentage**
Non-formal	4	2.7
Primary	24	16.0
Secondary	79	52.7
Tertiary	40	26.7
Other	3	2.0
Total	150	100.0
Number of employees in the organization	**Frequency**	**Percentage**
1–10 workers	81	54.0
11–20 workers	36	24.0
21–30 workers	25	16.7
31–40 workers	2	1.3
41–50 workers	6	4.0
Total	150	100.0
Years of experience	**Frequency**	**Percentage**
1–5	97	64.7
6–10	43	28.7
11–15	5	3.3
16 years and above	5	3.3
Total	**150**	**100.0**

Source: Fieldwork, 2021.

Adoption of coronavirus disease safety guidelines in the hospitality industry

Participants expressed many anomalies and regrets experienced by stakeholders in the hospitality industry during the COVID-19 pandemic. For example, they claimed that the pandemic had altered their hotel's sociocultural practices and dealt a serious blow to their economy, automatically affecting the patterns and life chances of the industry. Against this backdrop, the researcher attempted to investigate hotel lifestyles before and during COVID-19. One participant responded thus:

> This industry has always been one that places a premium on hygiene because it deals with people directly, where they sleep and what they eat, the pool and the gym. Different people come into the hotel and hygiene is the most important thing because we believe in service. You must get value for what you have paid for; and if you are going to stay where your health is at risk, I think there is a problem. The hotel sector is the one that makes the greatest efforts over things like this, apart from doctors and hospitals (IDI/MM/Maleors/49yrs/1 May 2020).

That argument is that the industry holds personal and environmental hygiene as a critical ingredient of success and could not therefore have settled for less before, during or after the pandemic. This engenders customer patronage, as nobody wants to stay in a dirty environment, and cleanliness adds to relative values in the business world. The COVID-19 pandemic has strengthened the need for optimum maintenance of personal and public hygiene everywhere in order to curb the spread of the disease. This, according to social change theory, signifies a social adjustment in the public sphere in the social processes, interactions and organizations of the society. Based on the foregoing, one participant explained enforcement techniques in the hotels, saying that:

> First of all, one of the guidelines says you should wear a mask. We make sure that all our staff adhere to this. I pulled my own down so you can hear me well. Using an infrared thermometer to check both staff and customer body temperatures, keeping social distancing, and application of sanitizers on your hands are also included. We have doubled our cleaning of surfaces, and

> whenever we leave this table now, someone is already waiting to clean it up immediately. You touch anything – lights, handrails and so on – when you leave, the housekeeper is already waiting to clean the surfaces. We have been sensitizing our staff and guests to the guidelines (IDI/HRM/Male/31yrs/20 April 20 2020).

This era of COVID-19 has come with its own lifestyles to which societies have been forced to adapt. The data above explain the new lifestyles occasioned by the pandemic and conformity to them in the hotel industry. This corroborates the position of Akujobi and Jack (2017) on social change as a development dominated by new social structures evident in organizational culture and value. Constant cleaning of surfaces by housekeeping staff, use of infrared thermometers to check body temperature, the wearing of facemasks, regular hand-washing and immediate application of sanitizers, and disinfecting the hotel environment at regular intervals are ways of ensuring hygiene and safety for both staff and customers. Another participant added:

> You notice that the security guards will check your temperature at the door. As a matter of fact, I was one of those found to have a high temperature, although I was not tested for COVID-19, but my temperature was above normal (38°) and I was quickly taken to the hospital for medical attention. We have in place these preventive measures right from there. Also, at the entrance, there is a bowl for you to wash your hands. Even before now, it has been our habit to maintain a distance of about two metres when talking to guests. You project well for audibility and maintain a good environment. (KII/MD/CEO/Male/51yrs/5 May 2020).

The above data reiterate the practice of social distancing as a culture in the hotel industry. The participant explains the business culture in the industry even before the COVID-19 pandemic, whereby staff make themselves audible and maintain some distance from guests. Above all, the implication of this adherence to guidelines is that it is only those who stay healthy who can live to tell the story of the pandemic. This is also supported by the quantitative data provided by the respondents. The quantitative analysis succinctly shows that almost all the respondents (148 or 98.7 per cent) were aware of the

recommended guidelines as prescribed by the Centre for Disease Control. In addition, the respondents indicated various methods of hindering the spread of the new coronavirus: 32 (21.3 per cent) respondents mentioned wearing facemasks; 16 (10.7 per cent) mentioned handwashing; 2 (1.3 per cent) highlighted the checking of body temperature; and 2 (1.3 per cent) referred to fumigating chemicals in the environment as ways of reducing the spread of the COVID-19 virus. Furthermore, 12 (8 per cent) also discussed social distancing, while 80 (53.3 per cent) said that all the aforementioned practices were valid means of limiting the spread of the virus. This supports the universalism feature of social change theory, which stems from the insatiability of humans. COVID-19 is a worldwide pandemic which cuts across all organizations. The hospitality industry has experienced this and complied with the Centre for Disease Control guidelines to combat the disease. This shows that the cause and control of such a pandemic are universal, as are the general approaches recommended by WHO and other agencies.

Table 2: Awareness and practice of guidelines as adopted by the Nigeria Centre for Disease Control

Awareness and practice of the prescribed guidelines for curtailing the spread of coronavirus disease	**Frequency**	**Percentage**
Yes	148	98.7
No	2	1.3
Total	150	100.0
Use of facemasks	32	21.3
Handwashing	16	10.7
Checking body temperature	2	1.3
Use of hand sanitizer	6	4.0
Social distancing	12	8.0
All	80	53.3
Fumigation	2	1.3
Total	**150**	**100.0**

Source: Fieldwork, 2021.

Scale of the impact of the pandemic on the hospitality industry

Before the advent of the new coronavirus, the social order was stable. Respondents expressed their satisfaction with the stability in the social space. Table 3 summarizes their responses. A total of 144 respondents (96.0 per cent) were satisfied with the level of patronage and business before the advent of COVID-19, while 4.0 per cent were not. More importantly, respondents showed that their satisfaction centred on: constant payment of salaries (37 or 24.7 per cent); higher patronage (50 or 33.3 per cent); free movement that positively affected the hospitality industry; frequent tipping of staff by customers; frequent patronage of customers, especially with the consumption of drinks; and that higher profits were made before the pandemic. Apparently, this was reflected in the rating of their satisfaction: 73.4 per cent of respondents said they had been highly satisfied, 14 per cent rated their satisfaction level as moderate, while 12.6 per cent declined to rate their level of satisfaction.

Table 3: Satisfaction with level of patronage and business before the pandemic

Were you satisfied with the level of patronage and business before the discovery of COVID-19?	**Frequency**	**Percentage**
Yes	144	96.0
No	6	4.0
Total	150	100.0
If yes, how	**Frequency**	**Percentage**
Payment of salary was constant	37	24.7
Higher patronage	50	32.3
People were buying drinks every day	21	14.0
Free movement	24	16.0
I received more tips then	3	2.0
Making high profit	9	6.0
Low patronage	6	4.0
Total	150	100.0
How do you rate the level of business and patronage before COVID-19?	**Frequency**	**Percentage**
Low	19	12.6
Moderate	21	14.0
High	110	73.4
Total	150	100.0

Source: Fieldwork, 2021

Disruption of social order and increase in price of raw materials in the hospitality industry

The quantitative analysis in table 3 shows the relative stability in the social order before COVID-19. However, considering the new culture introduced by the pandemic, questions on challenges and coping strategy come to mind. The Government had already announced total and partial lockdowns where necessary in each state as important strategies for preventing people from contracting and spreading the virus. In Oyo State, there was a partial lockdown and the industry still tried to function after the ease of the lockdown in Ibadan. Participants described the dimensions of operations, challenges and consequences of COVID-19 in the hotel industry. One respondent said:

> Nobody knew COVID-19 was coming. The Government just shut everything down, regardless of the implications. There was no thorough sensitization by the Government. There should have been some kind of broadcast to warn and inform people. Thank God for the strategy the Governor of Oyo State adopted in managing the pandemic! Some guests are here now; they can't leave because of the lockdown. We can't continue to serve them like before. One of the problems with this pandemic is the sharp increase in the prices of goods, and accessibility of those materials. You can't access Lagos. (IDI/HRM/Male/35yrs/16 April 2020).

Another participant commented:

> COVID-19 affected our business negatively. The work is not as it used to be. Staff were laid off. Targets are difficult to achieve. The usual profit is no more there. The work environment is no longer conducive. Before COVID-19, it was easier. They never reduced targets and I had to think outside the box. Indeed, the occurrence of the viral disease has made work tedious for us, although some imported materials are no longer scarce due to the gradual emancipation of people from the virus (IDI/Supplier/Male/42yrs/10 May 2021).

These comments indicate the implications of the COVID-19 pandemic for the industry. Aside from a breakdown in communication that was not properly addressed by the Government, the overhead costs of hotels increased because of increases in the prices of raw materials used in hotels as a result of the lockdown. This occurred simply because of the enforcement of the lockdowns all over the country. Running costs that used to be spread over full occupancy of the hotel were expended on a few guests who could not travel because of the lockdown. Imported materials became very scarce as a result of COVID-19. Workers' take-home pay was affected because of the fall in profits. This resulted in a loss and a bandwagon effect on the hotel during the pandemic. It is apparent that hotel facilities also depreciate if not optimally used and this was noticed during this period. As social change theory asserts that change is inevitable in the social space, the change associated with the COVID-19 pandemic had far-reaching effects on the social context in the hospitality industry.

Low sales and downsizing of staff and operations

The new operational situation of hotels resulting from the pandemic is worrisome. Activities were run haphazardly as movements of people were restricted and business was seriously affected. One participant commented that:

> There is a very low turnout of customers; people have not been coming the way they used to. People are running their businesses at home now. Those travellers were not allowed to move across states. This has terribly affected the business generally because it is these same people who usually come to relax. Without people around, there is nothing anybody can do. The whole industry was affected and not just the hospitality sector. Many companies are actually closing down and laying off staff as a result. It is really affecting the whole world (IDI/HRM/Female/46yrs/14 May 2020).

The data show that the COVID-19 pandemic has led to the downsizing and laying-off of staff in many quarters because jobs were already cut, staff and salaries were reduced and new work dynamics were introduced in the industry. Some members of staff were assigned to work from home on the Internet

and this became the order of the day and revolutionized work dynamics. This is in line with the concept of social change, which is said to devise new orientations to practical human existence (Akujobi and, 2017).

Loss of jobs

The pandemic has destabilized the operations of organizations and threatened the labour sector globally. As one participant said:

> The hospitality industry is not going to be the same; we expect that some people will lose their jobs across sectors. The Nigerian Labour Congress (NLC) is even giving the green light to this. Most companies will not be able to shoulder the many problems and will have to lay off staff (IDI/HRM/Male/35yrs/16 April 2020).

Another participant commented:

> This pandemic has really affected the hospitality industry. I foresee many job losses, even after the relaxation of the COVID-19 rules. Many people will lose their jobs. It will be a scary situation (IDI/HRM/Male/39yrs/20 April 2020).

The data above show the possible implications of the new representation of social structures in the hospitality industry. There is no doubt that there will be job losses and this may lead to social ills such as neighbourhood security threats if interventions are not properly planned. This corroborates Tade's (2020) analysis of the social implications of the COVID-19 lockdown. The quantitative aspect of the study substantiates the qualitative contributions, as respondents disclosed that so many things have changed in the hospitality business. The sudden consequences of the pandemic mentioned were: decreasing patronage (81 or 54 per cent); doubled cleaning efforts (29 or 19.3 per cent); reduction of salary (2 or 1.3 per cent); and staff lay-offs (2 or 1.3 per cent). In addition, the pattern of social relationships was disrupted by social distancing and the wearing of facemasks.

Table 4: Variables that have changed in the hospitality business

Did business change during COVID-19?	**Frequency**	**Percentage**
Yes	107	71.3
No	43	28.7
Total	**150**	**100.0**
What has really changed?	**Frequency**	**Percentage**
No decrease in patronage	12	8.0
Decrease in patronage	81	54.0
Cleanliness	29	19.3
Nothing	9	6.0
Spoilage of kitchen and bar products	7	4.7
Sacking of workers	2	1.3
Social relations (distancing)	4	2.7
Reduction of salary	2	1.3
Reduction in sales	2	1.3
Social relations (facemasks)	2	1.3
Total	**150**	**100.0**

Source: Fieldwork, 2021.

Breakdown of social relations in the hospitality industry

COVID-19 has also had adverse effects on social norms and values in the system, creating deplorable conditions that have aggravated social problems. One participant said:

> It is the hotel. The properties have been lying idle, so by the time we come back now, we have to start afresh. It is a challenge. You know most of us spend most of our time at the workplace. How much of our time do we spend at home? We have missed each other, meaning that such relationships have been disrupted. Some people who enjoy their colleagues at work are lonely now (IDI/HRM/Male/35yrs/16 April 2020).

There was a total breakdown in social interactions in hotels, resulting in loneliness and inactivity among staff and individuals in society. This is also detrimental to health and the pandemic has redefined the way of life in

every society. This lends credence to the theory of social change in respect to the introduction of new patterns of social existence (Servaes and Leuven, 2008). According to Sim (2020), the implication of this is that it can lead to mental health challenges because of long-term absence and social isolation that reduced workplace social interaction.

Expiration of raw materials

One of the core functions of the hospitality industry is the provision of food and drinks (Shaw, Bailey and Williams, 2011). One negative effect of the pandemic on the hospitality industry in Ibadan was the spoilage of goods, especially edible raw materials. This has resulted in losses. One food and beverage manager said:

> We are doing nothing. People are afraid of coming to the hotel, not to mention eating our food. No one is coming. We don't prepare anything; no daily menu, nothing. The bar is not operating and drinks are reaching their expiry date. The pool is not functioning. This at least gave us the opportunity to repair the pool (IDI/FBM/Male/47yrs/30 April 2020).

The data show the negative outcome of the pandemic: that all operations in the food and beverage department of the hotel were paralyzed. Nothing was functioning and drinks were spoiling because of lack of customers. This corroborates Fox and Peterson (2002) and Loharika and others (2012) in their analysis of the consumption risk as a result of food poisoning created by the COVID-19 lockdown. Increased workload and low performance were also reported. Increased workload was reported by 115 respondents (76.7 per cent), while 35 respondents (23.3 per cent) said there had been no increase in workload. The level of sales and performance were reported as drastically low by 101 respondents (67.3 per cent), moderate by 16.7 per cent, while 16 per cent said they were high during and after the COVID-19 lockdown. After the COVID-19 lockdown, bookings increased, according to 68 respondents (45.3 per cent); workload increased, according to 18 (12 per cent); 21 (14 per cent) said that rules and regulations were obeyed; 22 (14.7 per cent) said that sales improved.

Table 5: **Effects during and after lockdown**

Do you think your workload increased during/after the pandemic	**Frequency**	**Percentage**
Yes	115	76.7
No	35	23.3
Total	**150**	**100.0**
How would you rate the level of sales and performance during/after the pandemic	**Frequency**	**Percentage**
Low	101	67.3
Moderate	25	16.7
High	24	16.0
Total	**150**	**100.0**
Change after pandemic	**Frequency**	**Percentage**
Increase in bookings now	68	45.3
Increase in workload	18	12.0
Obeying rules and regulations	21	14.0
Increase in sales	23	15.4
Job losses	20	13.3
Total	**150**	**100.0**

Source: Fieldwork, 2021.

Coping strategies employed by the industry during and after the lockdown

The respondents adopted various strategies to tackle the many challenges they faced during the COVID-19 pandemic. They adjusted by: resorting to online marketing (84 respondents or 56 per cent); selling sanitizer (15 or 10 per cent); farming (10 or 6.7 per cent); selling small items (11 or 7.3 per cent); selling bags (2 or 1.3 per cent); bricklaying (2 or 1.3 per cent); production of sachet water (2 or 1.3 per cent); selling pap (4 or 2.7 per cent). Twenty respondents (13.3 per cent) did nothing.

Table 6: Techniques adopted for sustenance during the pandemic

What other options did you employ for sustenance during the pandemic?	Frequency	Percentage
Online marketing	84	56.0
Selling sanitizer	15	10.0
None	20	13.3
Farming	10	6.7
Selling small items	11	7.3
Selling bags	2	1.3
Bricklaying	2	1.3
Producing sachet water	2	1.3
Selling pap	4	2.7
Total	**150**	**100.0**

Source: Fieldwork, 2021.

Diversification of production in the hospitality industry

Coping strategies during COVID-19 are relevant to the hospitality industry because the pandemic made organizations and staff redundant. It also provided an opportunity to look into other areas of the business. For example, in one hotel, the period was used to refurbish the swimming pool and some other outlets in the area. The bakery unit remained the only means of revenue for the hotel as it was not redundant because people needed bread for survival. While other hotels could not generate money at all, this hotel had some income because of its investment in bakery. One participant said:

> If you find yourself in an unexpected situation, you adapt. I only put the bakery on a daily target. People will eat bread and we continue to bake bread; more than before, in fact. The main source of income is the bakery for now. You know, it is just 1 out of 10 (IDI/FBM/Male/47yrs/30 April 2020).

Rather than doing nothing, the management adapted and redirected their production towards the inexhaustible areas of the hospitality industry.

Management-staff plans through social dialogue on compulsory leave

The new social order of the hospitality industry resulting from the pandemic demands the consistent engagement of management and staff in discussion of the issues that concern them. The study found variations across hotels as a result of differentials in capacities and financial strengths. One participant explained:

> We have around 112 workers and we are not laying anybody off; we have to go on compulsory leave with or without pay. We engage in social dialogue rather than collective bargaining this time around. This is what is feasible. Nobody wants to lose their job and we had a round table at the end of March and agreed that some staff would be off for two weeks, while the others were at work and, at the end of the two weeks, the groups would switch, so we share the risk equally, including management. (IDI/HRM/Male/35yrs/16 April 2020).

Here, the emphasis was on social dialogue rather than the usual collective bargaining between management and staff. Another participant added:

> COVID-19 is not only affecting health but also the economy of everyone. If the dollar is sold for 440 Nigerian naira today, our foreign guests who normally spend weeks may decide to spend less than that or may not come at all. That will affect the business. After COVID-19, unless there is a cure or a vaccine, people will still continue to have that fear of social gathering. Definitely, people will meet together again; there will be seminars, conferences, birthday parties and all that. Before all these are fully operationalized, there must be stability. Things will not be as they were. There will be a lot of changes in the hospitality business. (IDI/HRM/Male/35yrs/16 April 2020).

COVID-19 does not only have health implications for people worldwide; it has also affected every social structure in society. The data above demonstrate that life after the pandemic may not be easy, especially in the hospitality industry.

Restructuring and segmentation

Decisions by management and staff as to who did a particular job and when jobs should be done on a rotational basis became necessary. Klerck (2005) discussed the conditions of demand and supply of staff that warranted restructuring and segmentation in organizations. In the same way, hotels adopted the division of the workforce into two shifts. COVID-19 has introduced new social thinking and reasoning between staff and hotel management. No member of staff wants to lose their job and management wants to keep the company running, so compliance with the new organizational structure is inevitable. Life has to go on after this pandemic and no society exists in isolation, which means that rationality has to be embraced within the social space, in addition to the WHO guidelines. One participant commented:

> I believe that COVID-19 has opened our eyes to the fact that we need to re-strategize everything we do. We need to sit down and plan ahead in case anything like this happens again. The pandemic has shown us that we were living our lives freely before. When you check, you need to doublecheck; when you clean, you need to double clean. We need to make sure that we are prepared for this. It is time to value health more. We should put health first because, if health is not controlled, no business can function. After COVID-19, I believe many of us will have a change of heart (IDI/HRM/Male/31yrs/20 April 2020).

This comment reiterates the need for social reawakening. It is obvious that there would be some changes in life patterns, especially on matters of health in the society. Therefore, double consciousness is geared up in this regard. This reflects the idea of Dahrendorf (1975) that every society is subject to change at any time, making change ubiquitous. Social conflict also exists and every element in society contributes to social change. The COVID-19 pandemic has affected social patterns, revealed what is lacking in society, especially in the area of health, and introduced new dimensions of social interactions. Here is another participant:

> It is time we started encouraging the Internet industry so that, no matter what happens, we don't start laying off staff and we

> don't have to close down our businesses because there is a riot somewhere or one thing or another. We should know that, even if COVID-19 subsides, something else may appear later. We have to empower our staff to work anywhere and wherever they are. Staff will be strengthened by use of the Internet in business (IDI/HRM/Male/31yrs/20 April 2020).

Adaptation is the essence of the new work patterns in response to the pandemic. Working online from home brings some level of integration between staff and management and curtails the sporadic spread of coronavirus in the industry. Thinking outside the box and empowering staff to work outside the physical organization through the Internet has come to stay in the hospitality industry. This confirms the position taken by many (Ballon, 2007; Demil and Lecocq, 2010; Kinderis, 2012); Kinderis and Juccvicius, 2013; DaSilva and Trkman, 2014) that Internet use was on the increase and would fuel business growth and development in contemporary societies. The implication of this is that management will reduce staff strength as workers work online.

One participant added:

> The first thing I think every management should do is embrace openness. They should embrace social dialogue. Let everybody sit together and discuss. Let them see that by forecasting that in two to three months, if custom does not return to normal levels, salary cuts, staff downsizing and the like may be the best option. That will make it easier for both management and staff. There is likely to be a minimal change in prices if standards are maintained. Policies have to be looked into. (IDI/HRM/Male/35yrs/13 April 2020).

This idea explains the credibility of a transparent practice in the industry. Management and staff of the hotel should have a mutual understanding of the present situation and social dialogue with fairness is welcomed in order to move the industry forward. The comments show that the pandemic has already caused some disruption in the structure of the society and active maintenance of standards in every structure in the hotel world is needed to

remedy the situation. This is essential and should be supported with reasonable government policies.

Policy recommendations related to coronavirus disease in the hospitality industry in Nigeria

It is a new world in the hospitality industry and other areas of endeavour in Nigeria. The COVID-19 pandemic has ushered in new lifestyles and the very nature of the industry requires it to adjust speedily to changing lifestyles. The more the industry adjusts to current change, the more custom they will have. The present paper argues that the COVID-19 pandemic is a fact and should not be ignored by the hospitality industry. Routine and regular training courses and workshops should be organized at regular intervals for staff and management to keep them abreast of the current and future challenges of the COVID-19 pandemic. Strict adherence to Centre for Disease Control guidelines by the hospitality industry is essential now and after the pandemic. The pandemic has introduced new, capital-intensive cultures of work so funds have to be found to provide Internet connections at home. The Government should come to the aid of the hospitality business during the COVID-19 pandemic by insulating investors from losses so that they can remain in business.

Conclusion

The present study underscores the need for change in the hospitality and tourism industry as a value chain providing accommodation, food and drinks, travel and the like. It emphasizes the respondents' view that COVID-19, like Ebola and HIV/AIDS, is here to stay, a view heavily influenced by the guidelines and the introduction of vaccines to combat it. Nonetheless, it also emphasizes the temporal situation as denoted by social change theory under the effect of the pandemic. The hospitality industry was clean and serene before the COVID-19 pandemic and the city afforded it some economies of scale. It provided food and accommodation, and served people holding conferences and seminars, and gatherings such as weddings, birthdays and funeral. Government guidelines imposed to stop the spread of the virus have severely restricted all these activities.

Furthermore, the industry has greatly improved cleanliness and health protocols in the hotel environment during the pandemic. The hospitality industry in Ibadan was able to cope with this harsh period by maintaining value and dividing the workforce into shifts, with some staff working on the Internet from home. In addition, social dialogue between management and staff, rather than collective bargaining, was used to ensure minimal staff cuts. Respondents were able to survive the worst period by doing online work, selling sanitizer and facemasks, selling pure (sachet) water, and farming.

The pandemic disrupted social structures but the regulations issued by the Nigeria Centre for Disease Control, in line with WHO guidelines, kept this disruption within bounds. Scholars of social change such as Parsons (1961) highlight the need for sociocultural patterns to stabilize society in the event of internal or external disruptions, emphasizing that change does not disturb the social equilibrium, but rather adjusts it to bring about social change, which is then entrenched. Such social change could emanate from internal or external networks through contact with other societies since society and change are inseparable. COVID-19 arose in Wuhan, China, spread to other parts of the world and, in Nigeria, weakened social relations. Although it affected the hospitality and tourism value chain, the industry was able to maintain its stability against the odds.

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Covid-19, tourisme et croissance économique en Afrique de l'ouest : cas du Sénégal et du Togo

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Résumé

Cet article a pour objet la quantification de l'incidence de la baisse potentielle de la demande étrangère des services touristiques résultant de la Covid-19 sur les économies sénégalaise et togolaise. À cet effet, nous avons utilisé le modèle d'équilibre général calculable (MEGC) et effectué respectivement deux séries de simulations couvrant une période de sept ans (2017-2023) pour le Sénégal et neuf pour le Togo (2015-2023). Pour ces deux économies, la première simulation porte sur une baisse de 69 % et 55 % de la demande touristique étrangère en 2020 et 2021 par rapport au niveau de la demande de 2019. Les deuxièmes simulations intègrent des hypothèses de politiques fiscales de relance. Il ressort que les baisses de la demande étrangère des services touristiques en 2020 et en 2021 influent négativement sur l'ensemble des secteurs marchands. Cette incidence est plus prononcée dans les secteurs des bâtiments et travaux publics (BTP), l'industrie extractive, textile, etc., dans les services marchands comme le transport (hors transport aérien), les services financiers, les services immobiliers, etc., la télécommunication, l'agro-industrie et la pêche. Les résultats montrent que la mise en place d'une politique d'incitation fiscale telle la baisse de la redevance pour le développement des infrastructures aéroportuaires (RDIA) favorise la relance de la demande étrangère des services touristiques. En revanche, l'étude montre que la réduction de la TVA affecte faiblement la demande étrangère des services touristiques. Nous voudrions recommander que, la réduction de la RDIA profite exclusivement aux touristes non-résidents ; ce qui permettrait de relancer à la fois la demande étrangère des services touristiques et la valeur ajoutée du secteur du tourisme.

Mots clés[1] : Covid-19 ; Tourisme ; Croissance économique, Modèle d'équilibre général calculable

1 Classification JEL: I10, L83, O41, C68.

Abstract

The aim of this paper is to quantify the impact on the economies of Senegal and Togo of the potential decline in foreign demand for tourism services attributable to the coronavirus disease (COVID-19) pandemic. To that end, we have used the computable general equilibrium model (CGEM) and carried out two sets of simulations, one covering a period of seven years (2017–2023) for Senegal and one covering nine years for Togo (2015–2023). For these two economies, the first set of simulations assumes declines of 69 and 55 per cent in foreign tourism demand in 2020 and 2021, compared to the level of demand in 2019. The second set of simulations incorporates assumptions based on fiscal stimulus policies. It is evident that the declines in foreign demand for tourism services in 2020 and 2021 are having an adverse impact on all market sectors. This incidence is more pronounced in such sectors as building and public works, extractive industries, textiles and others, in market services such as transport (excluding air transport), financial services, real estate services and so forth, and in telecommunications, agro-industry and fishing. The results show that the implementation of a fiscal incentive policy such as the reduction of the airport infrastructure development charge will help to revive foreign demand for tourism services. By contrast, the study shows that the reduction in value added tax (VAT) has little effect on foreign demand for tourist services. We would like to recommend that the reduction of the airport infrastructure development charge should be applied exclusively for the benefit of non-resident tourists, which would boost both foreign demand for tourism services and the added value of the tourism sector.

Keywords: COVID-19;[2] tourism; economic growth; computable general equilibrium model

2 JEL codes: I10, L83, O41, C68.

Introduction

Depuis décembre 2019, le monde fait face à une crise sanitaire liée au coronavirus (Covid-19). Cette pandémie a commencé en Chine et s'est propagée au reste du monde. Bien que faisant partie des derniers affectés, les pays africains subissent également les effets de cette pandémie sur le plan économique. Le tourisme par exemple est considéré comme l'un des secteurs les plus durement touchés par la Covid-19. En effet, les arrivées de touristes internationaux sont passées de près de 1 500 000 000 en 2019 à environ 380 000 000 en 2020, soit une baisse de 74 % (OMT, 2021). Cela représente une perte d'environ 1 300 000 000 de dollars des États-Unis en dépenses touristiques internationales, soit environ 11 fois la perte de la crise de 2009. Le 2 juin 2021, une note de l'OMT révèle que, les arrivées de touristes internationaux ont baissé de 83 % au premier trimestre 2021 en raison du maintien de restrictions généralisées sur les voyages. Entre janvier et mars 2021, les destinations du monde entier ont reçu 180 000 000 d'arrivées de touristes en moins par rapport au premier trimestre de 2020. L'Asie-Pacifique a continué d'afficher les plus bas niveaux d'activité, accusant une chute de 94 % des arrivées internationaux sur ces trois mois. L'Europe a eu la deuxième plus forte baisse (83 %), suivie de l'Afrique (81 %), du Moyen-Orient (78 %) et des Amériques (71 %).

Depuis 1995, le secteur du tourisme s'est fortement développé en Afrique subsaharienne (CNUCED, 2017). En effet, le nombre d'arrivées de touristes y a considérablement augmenté passant entre 1995 et 2019 de 14 000 000 à 55 000 000. De plus, le nombre d'arrivées de touristes sur le continent devrait croître de 5 % par an entre 2010 et 2030 pour atteindre 134 000 000 d'ici 2030. Le secteur du tourisme a en effet, un potentiel de croissance important en Afrique subsaharienne. La région dispose d'un riche patrimoine, avec de grandes plages, une faune et une flore variées, de nombreuses attractions naturelles et un potentiel certain. Les possibilités de développement du tourisme (safaris, plages, affaires et diaspora) sont considérables, notamment dans des régions n'ayant jusqu'à présent pas profité du tourisme. Qui plus est, l'Afrique subsaharienne a un énorme potentiel d'expansion de produits, en raison d'une forte demande en écotourisme, en tourisme d'aventure, en tourisme culturel et en tourisme axé sur la santé et le bien-être (Banque mondiale, 2013).

Les petits États insulaires de l'Afrique subsaharienne tels que les Seychelles (26,39 %), le Cabo Verde (18,59 %), Sao Tomé-et-Principe (12,49 %) démontrent une forte contribution du tourisme à la croissance (OMT, 2019). Toutefois, dans deux pays de la Communauté économique des États de l'Afrique de l'Ouest (CEDEAO) : le Sénégal et le Togo, des stratégies de développement axées sur le tourisme ont été mises en œuvre. Depuis 2014, le Plan Sénégal émergent (PSE), porté par les autorités sénégalaises a pour vision un Sénégal émergent à l'horizon 2035. La voie vers l'émergence passerait par un modèle de développement qui met l'accent sur la promotion des secteurs stratégiques dont le tourisme. Le tourisme est appelé à jouer un rôle important dans l'atteinte de ces objectifs, compte tenu de sa capacité à structurer l'économie, à générer des devises, des revenus et des emplois (Oh, 2005). L'ambition du PSE pour le secteur touristique est de placer le Sénégal dans les 5 meilleures destinations touristiques en Afrique. Pour atteindre cet objectif, le Gouvernement a actionné plusieurs leviers dont l'amélioration des infrastructures hôtelières, d'accueil, de transport, etc.

Le Togo quant à lui, a lancé en mars 2019 le Plan national de développement (PND)) avec pour objectif majeur de faire passer la contribution du tourisme au PIB à deux chiffres dans les années à venir afin de promouvoir la destination « *go Togo* ». Pour y parvenir, le Togo mise sur la promotion et le développement du tourisme balnéaire, culturel, sportif et l'écotourisme, avec un intérêt particulier pour le développement du tourisme bleu. À ce jour, les chiffres révèlent que la contribution du tourisme dans la croissance du PIB a connu une évolution croissante. En effet, entre 2000 et 2019, la contribution du tourisme à la croissance est passée de 0,94 % à 3,88 %.

C'est pour toutes ces raisons que l'étude porte sur les cas particuliers du Sénégal et Togo, avec pour objectif de de quantifier l'effet de la baisse potentielle de la demande étrangère des services touristiques, à cause de la Covid-19, sur la croissance économique du Sénégal et du Togo. Notre contribution à la littérature est double. D'une part, nous alimentons les travaux aussi bien sur les effets économiques des pandémies que du tourisme dans les pays africains. En effet, les études précédentes sur les effets économiques des pandémies se sont focalisées sur les pays développés (Verikios et al., 2012), tout comme celles relatives au tourisme (Seetanah et al., 2011). D'autre part, nous mesurons la portée de certaines politiques d'incitations fiscales comme la réduction des

taxes spécifiques sur les billets de transports aériens ou application d'une taxe réduite sur la consommation des services touristiques.

Pour ce faire, nous utilisons un modèle de simulation, le Modèle d'équilibre général calculable et les données représentant la structure des économies sénégalaise et togolaise. L'avantage de ce type de modèle est sa capacité à représenter de manière cohérente les interactions sectorielles et institutionnelles des pays avec le reste du monde. Un tel cadre méthodologique est fondamental dans la mesure où la pandémie dont l'effet est étudié affecte non seulement l'économie nationale mais aussi l'économie mondiale.

Pour évaluer l'effet d'une telle baisse, nous avons effectué respectivement deux séries de simulations. La première série quantifie les conséquences des baisses des arrivées des touristes internationaux et la seconde mesure la portée de quelques politiques d'incitation fiscale. La baisse estimée des arrivées de touristes résulte des projections de l'OMT. L'organisation évalue respectivement à 74 % et 69 % la baisse au plan mondial et au niveau de la région Afrique des flux des touristes internationaux en 2020 par rapport à son niveau de 2019. Les projections qu'elle effectue à partir des données du premier trimestre de 2021 prédisent une baisse pour 2021, une baisse comprise entre 55 % et 67 % par rapport à son niveau de 2019. Les simulations[3] couvrent une période de sept ans (2017-2023) pour le Sénégal et neuf pour le Togo (2015-2023). Pour ces deux économies, la première simulation (Sim 1) porte sur une baisse de 69 % et 55 % de la demande touristique étrangère respectivement en 2020 et 2021 par rapport au niveau des demandes de 2019. La deuxième simulation du Sénégal diffère de celle du Togo. En l'absence d'information sur le montant total de la taxe spécifique sur le billet collectée au Togo, nous n'avons pas pu le mettre en évidence sur la matrice de comptablité sociale de cette économie. À cet effet, nous avons simulé comme politique de relance une baisse de la taxe sur la valeur ajoutée (TVA) de 10 % en lieu et place de 18 %. Nous nous sommes inspirés d'une politique que l'État du Sénégal[4] a élaborée et mise

3 Les périodes de nos simulations sont choisies en fonction de la disponibilité des matrices de comptabilité sociale à notre disposition. Elles correspondent aux récentes versions des matrices de comptabilité sociale disponibles pour ces économies. Soit la matrice de comptabilité sociale de 2017 pour le Sénégal et celle de 2015 pour le Togo.

4 Pour remédier au coût élevé des prestations et de la cherté des billets d'avion à destination de Dakar, le Gouvernement sénégalais avait décidé en janvier 2011, d'agir sur le levier fiscal par le biais de l'adoption d'un taux réduit de TVA de 10 % applicable aux prestations

en œuvre en 2011 pour stimuler sa demande touristique. Pour le Sénégal, la deuxième série de simulation consiste à adapter le niveau d'imposition de la Redevance pour le développement des infrastructures aéroportuaires[5] (RDIA) à la redynamisation de la demande du secteur. L'idée originale de cette simulation est de baisser de 44 % la valeur d'imposition de la RDIA. Une telle diminution la ramènerait à 30 euros. Étant donné que la RDIA agit à la fois comme une taxe à l'exportation qui grève les non-résidents et une taxe à l'importation pour les résidents, l'application sans contrôle d'une baisse de la RDIA ne produirait pas l'effet escompté. Ainsi, nous simulons trois variantes de cette baisse. La première variante (Sim 2a) applique une baisse généralisée de 44 % de la RDIA. La deuxième (Sim 2b) ne met en œuvre qu'une baisse au profit des non-résidents, alors que la troisième (Sim 2c) préconise un gel généralisé de la RDIA. Nous avons retenu la deuxième variante pour favoriser la préférence nationale pour les résidents, et en même temps, avec la baisse de la RDIA à l'exportation, attirer les touristes internationaux.

Le reste de l'article est structuré de la manière suivante. La première section présente une revue sélective de la littérature, la deuxième, la méthodologie et la troisième les simulations et les résultats. La conclusion quant à elle, débouche sur les implications de politique économique.

Revue de la littérature

L'analyse de la relation existante entre le tourisme et la croissance économique a fait l'objet d'une littérature florissante (Pabo-Romero et Molina, 2013). L'analyse théorique d'une telle relation suppose que l'expansion du tourisme devrait avoir une contribution positive à la croissance. Les travaux pionniers de Lea (1998) et Sinclair (1998) ont mis en évidence le potentiel du secteur touristique pour promouvoir la croissance, créer des emplois et générer des

d'hébergement et de restauration fournies par les établissements d'hébergement touristique agréés (http://www.jo.gouv.sn/spip.php?article10403).

5 Pour financer la construction de l'Aéroport international Blaise Diagne, le Sénégal a instauré en 2005 un prélèvement sur les passagers dénommé redevance pour le développement des infrastructures aéroportuaires (RDIA). La RDIA est payée par tout passager ayant utilisé les services d'une compagnie de transport aérien, embarqué à partir des aéroports du Sénégal. À cet effet, le montant de la RDIA est inclu dans le prix du billet d'avion de l'entreprise de transport aérien (http://www.jo.gouv.sn/spip.php?page=imprimer&id_article=3165#:~:text=%2D%20Par%20d%C3%A9cret%2 0n%C2%B0%202005,de%20l'Aviation%20civile%20modifi%C3%A9.).

revenus pour le Gouvernement. La théorie d'une croissance tirée par le tourisme postule que le tourisme est considéré comme un facteur stratégique potentiel de croissance économique. Pour cause, les dépenses touristiques, en tant que forme alternative d'exportations, sont censées contribuer à la balance des paiements grâce aux recettes en devises et aux produits générés par l'expansion du tourisme. En conséquence, les recettes en devises peuvent représenter une source de revenus importante pour un pays (Balaguer et Cantevella-Jorda, 2002). Elles peuvent également être utilisées pour importer des biens d'équipement afin de produire des biens et des services, ce qui entraîne à son tour une croissance économique (McKinnon, 1964). Parmi les autres avantages économiques tirés de l'activité économique, on peut citer les recettes fiscales, les emplois et les sources de revenus supplémentaires (Durbarry, 2002).

Les effets potentiels du tourisme sur la croissance ont alimenté les débats au cours desquels les spécialistes de la recherche ont analysé le lien entre les activités touristiques et la croissance (Mohapatra, 2018). Ghali (1976), Lanza et Pigliaru (2000) ont été les premiers à étudier la relation entre le tourisme et la croissance d'un point de vue empirique. Par la suite, le nombre de publications visant à vérifier cette hypothèse a considérablement augmenté. Ces articles font l'objet de notre analyse. Les résultats de ces études varient en fonction de la méthodologie, de la zone d'étude, des auteurs. En effet, si certains travaux soutiennent et corroborent une relation positive entre le tourisme et la croissance d'autres par contre concluent à l'absence d'une telle relation.

Toutefois, l'hypothèse d'une croissance tirée par le tourisme a été confirmée par plusieurs travaux. Par exemple, Arslantrurk (2011) et Huisein et Kara (2011) pour le cas de la Turquie ont montré que le tourisme favorise la croissance économique. En utilisant la méthode de cointégration Kim et al. (2006) ont obtenu des résultats similaires pour Taiwan et ont constaté une causalité bidirectionnelle entre les deux facteurs. Brida et al. (2008) ont également soutenu l'hypothèse d'une croissance tirée par le tourisme au moyen d'un test de cointégration et de causalité pour le Mexique. Autrement dit, le tourisme et la croissance économique se renforcent mutuellement. Durbarry (2004) est l'un des rares auteurs à s'être concentré sur l'étude de cas d'un État africain, à savoir l'île Maurice. En utilisant les tests de cointégration et de causalité, les résultats de l'auteur corroborent l'affirmation selon laquelle le

tourisme a favorisé la croissance et le développement. Obadiah et al. (2012) pour le Kenya et Belloumi (2011) pour la Tunisie obtiennent le même résultat.

Certaines études utilisant un échantillon constitué de plusieurs pays ont également étayé l'idée d'une contribution positive du tourisme à la croissance (Caglayan et al., 2012 ; Figini et Vici, 2010). À titre d'exemple, Brau et al. (2007) ont comparé les performances relatives de 14 pays dits touristiques au sein de 143 pays et ont constaté de manière intéressante que les pays touristiques connaissent une croissance plus rapide que tous les autres sous-groupes de pays de leur échantillon. Seetanah et al. (2011) à l'aide d'un modèle autorégressif en panel, trouve que le tourisme est un ingrédient important de la croissance de 40 pays africains même si, l'investissement privé, l'ouverture commercial et le capital humain en sont les principaux moteurs. Une analyse plus approfondie révèle toutefois l'existence d'une causalité inverse entre le revenu national et le développement du tourisme.

Il convient de noter que quelques études ne reconnaissent pas de relation plausible entre le tourisme et la croissance. Par exemple, Oh (2005) réfute l'idée selon laquelle la croissance est tirée par le tourisme. En utilisant des données sud-coréennes dans une analyse de cointégration, l'auteur a rejeté tout lien entre les recettes touristiques et la croissance économique sur la période allant de 1975 à 2001.

Cette littérature n'a cependant pas pris en compte l'irruption d'une pandémie à l'instar de la Covid-19. Des exceptions notables sont, les travaux de Dinarto et al. (2020) concernant une île indonésienne ou de ceux de Centero et Marquez (2020) pour les Philippines. En fait, la Covid-19 induit une baisse des recettes fiscales et des chiffres d'affaires des opérateurs touristiques et des services connexes au tourisme comme l'artisanat et les boutiques de cadeaux. Après analyse des réactions des potentiels touristes à travers des forums de discussions notamment *Trip Advisor*, Ugur et Akbiyik (2020) concluent que le tourisme est aisément touché par la crise sanitaire liée au corona virus. En effet, plusieurs voyageurs ont décidé d'annuler ou de retarder leur voyage. Des analyses poussées des auteurs ont trouvé que l'assurance voyage pourrait être un moyen de relancer le secteur du tourisme.

Pour quantifier l'effet de la baisse potentielle de la demande étrangère des services touristiques résultant de la Covid-19 sur la croissance économique

du Sénégal et du Togo, nous avons dévelopé le cadre méthodologique suivant afin d'enrichir la littérature.

Méthodologie

Pour quantifier l'effet de la baisse de la demande étrangère des services touristiques résultant de la Covid-19 et mesurer la portée de quelques politiques contracycliques comme la réduction de la RDIA sur les billets ou l'application d'une TVA de 10 % au lieu de 18 %, nous avons procédé à une extension du modèle d'équilibre général calculable (MEGC) dynamique développé par Decaluwé et al. (2013). L'innovation majeure que nous apportons au modèle concerne la modélisation d'une surtaxe à l'exportation et à l'importation. Cette surtaxe capte les taxes spécifiques que les gouvernements mettent en place et qui sont directement perçues sur les passagers aéroportuaires. Ces modélisations portent sur les économies sénégalaise et togolaise. Le MEGC est relié à une maquette de microsimulation.

Les MEGC sont souvent utilisés pour analyser l'effet de politiques économiques et celui des chocs externes. Ils permettent de tenir compte des effets d'interactions importants qu'ils induisent dans l'économie (Cabral, 2015 ; Song et al., 2012). Dwyer (2015) fait état des thématiques afférentes au tourisme et qui peuvent être analysées grâce à ce type de modèle. Le tableau qu'il décrit corrobore celui de Song et al. (2012). Les auteurs avancent qu'il existe plusieurs techniques d'analyse des politiques. Toutefois, les MEGC offrent un cadre beaucoup plus complet et plus rigoureux. Pour le Sénégal, plusieurs travaux, dont ceux de Cabral (2015) ou de Boccanfuso et Savard (2010), avaient déjà été réalisés en utilisant cette approche méthodologique. Concernant le Togo, nous pouvons citer ceux de Wonyra et al. (2017) et Agbodji et al. (2011). Les MEGC pallient surtout le déficit de disponibilité de données en continue pour certaines problématiques pour lesquelles on aurait pu utiliser les modèles économétriques (Suwa, 1991).

Le modèle est dynamique récursif, ce qui signifie qu'il est résolu comme une séquence d'équilibres statiques reliés dans le temps, à travers l'accumulation du capital et l'accroissement de la main d'œuvre, et les équations de comportement pour les variables endogènes. Un des avantages d'une spécification du modèle dynamique est la possibilité de générer un sentier à moyen et long terme. De plus, les changements structurels peuvent être

analysés dans le temps. Le modèle s'applique à de petites économies pour lesquelles les prix mondiaux sont donnés. De plus, une fonction de demande à l'exportation à élasticité finie a été introduite de façon à tenir compte des contraintes auxquelles font face les producteurs sur le marché mondial. Dans l'exposé qui suit, nous mettons l'accent sur les spécificités du modèle.

Spécification du modèle

Nous distinguons deux facteurs de production à savoir le travail composite et le capital composite. Le facteur travail composite est désagrégé en travail non qualifié et en travail qualifié. Le capital composite est, quant à lui, désagrégé en capital privé et en capital public.

La production d'un secteur est exprimée comme une fonction de type Leontief combinant des parts fixes de la valeur ajoutée et des consommations intermédiaires. Par ailleurs, la valeur ajoutée est une fonction à élasticité de substitution constante (*Constant Elasticity Substitution*) qui combine le travail composite et le capital composite à l'exception du secteur non marchand où le capital n'est composé que de capital public. Le capital composite est spécifié à l'aide d'une fonction à élasticité de substitution constante (*Constant Elasticity* Substitution) qui associe le capital privé et le capital public. Le travail composite est représenté par une fonction à élasticité de substitution constante (*Constant Elasticity Substitution)* combinant les deux catégories de travail.

Modélisation de la surtaxe

La RDIA sur les produits importés *(TRDIAM)* est fonction du taux de RDIA à l'import (*ttrdiam*), du prix sur le marché mondial (*PWM*) du bien, du taux d'échange (*e*) et de la quantité du bien importée (*IM*).

$$TRDIAM_{tr,t} = ttrdiam_{tr,t} \times PWM_{tr,t} \times e_t \times IM_{tr,t}$$

La RDIA sur les produits exportés (*TRDIAX*) est fonction du taux de RDIA à l'export (*ttrdiax*), du prix mondial (*PE*), de prix d'achat du produit composite (*PC*) et des quantités exportées (*EXD*)

$$TRDIAX_{trx,t} = ttrdiax_{trx,t}\left(PE + \sum_{trxj} PC_{trxj,t} \times tmrg_{trxj,t}\right) \times EXD_{trx,t}$$

Ainsi, la taxe indirecte collectée sur les ventes domestiques des services de transport, nets des subventions d'exploitation (TIC_{trp}), est un produit du taux de taxe sur les ventes et de l'offre du bien composite (ventes du produit local et importé). L'importation des services de transports tient compte de la surtaxe (RDIA).

$$TIC_{tr,t} = ttic_{tr,t}\left[\begin{array}{l}\left(PL_{tr,t} + \sum_{tr,t} PC_{tr,t}tmrg_{trj,i}\right)DD_{tr,t} \\ + \left(\begin{array}{l}\left(1 + ttim_{tr,t} + ttrdiam_{tr,t}\right)PWM_{tr,t}e_t \\ + \sum_{tr,t} PC_{tr,t}tmrg_{trj,i}\end{array}\right)IM_{tr,t}\end{array}\right]$$

Le prix payé pour le produit importé est le prix mondial ($PWM_{tr,t}$), converti dans la monnaie locale (e_t), plus les taxes et droits sur les importations ($ttim_{tr,t}$), la surtaxe ($ttrdiam_{tr,t}$), les marges et les impôts indirects intérieurs ($ttic_{tr,t}$).

$$PM_{tr,t} = \left(1 + ttic_{tr,t}\right)\left(\left(1 + ttim_{tr,t} + ttrdiam_{tr,t}\right)PWM_{tr,t}e_t + \sum_{tr,t} PC_{tr,t}tmrg_{tr,i}\right)$$

Le prix FOB $PE^{FOB}_{trx,t}$ payé par les consommateurs sur le marché d'exportation est différent de celui perçu par le producteur, car s'y ajoute les taxes à l'exportation ($ttix_{trx,t}$), la surtaxe ($ttrdiax_{trx,t}$) et les marges.

$$PE^{FOB}_{trx,t} = \left(1 + ttix_{trx,t} + ttrdiax_{trx,t}\right)\left(PE_{trx,t} + \sum_{trxj} PC_{trxj,t}tmrg^{x}_{trxj,t}\right)$$

Dynamique du modèle

La dynamique de l'économie est induite par l'accumulation du capital productif et la croissance démographique. L'accroissement du capital productif à travers l'investissement est la principale source de croissance de l'économie. L'investissement couvre la dépréciation du capital et contribue à son accumulation d'une période à l'autre. La règle d'accumulation du capital privé est déterminée comme suit : le taux d'accumulation sectorielle du capital privé est supposé être une fonction croissante du ratio bénéfice-coût du capital, ce dernier évoluant à un taux décroissant. Les nouveaux flux d'investissements sont répartis entre les différents secteurs de destination. Quant au stock de capital public de chaque secteur en fin de période, il est égal au stock de début de période net de la consommation en capital fixe (ou dépréciation) de la période à un taux auquel s'ajoute le flux d'investissements

publics affecté au secteur au cours de la période. Dans les secteurs marchands, les flux d'investissements publics de destination représentent une part fixe des flux d'investissements privés. Cette spécification traduit la complémentarité qui existe entre ces deux types d'investissements dans les secteurs marchands. Dans le secteur non-marchand, nous supposons que les flux d'investissements publics dépendent du revenu disponible de l'État et constituent donc une part fixe de ce dernier. La croissance démographique agit sur la croissance économique de manière indirecte, principalement par la demande finale et l'épargne des unités institutionnelles résidentes notamment les ménages et l'État.

Modélisation du marché du travail

Le marché du travail est segmenté en deux catégories que sont le travail non qualifié et le travail qualifié. Nous avons tenu compte, dans la modélisation, du caractère rigide du segment du marché du travail qualifié, en introduisant le chômage de façon endogène conformément à l'approche par la courbe des salaires (*wage curve*), développée par Blanchflower et Oswald (1994). Dans le segment du marché du travail non qualifié, les travailleurs évoluent généralement dans le secteur informel. Le taux de salaire y est déterminé par la confrontation de l'offre et de la demande de travail. Ainsi sur ce marché, l'équilibre résultant de l'égalité entre la somme de l'offre et de la demande de travail non qualifié permet de déterminer le taux de salaire à l'équilibre.

Calibrage et fermeture

La spécification des fonctions de production, de consommation des ménages et des demandes d'importation et d'exportation nécessite des paramètres, notamment, l'élasticité-revenu de la demande de produits, le paramètre de Frisch, l'élasticité de substitution entre capital et travail, l'élasticité de substitution entre les produits importés et locaux, l'élasticité de transformation entre les ventes extérieures et les ventes locales et l'élasticité de la demande extérieure. En l'absence de séries longues, ces paramètres n'ont pas été estimés sur des données du Sénégal. Ils ont été empruntés à la littérature des MEGC et à des études empiriques réalisées dans d'autres économies en développement[6]. Les élasticités associées à la fonction de productivité globale des facteurs sont empruntées aux travaux de Bronzini et Piselli (2009). Tous les autres

6 Des détails sur les paramètres dans les MEGC sont apportés par Annabi et al. (2003).

paramètres du modèle ont été calibrés à partir des données de la matrice de comptabilité sociale de manière à assurer la cohérence des données de l'année de base. L'élasticité de complémentarité entre le capital public et sectoriel est empruntée à Cabral et al. (2017). Le taux de change, la variation des stocks et le taux d'épargne des institutions sont également fixes. Les dépenses publiques sont supposées fixes, en termes réels, à la première période. Elles augmentent ensuite au même rythme que la population. Il en est de même de l'épargne publique, des transferts et de l'offre de travail qui progressent au même taux que la population. La réconciliation de l'épargne et de l'investissement est assurée par le biais de l'ajustement de l'épargne publique.

Maquette de microsimulation

Dans une approche micro, nous faisons le choix de construire une maquette des effectifs d'occupés qui est reliée au MEGC. Cette maquette nous permet de simuler l'impact de la baisse potentielle de la demande étrangère des services touristiques sur la demande de travail et donc l'offre d'emplois. Cette maquette est construite en utilisant les données du 4ème trimestre de l'Enquête nationale sur l'emploi au Sénégal (ENES) de 2017 pour l'économie sénégalaise et le Questionnaire unifié des indicateurs de base du bien-être (QUIBB) de 2015 pour l'économie togolaise. Ces enquêtes permettent d'identifier la branche de l'activité principale exercée par l'individu.

Nous évaluons le poids des effectifs selon les segments du marché du travail, d'appartenance et les secteurs d'activité. Ainsi à partir des résultats de la simulation sur la demande de travail par type, obtenus à l'aide du MEGC, ces poids permettent d'évaluer l'effet du choc de la baisse potentielle de la demande étrangère des services touristiques sur la demande par type de segments et secteurs.

Après la simulation, nous obtenons les variations sur les volumes d'emplois par segment du marché du travail et secteurs. À l'aide des clés représentant le poids des effectifs dans les différents segments du marché du travail, la maquette permet de calculer les effectifs correspondants à la demande de travail par segment et secteur.

Le cadre comptable du modèle d'équilibre général calculable

Le cadre comptable du modèle d'équilibre général calculable est fourni par les matrices de comptabilité sociale des deux économies. Il s'agit pour le Sénégal de la matrice de comptabilité sociale de 2017 construite par le Laboratoire de recherches sur les institutions et la croissance de l'université Cheikh Anta DIOP de Dakar (LINC/UCAD) et l'Agence nationale de la statistique et de la démographie (ANSD). Pour le Togo, nous utilisons une matrice de comptabilité sociale de 2015 construite par Agbodji pour le compte du Ministère de l'économie et des finances. Nous avons effectué un travail d'uniformisation des formats de sorte à avoir les mêmes comptes pour les deux économies. À terme, nous distinguons quatre facteurs de production à savoir le marché du travail non qualifié, le marché du travail qualifié, le capital privé et le capital public. Les matricres de comptabilité sociale intègrent quatre unités institutionnelles que sont les ménages, les firmes, l'État et le reste du monde. Elles comprennent également onze secteurs d'activité et onze produits. La liste des secteurs et produits est fournie dans le tableau 1.

Tableau 1: Les secteurs et les biens/services de la matrice de comptabilité sociale

Code	***Branches***	***Produits (biens /services)***
Agri	Agriculture	Agricole
Elev	Élevage	Élevage
Pech	Pêche	Pêche
Agroalm	Agro-industrie[7]	Agroalimentaire
Autind	Autres industries[8]	Autres biens industriels
comrep	Commerce et réparation[9]	Commerce et réparation
tour	Tourisme	Tourisme
transp	Transport	Transport
telcom	Télécommunication	Télécommunication
Autserv	Autres services marchands[10]	Autres services marchands
Ntser	Services non marchands	Services non marchands

Source : construction des auteurs à partir des matrices de comptabilité sociale du Sénégal 2017 et du Togo 2015

La structure de ces économies révèle dans le tableau 2 une plus forte intensité du facteur travail par rapport au facteur capital. En effet, ce rapport est égal à 0,87 pour l'économie sénégalaise et de 0,79 pour l'économie togolaise. Cependant, l'économie sénégalaise à un fort taux de valeur ajoutée[11] (valeur ajoutée sur la production, 56,37 %) relativement plus élevé que celui du Togo (44 ,85 %). Ce qui traduit pour l'économie sénégalaise une proportion élevée de la valeur ajoutée par rapport à la consommation intermédiaire. Le secteur touristique de ces deux économies se caractérise par une prédominance de la consommation intermédiaire dans le processus de production. On note que le taux de valeur ajoutée du secteur du tourisme donne respectivement 27,03 %

7 Les comptes 10, 11 et 12 de la classification internationale type, par industrie, de toutes les branches d'activité économique (CITI Rév. 4).

8 Les comptes 5 à 9 puis 13 à 43 de la classification internationale type, par industrie, de toutes les branches d'activité économique (CITI Rév. 4).

9 Les comptes 45, 46 et 47 de la classification internationale type, par industrie, de toutes les branches d'activité économique (CITI Rév. 4).

10 Les comptes 49, 50, 52, 53, puis de 64 à 82 et de 90 à 99 de la classification internationale type, par industrie, de toutes les branches d'activité économique (CITI Rév. 4).

11 Le taux de valeur ajoutée est donné par le rapport entre la valeur ajoutée et la production. Il permet de capter le poids de la valeur par rapport à la consommation intermédiaire dans le processus de production.

pour le Sénégal et 10,42 % pour le Togo. Ce fait montre que le tourisme a une forte dépendance de la production des autres secteurs d'activité. On relève également qu'il a une contribution relativement faible à valeur ajoutée. Hormis les points de convergence que nous avons notés sur le taux de valeur ajoutée et la contribution à la valeur ajoutée, les secteurs du tourisme de ces deux économies se différentient par leur intensité factorielle. Le tourisme au Sénégal est intensif en facteur travail alors que le tourisme au Togo l'est en facteur capital.

Tableau 2: Contribution des secteurs à la formation de la valeur ajoutée et intensités factorielles

	Sénégal			***Togo***		
	VAi/VA*	**VA/XS***	**KDC/ LDC**	**VAi/VA***	**VA/XS***	**KDC/ LDC**
Agriculture	10,72	79,44	0,39	23,70	86,26	0,98
Élevage	4,22	74,04	0,59	3,59	71,35	0,96
Pêche	1,69	69,74	0,53	1,05	73,79	0,93
Agroalimentaire	8,74	38,56	1,77	2,59	15,85	1,18
Autres industries	16,80	35,86	1,45	15,02	24,65	0,89
Commerce et réparation	14,26	69,73	0,72	8,34	39,50	0,95
Tourisme	1,54	27,03	0,86	1,17	10,42	1,07
Transport	4,26	58,31	0,74	4,63	42,90	0,78
Télécommunication	5,17	55,99	4,06	6,90	48,06	0,83
Autres services marchands	20,97	75,44	0,88	16,40	55,66	0,93
Services non marchands	11,64	73,70	0,39	16,60	67,05	0,31
Ensemble	100	56,37	0,87	100	44,85	0,79

Source : auteurs à partir des matrices de comptabilité sociale du Sénégal 2017 et du Togo 2015
Note : VA symbolise la valeur ajoutée ; XS renvoie à la production ; l'indice i se désigne les secteurs

Le commerce international tient une place relativement importante dans ces deux économies. Le Sénégal exporte environ 14 % de sa production et importe 18 % de ses produits composites. Le secteur du tourisme sénégalais est le quatrième secteur qui exporte une partie importante de sa production. Il vient derrière la pêche, les autres industries et l'agro-industrie. L'exportation des services touristiques est égale à 5 % des exportations totales et 2 % des importations totales. Le Togo quant à lui exporte 16 % de sa production et 22 % de ses produits composites. Le secteur du tourisme exporte 28 %

de sa production. L'exportation des services touristiques représente 9 % des exportations totales et 1 % des importations totales (tableau 3).

Tableau 3: Structure des échanges extérieurs

	Sénégal				*Togo*			
	EX*/XS	**MI*/Q***	**EXi/EX**	**Mi/M**	**EX/XS**	**MI/Q**	**Exi/EX**	**Mi/M**
Agriculture	8,58	13,04	4,83	5,14	6,99	4,28	5,44	1,90
Élevage	0,06	5,30	0,01	0,81	0	9,73	0	0,84
Pêche	25,62	0,08	3,28	0,01	1,12	0,46	0,05	0,01
Agroalimentaire	21,11	22,53	19,01	15,95	26,68	33,81	12,37	12,95
Autres industries	24,05	36,68	46,56	68,25	31,54	44,84	54,42	76,71
Commerce et réparation	0	0	0	0	0	0,80	0	0,26
Tourisme	21,11	12,90	4,98	2,13	27,69	5,78	8,84	1,07
Transport	8,02	17,41	2,42	3,87	24,58	16,62	7,55	3,34
Télécommunication	15,49	5,05	5,91	1,23	4,45	0,87	1,77	0,19
Autres services marchands	11,32	3,60	13,00	2,61	10,32	5,10	9,57	2,73
Services non marchands	0	0	0	0	0	0	0	0
Ensemble	13,64	18,30	100	100	15,83	22,46	100	100

Source : auteurs à partir des matrices de comptabilité sociale du Sénégal 2017 et du Togo 2015
Note : EX symbolise l'exportation ; MI renvoie à l'importation ; Q signifie les produits composites ; l'indice i se désigne les biens et services

Simulations et résultats

Justification de la simulation

Comme de nombreux pays, le Sénégal et le Togo ont dû instaurer un état d'urgence pour juguler la propagation de la Covid-19. Cet état d'urgence a entrainé la fermeture des frontières aériennes et terrestres. De nombreuses autres mesures ont été prises et mises en œuvre. La limitation des déplacements des individus à l'intérieur du pays et la restriction sur les vols commerciaux de passager ont conduit l'OMT à estimer en Avril 2020 que les arrivées de touristes internationaux allaient baisser entre 20 % et 30 %. Les chiffres révisés des répercussions économiques de la Covid-19 montrent une baisse des arrivées de touristes internationaux de 74 % en 2020 par rapport à son niveau de 2019. Les projections de ces flux pour 2021 par rapport à son niveau

de 2019 renseignent une baisse d'environ 55 % pour le scénario optimiste et 67 % pour le scénario pessimiste.[12]

Pour évaluer l'effet d'une telle baisse, nous avons effectué respectivement deux séries de simulations couvrant une période de sept ans (2017 - 2023) pour le Sénégal et neuf pour le Togo (2015 - 2023). Pour ces deux économies, la première simulation (Sim 1) porte sur une baisse de 69 % et 55 % de la demande touristique étrangère respectivement en 2020 et 2021 par rapport au niveau des demandes de 2019[13]. La deuxième simulation du Sénégal diffère de celle du Togo. En l'absence d'information sur le montant total de la taxe spécifique sur le billet collectée au Togo, nous n'avons pas pu le mettre en évidence sur la matrice de comptabilité sociale de cette économie. À cet effet, nous avons simulé comme politique de relance une baisse de la TVA de 10 % en lieu et place de 18 %. Nous nous sommes inspirés d'une politique que l'État du Sénégal a élaborée en 2011 avec pour objectif de stimuler la demande touristique. Pour le Sénégal, la deuxième simulation consiste à contrôler la RDIA pour redynamiser la demande du secteur. L'idée originale de cette simulation est de baisser de 44 % la valeur d'imposition de la RDIA. Une telle réduction la ramènerait à sa valeur de départ de 30 euros. Étant donné que la RDIA agit à la fois comme une taxe à l'exportation qui grève les non-résidents et une taxe à l'importation pour les résidents, l'application sans contrôle d'une baisse de la RDIA ne produirait pas l'effet escompté. Ainsi, nous simulons trois variantes de cette baisse. La première variante (Sim 2a) applique une baisse généralisée de 44 % de la RDIA. La seconde variante (Sim 2b) n'applique de baisse qu'au profit des non-résidents. Nous retenons cette option pour favoriser la préférence nationale pour les résidents et en même temps avec la baisse de la RDIA à l'exportation pour attirer les touristes internationaux. La troisième variante (Sim 2c) préconise un gel généralisé de la RDIA. Les deuxièmes séries de simulation (Sim 2 pour le Togo et Sim 2a, Sim 2b et Sim 2c pour le Sénégal) intègrent également la Sim 1. Les résultats des simulations sont comparés à la situation de *référence Business as Usual* (statu quo).

12 https://www.unwto.org/international-tourism-and-covid-19

13 Les statistiques sur les flux touristiques indiquent une baisse de 69 % pour la région Afrique en 2020 et compte tenu de la bonne dynamique des programmes de vaccination, nous retenons le scénario optimiste pour la baisse de la demande touristique en 2021 (https://www.unwto.org/international-tourism-and-covid-19).

Résultats

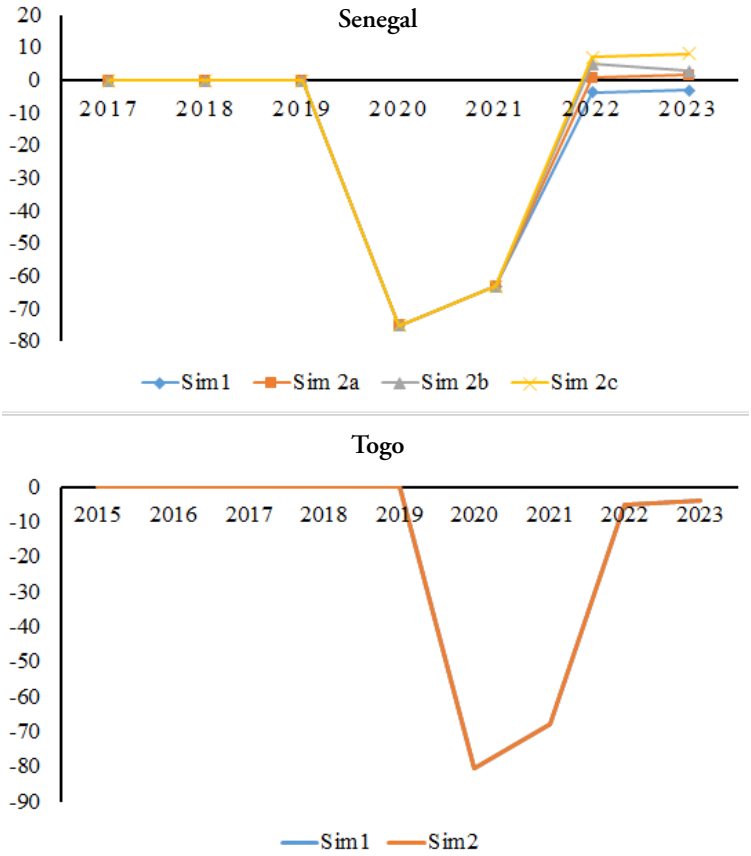
Pour faire ressortir l'incidence de la Covid-19 sur les économies sénégalaise et togolaise par le biais de la baisse de la demande étrangère des services touristiques, nous avons privilégié le canal de la production. Les tableaux 2 et 3 nous enseignent que le secteur du tourisme fait partie de ceux qui exportent une part relativement plus importante de leur production. Une production qui dégage moins de taux de valeur ajoutée donc, un secteur très dépendant de la production des autres branches.

Compte tenu du lien que le secteur du tourisme entretient avec le reste de l'économie à travers la matrice *input-output*, une baisse de la consommation des services touristiques affecterait également les autres secteurs selon l'intensité des liens interbranches. La distribution des revenus de facteurs dans le reste de l'économie peut donc être modifiée.

Effet sur la demande touristique

La figure 1 montre que la baisse de 69 % en 2020 et 55 % en 2021 de la demande étrangère induit une diminution de la demande d'exportation des services touristiques. En l'absence d'une bonne politique de relance, cette baisse perdure dans le temps. Par contre, nous constatons que les contrôles exercés sur la RDIA sont plus propices à la relance de l'exportation des services touristiques qu'à la réduction de la TVA. Il en ressort que le gel généralisé de la RDIA attirerait plus de touristes internationaux que les scénarios Sim 2b et Sim 2a.

Figure 1: Variation de la demande d'exportation des services touristiques (en % par rapport au scénario BAU)



Source : auteurs à partir des simulations (MEGC)

Effet sur la valeur ajoutée et le Produit intérieur brut (PIB)

D'après le tableau 2, la baisse de la demande étrangère résultant de la Covid-19 induit pour l'économie sénégalaise, à l'exception du secteur non marchand qui n'enregistre une baisse qu'en 2022, une diminution de la valeur ajoutée de l'ensemble des secteurs. La baisse est relativement importante pour le secteur du tourisme. En plus de ce secteur, ceux des autres industries, des autres services marchands, de la télécommunication, de l'agro-industrie et

de la pêche subissent également d'importante baisse de leur valeur ajoutée. Le scénario est quasi-identique pour l'économie togolaise.

Comme nous l'avons constaté avec la demande d'exportation des services touristiques, la baisse de la TVA sur les services touristiques au Togo influence peu le comportement des consommateurs et donc de la valeur ajoutée. La réduction de manière générale de la RDIA (Sim2a) pour l'économie sénégalaise ne facilite pas le retour de la valeur ajoutée pour le secteur du tourisme. Cependant, la baisse contrôlée de la RDIA (Sim2b) stimule positivement la demande étrangère au point où la variation de la valeur ajoutée du secteur du tourisme redevient positive. Ce phénomène s'explique par le fait que la baisse de la RDIA à l'importation conduira les résidents à s'orienter vers les marchés extérieurs. Ce comportement influera négativement sur le niveau de production du secteur du tourisme. Par contre, en baissant la RDIA pour les non-résidents, le marché touristique sénégalais redeviendrait compétitif sur la scène internationale et pourra donc attirer des touristes internationaux. Ce retour des touristes internationaux serait à la base de l'augmentation de la valeur ajoutée dans le scénario Sim2b. Certes la Sim 2c provoque une nette augmentation de la demande d'exportation que les deux autres mais elle est, celle qui provoque une baisse considérable la valeur ajoutée du secteur du tourisme au-delà de 2021. Avec le gel, les résidents vont plus s'orienter vers le marché extérieur.

À terme, le PIB du Sénégal va se rétracter de 0,90 point de pourcentage sans politique de relance. Avec le contrôle de la RDIA, la baisse du PIB serait de 0,93 point de pourcentage dans le scénario Sim 2a, de 0,87 point de pourcentage dans le scénario Sim 2b et de 0,99 point de pourcentage pour la Sim 2c. Au Togo, elle serait de 1,53 point de pourcentage avec ou sans politique de relance.

Tableau 4: Variation de la valeur ajoutée et du PIB (en % par rapport au scénario BAU)

	Agri	*Élev*	*Pêche*	*Agroalm*	*Autind*	*comrep*	*tour*	*transp*	*telcom*	*Autserv*	*Ntser*	*PIB_CF*
						Sénégal						
						Sim 1						
2020	-0,17	-0,59	-0,31	-0,35	-0,78	-0,53	-15,40	0,01	-0,84	-1,08	3,54	-0,91
2021	-0,65	-0,94	-0,87	-1,13	-2,11	-1,52	-14,18	-1,26	-1,61	-1,88	0,67	-1,78
2022	-0,64	-0,83	-1,00	-0,98	-1,57	-0,82	-1,65	-0,99	-1,19	-1,23	-0,19	-1,14
2023	-0,57	-0,83	-1,03	-0,81	-1,20	-0,48	-1,39	-0,58	-1,04	-1,01	0,86	-0,90
						Sim 2a						
2020	-0,17	-0,59	-0,31	-0,35	-0,78	-0,53	-15,40	0,01	-0,84	-1,08	3,54	-0,91
2021	-0,63	-0,96	-0,84	-1,07	-2,12	-1,52	-15,70	-1,18	-1,58	-1,86	0,88	-1,79
2022	-0,63	-0,87	-0,99	-0,97	-1,69	-0,88	-2,08	-0,99	-1,20	-1,27	-0,21	-1,19
2023	-0,56	-0,88	-1,02	-0,79	-1,29	-0,51	-1,81	-0,55	-1,04	-1,04	0,93	-0,93
						Sim 2b						
2020	-0,17	-0,59	-0,31	-0,35	-0,78	-0,53	-15,40	0,01	-0,84	-1,08	3,54	-0,91
2021	-0,64	-0,95	-0,86	-1,11	-2,13	-1,53	-14,18	-1,26	-1,61	-1,90	0,72	-1,79
2022	-0,61	-0,84	-1,00	-0,97	-1,65	-0,83	0,42	-1,00	-1,20	-1,27	-0,30	-1,13
2023	-0,55	-0,85	-1,03	-0,79	-1,23	-0,46	0,03	-0,57	-1,04	-1,03	0,87	-0,87

	Agri	*Élev*	*Pêche*	*Agroalm*	*Autind*	*comrep*	*tour*	*transp*	*telcom*	*Autserv*	*Ntser*	*PIB_CF*
						Sim 2c						
2020	-0,17	-0,59	-0,31	-0,35	-0,78	-0,53	-15,40	0,01	-0,84	-1,08	3,54	-0,91
2021	-0,60	-0,98	-0,80	-1,00	-2,13	-1,52	-17,86	-1,07	-1,54	-1,84	1,18	-1,81
2022	-0,62	-0,92	-0,97	-0,95	-1,87	-0,97	-2,64	-0,99	-1,22	-1,34	-0,24	-1,27
2023	-0,55	-0,96	-1,01	-0,75	-1,44	-0,56	-2,34	-0,51	-1,05	-1,09	1,03	-0,99
						Togo						
						Sim1						
2020	-0,45	-0,05	-2,20	0,10	-3,01	-2,23	-23,83	-1,35	-2,78	-2,53	6,69	-2,06
2021	-1,21	-0,90	-3,50	-2,32	-6,24	-4,25	-21,41	-5,35	-4,99	-4,44	0,22	-3,91
2022	-1,44	-1,26	-2,39	-2,28	-3,58	-2,05	-2,67	-3,23	-2,46	-2,33	-1,72	-2,28
2023	-1,43	-1,15	-1,77	-1,33	-2,16	-1,11	-2,36	-1,32	-1,42	-1,49	1,43	-1,53
						Sim2						
2020	-0,45	-0,05	-2,19	0,10	-3,01	-2,22	-23,77	-1,34	-2,77	-2,52	6,69	-2,05
2021	-1,21	-0,90	-3,49	-2,32	-6,25	-4,24	-21,35	-5,35	-4,98	-4,44	0,22	-3,90
2022	-1,44	-1,26	-2,38	-2,28	-3,59	-2,05	-2,60	-3,22	-2,45	-2,32	-1,72	-2,28
2023	-1,42	-1,15	-1,76	-1,33	-2,18	-1,11	-2,29	-1,32	-1,41	-1,49	1,43	-1,53

Source : auteurs à partir des simulations (MEGC)

Effet sur le revenu des facteurs

L'analyse du tableau 5 nous révèle que, la contraction de la valeur ajoutée des secteurs marchands relativement plus intensifs en facteur travail se traduit par une diminution de la demande de travail et donc une baisse du taux de salaire pour le segment du travail non qualifié sur l'ensemble des périodes et le segment du travail qualifié en 2020 et 2023. Le segment du travail qualifié est calibré de sorte à prendre en compte la rigidité du salaire. La Covid-19 ayant entrainé la baisse de l'activité économique et la demande du travail, le facteur capital se retrouverait sous-utilisé d'où une baisse de son rendement.

Tableau 5: Variation du taux de salaire et du taux de rendement du capital (en % par rapport au scénario BAU)

	Travail qualifié	*Travail non qualifié*	*Capital privé*	*Capital public*
		Sénégal		
		Sim1		
2020	-3,97	-5,792	-6,482	-4,786
2021	0,049	-4,118	-4,576	-3,111
2022	0,64	-1,693	-1,453	-0,928
2023	-0,845	-2,243	-1,881	-1,324
		Sim 2a		
2020	-3,97	-5,792	-6,482	-4,786
2021	-0,157	-4,292	-4,761	-3,233
2022	0,743	-1,682	-1,425	-0,878
2023	-0,878	-2,282	-1,878	-1,297
		Sim 2b		
2020	-3,97	-5,792	-6,482	-4,786
2021	0,002	-4,183	-4,645	-3,159
2022	0,778	-1,544	-1,272	-0,795
2023	-0,868	-2,187	-1,789	-1,259
		Sim 2c		
2020	-3,97	-5,792	-6,482	-4,786
2021	-0,46	-4,552	-5,039	-3,417
2022	0,889	-1,681	-1,398	-0,814
2023	-0,927	-2,353	-1,882	-1,262

	Travail qualifié	*Travail non qualifié*	*Capital privé*	*Capital public*
		Togo		
		Sim1		
2020	-7,895	-13,79	-14,02	-10,144
2021	-0,439	-10,39	-9,36	-5,942
2022	1,801	-2,62	-0,471	0,161
2023	-1,891	-4,122	-2,086	-1,39
		Sim2		
2020	-7,897	-13,78	-14,01	-10,13
2021	-0,433	-10,37	-9,336	-5,924
2022	1,806	-2,602	-0,444	0,182
2023	-1,885	-4,104	-2,058	-1,368

Source : auteurs à partir des simulations (MEGC)

Effet sur la demande du travail

À partir des résultats obtenus de la maquette de microsimulation, la baisse de la demande étrangère des services touristiques résultant de la Covid-19 induirait une suppression de près de 8 739 emplois au Sénégal contre 5 777 au Togo. Au Sénégal, le segment du travail qualifié serait le plus affecté contrairement au segment du travail non qualifié au Togo (tableau 6). Par ailleurs, le segment des qualifiés enregistrerait une création nette d'emploi.

Tableau 6: Évolution de la demande du travail par qualification (à l'unité)

	Sénégal	***Togo***
Travail qualifié	-4 946	695
Travail non qualifié	-3 793	-6 473
Total	-8 739	-5 777

Source : auteurs à partir de la maquette de microsimulation

Ce sont les secteurs du service non marchand, de l'agriculture, du commerce et réparation et des autres industries qui libèreraient le plus d'emploi pour le Sénégal. Au Togo, l'essentiel des pertes d'emploi serait à mettre à l'actif de l'agriculture et du commerce et réparation. La baisse de la demande du

travail dans le secteur du tourisme serait de 262 emplois pour le Sénégal et de 60 emplois pour le Togo (tableau 7).

Tableau 7: Évolution de la demande du travail par secteur (à l'unité)

	Sénégal	***Togo***
Agriculture	-1 997	-4 601
Élevage	-277	-106
Pêche	-85	-10
Agroalimentaire	-196	-144
Autres industries	-1 008	-158
Commerce et réparation	-1 584	-634
Tourisme	-262	-60
Transport	-323	-13
Télécommunication	-125	1
Autres services marchands	-269	-75
Services non marchands	-2 614	22
Total	-8 739	-5 777

Source : auteurs à partir de la maquette de microsimulation

Conclusion

Dans le cadre de cette recherche, nous avons quantifié l'effet de la baisse potentielle de la demande étrangère des services touristiques résultant de la Covid-19 sur les économies sénégalaise et togolaise. Nous avons ensuite mesuré la portée de quelques politiques contracycliques telles la baisse de 44 % ou le gel de la RDIA sur les billets pour le Sénégal et l'application d'une TVA de 10 % sur les services touristiques au Togo. Les matrice de comptabilité sociale de 2017 pour le Sénégal et de 2015 pour le Togo ont servi de cadre analytique pour l'évaluation de ces impacts. Dans la matrice de comptabilité sociale du Sénégal et compte tenu de la disponibilité de l'information, la valeur de la RDIA a été mise en exergue. Par ailleurs, nous avons procédé à l'extension du modèle d'équilibre général calculable dynamique développé par Decaluwé et al. (2013). La principale extension du modèle se rapporte à l'introduction d'une surtaxe. Nous avons développé, dans une optique descendante, une maquette d'effectifs occupés. Cette maquette est reliée au

MEGC et permet de calculer les effectifs correspondants à la demande de travail par segment et secteurs.

Globalement, nous avons noté qu'une baisse de 69 % de la demande étrangère des services touristiques en 2020 et de 55 % en 2021 par rapport au niveau de la demande en 2019 influe négativement sur l'ensemble des secteurs marchands. Cette incidence est plus prononcée pour les secteurs des autres industries, des autres services marchands, de la télécommunication, de l'agro-industrie et de la pêche. Les résultats montrent que l'élaboration et la mise en œuvre de la politique d'incitation fiscale telle la baisse de la RDIA favorise la relance de la demande étrangère des services touristiques. Des trois variantes de l'application de la RDIA, il ressort que seule la baisse de la RDIA pour les touristes non-résidents promeut à la fois la relance de la demande internationale et une hausse de la valeur ajoutée du secteur du tourisme. La réduction de la TVA influence peu la demande et l'activité économique. Des deux politiques d'incitations fiscales envisagées, nous avons remarqué que la réduction contrôlée de la RDIA redynamise le secteur du tourisme.

En conséquence, seule la réduction de la RDIA au profit des touristes non-résidents permettrait de relancer la demande étrangère des services touristiques et la valeur ajoutée du secteur du tourisme. Nous retenons également que toutes politiques qui inciteraient les touristes domestiques (résidents) à préférer la consommation de services touristiques intérieurs redynamiseraient l'activité du secteur du tourisme.

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Effects of coronavirus disease on tourism business and employment in eight selected operators in Victoria Falls, Zimbabwe

Moment Bhebhe

Abstract

The global proliferation of the coronavirus disease (COVID-19) pandemic has been unprecedented, with far-reaching implications for the world. As nations began to grapple with its untold effects in March 2020, global tourism succumbed to an unusual and implausible new reality. Most parts of the world, including Zimbabwe, imposed international and domestic travel bans and restrictions in order to prevent the spread of the virus, believed to have originated in China in December 2019. Victoria Falls, top tourism resort in Zimbabwe, submitted to the inevitable. The present paper explores the effects of COVID-19 on the tourism business and employment in Victoria Falls, using selected tourism operators. The impacts of a pandemic are never universal and should be studied in particular contexts. The findings reveal that the COVID-19 lockdown measures imposed by the Government of Zimbabwe more than a year ago heralded the worst performance of the sector. Operating capacities reduced to inconceivable levels and constrained the capacity operators to honour statutory obligations and maintain commitment to corporate social responsibilities. The requirement for operators to equip themselves with COVID-19 health-care supplies – an unforeseen expense – exacerbated business vulnerability. As business uncertainty remained high, and to save businesses, operators were forced to implement labour cost reduction measures such as job cuts, reduced working hours, unpaid leave and reduced salaries. Effective containment of the COVID-19 pandemic will significantly alleviate the distress experienced by the tourism industry.

Keywords: COVID-19, tourism, tourism operators, Victoria Falls, Zimbabwe.

Résumé

La prolifération mondiale de la pandémie de coronavirus (COVID-19) a été sans précédent, avec des conséquences d'une portée considérable pour le monde entier. Alors que les nations commençaient à se débattre avec les effets incalculables de la pandémie en mars 2020, le tourisme mondial a succombé à une nouvelle réalité inhabituelle et invraisemblable. La plupart des régions du monde, y compris le Zimbabwe, ont imposé des interdictions et des restrictions de voyage internationales et nationales afin d'empêcher la propagation du virus, qui serait né en Chine en décembre 2019. Victoria Falls, première destination touristique du Zimbabwe, s'est soumise à l'inévitable. L'auteur du présent article explore les effets de COVID-19 sur l'activité touristique et l'emploi à Victoria Falls, en utilisant l'expérience de certains opérateurs touristiques du lieu. Les effets d'une pandémie ne sont jamais universels et doivent être étudiés en tenant compte des contextes particuliers. Les résultats révèlent que les mesures de confinement dues au COVID-19 imposées par le Gouvernement zimbabwéen il y a plus d'un an étaient annonciatrices de la pire performance du secteur. Les capacités d'exploitation ont été réduites à des niveaux inconcevables et ont limité la capacité des opérateurs à honorer leurs obligations statutaires et leur engagement en matière de responsabilité sociale des entreprises. L'obligation pour les opérateurs de s'équiper en matériel de soins de santé COVID-19 - une dépense imprévue - a exacerbé la vulnérabilité des entreprises. Comme l'incertitude entourant l'activité économique est restée élevée, et pour sauver leurs entreprises, les opérateurs ont été contraints de mettre en œuvre des mesures de réduction du coût de la main-d'œuvre telles que les suppressions d'emplois, la réduction des heures de travail, les congés sans solde et les réductions de salaires. L'endiguement effectif de la pandémie de COVID-19 atténuera considérablement la détresse de l'industrie du tourisme.

Mots clefs : COVID-19, tourisme, opérateurs touristiques, Victoria Falls, Zimbabwe.

Introduction

The COVID-19 pandemic has impacted every facet of socioeconomic life, including business and employment (Mahy, 2020; ILO, 2020). The novel coronavirus is believed to have originated in China in December 2019 (Gómez and others, 2020). It is novel, uncertain, disruptive, risky and unprecedented (Yeganeh, 2021). In early March 2020, the World Health Organization declared COVID-19 a global pandemic. As a consequence, most countries imposed various measures aimed at preventing the spread of the virus and loss of life (Wong, Cheung and Chen, 2021). At about the same time, the Government of Zimbabwe announced a national lockdown. More than 16 months after the first lockdown, the Government has alternated between strict and relaxed lockdown measures, in an attempt to allow the economy to continue to run, and to save lives threatened by poverty-related situations. Zimbabwe is a low-income, developing country (Manyati and Mutsau, 2021), plagued by decades of financial distress.

By 9 July 2021, global COVID-19 cases were spiralling towards 200 million, with a death toll in excess of four million, while in Zimbabwe infections had exceeded 60,000 and the death toll was over 2,000 (Worldometer). The recently developed COVID-19 vaccines are likely to help curb the spread of the virus and reduce loss of life, but total eradication of the virus is unlikely. The pandemic has resulted in a significant transformation of business and employment across all sectors of the global economy, including in Zimbabwe (Manyati and Mutsau, 2021; Yeganeh, 2021). The effects of the pandemic on business and employment include disrupted supply chains, intensification of virtual working arrangements through digital technologies, and the introduction of cost containment measures to save businesses, such as job cuts (Amoah and Simpeh, 2021; Lee, 2021). Tourism remains the most affected sector as a result of the partial or complete ban on international travel and restricted domestic movement in many countries (UNWTO, 2020; Matli, 2020; Nientied and Shutina, 2020; Samarathunga, 2020). For example, Baum and Hai (2020) found that tourism operations in several countries closed down almost completely and employees lost jobs. In early May 2020, the Permanent Secretary in the Zimbabwe Ministry of Environment, Climate Change, Tourism and Hospitality Industry was quoted by the national broadcaster, Zimbabwe Broadcasting Corporation, as saying that the operating capacity for the tourism and hospitality industry was below 5 per

cent. Over 70 per cent of tourism earnings are generated by international tourists. Yet the world remains closed by the pandemic, with little prospect of an immediate revival of tourism (Gössling, Scott and Hall, 2020).

Despite the unprecedented effects of the pandemic, it is projected that the war against the COVID-19 will be won and that there will be a tourism renaissance in its aftermath. The World Tourism Organization (UNWTO, 2020) predicts restoration and growth potential for the industry. Such a re-emergence is predicated on a digital revolution of destinations, companies and staff; the promotion of domestic tourism; care for the environment, health and quality of life; and the development of joint tourism actions (Buheji 2020, Nientied and Shutina 2020; Samarathunga 2020; UNWTO 2020). Changes in economic and social behaviour, including long-term social distancing, will also affect tourism (Baum and Hai 2020).

The novelty of the COVID-19 pandemic means there is a compelling need to gather research evidence from the perspective of business and social sciences (Yeganeh, 2021). In particular, the changes resulting from the pandemic on the world of work and business need to be examined (Matli, 2020). The impact of the pandemic differs in different sectors (Perles-Ribes and others, 2021). This paper looks at the tourism sector from a business and social science perspective in order to fully understand the consequences of COVID-19 on business and employment. It attempts to:

(a) fully comprehend the implications of the COVID-19 pandemic in terms of business and employment for selected tourism operators in Victoria Falls, and

(b) offer recommendations as to how the tourism business and its handling of employment could be improved in light of the pandemic.

Literature review

Global tourism business: from splendour to abrupt misfortune

In recent decades, the global tourism and hospitality industry has expanded rapidly. It is a major contributor to both economic development and job creation, contributing 30 per cent of global exports of services in 2019,

while global employment in the sector has risen by 11 per cent since 2010 (UNWTO, 2020). According to the World Travel and Tourism Council (WTTC), the tourism industry supports 330 million jobs globally and contributes 10.3 per cent of global GDP. By 2019, annual international tourist arrivals at the global level had totalled 1.5 billion tourists (with Africa contributing 71 million), while tourism exports stood at US$1.6 trillion, and one in every 10 persons was employed in tourism-related jobs (*Tourism Trends and Statistics Report*, 2019). By late 2020, a year after the advent of the COVID-19 pandemic, global tourism had been severely impacted. The World Tourism Organization (2020) declared the worst tourism performance since the 1950s, with international tourism revenue losing US$320 billion as at May 2020, and approximately 100 million tourism jobs shed. Annual international tourist arrivals fell from 1.4 billion in 2019 to about 381 million in 2020, with the African region receiving only half a million visitors (*Tourism Trends and Statistics Report*, 2020). The same report reveals that global tourism revenue declined by US$1.3 trillion, as planned international travel had decreased by almost 90 per cent as a result of measures taken to contain the spread of the virus in most countries. The effects on global tourism were unprecedented, tourism being the sector worst hit (OECD, 2020; Gössling, Scott and Hall, 2020; Baum and Hai, 2020).

Tourism employment: perpetually enveloped in precarity

The success of global tourism until late 2019 is well-documented, although its employment landscape has long been a subject of major concern. In 2010, the International Labour Organization (ILO) noted the gloomy situation faced by the tourism workforce in most of the world's economies and called for decent working conditions in the industry. A recent study by Baum and others (2020) established that employment in the tourism sector had long been characterized by vulnerability and exploitation of workers: uncertain work contracts, low status jobs, long working hours, paltry wages, lack of meaningful career advancement opportunities, inadequate health benefits provision and poor employment protection (Robinson and others, 2019; Casado-Diaz and Simon, 2016; Ružić, 2015; ILO, 2010). In particular, it was found that in many parts of the world, tourism workers earned less than the average for all industries (Robinson and others, 2019). Low job satisfaction and poor work quality typify tourism employment (Ismail and others, 2019). These negative features have existed for years and, despite the significant role

played by tourism employees in customer service (Ružić, 2015), they remain (Aslam and others, 2018). As global tourism plunged by 74 per cent in 2020 (*Tourism Trends and Statistics Report*, 2020), over 100 million employees lost their jobs (UNWTO, 2020) as one of the measures implemented by tourism employers to save businesses in the sector. According to Baum and others (2020), the COVID-19 pandemic has amplified the disadvantages, precarity and exploitation that has long existed in tourism employment. They argue that the COVID-19 crisis has hit tourism employees the most. Their situation is one of chronic precarity and the pandemic crisis is likely to deepen this sad reality.

Tourism business and employment in Zimbabwe

Njerekai, Wushe and Basera (2018) established that tourism, a significant pillar of the Zimbabwean economy, generates almost 10 per cent of GDP. It is a major source of foreign currency for the country and, like agriculture and mining, a significant industry in the national economy (Bhebhe, 2020; Makoni and Chikobvu, 2018). The Zimbabwean tourism industry consists of several operators in hotel, lodge, safari, travel and tour businesses, and in conservation and natural resource preservation (Ncube and Oni, 2020). For several years, tourism has faced many challenges, the most significant being a poor country image, liquidity problems associated with a generally weak national economic performance, poor infrastructure and the high cost of doing business (Ncube and Oni, 2020; Confederation of Zimbabwe Industries, 2018). This mirrors the general economic turmoil of the country, in which virtually all sectors operate in distress (Hungwe 2020; Mubanga and Njerekai, 2020; Mkandatsama and Nyanhete, 2017). Nonetheless, statistics reveal that, until 2019, tourism generated around US$ 1 billion annually, and remained a significant source of foreign currency for the nation's coffers. Table 1 below shows the tourism receipts generated by international and domestic tourism between 2016 and 2020.

Table 1: Zimbabwe tourism earnings (in US$ billion)

Year ending	*International receipts*	*Domestic receipts*	*Total earnings*
2016	Data not available	Data not available	0.819
2017	Data not available	Data not available	0.917
2018	1.051	0.335	1.386
2019	0.868	0.379	1.247
2020	Data not available	Data not available	0.359

Source: Tourism Trends and Statistics Reports 2016–2020, Zimbabwe Tourism Authority (ZTA)

Between 2016 and 2019, foreign currency earnings from tourism contributed more than 7 per cent annually to GDP (*Tourism Trends and Statistics Report*, 2020). The tourism business has performed relatively well, as is evidenced by the revenue generated, and international tourism has consistently contributed the bulk of total earnings. An average of about 500,000 tourists visit the country's resorts each year, the major source markets including France, the United Kingdom, Germany, Italy, Spain, Switzerland, Canada, Brazil, the USA, China, India, Japan, Israel, South Korea, Ireland, Singapore Australia, New Zealand, Botswana, Mozambique, South Africa and Zambia (*Tourism Trends and Statistics Report*, 2019).

Tourism employment has been central to the service chain for businesses in Zimbabwe. The Tourism Trends and Statistics Report (2019) indicates that the contribution of tourism to employment in the country rose from 4.4 per cent in 2017 to 5.2 per cent in 2018. As world travel restrictions intensified in response to the COVID-19 pandemic, tourism in the country took a dip. While tourist arrivals had been above 2 million per year in previous years, in 2020 a mere 640,000 tourists visited the country's resorts, generating only US$359 million in tourist receipts (Zimbabwe Tourism Authority, 2020). The report further indicates that this performance was the worst in three decades. Against this background, employment in the tourism sector plummeted in 2020. With employment patterns changing, employee vulnerability was exacerbated in the tourism sector (Ncube and Oni, 2020). A report based on a national survey by the Zimbabwe National Chamber of Commerce (2020) attested the severe impact of the pandemic on the tourism industry, including a 25 per cent loss of formal permanent jobs and a 75 per cent loss of formal temporary jobs.

Positioning the study in Victoria Falls

Tourism in Zimbabwe is driven by several major attractions, such as Lake Kariba, the Chinhoyi Caves, Gonarezhou National Park, Hwange National Park and Great Zimbabwe. The Victoria Falls Rainforest is the greatest attraction, however (Makoni and Chikobvu, 2018), and its tourism capital is the City of Victoria Falls, which has a population of over 30,000. Its main tourist activities include visiting the Falls themselves, bungee jumping, game drives, boat and helicopter rides, cultural activities and walking trails. It accounts for over 68 per cent of tourism receipts over the past decade (Zimbabwe Tourism Authority, 2019). International tourism arrivals to Victoria Falls have consistently exceeded 70 per cent, with domestic travel at just under 30 per cent (Zimbabwe Tourism Authority website). Tourism in Victoria Falls reportedly attracted over US$500 million in investment between 2017 and early 2020 (*The Herald*, 2020). In 2019, the Government of Zimbabwe designated the Victoria Falls one of the three main special economic zones (SEZ) to spearhead the economic recovery of the country.

Until late 2019, tourism operators in the resort town experienced a business boom, with hotel occupancy usually over 70 per cent, and revenue in most tourism organizations surpassing records achieved more than two decades previously (*The Herald*, 2020). Tourism jobs accounted for about 85 per cent of all employment in the town (*The Herald*, 2020). As tourism suffered the effects of measures to curb the spread of COVID-19, however, the city of Victoria Falls resembled a ghost town, as both international and domestic travel was banned for most of 2020.

Methodology

Selected publications, media content and policy documents were reviewed to gain an understanding of COVID-19 issues, the tourism business and employment. The empirical enquiry followed a qualitative, case-study approach, which, according to Neuman (2014), aims to examine an issue that is little investigated. Baum and Hai (2020) argue that there is a need for more empirical research on the COVID-19 pandemic and the tourism industry. Victoria Falls is the prime tourism hub of Zimbabwe and life and business in the town revolve around tourism. For these reasons, the study focused on tourism in the resort City of Victoria Falls.

Eight tourism operators were identified, and two participants were selected from each, representing human resources management and operations management. The eight tourism businesses were: three hotels, three safari companies and two travel and tour agencies. All are large organizations operating in the resort town, and the researcher used his own judgement to select them. Hotels, safari companies and travel and tour agencies are the major tourism operators in Victoria Falls and aim to deliver packages that offer great customer service experiences to tourists. A total of eight human resources participants and eight operations management participants took part in the study. In addition, four key informants involved in the tourism business at the industry level were identified, giving a total sample size of 20. Maunganidze (2020) states that study objectives rather than numbers should determine sample size to obtain rich data. Table 2 summarizes the profiles of the participants.

Table 2: Participant profiles

Participant	*Tourism operator type*	*Gender*	*Position*	*Qualification level*	*Tourism industry experience*
P1	Hotel	Female	Human resources manager	Bachelor's degree	8 years
P2	Hotel	Male	Rooms manager	Executive diploma	15 years
P3	Safari	Male	Human resources specialist	Diploma	10 years
P4	Safari	Male	General manager	Master's degree	3 years
P5	Hotel	Male	Reservations officer	Diploma	12 years
P6	Hotel	Male	Human resources officer	Bachelor's degree	14 months
P7	Travel and tours	Male	Operations manager	Bachelor's degree	18 years
P8	Travel and tours	Male	Human resources manager	Bachelor's degree	14 years
P9	Safari	Female	Human resources manager	Bachelor's degree	7 years
P10	Safari	Male	Assistant operations manager	Master's degree	23 months
P11	Hotel	Female	Area manager	Bachelor's degree	15 years
P12	Hotel	Female	Human resources manager	Bachelor's degree	18 years
P13	Safari	Male	Operations assistant	Bachelor's degree	4 years
P14	Safari	Male	Human resources administrator	Bachelor's degree	6 years

Participant	*Tourism operator type*	*Gender*	*Position*	*Qualification level*	*Tourism industry experience*
P15	Travel and tours	Female	Finance officer	Master's degree	12 years
P16	Travel and tours	Female	Administration officer	Master's degree	5 years
P17	CEAZ	Male	Representative	Bachelor's degree	14 years
P18	EATSO	Male	Representative	Bachelor's degree	18 years
P19	ZCHWU	Male	Representative	Diploma	10 years
P20	TCWU	Male	Representative	Pursuing Bachelor's degree	8 years

Of the 20 participants, 14 were male and 6 female. The majority were in possession of a bachelor's degree as the minimum qualification and had extensive experience in the tourism industry. Two key informants represented the Catering Employers Association of Zimbabwe (CEAZ) and the Employers' Association of Tourism and Safari Operators (EATSO), employer associations in the industry. Two other key informants represented trade union organizations: the Zimbabwe Catering and Hotel Workers Union (ZCHWU) and the Tourism and Conservation Workers Union (TCWU).

The researcher gained the consent of all the participants who took part in this study. Other than the two trade union key informants, the study excluded tourism shopfloor employees because of access constraints resulting from COVID-19 lockdown restrictions. Generally, the findings reported are based on management insights of tourism operators in the City of Victoria Falls. Non-directive, open-ended questions were used during Zoom and telephone interviews. On average, each interview lasted between 20 and 30 minutes. Non-directive questions, beginning with how, what or why questions enabled the study participants to express wide-ranging views on the topic (Maunganidze, 2020).

Trustworthiness concerns how well-founded and meaningful study conclusions are (Edwards, 2019). To enhance trustworthiness, 16 participants were selected from different tourism operators plus four key informants from the tourism industry at Victoria Falls subsector level. In addition, findings are reported verbatim. Data was analysed thematically, a widespread approach in qualitative studies. Nowell and others (2017) consider this approach

significant in creating sensitive, insightful, rich, and trustworthy findings. The prime objective of the research was to understand the implications of the COVID-19 pandemic for business and employment in selected tourism operators in Victoria Falls. Bearing in mind the context of the pandemic, recommendations are made for improving the tourism business and the handling of employment matters.

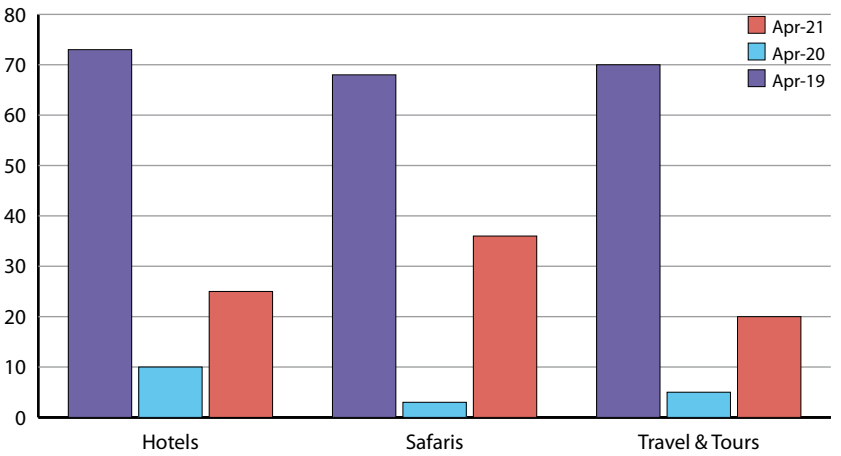
Findings

COVID-19 has been a tragedy for tourism operators

Reduced operational capacity

The study established that the operating capacities of all eight organizations were drastically reduced by the sudden loss of business as countries introduced international and domestic travel restrictions. The changes were described as inevitable and necessary to help curb the spread of the COVID-19 pandemic. Most participants said that by mid-April 2020 their businesses had become non-operational. The figure below shows average operating capacities in three different years at the same period for the eight operators, grouped into three tourism subsectors: hotels, safaris and travel and tours.

Operator business capacities



Source: Field research

As shown by the figure, in April 2019, operating capacities averaged approximately 70 per cent across operators in all three subsectors. In April 2020, one month after the country introduced a national lockdown, tourism capacities across all the subsectors plummeted to below 10 per cent. A partial relaxation of the national lockdown measures allowing for the resumption of tourism during the last quarter of 2020 resulted in a marginal improvement, with average tourism capacities slightly above 20 per cent across the subsectors. P5 remarked:

> The hotel is empty, from an average of 85 per cent occupancy to almost nothing. All bookings were immediately cancelled following the Government ban on travel.

P15 echoed:

> Restrictions placed on travel and stay-at-home orders were necessary but have led to empty coffers for most of the operators in town.

Participants indicated that many operators had recently made investments by refurbishing their businesses to improve brand visibility with the advent of increased competition among operators in the town. Given the uncertainties associated with the pandemic, they expressed fears that the returns on investment would not be as immediate as envisaged. P18 had this to say:

> The pandemic is devastating for our industry. Just recently, we celebrated the best tourism performance growth in many years as an industry. Investments in the city and the country have been impressive. Our recently revamped international airport had begun to witness increased volumes in airline and flight arrivals, with several establishments around the town, such as Shearwater, Ilala lodge, RTG and Zambezi Island, sprucing up their businesses in anticipation of a tourism boom, especially as the Government now sees tourism as a strategic industry and Victoria Falls as a destination of choice. 2020 could not have given us a worst tourism performance.

It was established that tourist arrivals to the Rainforest fell by about 70 per cent as international tourists, who form the bulk of the market for Victoria Falls, could no longer travel. As a result, hotels and travel operators experienced negative growth in business. Participants also said that domestic leisure in the country was depressed even before the pandemic. P19 commented:

> The Victoria Falls relies mainly on international clients and a smaller fraction of locals. The poor domestic performance is attributed to the perceived high cost of leisure activities, particularly in this town, and several other factors such as the challenging economic environment that makes it quite a challenge for the few wage-earners to engage in leisure. While we appreciate the Government's effort to revive our industry on the back of domestic tourism, it would be difficult for operators in this town to ride on it. Our hope is that vaccination programmes will enable tourism to function fully so we can recapture our markets.

Constrained ability to honour statutory obligations and corporate social responsibility initiatives

Participants indicated the inability of their organizations to meet statutory obligations imposed by both the Government and the local authority. They attributed this to the negative impact of the pandemic lockdown, particularly the depletion in financial resources resulting from prolonged inactivity of the tourism sector. The statutory commitments referred to include renewal of operating licences, pension contributions, corporate tax payments, industry levies and municipality bills. Seven of the eight operators stated that their companies were in arrears and had little hope of clearing their debts. P17 and P18, both of whom represent employer associations in the travel industry, said such challenges were widespread in tourism organizations in the town. One emphasized:

> Tourism is the mainstay of Victoria Falls, and municipality revenue is largely dependent on our industry. With over 90 per cent of business lost, and most operators engaged in cost alignment measures, the capacity to pay statutory obligations is weak. Discussions among operators to seek tax breaks and

> Government assistance are ongoing. In 2018, tourism revenue for Victoria Falls increased by about 20 per cent, marked by a 25 per cent increase in hotel occupancy and high demand for tourism activities, exceeding records achieved in the early 1990s. This meant that investments escalated and revenue generation for the municipality also increased. The ability of tourism operators to meet legal obligations was not in doubt. Unfortunately, we are back at the stage where the challenge facing most businesses is to honour their obligations, a year after the COVID-19 virus ravaged our industry.

Participants were alarmed that, while companies were struggling to keep afloat, rates and levies continued to increase. They pointed out the unreasonable attitude of some authorities in demanding timely settlement of bills and statutory commitments at a time when tourism was at its lowest point.

The study found that many tourism operators had committed their businesses to diverse corporate social responsibility initiatives in and around Victoria Falls aimed at giving back to and developing local communities. Such commitments included infrastructure development, offering educational scholarships, refurbishing and supporting homes for the elderly and disadvantaged children, sponsoring sports programmes, and business mentoring. They affirmed continued support for these initiatives, but had reservations about how much support they could actually give. P7, an operations manager in a leading travel and tours operator stated:

> My organization is involved in several community development projects to help improve the social and economic position for the locals. We pay fees for several students at three primary and two secondary schools located in Victoria Falls and in the outskirts. We have also contributed to road maintenance programmes initiated by the municipality, among other social improvement activities. We will continue to pay fees for the children but have temporarily pulled out of other initiatives until business normalcy returns.

Unbudgeted expenses

The COVID-19 health crisis prompted tourism operators to adopt new protocols in an attempt to prevent the spread of the virus among staff and clients. Participants pointed out several measures that their organizations had to implement. These included regular temperature screening for staff and clients, provision of disinfectants, constant sanitization of amenities, continuous education and training of staff in identifying and curbing the spread of health risks such as the COVID-19 virus. When some employees contracted the virus, participants stated that employers carried the burden of facilitating medical supplies on behalf of their employees. In addition, facilitating the testing and vaccination of employees was identified as onerous for employees to bear on their own. All these initiatives were identified as necessary but unbudgeted expenses. Operators never anticipated or planned for these protocols, which came at a cost. P2, a rooms manager at a hotel, had this to say:

> As a way of prioritizing the health of our guests and workers, we have equipped our hotel clinic with access to oxygen facilities, adequate supplies to enable regular blood pressure monitoring and basic health care check-ups. We have increased the number of on-call emergency doctors, regularly sanitized our clinic, and introduced entrance screening and COVID-19 testing facilities. These have cost us a lot but are fundamental to the future of our business and the entire tourism industry.

While applauding efforts by many tourism operators to introduce measures to secure a healthy tourism environment, a majority of the participants appealed for Government support to acquire health supplies at affordable cost. More specifically, they called for special subsidies for resource mobilization. This was identified as significant to a campaign dubbed "We are the Victoria Falls", aimed at revitalizing tourism fortunes in the town, and smartening initiatives for the Victoria Falls Tourism Hub, a key special economic zone aimed at reviving the nation's economic prospects.

Business uncertainty

Nearly two years since the novel coronavirus emerged in China in December 2019, the world is still grappling with its devastating effects, but controlling

its spread remains a key challenge for governments. Operators expressed fears about the seemingly unending nature of the pandemic. The participants believed that the effective functioning of tourism was dependent on the likelihood of controlling the spread of the virus. They reflected on the evolving nature of the variant strains of COVID-19 and the continued escalation of death rates and cases around the globe. They saw the situation as an alarming one that would have dire consequences for tourism as it meant that travel and tourism, particularly at the international level, would not return soon. Participants expressed a high degree of uncertainty, P10, an assistant operations manager at a safari company stating:

> If the situation persists, many operators in Victoria Falls and around the country will be left with little option but to close their businesses, especially those that had just come into existence as a result of the boom that tourism in the town had begun to experience.

Participants called upon world leaders and private sector organizations to intensify efforts to improve accessibility to vaccines and methodically to enforce the regulatory measures designed to curb the spread of the virus and loss of life. It was their contention that a safe return to tourism business was contingent upon successful 'imprisonment' of the COVID-19 pandemic.

Labour cost reduction measures

Participants revealed that tour operators in Victoria Falls introduced several labour cost reduction measures, including job cuts, salary cuts, reduced working hours and compelling staff to take unpaid leave.

Job cuts

The study established that the COVID-19 pandemic lockdown measures reduced the operational capacities of all eight tourism businesses surveyed. They were forced to cut labour costs as a way of saving their organizations from bankruptcy. Participants pointed out that labour costs became unsustainable and cuts were made, both voluntary and involuntary. The retrenchments affected both management and non-management personnel, while contracts for many of the fixed-term contract workers were terminated.

All the businesses employed a high proportion of casual labour, a majority of their shopfloor personnel being on temporary employment contracts. As a result, the costs associated with compensation for loss of employment were minimal. P1 stated:

> At our hotel, 68 casual and fixed-term contracted employees had their contracts terminated by the end of April 2020 as the pandemic took its toll on occupancy rates. We paid them for the leave days accrued and a token of appreciation as compensation for the premature loss of employment. With regard to permanent staff, only those who took our offer of voluntary redundancy lost their jobs to the pandemic. Should the situation not improve, we will certainly take the compulsory redundancy route.

An overall total of over 600 employees were reported to have had their employment contracts terminated with the eight companies under study, with the possibility of further job cuts should the tourism business remain depressed. P17 said:

> The extent of redundancies in our industry as a whole is alarming. Over 90 per cent of business in the industry has been lost. Job cuts became unavoidable and approximately 7,000 people employed in tourism have lost their jobs through redundancy and termination of contract.

P18 added that tourism around Victoria Falls accounted for around 85 per cent of direct employment, with about 15 per cent in other sectors. He went on to say that the wave of job losses affected workers across all sectors as many operators, particularly small ones, had been operating at near zero capacity, extinguishing their ability to pay wages.

Salary cuts

Salary cuts were another major cost-containment strategy adopted to mitigate the loss of business resulting from the COVID-19 pandemic. The evidence revealed that, prior to the salary cuts, operators around Victoria Falls generally paid well.

Participants indicated that, when, in 2019, the Government of Zimbabwe abandoned the multi-currency system in favour of the local currency, a significant number of tourism operators in the town continued to pay a large proportion of salaries in the far more stable United States dollar (US$), and less in the Zimbabwean dollar (Z$). This was attributed to the relative growth in tourism business and improvements in foreign currency generation for the businesses. For example, P14 stated that his organization gave staff incentives for exceeding set targets every month and paid a US$ allowance. P9 also said that at her company salaries were paid at 60 per cent in hard US$, with the balance converted at the auction rate and paid into individual accounts. Five of the businesses said that good business had enabled their organizations to pay salaries above the industry average. The other three paid wages using the industry rates, but also offered various in-house negotiated allowances to motivate employees. All this came to a halt following the loss of business resulting from the COVID-19 pandemic lockdown.

In all companies, incentives were cut first, with all eight businesses paying basic wages as per the industry rates. Participants stated that those wages and salaries were paid in Zimbabwean dollars as they could not afford to continue paying in foreign currency. P19, a trade unionist had this to say:

> When many companies in the industry reverted to paying workers in the Zimbabwean dollar, we knew a lot worse was to come. It had taken a long time for some companies to pay in hard currency, even when they had been generating foreign currency for many years. While as unions we understand the biting impact of the pandemic, we are of the opinion that it may not have been impossible for employers to continue to pay as before, at least for a year, in order to cushion workers and their families in these trying times.

By June 2020, five of the companies were paying half salaries to their staff, most of whom sat at home as there were no tourists to serve. P9, a human resources manager in a safari company stated:

> The pandemic is truly 'an act of God' whose consequences could no longer be borne by any employer. The situation is saddening for both employers and employees, whose livelihoods have

> mostly relied on tourism salaries. In our case, like many that I know of locally, we informed employees through the works council that we were cutting costs and, in an attempt to save jobs, salary cuts were unavoidable. They appreciate that we are still paying them, as other operators have since stopped paying their workers.

P20, a trade unionist revealed that many workers affiliated to their union reported that their firms had since stopped paying them. Three of the companies under study confirmed this sad reality, ascribing it to business inactivity nearly a year after Zimbabwe and the world introduced partial or complete lockdowns. P18, a representative of one of the employers' organizations confirmed that operators in the town had since implemented pay cuts, with more than 50 per cent of employees employed by member organizations accepting these measures.

Reduced working hours

As the COVID-19 pandemic and lockdown measures impacted tourism, businesses began to reduce working hours for management and personnel. Participants indicated that work in tourism often compelled workers to stay at work for longer hours in order to ensure an uninterrupted direct interface with customers. Long working hours were regarded as normal in tourism. It was established that, prior to the pandemic, hotel employees might work for 12 to 13 hours, with overtime compensation paid, but the skeleton staff that continued to report for duty were required to work for limited hours. For example, P12, a hotel human resources manager confirmed that a limited number of frontline staff at the hotel were reporting for duty for three to four hours per day every three days, and that compensation was only for the time worked. Participants from safari and travel and tours operators indicated that a small fraction of their workers had been provided with digital tools to work from home in order to take future bookings, communicate and maintain contact with tour guides and regular clients.

Unpaid leave

This strategy was used by all eight companies, and it was reported that most tourism organizations in Victoria Falls had adopted it to avoid redundancies. Participants said that employees generally acknowledged the inability of their

companies to pay salaries when businesses were practically closed and had accepted unpaid leave in the hope that once the tourism industry became fully operational again, they would have their jobs back. The two trade union officials (P18 and P19) agreed that unpaid leave had the negative effect of driving employees to wage poverty and starvation for families. They suggested that the spiralling effects would become evident through failure to provide for families, pay school fees for children or afford decent meals and would ultimately drive many to move to rural areas as the cost of living in the resort town was high. P19 elaborated:

> Life in Victoria Falls is expensive, with commodities pegged in foreign currency. Employees will struggle to provide for their families during periods of unpaid leave. We have no idea when this will end, which is quite scary and frustrating. Some have started moving back to their rural homes to avoid the high rents and living costs of the town, and will only return when employers signal a new dawn. The problem is that no one knows or can guarantee when that will be.

Participants pointed out the impossibility of sustaining operations by making arrangements for employees to work from home, as was happening in other sectors. They pointed out that, as a service industry, tourism primarily depended on a direct interface between employees and clients, and that the COVID-19 calamity meant that employees could not provide any service at all, except where bookings needed to be made and updates disseminated. Participants acknowledged the possibility for tourism subsectors such as tours and conservation to develop online offerings for their clients. P4, a general manager in a safari company commented:

> The industry should be innovative and come up with ways in which business can continue to run amidst a crisis. For example, the transformation of tourism should now be placed at the top of our agendas going forward. We are learning how others are leveraging various technologies to remain in operation. In my company, we are currently putting our heads together as a team to see how we can use e-tourism to make money.

Nonetheless, hoteliers indicated the impossibility of using technologies in the physical absence of clients. P11, area manager of a hotel chain, said that such technologies in hotels could be used only to augment physical customer service and that digital working during the pandemic was therefore a challenge so employees at her hotel accepted unpaid leave.

Discussion

The study aimed to explore the ramifications of COVID-19 for the tourism industry and employment, using the case of eight selected businesses in the prime resort city, of Victoria Falls. It was found that tourism in the town was at its peak pre-COVID-19, with operating capacities for major businesses such as hotels, safaris and travel and tours exceeding 70 per cent. The pandemic had an immediate and crushing effects on tourism following the introduction of lockdown measures by the Zimbabwean Government and the world at large. Tourism came to an instantaneous halt and operators experienced a drastic drop in tourism performance, with virtually all subsectors operating at below 10 per cent capacity. The World Tourism Organization (2020) reported that tourism became the most hard-hit sector, plunging by more than 74 per cent globally. The Victoria Falls Rainforest, the country's most visited site, experienced an 89 per cent slump in international visitors and a 66 per cent drop in domestic travellers (Zimbabwe Tourism Authority, 2020).

With poor tourism performance, the capacity for operators to honour statutory and voluntarily obligations diminished as the pandemic took a toll on their reserves. It was established that their statutory obligations encompassed licence renewals, taxes, municipal rates and other payments. Companies had also been involved in corporate social responsibility initiatives aimed at improving the economic and social livelihood of the communities in which they operated. With the COVID-19 pandemic resulting in an uncertain and volatile business operating environment (Manyati and Mutsau, 2021), their ability to meet all their financial obligations was compromised.

The COVID-19 pandemic required organizations to adopt and implement various measures designed to prevent the spread of the virus. Both WHO (2020) and ILO (2020) have established frameworks and guidelines aimed at protecting lives and minimizing the spread of the virus, including the wearing of masks at all times, enabling testing and screening, decongesting workplaces

and social distancing. The companies under study confirmed the adoption of these measures to protect staff and clients, including resourcing their onsite clinics with the requisite health care supplies. Oosthuizen, Mayer and Zwane (2021) argue that protecting the health of employees (and customers) is central to organizational success. Nonetheless, the study found that tourism companies had not anticipated the costs associated with implementation of the various protection measures, and that little or no support had been obtained from the Government to cushion them against such shocks.

Business uncertainty was identified as one of the major negative features resulting from the impacts of the virus on tourism. COVID-19 has been seen as uncertain, disruptive and risky (Yeganeh, 2021). Operators fear for the future of their operations and that the gains made by Victoria Falls tourism around 2018 may be reversed if the pandemic cuts deeply. They are extremely uncertain about future travel, in line with remarks made by Buheji (2020), attesting to the challenges associated with predicting the future of tourism behaviour in the sector. If the struggle to fully protect global citizens against COVID-19 persisted, tourism operators believed that many operators would be forced to close down. While a return to business normalcy is not assured (Gössling, Scott and Hall, 2020), and uncertainties about the future of tourism remain high (Baum and Hai, 2020), the study revealed a glimmer of hope that the battle against the virus would ultimately be won and that there would be a safe return to full tourism.

The study revealed that companies were forced to adopt labour cost reduction measures as survival strategies following the negative impacts of COVID-19 on business performance. Reduced working hours, job cuts, salary cuts and unpaid leave were identified as the key measures taken to reduce labour costs. The measures were justified and unavoidable as tourism activity was either suspended or operating at extremely reduced capacities. Fay and Ghadimi (2020) argue that in times of crises, organizations tend to adopt flexible ways to manage their businesses and stay afloat. Nevertheless, such measures come at a cost for workers, who are less protected and whose precariousness intensifies. Given that tourism employees have, for a long time been seen as vulnerable (Baum and others, 2020), it is anticipated that the effects of COVID-19 will increase their precariousness and condemn them and their families to perpetual poverty. ILO (2020) predicts that working poverty is

likely to increase as a result of the pandemic, unless drastic measures are taken by governments and organizations.

Conclusion and recommendations

The global spread of the COVID-19 pandemic is unprecedented and has had far-reaching implications for all facets of human, social and economic life. As the world came to a standstill, tourism collapsed as a result of travel restrictions imposed by governments worldwide. Globally, a 90 per cent decline in tourist arrivals was observed in 2020. Victoria Falls, the prime resort city of Zimbabwe, experienced an 84 per cent drop in combined international and domestic visitor arrivals (Zimbabwe Tourism Authority, 2020). The study of eight tourism operators in the town sought to explore the impact of the COVID-19 pandemic on tourism and concluded that it had had a devastating impact on tourism business and employment. From as much as 70 per cent operating capacity in almost all subsectors of tourism in the town in 2019, average tourism operating capacity slumped to less than 10 per cent in 2020. This mirrors the broader landscape of tourism in the country and the world at large. As a result, companies found it difficult to fulfil their statutory obligations and fund activities that advance corporate social responsibilities. With little support from the Government, it was inevitable that some companies, particularly recently established ones, would go out of business. To comply with standards designed to protect employees and clients from contracting COVID-19, companies adopted measures that had unbudgeted costs, which further exacerbated the vulnerability of tourism organizations. Inescapably, employment in tourism, which had long been seen as precarious, bore the brunt of the effects of the pandemic on businesses. The study found that working poverty for tourism employees increased in the form of reduced working hours, salary cuts, unpaid leave and job cuts. The tourism business and employment is fraught with uncertainty, and the seemingly interminable nature of the pandemic may have far-reaching negative outcomes for Victoria Falls and the sector at large.

Based on the study findings, a number of crucial recommendations are made. First, operators need to develop sustainable and resilient business strategies in preparation for a post-COVID-19 tourism world. For example, collaborative efforts to promote automation and digitization of products and services, including the aggressive marketing of the country and the resort's tourism

brand could help to achieve a successful turnaround. Second, at the core of the resurgence are human resources issues (OECD, 2020). Effective use of social dialogue and collective bargaining machinery is essential. Employers, unions and organizations can negotiate and conclude agreements geared towards navigating the crisis and addressing matters relating to business survival, competitiveness and the securitization of employment. Third, it is important for operators to lobby for bailouts and tax holidays by engaging the relevant municipal and governmental authorities. This would go a long way towards helping tourism recover in the town. Fourth, the full adoption of health protocols would enable a safe and speedy return to business, once tourism fully opens up. Going forward, the level of preparedness and commitment tourism companies display to protecting the health of their employees and clients will be a determinant in recovery of the sector.

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Household welfare and indirect consequences of the coronavirus disease outbreak in Nigeria

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Abstract

Coronavirus disease (COVID-19) is a global pandemic for which the world was unprepared and that brought hardship to individuals, households, nations and the entire world. The period of emergency has seen companies closed, movement restricted except for essential services and many protocols to be observed in public places. The present paper assesses the effects of the pandemic on household welfare and its indirect consequences, especially on food systems in Nigeria. It uses data from the Nigeria COVID-19 National Longitudinal Phone Survey and reviews COVID-19 reports. Data were analysed using both qualitative and quantitative methods. The key findings of the study are: total incomes of households were substantially affected by COVID-19, which affected their ability to access basic needs. The main livelihood activities sampled households engaged in were: agriculture, hunting and fishing (48.7 per cent); professional, financial and legal activities (22.2 per cent); buying and selling goods (18.3 per cent); and personal services, education and health (15.3 per cent). Loss of employment due to COVID-19-related issues, the inability of enterprises to implement COVID-19 preventive protocols and policy measures implemented to contain the spread of the virus affected the food system. Farmers modified their farming activities and plans either by reducing areas planted, planting early-ripening crops or delaying the planting of some crops. The pandemic affected education by hampering learning opportunities for school-age children. It increased food insecurity by reducing household consumption. It led to the closure of family businesses and increased the costs of businesses that remained open. It also resulted in increased household poverty levels. In conclusion, the COVID-19 pandemic has had very challenging socioeconomic and livelihood consequences for many households. The resulting policy message centres on the need to provide food and cash assistance to households, especially the vulnerable, and to enforce measures that will help to curb the virus.

Keywords: pandemic, economic crisis, poverty, livelihood, pre- and post-COVID-19, new normal.

Résumé

La maladie à coronavirus (COVID-19) est une pandémie mondiale à laquelle le monde n'était pas préparé et qui a mis à mal les individus, les ménages, les nations et le monde entier. La période d'urgence a vu les entreprises fermer, les déplacements être restreints, sauf pour les services essentiels, et de nombreux protocoles devant être respectés dans les lieux publics. Les auteurs du présent article évaluent les effets de la pandémie sur le bien-être des ménages et ses conséquences indirectes, notamment sur les systèmes alimentaires au Nigéria. Ils utilisent les données de l'enquête téléphonique longitudinale nationale du Nigéria sur le COVID-19. Les données ont été analysées en utilisant à la fois des méthodes qualitatives et quantitatives. Les principales conclusions de l'étude sont les suivantes : le total des revenus des ménages a considérablement été affecté par la COVID-19, ce qui a mis à mal leur capacité à satisfaire leurs besoins essentiels. Les principales activités de subsistance des ménages qui font partie de l'échantillon étaient l'agriculture, la chasse et la pêche (48,7 %) ; les activités professionnelles, financières et juridiques (22,2 %) ; l'achat et la vente de marchandises (18,3 %) ; enfin, les services aux personnes, l'enseignement et la santé (15,3 %). Les pertes d'emplois dues aux problèmes liés au COVID-19, l'incapacité des entreprises à appliquer les protocoles de prévention du COVID-19 et les mesures mises en œuvre pour contenir la propagation du virus ont affecté le système alimentaire. Les agriculteurs ont modifié leurs activités et plans agricoles en réduisant les superficies cultivées, en cultivant des variétés à maturité rapide ou en retardant la culture de certaines variétés. La pandémie a affecté l'enseignement en entravant les possibilités d'apprentissage des enfants en âge scolaire. Elle a aggravé l'insécurité alimentaire en réduisant la consommation des ménages. Elle a conduit à la fermeture d'entreprises familiales et a augmenté les coûts pour les entreprises qui sont restées ouvertes. Elle a aussi entraîné une augmentation des niveaux de pauvreté des ménages. En conclusion, la pandémie de COVID-19 a eu pour de nombreux ménages des conséquences socioéconomiques et en matière de subsistance très difficiles. Le message de politique générale qui en résulte est centré sur la nécessité de fournir une aide alimentaire et sous forme de transfert en espèces aux ménages, en particulier aux personnes vulnérables, et d'appliquer des mesures qui permettront d'endiguer le virus.

Mots clefs : pandémie, crise économique, pauvreté, moyens de subsistance, pré- et post-COVID-19, nouvelle normalité.

Introduction

One of the main aims of economic development is to increase household welfare. Indicators of household welfare include access to vital goods and services such as food, education, health care, electricity and Internet access. Evidence from previous studies has shown that, to be accurate, these indicators should include per capita household consumption or expenditure and in some cases household assets and food security (Wodon and Kes, 2017; Moratti and Natali, 2012).

Household consumption expenditure is a reflection of household welfare status, as it shows the proportion of income and investment (assets) returns that households are willing to spend on food, basic amenities and education to enjoy maximum utility. As the COVID-19 pandemic continues, its direct and indirect effects on households increase.

Kokas and others (2020) have identified four broad channels through which household welfare is affected by the pandemic: service disruption, non-labour income, labour income and direct effect on consumption. The impacts of the COVID-19 pandemic on labour income are dual as they have both direct (through earning loss from illness) and indirect (through shocks from wages and employment) effects on household welfare.

The effect on consumption occurs as a result of increases in commodity prices, which may lead to their accounting for a significantly higher share of the household budget or an increase in household out-of-pocket costs for health-care services. The impacts on non-labour income are mainly driven by variations in remittances and public transfer patterns; while the impacts of service disruption are caused by school closures and the deterioration of an overstretched health-care system (Kokas and others, 2020). Kansiime and others (2021) observed that income-poor households and labour-income dependents were most vulnerable to income shock, had poorer food consumption during the pandemic and were more likely to employ food-based coping strategies to cushion its effects than households pursuing an alternative livelihood with high dependence on saving.

The welfare impact of COVID-19 can also be captured by the health shock experienced by workers and consumers infected by the virus, coupled with

the series of disruptions caused by the mitigation measures imposed by governments, individual responses (in particular in terms of hygiene and self-isolation), downturns in economic activity from major trading and investment partners, disruption of global capital markets and different economic policy responses. Policy responses in most countries have led to regional trade blockages which have increased transaction costs that in turn triggered larger welfare losses. The COVID-19 crisis has also contributed to increased food insecurity with the weakening of currencies and rising prices of staple foods in many African countries, including Nigeria (Baldwin and Weder di Mauro, 2020; Devereux , Béné and Hoddinott, 2020; World Bank, 2020a).

COVID-19 containment measures such as social distancing, travel restrictions, lockdowns (temporary closure of some workplaces) and curfews of varying degrees have disrupted ways of life significantly through their effect on income, thereby reducing economic and livelihood activities (Barrett, 2020; Devereux, Béné and Hoddinott, 2020; Reardon and others, 2020). The income loss is evident from job loss or wage reduction, especially for workers in the informal sector who depend on day-to-day wages, reduced remittances and disruption of the food system (Demeke and others, 2020; ILO, 2020). Across countries, domestic and cross-border movement of goods (agricultural goods and food) has also been affected by COVID-19-related lockdowns, thereby disrupting food supply and increasing food prices because of the difficulties experienced by traders in transporting these items.

Empirical evidence from studies on the effects of the COVID-19 pandemic on household welfare is still limited, while many studies have examined the potential impacts of the pandemic on global and national economic indicators, such as global poverty, government expenditure, GDP growth, budget deficits and employment (Vos and others, 2020; ILO, 2020; Nicola and others, 2020; Sumner and others, 2020; UN-Habitat and WFP, 2020; World Bank, 2020b; Valensisi, 2020; Sumner and others, 2020; Baldwin and Weder di Mauro, 2020). The present study provides near real-time quantitative evidence on household-level responses and the socioeconomic impacts of COVID-19 in Nigeria. Tracking how lives are affected by COVID-19 will enable Governments and policymakers to better understand the circumstances faced by their countries.

The literature on COVID-19 can best be described as emerging. Some other available studies on COVID-19 have also examined prevalence and control measures (Ceylan, 2020; Zhao and others, 2020), governance, technology and citizen behaviour (Shaw and others, 2020), socioeconomic impacts (Tang and others, 2020; Fernandes, 2020; Atkeson, 2020; McKibbin and Fernando, 2020; Altig and others, 2020; Ozili and Arun, 2020), effects on society (Chinazzi and others, 2020; Haleem and others, 2020; Chen and others, 2020), effect on hunger prevalence (Kalu, 2020), impact on transportation (Mogaji, 2020), trade (Obayelu and others, 2020) and economic crisis (Ozili, 2020). In addition, studies on the spread of COVID-19 cases and social distancing include De Vos (2020), Freedman and others (2020), Schueller and others (2020), Musinguzi and Asamoah (2020), Vinceti and others (2020), and Zhang and others (2020). Most of these studies focused only on countries from the developed and emerging nations, suggesting that little is still on record concerning African countries. It is also worth noting that the great majority of studies only uses descriptive or discussion methods (Akintunde and others, 2020; Al-Raddadi and others, 2020; Mogaji, 2020; Ozili, 2020; Shaw and others, 2020), while as yet few embrace econometric approaches (Ayinde and others, 2020; Ceylan, 2020).

The present study therefore attempts to fill the gap by looking at the effect of the virus on household welfare and other economic consequences in Nigeria using mixed analytical approaches (qualitative and quantitative). Specifically, it seeks to: investigate individuals' knowledge of government actions to curb COVID-19; describe changes in the socioeconomic characteristics and food systems of households during the pandemic; identify dynamics in livelihood activities of households during COVID-19; examine the effects of COVID-19 on household welfare; identify coping strategies adopted by households during the pandemic; and identify the indirect consequences of COVID-19 for households.

Literature review

The COVID-19 pandemic put the world in an emergency situation that affected the health, employment and trade sectors, with a resultant impact on livelihoods. The actions taken by governments to contain the spread of the virus and "flatten the curve" had severe consequences for poverty levels and household welfare. The indirect effects of COVID-19 are particularly felt

by the poor and vulnerable because they have less access to services and fewer coping mechanisms (World Bank, 2020a). In addition to the direct effects (health impacts) of COVID-19, individual and household welfare is greatly affected by job losses and wage cuts (employment in vulnerable sectors), lower non-labour income (especially from remittances), poverty, disruption and pressure on service delivery in education, health and social services, food security and overall operation of the food system (Barrett, 2020; Devereux, Béné and Hoddinott, 2020; Global Alliance for Improved Nutrition, 2020; World Bank, 2020b).

Since COVID-19 reached Africa, serious concerns have arisen about its impact on agrifood systems since most of the population is directly or indirectly dependent on agriculture for their livelihood (Aromolaran and Muyanga, 2020). The restrictions imposed in response to COVID-19 have disrupted every stage of the food supply chain, from production through distribution, processing to consumption (Siche, 2020; Torero, 2020), and increased the wastage of perishable agricultural commodities such as vegetables and meat (Nicola and others, 2020).

The pandemic has also disrupted the global food system, resulting in rapid changes in food availability, accessibility (economic and physical access) affordability and stability (FAO, 2020a). The stability of food access and availability is greatly affected by COVID-19 containment policies on movement and informal food market closures aimed at achieving social distancing (Devereux, Béné and Hoddinott, 2020).

It has been reported that, in countries in sub-Saharan Africa, restrictions on movement to contain COVID-19 have led to a decrease in household farming activities. Similarly, reduction in labour availability and in some cases increased labour costs have also caused farm-labour shortages, especially for high-value crops and sharecropping farmers. It has also disrupted access to such agricultural inputs as seeds, feed, veterinary inputs, agrochemicals and fertilizers (Aromolaran and Muyanga, 2020; FAO, 2020b). The impact of the pandemic is felt along the agrifood value chain through disruptions in processing, market access and logistics activities. Restrictions in cross-border movement have disrupted transport along common commodity routes. In some East African countries (Uganda, Rwanda and United Republic of Tanzania), it is reported that truck drivers fall into the high-risk group

for COVID-19 transmission (Lichtenstein and Baerendtsen, 2020). The implication is that this will affect cargo transport and further increase the disruption of the movement of agricultural goods.

Although Governments have declared agricultural products essential to ensure ease of movement, the stay-at-home and travel restrictions imposed result in delayed supply and post-harvest losses because of logistical problems experienced by traders (FAO, 2020b). The advice that people should stay at home also has a significant effect on labour supply. Labour-intensive food production and processing (especially labour-intensive dairy-processing plants) have experienced serious labour shortages.

In some countries, to prevent the spread of COVID-19, informal markets (both local and farmers' markets) in many urban and peri-urban areas were closed to avoid overcrowding, which disrupted food supply systems (especially for fresh and perishable products, such as milk, meat, eggs, fruit and vegetables), thus affecting households that rely on informal markets for their daily supplies (Barrette, 2020; Devereux, Béné and Hoddinott, 2020; FAO, 2020b). The closure of local and farmers' markets has limited access to and availability of fresh produces (vegetables and fruit) for the urban poor as they experience stock-out compared to non-perishable storage products (Devereux and others, 2020). In situations where shocks led to food gluts or shortages, food prices generally increased, the prices of the most nutritious foods often rising especially high, with a negative effect on household welfare (Torero, 2020; FAO, 2020b).

Materials and methods

The review framework was based on the holistic and integrative review method of Crossetti (2012), which allows the development of a comprehensive analysis of the body of literature of both quantitative and qualitative research, thus providing a complete assessment of the research question or topic addressed.

The present study was conducted in Nigeria. Nigeria is located in West Africa and had an estimated population of 209,209,104 in 2021 (Worldometer, 2021). The study made use of secondary data extracted from various sources. The main data source was the Nigeria COVID-19 National Longitudinal Phone Survey. It was implemented by the National Bureau of Statistics on a

nationally representative sample of 1,950 households of the 3,000 households initially selected, based on the 4,976 households from Wave 4 of the General Household Survey Panel conducted in 2018/19 (World Bank/NBS, 2020). The sample of households is representative nationally and across the six geopolitical zones of Nigeria.

As of October 2020, 6 of the planned 12 rounds of monthly surveys of the COVID-19 National Longitudinal Phone Survey of households in Nigeria had been completed. In the first round (baseline), which took place in April and May 2020, 3,000 households from the 2018/19 General Household Survey Panel were contacted, but only 1,950 households were interviewed fully to form the baseline households. A total of 1,820 of 1,950 households contacted were fully interviewed in rounds 2 and 3; 1,789 of 1,881 households contacted were interviewed in round 4; 1,773, of 1,856 households contacted were interviewed in round 5; and 1,762 of 1,839 households contacted were fully interviewed in round 6. The same baseline households are expected to be contacted in subsequent rounds of the survey.

The study made use of various national and international reports, as well as journals, working papers and other relevant articles. The data were analysed using descriptive statistics, tables, charts and graphs.

Results and discussion

According to McKibbin and Fernando (2020), COVID-19 is a pandemic disease that is affecting households, businesses and governments through increased public health-care expenditure, business costs and labour supply changes. The Nigerian economy is highly dependent on petroleum, but the pandemic led to a 60 per cent drop in global oil prices, which had an adverse effect on government revenue (Balana and others, 2020). Loss of government revenue will impair the ability of any Government that is dependent on oil to tackle the COVID-19 public health crisis adequately.

Individual knowledge of government actions to curb the pandemic

The first case of COVID-19 in Nigeria was reported in February 2020. To curb its spread, several measures (health, economic and social) were introduced from March 2020 onwards. They included: a ban on international flights on 23 March 2020; a lockdown order for Lagos, Federal Capital Territory and Ogun States on 30 March; a ban on large gatherings in Ogun and Lagos States; social distancing; food assistance programmes; a nationwide overnight curfew from 8 p.m. to 6 a.m.; sensitization of the general public through social media; and mandatory use of face masks in some states.

During the first round (baseline) survey, which was conducted in April and May 2020 during the federal government lockdown, an effort was made to test individual knowledge of the actions the Government had taken to curb the spread of COVID-19. Table 1 presents the findings in relation to the areas in which the respondents resided. Over half of the households reported that they were aware of some steps (advising citizens to stay at home, avoidance of large gatherings) taken by the federal or state government in their respective area. Other measures of which they were aware included curfew and lockdown (44.1 per cent), closure of schools and universities and the closure of non-essential businesses.

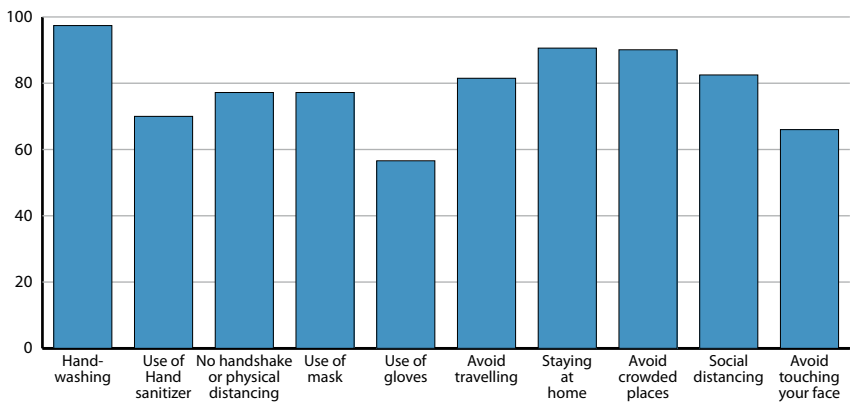
Figure I shows the measures individuals were aware of and that they used to prevent the spread of COVID-19. The findings from the first round of the survey revealed that a majority (60 per cent) of the households were aware of at least one safety measure to prevent contracting the virus. A significant number (73 per cent) reported that they wore masks; 97 per cent reported that they were aware that handwashing was a crucial measure, while only 77 per cent of those who were aware consistently washed their hands always or most of the time after returning from public places. Other measures that they had absorbed included staying at home and avoiding large gatherings (World Bank/NBS, 2020).

Table 1: Individual knowledge of government measures to curb the spread of coronavirus disease

Measure	*Percentage*
Citizens advised to stay home	70.7
Citizens advised to avoid large gatherings	61.6
Restricted travel within country	29.1
Restricted international travel	9.8
Closure of schools and universities	30.4
Curfew and lockdown	44.1
Closure of non-essential businesses	29.8
Sensitization and public awareness	38.0
Established isolation centres	7.0
Disinfection of public places	6.0

Source: World Bank/NBS COVID-19 National Longitudinal Phone Survey, 2020.

Figure I: Measures to reduce the spread of coronavirus disease

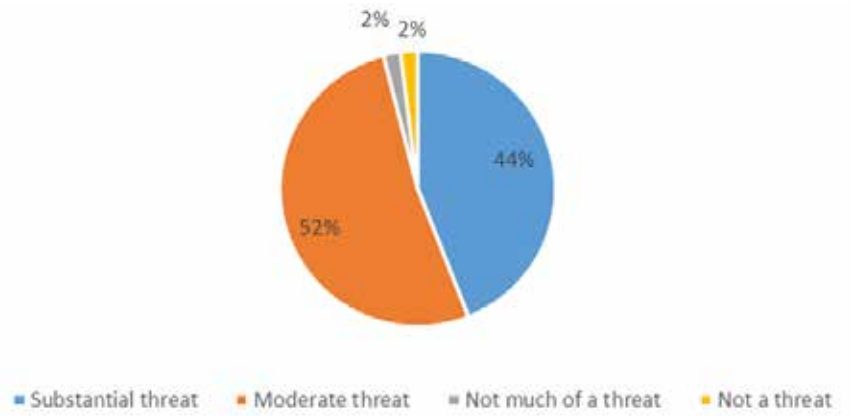


Changes in socioeconomic characteristics of households during the pandemic

The agriculture sector is the primary source of livelihood for the majority of households in Nigeria. The COVID-19 control measures have caused changes in household employment, finance, income and businesses. The study findings revealed that incomes from almost all livelihood sources were affected and had fallen since mid-March 2020. Some 52 per cent of

households reported that COVID-19 had substantially affected their finances (see figure II), with households reporting an overall fall in earned income. Andam and others (2020a) found that an average of 33 per cent of income was lost by households, with rural non-farm and urban household being the most affected.

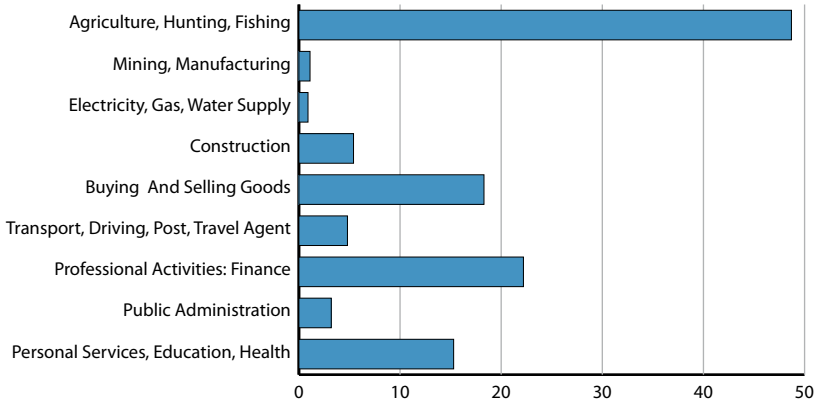
Figure II: Impact of the pandemic on household finances



Household livelihood activities during lockdown

Households engaged in various livelihood activities (see figure III) before and during the COVID-19 pandemic. The most common were: agriculture, hunting, fishing (48.7 per cent); professional activities, finance and legal activities (22.2 per cent); buying and selling goods (18.3 per cent); and personal services, education and health (15.3 per cent). In the agriculture sector, COVID-related disruptions forced farmers to modify their farming activities by reducing the area planted, planting early-ripening crops or delaying the planting of certain crops. The vast majority of non-farm enterprises, with the exception of essential businesses, stopped operating at the beginning of the COVID-19 crisis. Some household members who had been working were laid off as a result of COVID-19-related issues and some enterprises closed because they were unable to implement COVID-19 protocols.

Figure III: Main business activities during lockdown



Effects of the pandemic on household welfare

The COVID-19 pandemic adversely affected the welfare of households, especially during the lockdown. Several households reported that they had experienced different economic shocks that left them more vulnerable (see figure IV). Some (85 per cent) reported that they experienced increases in the prices of the major foods they consumed, compared with 19 per cent before the pandemic; 47 per cent reported that the prices of their farming or business inputs increased, compared with 7 per cent before COVID-19; 37 per cent reported the closure of their non-farm businesses, while 30 per cent reported disruption of their agricultural activities (World Bank and National Bureau of Statistics, 2020).

Figure IV: Sources of shocks experienced by all households

The effect of the pandemic on national and household income was also severe. Andam and others (2020b) used a social accounting matrix model to estimate the economic cost of COVID-19 in Nigeria using data covering the initial five weeks of lockdown imposed: across Lagos, the Federal Capital Territory and Ogun States by the federal Government from late March to early May 2020; the federal lockdown in mid-April 2020 in Kano State and eight other Nigerian states; and the state lockdown for seven weeks from mid-April 2020. They estimated that Nigeria suffered a 23 per cent loss of GDP, amounting to $11 billion, during the lockdowns.

Access to medical treatment

Table 2 shows that there were significant differences between household access to medical treatment in rounds 1 and 2 of the COVID-19 National Longitudinal Phone Survey. Despite the fact that the number of people who needed medical treatment increased in round 2 by 0.8 per cent, from 34.3 per cent in the first round, more people were able to access medical treatment. The inability of households to access medical treatment decreased from 26.6 per cent to 14.4 per cent. Some reasons identified for their inability to access treatment were lack of money, movement restrictions, fear of being diagnosed wrongly and lack of facility capacity, among others.

Access to basic needs

Figure V presents household access to basic needs within the last seven days of the first round of the survey. It shows that soap (69.6 per cent) was the most common good households needed during this period, followed closely by cleaning supplies (47.2 per cent), medicine (40.2 per cent) and common food staples such as beans (38.7 per cent) and rice (36.5 per cent). Some households reported that they were unable to purchase some goods for their basic needs. The reasons given for why households were unable to purchase their basic needs were mainly lack of money, coupled with other factors such as curfew or lockdown and closure of local markets.

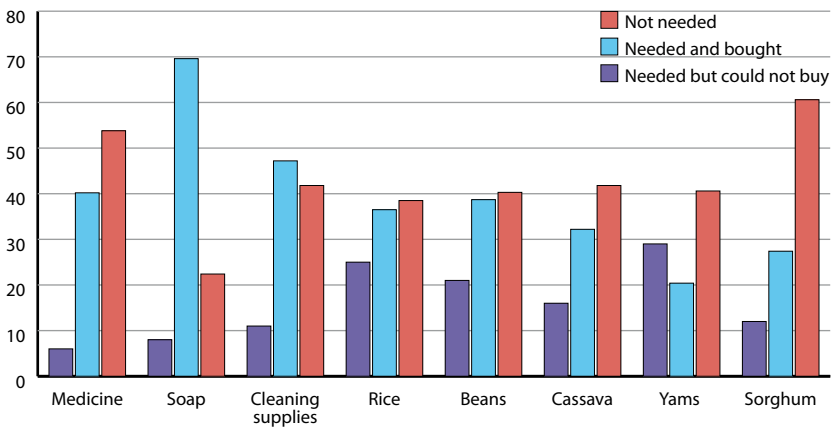
Table 2: Household access to medical treatment (percentage)

	Round 1 - Apr/May, 2020		*Round 2 – June, 2020*	
	House-holds	**Households needing medical treatment**	**House-holds**	**Households needing medical treatment**
Member of household needed medical treatment				
Able to access medical treatment				
Unable to access medical treatment				

Reasons unable to access medical treatment (percentage of households in which one member needed medical treatment)

	Round 1 (Apr and May 2020)	***Round 2 (June 2020)***
Lack of money	55.4	70.0
No medical staff available	3.6	9.4
Turned away because facility was full	1.3	0.0
Movement restrictions	23.8	5.6
Other	15.9	14.9

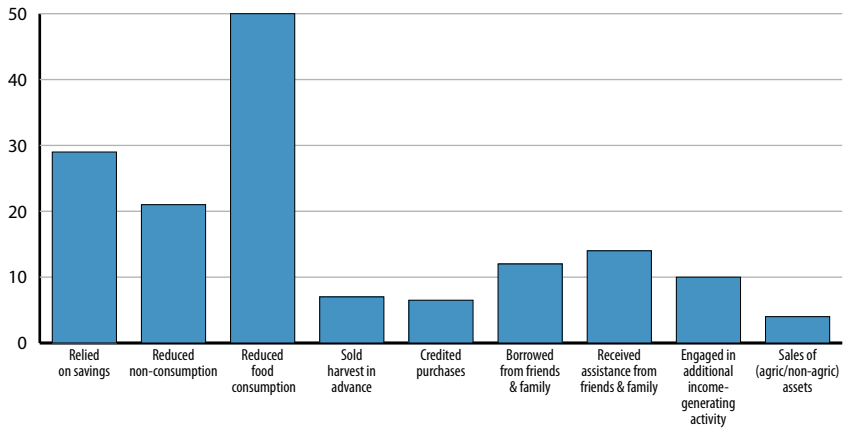
Figure V: Household access to basic needs in the seven days preceding the survey



Coping strategies adopted by households and social safety nets during the pandemic

In order to adapt to the adverse effects of the COVID-19 pandemic, many households resorted to various coping mechanisms, some of which were actually detrimental to their well-being. Figure VI shows some of the coping mechanisms used by households, including: reduced food consumption (50 per cent), heavy reliance on savings (29 per cent) and reduced non-food consumption (21 per cent). Reduced food consumption may result in further health issues, such as ulcers, and reduced immunity as a result of lack of nutritious food may make people more vulnerable to other illnesses.

Figure VI: Coping mechanisms for shocks since mid-March 2020 (percentage of households)



Apart from the coping strategies they adopted, some households were beneficiaries of safety nets and other income assistance from the Government and non-governmental organizations. At the onset of the COVID-19 pandemic, very limited safety nets were provided. Only 2 per cent of the households received any form of direct cash transfers, while 13 per cent of the households received food assistance. In addition, the remittance share received by households declined to 18 per cent in June 2020, from 22 per cent in April and May 2020.

Indirect effects of the pandemic

Food systems

The overall functioning of the food system has been affected by the COVID-19 epidemic as a result of its impact on agriculture. Farming activities are vital to Nigerian households either as a source of income or a means of food production. Government policies in response to the pandemic (stay-at-home, lockdown, curfew, border closures and trade restrictions) have prevented farmers from gaining access to markets (especially for input purchases and produce sale), accessing labour and harvesting crops (ILO and others, 2020). These disruptions have forced farmers to modify their farming activities and plans either by reducing the area planted, planting early-ripening crops or delaying the planting of some crops. The changes in farming activities affect the entire food supply chain, from agricultural inputs supplies (labour, agrochemicals, feed and seed) to production, distribution, processing and consumption (Aromolaran and Muyanga, 2020; Siche, 2020; Torero, 2020). Andam and others (2020a) reported a decline of about 11.1 per cent or $1.6 billion in agrifood GDP during the COVID-19 containment period, with less than half of these losses recorded in the agricultural sector. This loss of earnings may have resulted from logistical difficulties transporting crops to markets, leading to post-harvest losses

Family businesses

One of the most important income-generating businesses engaged in by Nigerians is non-farm businesses, consisting of small, medium-sized and large business in the commerce and service sectors. Slowing the spread of the virus has had a dual effect on the economy of such businesses as containment measures to help to reduce the spread of COVID-19 also curtailed business operations. During the lockdown and stay-at-home period that began in mid-March 2020, households reported a significant fall in total household income.

Some 73 per cent of households reported that total income had decreased since mid-March 2020 (see figure VII). In June 2020, 56 per cent of non-farm business households earned less or earned nothing at all. The situation remained the same (56 per cent) in July 2020, but there was a significant downturn in August and October 2020, when non-farm business household earnings had far less income than in June and July 2020 or no income at

all. Small and medium-sized businesses halted operations during this period because they were unable to implement the COVID-19 preventive protocol. Businesses implementing COVID-19 preventive measures incurred higher costs to enable their operations to remain open for business (Lakuma and Sunday, 2020).

The main reasons reported by households for income loss were: closure of places of business resulting from COVID-19 legal restrictions (65.7 per cent); no customers (19.6 per cent); and vacation (9.1 per cent) (see figure VIII). Furthermore, 46 per cent of households reported that their earnings were higher in October (see figure IX). This may be a result of increased business operations because lockdowns were eased and travel bans and restrictions were lifted.

Figure VII: Perceived effect on family income

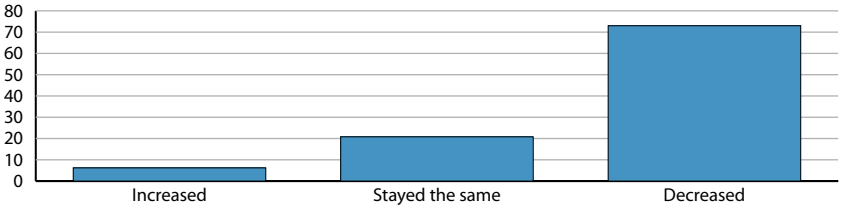


Figure VIII: Reasons for loss of income

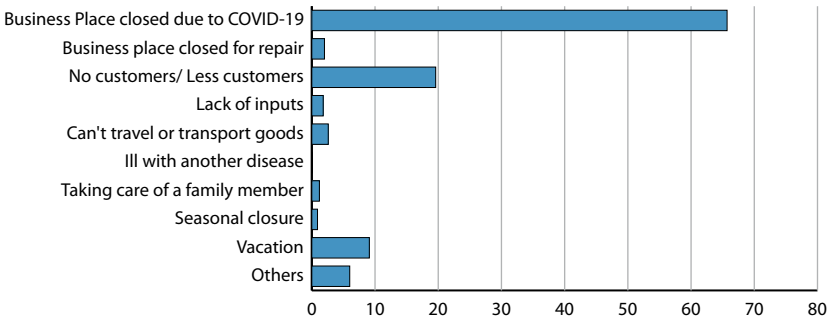
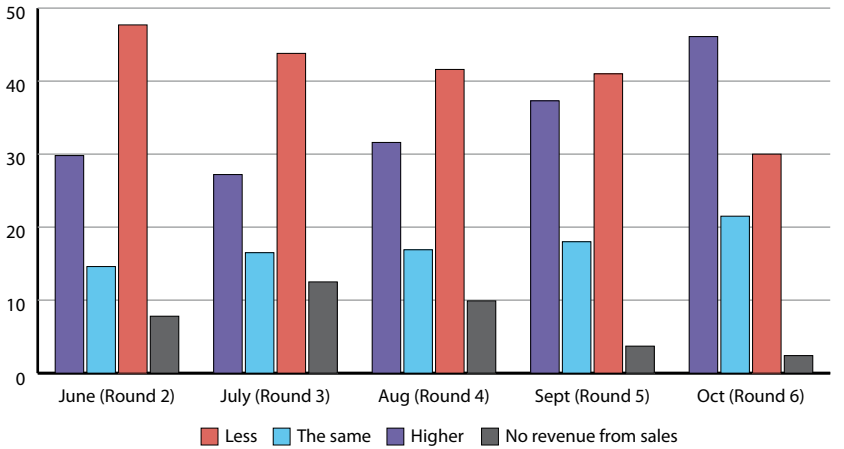


Figure IX: Changes in revenue from family businesses during the National Longitudinal Phone Survey in Nigeria (Percentage)



Education

The pandemic disrupted education systems worldwide. Confirmation of COVID-19 cases in Nigeria affected the education sector severely because of its poor infrastructure and management. It has no well-defined structure to contain the spread of the virus. Schools were closed down to reduce the spread of COVID-19, thus putting on hold children's opportunity to learn, especially in public schools and institutions. Table 3 shows that households with school-age children reported full attendance of children before closure (92.6 per cent).

During the period of the first school closure (mid-March 2020), children were not fully engaged in any learning activities and had almost no contact with teachers. This situation was more pronounced in rural areas (56.8 per cent) than urban areas (72.5 per cent), reducing opportunities for many vulnerable children living in poor rural areas (see table 3). In comparisons between households, school-age children in richer households had less contact (35.5 per cent) with teachers than the poorest households (39.6 per cent). This is plausible because richer households provide education facilities for home-schooling to prevent the spread of the virus by reducing their children's contact with the outside world.

The effect of school closures has gone beyond hampering learning opportunities for school-age children (United Nations, 2020); it has also increased stress, depression, isolation and anxiety linked to lack of contact with the school community, as some children find it stressful to study alone (Human Rights Watch, 2020). Moreover, it has affected those parents who have to struggle to work from home with their children (Vegas and Winthrop, 2020). This situation in the education sector has highlighted the need for improved access to safe and quality schooling for children that will bring learning experiences to life both inside and outside the classroom through innovation and technologies that are absent in the education system (Fernando and others, 2020; Vegas and Winthrop, 2020).

Table 3: Effects of pandemic restrictions on education

	Round 1 (April and May 2020)		*Round 2 June 2020*						
	% of households	*% of households*	*% of households, by General Household Survey consumption quintiles*					*% of households, by sector*	
			Q1	*Q2*	*Q3*	*Q4*	*Q5*	*Urban*	*Rural*
Households with children aged 5–20	80.2	74.8	89.3	94.9	87.4	77.7	52.2	65.5	79.0
Households with children attending school before closures	92.8	92.6	92.1	97.8	94.3	92.8	87.5	87.7	94.5
Students, in the past seven days:									
Engaged in any learning/education activities	61.8	61.1	52.7	53.7	66.2	63.1	65.5	72.5	56.8
Had contact with teachers	19.1	35.3	39.4	35.4	37.6	31.1	35.0	33.4	36.0

Notes: Q1, poorest; Q2, poorer; Q3, middle; Q4, rich; Q5, richer.

Household poverty status before and during the pandemic in Nigeria

The findings show that households circumstances before COVID-19 left Nigerians highly exposed to the pandemic. In 2019, about 83 million people – equivalent to 4 in 10 Nigerians – were already living below the national poverty line, with millions only just above it, thus making them vulnerable to falling into poverty when shocks occurred. The poverty rate before COVID-19 was expected to increase by about 0.1 of a percentage point, from 40.1 per

cent in 2019 to 40.2 per cent in 2020, implying that the number of poor Nigerians would rise by 2.3 million, largely due to population growth (World Bank, 2020c). But, as a result of the recession, the poverty rate increased by almost 2.4 percentage points to 42.5 per cent in 2020, implying that the number of poor Nigerians had risen by 7.2 million.

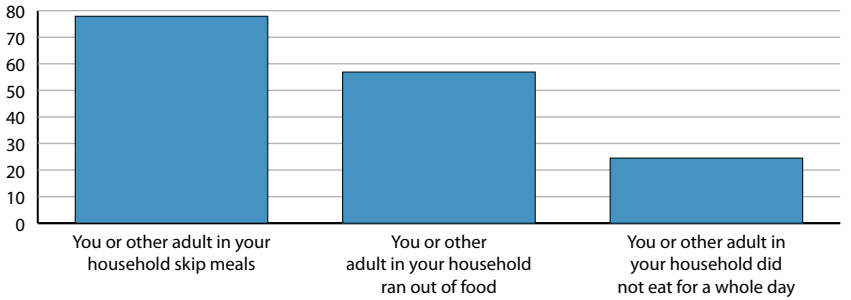
Food security

The spread of the virus and the secondary effects of containment measures have also affected the well-being of households. Movement restrictions have negatively affected the four dimensions of food security: availability, accessibility, affordability and stability (FAO, 2020a). Prior to the pandemic, the General Household Survey conducted in 2018/19 reported a severe food insecurity experience level of 17.7 per cent (between the period of July and August 2018 and January and February 2019). This situation has increased by 30.3 per cent since the start of the pandemic, as reported from the National Longitudinal Phone Survey in June 2020 (see table 4), with some households running out of food or even skipping meals (see figure X). This confirms the findings of Amare and others (2020) that households that experienced movement restriction or were exposed to the COVID-19 experience were faced with increased food insecurity levels. This is plausible as some household members are workers who survive on income received on a day-to-day basis and any form of restriction will affect their income and ultimately result in inability of households to access food. Some studies (Amare and others, 2020; Olagunju and others, 2019; Ngema and others, 2018) have observed the tendency for large households to be more prone to food insecurity, with a higher propensity to increased child malnutrition. Adults in some households had to skip meals (77.9 per cent).

Table 4: Food insecurity experience (percentage of households)

Due to lack of money or other resources:	***NLPS***	***General Household Survey Wave 4***	
	Round 2 (June 2020)	***Post-planting (July/Aug 2018)***	***Post-harvest (Jan/Feb 2019)***
The proportion of the population experiencing moderate or severe food insecurity	76.8	53.5	37.0
The proportion of the population experiencing severe food insecurity	30.3	11.8	5.9

Figure X: Household food insecurity during the pandemic



Abbreviation: NLPS, Nigeria COVID-19 National Longitudinal Phone Survey.

Conclusion

The effects of COVID-19 on household welfare and economy cannot be overemphasized. Apart from the direct health impacts of COVID-19, the pandemic has threatened the ability of Nigerian households to generate income to meet their basic consumption needs. Policy measures implemented to contain the spread of the virus also had indirect effects on: the food system (modified farming activities and plans); education (hampering learning opportunities for school-age children); food insecurity (reduced household consumption); family businesses (business closures and increased costs for businesses to remain open); and increased household poverty levels. The majority (60 per cent) of households are aware of at least one safety measure to prevent contraction of the virus. Prominent livelihood activities households were engaged in during the COVID-19 lockdown in Nigeria were: agriculture, hunting and fishing (48.7 per cent); professional, financial and legal activities (22.2 per cent); buying and selling goods (18.3 per cent); and personal services, education and health (15.3 per cent). The study findings also showed that households experienced different economic shocks as a result of the COVID-19 lockdown, leaving them more vulnerable. Farm households experienced increases in farm inputs prices and disruption in agricultural activities, while households operating non-farm businesses had their business operations closed. One of the major challenges faced by households during the COVID-19 lockdown was inadequate income to meet basic needs.

Although some households received assistance from both the Government and non-governmental organizations to cope with the COVID-19 crisis, households adopted several mechanisms to cope, including reliance on

savings (29 per cent) and reduced food consumption (51 per cent). These measures are detrimental to the economy and household health. The following suggestions are therefore made: provide more stimulus packages to micro-, small and medium-sized enterprises to help cushion the effect of COVID-19 on businesses; provide agricultural input subsidies to assist farmers in agricultural production; subsidize high food prices; and provide consumption credit to vulnerable households to make food affordable. A more strategic approach could also be employed to ensure that the general public comply with COVID-19 preventive measures to curb the spread of the virus.

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Role of social protection in mitigating the impact of coronavirus disease on household welfare: panel data evidence from Nigeria

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Abstract

COVID-19 has had huge impacts on households across the world. The economic impact is particularly great in Africa. This paper analyses the role of social protection in mitigating the impact of COVID-19 on household welfare measured in terms of ability to afford food. The results of panel logit regressions on data from 1 925 Nigerian households show that social protection in the form of food or direct cash transfers is associated with a higher probability of households being able to afford the food they need. This positive effect is, however, offset by the increasing intensity of the pandemic. Our results are robust even when using alternative measures of pandemic intensity and controlling for household characteristics. This implies the need for more robust social protection programmes (such as health insurance and employment benefits) that are responsive to household needs, especially in times of crisis.

Keywords: COVID-19, policy, household, welfare, social protection, Nigeria

JEL Codes: I12, O13, Q18, Q12, Q18

Résumé

Le COVID-19 a eu des incidences considérables sur les ménages du monde entier. L'incidence économique est particulièrement importante en Afrique. Cet article contient une analyse du rôle de la protection sociale dans l'atténuation de l'incidence de COVID-19 sur le bien-être des ménages, mesuré en termes de capacité à se nourrir. Les auteurs ont effectué une analyse de régression sur une énorme quantité de données de panel. Les résultats des régressions logit en panel sur les données de 1 925 ménages nigérians montrent que la protection sociale sous forme de transferts alimentaires ou de transferts directs en espèces présente une probabilité plus élevée pour les ménages de pouvoir se procurer la nourriture dont ils ont besoin. Cet effet positif est toutefois contrebalancé par l'intensité croissante de la pandémie. Les résultats sont probants même en utilisant des mesures de substitution de l'intensité de la pandémie et en contrôlant les caractéristiques des ménages. Cela indique la nécessité de mettre en place des programmes de protection sociale plus robustes (tels que l'assurance maladie et les prestations liées à l'emploi) qui répondent aux besoins des ménages, notamment en temps de crise.

Mots clefs : COVID-19, politique, ménage, bien-être, protection sociale, Nigéria.

Codes JEL : I12, O13, Q18, Q12, Q18

Introduction

The COVID-19 pandemic has had a tremendous impact on the global economy, with nearly 7 million cases and over 400,000 deaths by the beginning of June 2020. In Africa, over 135,000 cases were reported and more than 3,000 of these had resulted in death as of 8 June 2020 (World Health Organization, 2020). A year later, a total of 3,593,021 cases and 88,831 deaths had occurred on the continent.[1] In Nigeria alone, the total number of confirmed cases stood at 88,429 at the end of 2020; and by 11 June 2021, total confirmed cases had increased to 167,027, with 2,117 deaths.[2] The consequences of the pandemic are not yet fully known, although much more is now known about its health implications than its impact on welfare, especially at the household level.

The World Bank (Calderon and others, 2020) estimated that economic growth in sub-Saharan Africa would decline from 2.4 per cent in 2019 to -5.9 per cent in 2020 (with an associated loss in economic output of up to $79 billion and welfare loss of up to 10 per cent. Gondwe (2020) modelled an anticipated fall in aggregate GDP of about 1.4 per cent, with smaller economies facing contractions of up to 7.8 per cent. Contrary to the projections, aggregate real GDP in Africa shrank by only 2.1 per cent in 2021 and has been projected to grow at between 2.3 and 3.4 per cent in 2021, mainly driven by an anticipated increase in trade services and commodities as global production and demand gradually improve (Zeufack and others, 2021; African Development Bank, 2021). Nonetheless, the economic instability that accompanied the COVID-19 pandemic holds more dire consequences for African countries, where large sections of populations are in vulnerable households (ILO, 2020). Hence, it is important to study the impact of the pandemic at the household level with a view to informing appropriate policy responses.

The economic response of African governments to the pandemic has consisted mainly of lockdowns to slow the spread of the disease, and cash or food transfer to enhance food security. A body of evidence on the role of government policy responses in supporting household welfare in Africa during the pandemic is rapidly emerging (Avenyo and Ndubuisi, 2020; Abay

1 https://COVID19.who.int/table, accessed 10 June 2021.
2 https://COVID19.ncdc.gov.ng/report/.

and others, 2020; Amare and others, 2020; Balde, Boly and Avenyo, 2020; Kansiime and others, 2021). The overwhelming evidence is that lockdowns have hampered household welfare (especially food security), but social protection programmes have helped to enhance household food security and coping strategies. However, as the existing literature is largely based on cross-sectional data, it offers no insight into the persistent effects of social protection. This paper therefore addresses the specific question of whether there is a variation in the effectiveness of social protection as the pandemic evolves. This is important for two reasons. First, while the pandemic persists, it is crucial to know if current policy responses remain effective and what to do if they are not. Second, future social protection interventions would benefit from an understanding of the persistent effects of today's programmes in the face of dynamic threats.

Data were used from the first and third rounds of the COVID-19 National Longitudinal Phone Survey that is taking place in Nigeria to set up a panel of 1,925 households spread across all the states of the country and the Federal Capital Territory (FCT). The survey draws a representative sample of households from the latest wave of the standardized official nationwide household survey and will follow these same households over time through twelve monthly phone surveys, starting from April/May, 2020. The resulting data allows a temporal analysis of the welfare of these households at different points during the pandemic.

This paper contributes to knowledge in three ways. First, our evidence is based on longitudinal data on a representative sample of households in Africa's largest economy, Nigeria, which has since 2017 implemented one of the most ambitious social protection programmes in sub-Saharan Africa. The results in this paper are therefore far from anecdotal; rather, they illustrate the situation in an archetypal developing country and therefore hold policy lessons for other similar countries. Second, we assess the dynamic effectiveness of social protection in mitigating the impact of the COVID-19 pandemic. Specifically, we shed light on the persistence or otherwise of social protection in cushioning the effects of COVID-19 as the intensity of the crisis increases. Finally, unlike previous studies, our analysis focuses on the ability of a household to afford food. This provides a more direct measure of food security and is the exact target of social protection programmes that take the form of cash transfers or food supply.

Our evidence shows that receiving direct cash transfers or food has a significant positive effect on the ability of a household to afford its basic feeding needs in the face of the pandemic. However, this effect disappears as the pandemic becomes more intense. In other words, while social protection provides instantaneous relief from the economic shock, this relief is not persistent. Two areas of intervention are highlighted by the results. First, there is a need for more protection from sudden economic shocks such as the one occasioned by the COVID-19 pandemic. Second, handouts in the form of food and cash transfers are useful but only for immediate respite; interventions focused on medium- to long-term social protection (such as universal insurance and unemployment benefits) would have more impact in enhancing welfare and alleviating shock-induced poverty.

The rest of the paper is structured as follows. The next section summarizes the existing literature on COVID-19 impacts. To provide context, section 3 contains background information on Nigeria, the spread of COVID-19 in the country and the response of the Government and other stakeholders, especially in the form of social protection. In section 4, the data and variables are described, as are the first results on the relationship of interest. The multivariate specification and its result are discussed in section 5, before the paper concludes in section 6.

Background literature

Empirical analyses of the impact of COVID-19 on household welfare in Africa are rapidly emerging, enabled by the recent rise in data collection efforts by national statistics agencies and the World Bank. The rich micro-data emerging from recent nationally representative household surveys now allow researchers to go beyond small-scale analyses based on simple cross-sectional surveys (such as Balde, Boly and Avenyo, 2020, on the labour market impacts of the pandemic). For example, Amare and others (2020) recently performed an impact evaluation of the pandemic on Nigerian households, focusing on food security. They found that households exposed to higher COVID-19 cases or mobility lockdowns experienced a significant increase in measures of food insecurity. Indeed, as noted by Béné (2020), the cause of food insecurity was not infection, sickness or death from the virus itself, but the loss of income occasioned by the enforcement of lockdowns and closure of enterprises. Social protection, particularly in the form of direct cash

transfers or food palliatives are shown to have a positive impact on household survival during the pandemic. Avenyo and Ndubuisi (2020) examined the role of social assistance and income losses in explaining the coping strategies of households with family businesses during the pandemic. They found that coping strategies were broader in households that received social assistance or experienced income losses due to the pandemic. More specifically, Abay and others (2020) showed that households that received social protection experience less deterioration in food security than non-recipient households.

The COVID-19 pandemic affected household food consumption both globally (Martin and others, 2020) and locally. Many households in Nigeria experienced food insecurity before the COVID-19 pandemic, but the rate of food insecurity increased significantly in the post-pandemic periods. This was more evident among poorer households with non-farm businesses, school-age children and those living in rural and post-conflict regions (Amare and others, 2020). While the pandemic and restrictions imposed to contain the spread of the disease put vulnerable households at further risk as their sources of income were obstructed. Many poor households continue to face difficulty meeting their basic food and other needs. The COVID-19 pandemic has affected all sectors of the economy, including food and agricultural activities, which were excluded from direct restrictions where lockdowns were imposed.

Taken together, these studies provide useful insight into how to develop targeted policies and interventions to support household recovery from the negative impacts of the pandemic. The impact of the pandemic on an important aspect of household welfare, that is, temporal ability to afford basic necessities, remains poorly understood, however. The literature has established that the pandemic is a major economic shock, that may be temporary, but will have lasting effects on individual and household welfare (Kharas, 2020). The economic shock is transmitted through business interruptions and shutdowns emanating from governmental responses to COVID-19. These effects are particularly dire in Africa, where most of the populace hold insecure or non-decent jobs with low productivity and unstable income (Ozili, 2020; World Bank, 2015). For example, in a survey carried out in Kenya and Uganda, more than two thirds of respondent households reported income losses as a result of the COVID-19 pandemic (Kansiime and others, 2021).

On the micro-level, individual and household welfare have been enormously affected by the COVID-19 pandemic. Balana and others (2020) reported that over 80 per cent of Nigerian households lost about half of their income as a result of government policies introduced to curb the pandemic. Consequently, many households are unable to afford the basic consumables for daily living, especially food. According to Andam and others (2020), millions of Nigerians lacked the food and income that their families need to survive, particularly during lockdown. Similarly, Kansiime and others, (2021) showed that the level of household food insecurity increased in Kenya by 38 per cent and in Uganda by 44 per cent as a result of the pandemic. In Ethiopia, the share of households that were unable to satisfy their food needs increased by 11.7 percentage points following the onset of the pandemic (Abay and others, 2020).

Many African governments responded through social protection programmes offering direct cash transfers or food supplies. Ryder and Banefo (2020) report that, during the lockdown occasioned by the COVID-19 pandemic, 16 and 20 African countries adopted as support tools food and/or water distribution and cash transfers to vulnerable groups, respectively. The effectiveness of these interventions is almost without question (Abay, 2020; Barrett, 2020; Berhane and others, 2014). However, it remains to be seen whether the mitigating impact of social protection and safety nets persists. This knowledge is crucial for at least two reasons. First, the pandemic is still unfolding and government responses that have worked in the past may lose effectiveness as the impact of the pandemic becomes more intense. For example, it has been reported in Nigeria that the government response was insufficient as very few households could be reached with palliatives (foodstuffs and other consumables) to cushion the effect of the pandemic (Eranga, 2020). Second, most existing evidence on the effectiveness of social protection against the negative economic impact of COVID-19 is based on cross-sectional data or on secondary outcome measures such as whether households skipped meals or had balanced diets. Such evidence ignores the fact that the effectiveness of social protection might wane when the pandemic-induced food insecurity becomes more intense.

Against this background, this paper adds to the growing literature on the economic impact of the COVID-19 pandemic at the household level. Building upon recent similar studies (Abay and others, 2020; Amare and

others, 2020), we use more recent data to address the specific question of how social protection helps to mitigate the impact of the COVID-19 pandemic in Nigeria. This is an important issue because the existing literature suggests that COVID-19 has negatively impacted several aspects of livelihoods, including, for instance, deepening inequalities (Beaunoyer, Dupéré and Guitton, 2020).

Context

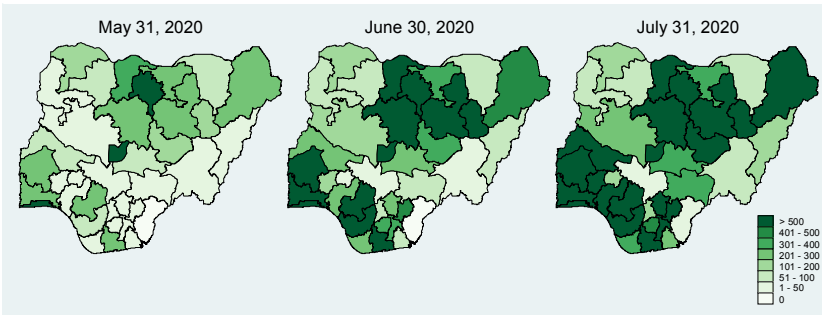
Nigeria is currently the largest country in Africa, both in demographic and economic terms. The country is divided into 36 states and a Federal Capital Territory. Unemployment and poverty rates are high and a large share of the workforce (about 70 per cent) is engaged in the informal sector (World Bank, 2015). This is indicative of the general structure of the labour market in sub-Saharan Africa, where the informal sector dominates in most regions: when agriculture is excluded, the share of informal employment in total employment is 78.8 per cent in Central Africa, 76.6 per cent in East Africa and 87 per cent in West Africa. Southern Africa has the lowest rate of informal sector employment at 36.1 per cent of total employment (ILO, 2018).

In combination, these macro-level attributes make the typical Nigerian household especially susceptible to economic shocks. Coupled with these, the country was one of the first in Africa to record a COVID-19 case. It is therefore easy to see why the pandemic has had significant economic implications for the country. For example, Amare and others (2020) reported that the share of households where a meal was skipped, food ran out or at least one member went without eating for a whole day increased by 47, 32, and 20 percentage points, respectively, immediately after the onset of the pandemic.

The first COVID-19 case in Nigeria was recorded on 27 February 2020. On 11 March 2020, the coronavirus outbreak was characterized as a pandemic because it had been reported on all continents (Ajisegiri and others, 2020). As figure I shows, the spread of the virus in the country was very rapid. As of 31 May, there were just over 10,000 confirmed cases in the country; this rose by over 100 per cent to nearly 25,600 in June and, by the end of July, the number of cases surpassed 43,000, with nearly 900 deaths (Nigeria Centre for Disease Control, 2020a, 2020b and 2020c). Moreover, the number of states with more than 500 cases increased from only three at the end of May to 20 at the end of July (figure I). Thus, the spread of COVID-19 in Nigeria

showed a spatial and temporal variation. Both dimensions of the crisis require a response but government interventions to date have been blind to this.

Figure I: Spread of the pandemic by region between May and July 2020



In particular, government responses to contain the spread of the pandemic included social distancing and mobility restrictions. These restrictions were dissimilar across the country, in response to the spatial variation in the intensity of the pandemic. While some states such as Lagos and Ogun enforced total lockdown, closing all schools, businesses and means of transport, others like Kwara and Kogi limited only inter-state travel but permitted movement within state boundaries. On the economic front, like other African countries, the Nigerian Government announced a social protection intervention totalling about 150 billion naira (₦) (about $394 million) to support households and small and medium enterprises affected by COVID-19. Other socioeconomic welfare policies ("palliatives") in the form of cash transfers[3] and food assistance[4] were implemented by the Government (Centre for Policy Impact on Global Health, 2020; FMBNP, 2020).

Moreover, in March 2020, an alliance called Coalition Against COVID-19 (CACOVID) was set up by the organized private sector for the management of confirmed cases and provision of palliatives to vulnerable individuals. By July 2020, CACOVID had gathered donations of over ₦39 billion (about $102 million) from individuals and organizations in Nigeria. Besides medical

3 About ₦20,000 – approximately $53 – per household, targeting each of 3.6 million poor and vulnerable households listed in the National Social Register under the National Social Safety Net Programme.

4 Under the Federal Ministry of Humanitarian Affairs Disaster Management and Social Development.

facilities and equipment, CACOVID bought and delivered essential food items worth more than ₦28 billion (about $73 million) and distributed to 1.7 million households, which is equivalent to assisting 8 million Nigerians (Central Bank of Nigeria, 2020). This was in addition to the support provided by religious organizations, non-governmental organizations and other sources. The distribution of the governmental intervention and palliatives was in phases, taking place in one state at a time and reaching most households only once, although it was possible for a household to receive support from multiple sources. Most of these welfare packages and programmes were either inadequate or flawed, however, involving politicization, lack of accountability and improper exclusion of some informal sectors (Centre for Policy Impact on Global Health, 2020). It was reported that, although the palliatives were meant for the most vulnerable in society, no parameters were laid down for determining who was most vulnerable (Eranga, 2020). Consequently, vulnerable individuals and households had very limited access.

Amare and others (2020) have demonstrated that the lockdowns indeed precipitated food insecurity in Nigeria. Specifically, they showed that, compared to households living where lockdowns were not already in force in March 2020, the share of households where a meal was skipped, food ran out or at least one member went without eating for a whole day was higher in states with full lockdown. Regarding the role of social protection, which is the focus of this paper, the results of Abay and others (2020) from Ethiopia show that social protection counterbalances the negative impact of the pandemic on household food security. Specifically, compared to non-beneficiaries, a significantly smaller share of households that benefitted from the Productive Safety Net Programme (PSNP)[5] reported that they had difficulties satisfying their food needs. However, these results were obtained in the periods immediately following the onset of the pandemic. Thus, it remains to be seen whether the positive impact of social protection remained even when the shocks from the pandemic became more intense. This paper therefore provides evidence on whether or not social protection remains effective in tackling the temporal variation in the intensity of the pandemic.

5 The Productive Safety Net Programme (PSNP) is a rural food security programme in Ethiopia. It was initiated in 2005 to support household welfare. Benefits are of two main types: labour-intensive public works employment for six months per year or unconditional payments in cash or food.

Data

The focus of this paper goes beyond measuring the direct impact of social protection to evaluate the persistence or otherwise of the effect of social protection in alleviating the negative impact of COVID-19 on household welfare measured in terms of food security. To do this, data were combined from two rounds of the Nigeria COVID-19 National Longitudinal Phone Survey. These phone surveys are conducted by the National Bureau of Statistics as part of the World Bank Living Standards Measurement Study (LSMS) High-Frequency Phone Surveys.[6] By design, both the surveys are nationally representative, and they provide detailed information on several household characteristics, including demographics and food security indicators. The first two rounds were selected for the analysis because the main variable of interest – affordability of food staples – is available in only those rounds.

The National Longitudinal Phone Survey sample includes 1,950 households systematically selected from the 4,976 interviewed in the latest round of the national Living Standards Measurement Study, which took place in January/February 2019. The 1,950 households are to be tracked monthly over a 12-month period starting from April/May 2020 to measure the micro-level impact of the COVID-19 pandemic. To facilitate nationally representative estimations and account for potential sample attrition, weights for the final sample were calculated in several stages and are updated for each survey round (see footnote 2). The present study applies these weights in its analyses, thereby making the results nationally representative. The analyses rely on a balanced panel obtained from merging the first and third rounds of the National Longitudinal Phone Survey, which were conducted in April/May and July, respectively. The indicators of interest were similarly measured across these two surveys. The second round was excluded because it did not contain information on the main outcomes of interest. The panel data was then combined with the confirmed COVID-19 cases and deaths in every state of Nigeria at the end of May and June. The spatial and temporal variation in cases between May and July have already been highlighted (figure I). The number of deaths shows a similar pattern.

6 See http://documents1.worldbank.org/curated/en/717901591889288314/pdf/Basic-InformationDocument.pdf for details on survey sampling and methods.

Table 1 sets out the weighted summary statistics on basic household characteristics. Information on the headship, size and gender composition of households was taken from the first survey round, which was the only time they were measured for the sample.[7] The average age of household heads was 50 years and 18 per cent of the households were female-headed. An average of five persons lived in each household and they were about 61 per cent female. Table I also provides a comparison of some household characteristics connected to welfare. Across both survey rounds, 69 per cent of households lived in rural areas. However, 2 per cent of households reported a job loss in the third survey round, compared to 3 per cent in the first round. It is worth noting that there was a 6 percentage point fall in the share of households that had a child in school between the first and third survey rounds. This reflects the negative impact of the pandemic on access to education, especially through lockdowns and school closure.

Table 1: Summary statistics of main household characteristics

	Overall			***Round 1***			***Round 3***		
Variable	***Obs***	***Mean***	***SD***	***Obs***	***Mean***	***SD***	***Obs***	***Mean***	***SD***
Female-headed household	1 925	0.18	0.39						
Age of household head	1 925	50.22	14.52						
Household size	1 925	5.39	3.34						
Share of females in households	1 925	0.61	0.44						
Rural households	3 850	0.61	0.49	1 925	0.69	0.46	1 790	0.69	0.46
Household has at least one child in school	3 850	0.75	0.43	1 925	0.80	0.40	1 790	0.74	0.44
Household has experienced job loss	3 850	0.03	0.16	1 925	0.03	0.18	1 790	0.02	0.13

Source: Author's calculations based on NLPS data

Variables and descriptive results

Outcome variable

As a proxy for household welfare during the pandemic, we adopted a primary measure of food security, that is, whether a household could afford basic food items. We considered this important because the effects of the pandemic on

7 This is logical because these attributes are not expected to change over a short interval.

food security in many Nigerian households were not direct but primarily transmitted through income loss that precipitated an inability to afford food (Andam and others, 2020; Balana and others, 2020; Eranga, 2020). In the National Longitudinal Phone Survey households, three questions asked if any member had needed to buy a food item in the seven days preceding the survey, whether they were able to buy it and, if not, why not. Of the reasons listed in the survey for not being able to buy food, our interest was in lack of money. The food items included were rice, beans, cassava, yams and corn/sorghum. Across Nigeria, one or more of these five items are staples in the diet of most households, irrespective of social class, ethnicity or geographical location. We combined information from the three questions to construct five indicators of ability to afford food. A sixth indicator was constructed as an aggregate of the five.

Table 2: Descriptive results on main outcome variables

	Round 1			***Round 3***			
Household unable to afford when needed	***Obs***	***Mean***	***SD***	***Obs***	***Mean***	***SD***	***Difference***
Rice	1 925	0.20	0.01	1 925	0.20	0.01	0.00
Beans	1 925	0.18	0.01	1 925	0.15	0.01	-0.03*
Cassava	1 925	0.13	0.01	1 925	0.08	0.01	-0.05*
Yams	1 925	0.24	0.01	1 925	0.25	0.01	0.01
Corn/Sorghum	1 925	0.10	0.01	1 925	0.08	0.01	-0.02*
Any of the above	1 925	0.33	0.01	1 925	0.37	0.01	0.04*

*significant at 5 per cent;
Source: Author's calculations based on NLPS data

Table 2 provides information on the six indicators of food security across the two survey rounds. Despite the short interval, there are two reasons why we expected a temporal change in these indicators. First, in the context of COVID-19, sudden income losses could have had an immediate impact on household welfare in a country like Nigeria, where most of the population is in non-decent employment and unable to save. Second, even where a household was unable to afford food, social protection could instantaneously have offset the negative impact. Indeed, we observe changes in several of the indicators in table 2. In combination, 4 per cent more households were unable to afford any of the five food items in July than in May. In contrast, the share

of households that could not afford beans, cassava and corn/sorghum fell by 3, 5 and 2 percentage points, respectively.

Main explanatory variables

Table 3 provides a summary of the primary explanatory variable, that is, an indicator of whether a household received food or a cash transfer. The variable was constructed based on the survey question that asked households to indicate if, since mid-March, they had received any assistance in the form of food or direct cash transfer. We expected this variable to change over time for the same reasons as for the outcome variable discussed above. Indeed, while the share of households that received direct cash transfer did not change from May to July, the share that received food had fallen by half. Only about 13 per cent of households received any food or cash transfer in May but by July this share had fallen to 7 per cent. In a sense, this drop suggests a decrease in either the volume or the coverage of the social protection programme.

Table 3: Summary statistics of main explanatory variables

Social protection	*Overall*			*Round 1*			*Round 3*		
	Obs	***Mean***	***SD***	***Obs***	***Mean***	***SD***	***Obs***	***Mean***	***SD***
Food	3 716	0.10	0.30	1 925	0.12	0.33	1 790	0.06	0.23
Direct cash transfer	3 716	0.02	0.14	1 925	0.02	0.15	1 790	0.02	0.13
Either food or cash	3 716	0.12	0.32	1 925	0.13	0.34	1 790	0.07	0.25

Source: Author's calculations based on NLPS data

This paper also assesses the impact of social protection conditional upon increasing intensity of the COVID-19 pandemic. For this, the count of confirmed cases and deaths in each state of Nigeria in the months of May and June 2020 are relied upon (Nigeria Centre for Disease Control, 2020a and 2020b). The increasing intensity of the pandemic is obvious from the summary provided in table 4. The average number of cases and deaths per state in June was about two and a half times the May average. A large variance is also observed, with some states having as few as two to four cases in May and June, respectively, while in others the number of cases was in the thousands.

Table 4: Summary statistics of COVID-19 data in Nigeria (May–June 2020)

COVID-19 data	*Month*	*Average*	*SD*	*Min*	*Max*
Confirmed cases	May	282	823	2	4943
	June	714	1 737	4	10 510
Deaths	May	8	12	0	54
	June	18	24	0	128

Source: Author's calculations based on NCDC data

Descriptive results on the role of social protection in mitigating COVID-19 impact

Table 5 reports the relationship between the receipt of food or cash and the ability of households to afford their basic food needs. Two findings immediately emerge. First, the share of households that could not afford their basic needs increased between the first and second surveys, but the rate of increase differed conditional upon receipt of social protection in the form of food or cash transfer. Specifically, the share of households that could not afford their needs among those that received social protection rose from 34 per cent in the first survey to 39 per cent in the second survey. Among those that did not receive social protection, a larger increase took place – from 27 per cent in the first survey to 39 per cent in the second survey. This suggests a positive relationship between receiving social protection and escaping deprivation, at least in the short term.

Table 5: Relationship between social safety nets and ability to afford basic necessities

	Household could not afford basic needs			
	Round 1		***Round 3***	
Variable	N	%	N	%
Household received either food or cash	1 621	33.7	1 666	39.2
Household did not receive either food or cash	304	27.3	125	39.2
Diff		6.300		0
Z		2.136		0

Source: Author's calculations based on NLPS data

Second, in the first round of the surveys, there is a difference of 6.3 percentage points in the ability to afford food between households that received social protection and those that did not. This difference is statistically significant (z = 2.136). By the time of the third round of the surveys, a higher but equal proportion of benefitted and non-benefitted households (39.2 per cent) could not afford their basic needs. These figures suggest that the instantaneous positive impact of social protection in the form of food or cash transfer had disappeared as the pandemic worsened.

What can explain this pattern? One possibility is the magnitude of the social protection relative to the intensity of the pandemic. The size of the food or cash intervention did not vary with the progression of the pandemic. Moreover, most households received the food or cash support only once (usually at the onset of the pandemic or at the start of the mobility lockdown).[8] Thus, increasing intensity of the pandemic would have meant that the instantaneous relief from the cash or food support waned over time, on aggregate, though it clearly provided an initial cushioning effect. Another, less likely, explanation lies in the behavioural response of the households to the support.[9] For the few households that received food or cash support repeatedly, the observed pattern could mean that they developed a dependency on the support received, thereby limiting their creativity and innovative coping strategies. Our subsequent estimation picks up on these conjectures.

Estimation and results

Model specification

The temporal variations in the prevalence of COVID-19 across states in Nigeria and in the outcomes of interest allow the above relationship to be explored more systematically. The following panel specification was formulated to evaluate the temporal impact of social protection on mitigating the impact of the pandemic on food security:

8 In our data, only 52 (2.7 per cent) households reported that they received food or cash in both rounds of the survey; 1,441 (74.9 per cent) did not receive at all, while 67 (3.5 per cent) did not respond to the question. The remaining 365 (19 per cent) households had received in one round or the other.

9 This explanation is less likely because the time period covered by the results seems too short to permit large behavioural changes in households.

$$Y_{it} = \alpha + \beta_0 Food\_Cash_{it} + \beta_1 Food\_Cash_{it} * COVID_{st} + \sum_{j=2}^{n} \beta_j X_i + \varepsilon_{it}$$

where is any of the six indicators of the ability of a household *i* to afford food at time *t*. is whether a household *i* received food, cash or both at time *t*. The interaction between this variable and the number of COVID-19 cases () captures the variation in the response of the outcome variable to temporal changes in the explanatory variable across households, conditional upon temporal changes in the intensity of COVID-19 over time in each state. The intensity of COVID-19 is operationalized in two ways: the number of confirmed cases and the number of deaths in each state.[10] is a vector of observable household characteristics, most of which are time-invariant (see table 1).

Given that the outcome variable is a binary indicator, equation 1 corresponds to a panel logit specification. To account for non-independence of households between surveys, the standard errors are clustered at household level. This is particularly important in this setting because of the potential problems of heteroscedasticity and autocorrelation of residuals at household level. The main coefficient of interest is β_1, which evaluates the hypothesis that the impact of social protection on the ability of a household to afford food is conditional upon the intensity of the pandemic. However, following existing literature (Abay and others, 2020; Barrett, 2020; Berhane and others, 2014), we expect a positive value of β_0, that is the direct effect of social protection on household welfare. The existing literature does not provide direct insight regarding the direction of β_1, and herein lies an important contribution of this paper. Following the descriptive results discussed above, we posit that households that are confronted with stronger intensity of the pandemic are less likely to afford food, even if they have received social protection. Thus, we expect β_1 to be negative, such that the magnitude of the total effect of social protection, that is, $\beta_0 + \beta_1$, will be smaller than the magnitude of the direct effect β_0.

Estimation results and discussion

This section discusses the results obtained from the estimation of equation (1) and what it reveals about the impact of government support in terms of cash

10 In alternative specifications we used the number of cases and number of deaths per capita in each state. The results are qualitatively similar to what we report in the paper.

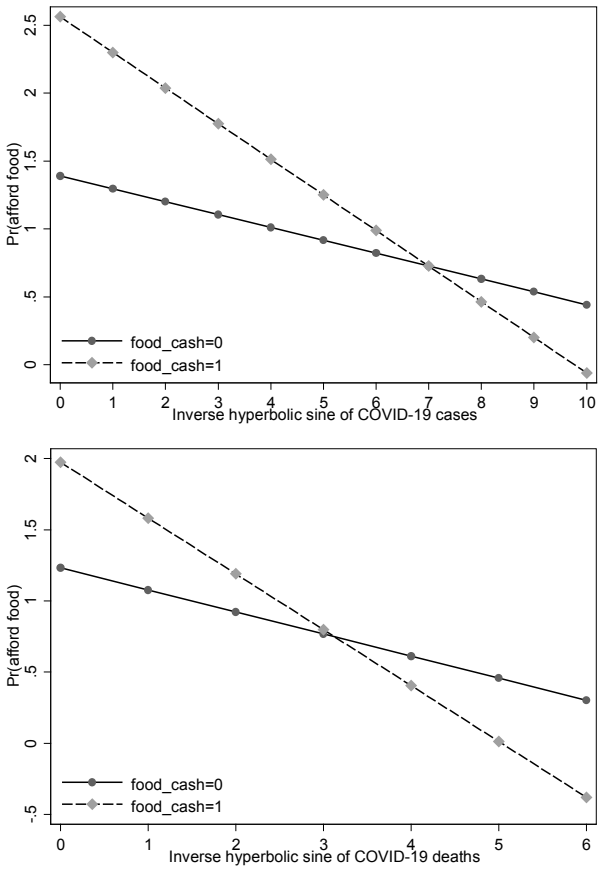
and food on the ability of households to afford basic necessities. As already explained, the aim is to show whether the intensity of the pandemic affected the impacts of the food or cash support on the ability of households to afford food between May and July 2020. The results obtained from estimating equation 1 are contained in tables 6 and 7. A strong positive impact is observed of social protection in the form of food, cash or both on household welfare: households that benefitted from social protection show a considerably higher probability of ability to afford basic food needs, even when other household characteristics are considered (column 1 in tables 6 and 7). This is true for all individual staple food items, except corn (columns 2-6 in tables 6 and 7), which is comparatively cheaper and in season between April and June when the data were collected. To illustrate the magnitude of the impact, the result in column 1 of tables 6 and 7 suggests that households that benefitted from social protection are between three and five times as likely to afford food as households that did not, irrespective of the type of food.

Table 6: Impact of COVID-19 cases on household welfare

	Household was able to afford…					
	Food	***Rice***	***Beans***	***Cassava***	***Yams***	***Corn***
Food_Cash	1.709***	1.140+	1.400*	1.114+	0.886+	0.782
	(0.464)	(0.585)	(0.637)	(0.674)	(0.468)	(0.722)
Food_Cash * COVID cases	-0.254***	-0.132	-0.155	-0.167	-0.152*	-0.074
	(0.074)	(0.095)	(0.101)	(0.105)	(0.075)	(0.112)
Intercept	1.142***	2.801***	2.733***	3.230***	1.571***	3.218***
	(0.227)	(0.285)	(0.284)	(0.334)	(0.241)	(0.366)
Controls	Yes	Yes	Yes	Yes	Yes	Yes
Intraclass correlation	0.376***	0.4***	0.342***	0.313***	0.347***	0.354***
Log panel-level variance	0.684***	0.787***	0.536**	0.403	0.557***	0.591*
	(0.148)	(0.169)	(0.199)	(0.260)	(0.169)	(0.252)
Number of observations	3,664	3,664	3,664	3,664	3,664	3,664
Log likelihood	-2275.3	-1755.0	-1577.3	-1210.2	-1981.6	-1062.7
Wald Chi squared	76.24***	94.99***	78.55***	60.79***	42.31***	29.05***

Standard errors in parentheses; + $p < 0.10$, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$
Source: Authors' calculations based on NLPS data.

Figure II: Impact of social safety net on household ability to afford food at varying intensities of COVID-19



As hypothesized, the positive effect of social protection was completely offset by the worsening COVID-19 pandemic, even when controlling for household characteristics. This provides strong support for the earlier conjecture that increasing intensity of the pandemic wipes out the initial relief from time-invariant cash or food support. Again, the results in column 1 of tables 6 and 7 show that, as the pandemic worsened, the impact of social protection reduced by between 20 per cent and 30 per cent.[11] These losses are huge considering the heavy burden of poverty in a country like Nigeria. Figure 2 illustrates this finding using the results in column 1 of tables 6 and 7.

11 This effect is more robust in table VII, where the intensity of the pandemic is operationalized with case fatalities.

Clearly, as the number of COVID-19 cases (left panel) and deaths (right panel) increased, the probability of a household being able to afford food decreased consistently. This decrease was much quicker when a household had received social support. At the starting-point, beneficiary households were far more likely to be able to afford food than the non-beneficiaries. However, as the pandemic progressed, beneficiary households became progressively less likely to be able to afford food, until the point where they were overtaken by non-beneficiary households.

Table 7: Impact of COVID-19 deaths on household welfare

	Household was able to afford…					
	Food	***Rice***	***Beans***	***Cassava***	***Yams***	***Corn***
Food_Cash	1.129***	0.915**	1.240***	0.886*	0.526+	0.629
	(0.273)	(0.314)	(0.363)	(0.418)	(0.275)	(0.431)
Food_Cash * COVID deaths	-0.375***	-0.228*	-0.306*	-0.302*	-0.219*	-0.115
	(0.092)	(0.108)	(0.120)	(0.136)	(0.093)	(0.142)
Intercept	1.159***	2.815***	2.754***	3.244***	1.579***	3.222***
	(0.228)	(0.285)	(0.285)	(0.335)	(0.241)	(0.366)
Controls	Yes	Yes	Yes	Yes	Yes	Yes
Intraclass correlation	0.376***	0.402***	0.345***	0.311***	0.346***	0.354***
Log panel-level variance	0.686***	0.792***	0.550**	0.397	0.553**	0.590*
	(0.148)	(0.169)	(0.199)	(0.260)	(0.169)	(0.252)
Number of observations	3,664	3,664	3,664	3,664	3,664	3,664
Log likelihood	-2272.9	-1754.2	-1575.6	-1208.9	-1980.9	-1062.6
Wald Chi squared	79.6***	95.97***	80.14***	62.56***	43.49***	29.19***

Standard errors in parentheses; + p < 0.10, * p < 0.05, ** p < 0.01, *** p < 0.001
Source: Authors' calculations based on NLPS data.

While the results generally agree with the previous literature on the substantial benefits of social protection for household welfare in times of crisis (Abay and others, 2020; Barrett, 2020; Berhane and others, 2014), they reveal an interesting caveat. It turns out that the welfare-enhancing effects of social protection are instantaneous but non-persistent, at least in the short term. This raises an important policy challenge: how to design social protection programmes for optimal impact, especially in times of crisis. Addressing this policy challenge is important, even if the crisis is not dynamic, as the

COVID-19 pandemic has been. For example, the selection criterion for receiving social intervention in response to this pandemic was supposed to be vulnerability, but the support provided was in fact static and largely insufficient to alleviate poverty significantly. Under these conditions, the results of this study indicate the insufficiency of the support at any given level of intensity of the pandemic.

There are no straightforward solutions to this challenge but the data and results of this study provide preliminary insight. First, it seems desirable to design social protection programmes in a responsive manner during crises. The nature and magnitude of household needs would tend to vary as crisis-induced shocks evolve. Thus, relief measures need to be tailored towards meeting these evolving needs. Two obvious ways to tailor relief programmes is by modifying the size of what is provided and by increasing or decreasing the frequency according to changes in the intensity of the crisis. Second, the design of social protection programmes should go beyond handouts, which, as the results show, were not necessarily effective in light of increasing intensity of the pandemic. Interventions focused on medium- to long-term social protection (such as universal insurance and unemployment benefits) would have more impact in enhancing welfare and alleviating shock-induced poverty.

Conclusion

This paper, set out to quantify the impact of social protection on household welfare measured in terms of ability to afford food. Using data from the first and third rounds of the National Longitudinal Phone Surveys[12] in Nigeria, it shows that social protection in the form of food or direct cash transfer is associated with a higher probability of household ability to afford the food they need. This positive effect is, however, offset by increasing intensity of the pandemic. It is inferred from this finding that the welfare-enhancing effects of social protection are instantaneous but non-persistent, at least in the short term. This casts doubt on the medium- to long-term effectiveness of the handout-type interventions now popular in developing countries. The implication for policy is that social protection programmes need to be

12 Admittedly, the analyses have considered a short time window (between May and July 2020); it remains to be seen whether the pattern will be different over the medium to long term. It will be possible to shed light on this as data from further rounds of the longitudinal phone survey become available.

designed in a responsive manner, especially in times of crisis. Two areas of intervention are particularly crucial. First, the magnitude of social protection from sudden economic shocks should be tailored to the magnitude of the shock. Second, handouts in the form of food and cash transfers are only useful in the immediate term. For medium- to long-term social protection, more robust interventions such as universal insurance and unemployment benefits would help households to be more resilient.

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Coronavirus disease pandemic and the securitization of migration in South Africa

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Abstract

The coronavirus disease (COVID-19) pandemic has provided opportunities for Governments around the world to justify anti-migration policies. The present article examines the heightened securitization of migration arising from the COVID-19 pandemic. It adopts the securitization theoretical lens to analyse the changes in migration controls effected in Africa, in particular in South Africa. The focus on South Africa is based on the fact that it is one of the most severely affected countries in Africa in terms of numerical statistics of infected and affected persons, deaths and socioeconomic impact. Relevant information is used, sourced from online publications, such as newspaper articles, and other relevant institutional websites of the key agencies in the fight against the COVID-19 pandemic, chiefly the World Health Organization, the United States Centres for Disease Control and Prevention, publications of the Government of South Africa, and academic journals, to analyse responses to COVID-19. It is argued that the portrayal of the COVID-19 pandemic as a security threat to human health and subsequent government responses fit into the broader trajectory of migration policies, which ignore a whole range of issues pertaining to the vulnerability of migrants that are likely to become structural.

Keywords: COVID-19; coronavirus disease, migration, security, securitization.

Résumé

La pandémie de coronavirus (COVID-19) a donné l'occasion aux gouvernements du monde entier de justifier des politiques anti-migratoires. Le présent article contient un examen de la sécurisation accrue de la migration découlant de la pandémie de COVID-19. L'auteur y adopte le prisme théorique de la sécurisation pour analyser les changements intervenus dans le contrôle des migrations en Afrique, en particulier en Afrique du Sud. L'accent mis sur l'Afrique du Sud s'explique par le fait qu'il s'agit de l'un des pays les plus sévèrement touchés en Afrique en termes de statistiques sur les personnes infectées et affectées, les décès et l'incidence socioéconomique. Des informations pertinentes provenant de publications en ligne, telles que des articles de journaux, et d'autres sites institutionnels pertinents des principaux organismes s'occupant de la lutte contre la pandémie de COVID-19, principalement l'Organisation mondiale de la Santé, les Centres for Disease Control and Prevention des États-Unis, les publications du Gouvernement sud-africain et les journaux universitaires sont utilisées pour analyser les réponses au COVID-19. L'auteur soutient que la présentation de la pandémie de COVID-19 comme une menace pour la santé humaine et les réponses gouvernementales qui en découlent s'inscrivent dans la trajectoire plus large des politiques migratoires, qui ignorent toute une série de questions relatives à la vulnérabilité des migrants, qui vont probablement devenir structurelles.

Mots clefs : COVID-19, maladie à coronavirus, migration, sécurité, sécurisation.

Introduction

The new coronavirus disease (COVID-19) was first reported in Wuhan, China, in late December 2019 (Zhu and others, 2020). According to statistics, as at 8 July 2021, 222 countries had been affected, with a total of 184,820,132 confirmed cases and approximately 4,002,209 deaths registered on the World Health Organization (WHO) coronavirus dashboard (WHO, 2021). The alarming severity and rate of its spread globally resulted in WHO declaring COVID-19 a global pandemic on 11 March 2020. Following this declaration and the provisions of international law, which acknowledge the need for extraordinary measures to address exceptional situations of public health emergencies such as this (United Nations, 1976, art. 4), WHO urged Governments all over the world to take urgent steps to contain the spread of the disease (WHO, 2020).

Consequently, many countries declared national states of emergency, imposing severe measures, including national lockdowns, border closures and limits to individual freedoms (including the prohibition of large gatherings and school closures), to mitigate the impacts of the pandemic. The global pandemic also created an opportunity for Governments to intensify the securitization of migration and push through radical migration policies of exclusion and xenophobia, which are unjustifiable on public health grounds and likely to remain in place in a post-COVID-19 world (Austen 2020; Kanno-Youngs and Semple 2020; Novak and others 2020). The Government of South Africa was one of those that seized this opportunity.

Although the severity and number of confirmed cases make South Africa one of the countries most affected by COVID-19, the measures adopted to contain the pandemic, which have included hard-line policies affecting migrants (including refugees and asylum seekers), are of great concern. Using the securitization theoretical framework, the present paper examines the effect of the COVID-19 pandemic on migration policies in South Africa and argues that the portrayal of the pandemic as a threat to global health and national security and some of the subsequent response measures of the Government of South Africa to control the spread of the virus all fall within the broader trajectory of stringent migration policies likely to remain in effect post-COVID-19.

Securitization theory

At the end of the cold war, debates over the idea of security emerged in international relations between the "wideners" and the "narrowers" or traditionalists. While the "narrowers" were concerned with the concept of State security, with a focus on analysing the military and political stability between the United States of America and the Soviet Union (Suvlovic, 2010), the "wideners" sought to include non-military threats that affected people rather than States (Knudsen 2001; McDonald, 2008). The inclusion of non-traditional concepts such as human security and regional security and the combination of ideas of culture and identity resulted in the expansion of the security agenda (Eroukhmanoff, 2018: Cuzan and others, 1998).

Drawing on the constructivist ontology, the Copenhagen School, which comprises international relations scholars such as Ole Wæver, Barry Buzan, Jaap de Wilde and other loosely related scholars (Buzan and others, 1998), is credited with broadening the definition of security. According to the Copenhagen School, security threats are not a given; rather, issues are socially constructed to become threats by political actors through speech acts. They argue further that those political issues are constructed as extreme matters of security that need urgent attention when they are identified as "dangerous", "threatening", "alarming" and in other similar terminology by the "securitizing actor", who holds social and institutional power to move the issue "beyond politics" (Eroukhmanoff, 2018). For example, the reference to immigration as a "threat to national security", raises it from a low-priority political concern to a high-priority concern that requires and justifies the use of extraordinary actions, such as the securitization of borders. The term "securitization" therefore describes a process by which a State determines threats to its national security based on socially constructed and subjective, rather than objective, assessments of perceived danger (Kilroy, 2018).

Securitization theorists focus on how security issues influence five different sectors: the political, economic, military, societal and environmental. According to Buzan and others (1998), the value of the sectoral approach to security analysis is that it creates manageable portions of a complex whole. However, these broken components must be reassembled for an accurate understanding of the dynamics and practices of security (Buzan and others, 1998). In addition, the approach provides an understanding that the

existential threats are subjective to the characteristics of each referent object. The referent object in securitization theory refers to the object of enquiry that needs to be protected. For example, the object of enquiry or referent object in the societal sector is identity; in the environmental sector it is the ecosystem and endangered species; while in the military sector it is the State (Eroukhmanoff, 2018). Therefore, identifying a referent object raises the question: security for whom, from what and by whom?

Speech act

The "speech act" is central to securitization theory. "By saying the words, something is done, like betting, giving a promise, naming a ship" (Buzan and others,1998, p. 26). The speech act occurs when an existential threat is created before a referent object by a securitizing actor, usually a political elite or a person who holds power and authority. The emphasis on elites assumes that a securitizing speech act is indeed more likely to be successful if the securitizing actor or speaker holds a position of authority, power and expertise or is seen (by the audience) as a legitimate representative of the group on behalf of whom they speak. Thus, traditional security policy elites, such as Heads of State, cabinet ministers, heads of intelligence agencies and defence bodies, are usually in a privileged position to speak authoritatively on security. To justify the use of extraordinary measures, the securitizing actor must exaggerate the urgency, raise the level of the threat, and provide a possible solution, which is usually framed in military terms. For example, following the Paris attacks in November 2015, the President of France, François Hollande, declared that France was at war with the army of jihadists who had attacked France (BBC, 2015; Eroukhmanoff, 2018). In this example, the President's speech act provides an "us against them" narrative where the "us" refers to the French people being attacked by "them", the army of jihadists, who also represent an existential threat characterized by "terror". The issue is therefore raised above domestic politics when Hollande declares that the jihadist group is a global threat, and thereby justifies the need for extraordinary measures to secure borders and a state of emergency to ensure that the threat is neutralized.

However, it is critical to point out that securitizing actors are not limited to the political elite. Security professionals, including law enforcement officials, officers of intelligence units, customs and immigration officials, border guards and the military, contribute to shaping the security landscape (Eroukhmanoff,

2018). In addition, the media, academia, non-governmental agencies and think tanks are also important agents in the process of securitization because they frame headlines and stories about existential threats that often create the "us against them" divide (Eroukhmanoff, 2018). Examples can be noted from the images in the South African media of large crowds of Zimbabweans gathered at the Beitbridge border with South Africa, which not only create an exaggerated narrative of a humanitarian crisis (Dayimani and Hunter, 2021), but also cement the idea that migrants are a threat to national security. Although these actors (also called "functional actors") can influence discussions within the security landscape, they do not possess the power to move issues above politics, however.

The Copenhagen School explains that "based on a clear idea of the nature of security, securitization studies aim to gain an increasingly precise understanding of who securitizes, on what issues (threats), for whom (referent objects), why, with what results and, not least, under what conditions (what explains when securitization is successful)" (Buzan and others 1998, p. 32). In other words, an issue becomes securitized only after an audience accepts the nature of the threat and agrees to the use of extraordinary measures to secure and protect the referent object against the existential threat (Buzan and others, 1998). If the speech act of the securitizing actor is rejected by the audience, the securitization has failed. In this respect, the objective of the Copenhagen School is to understand the method of securitization of security actors, rather than to judge their actions normative (ibid., pp. 33–35). This approach to securitization lacks the formulation of normative standards needed to judge subjectively legitimate or illegitimate claims to security (Charrett, 2009). As a result, the Copenhagen School generally opts for de-securitization, where a securitized issue "returns" to the area of normal politics (Buzan and others, 1998), as the preferable mode of solving issues of threats.

A prominent critic of the Copenhagen School is Bill McSwenney (1996), who introduced the term Copenhagen School to refer to the works of Buzan, Waever and de Wilde (Buzan and others, 1998). McSweeny argues that the attempts to expand the definition of security to include certain societal concepts such as migration are potentially dangerous. Michael Williams (1998) summarizes McSweeny's view to mean that, if security is uncritically linked to a concern with identity, and as a result reduced wholly to subjective judgement, any racist or xenophobic suggestions of what is to be secured

and from what (for example that of Trump and his radical migrant policies) appears to be both politically plausible and beyond objection (Williams, 1998). Therefore, for the safety and security of certain groups (such as migrants and refugees), McSweeney argues for certain issues to be excluded from the security agenda and calls for more objective standards by which to critically evaluate such claims, as can be seen from the traditional security perspective (Williams, 1998).

In addition, the emphasis on speech acts excludes other physical actions or bureaucratic practices that ordinarily do not occur from securitizing speech acts but rather are a part of the process through which security is constructed and understood (McDonald, 2008). In line with this, the Paris School (which comprises scholars such as Didier Bigo and Jef Huysmans), argue that the construction and application of security to issues may take place through various routine practices other than only through speech acts that allow for extraordinary measures (McDonald, 2008). For example, routine practices by the police, military and bureaucrats may influence the process of securitization. As explained further by Didier Bigo (2002), these officials referred to as "professional managers of unease" operate within a "security continuum" in which different issues, such as migration and terrorism, are connected, which in turn develops and shapes the security discourse.

Furthermore, the emphasis on the speech act also fails to recognize the role of visual images and representations in the construction and understanding of security. Scholars such as Michael Williams (2003) and Frank Möller (2007) suggest that visual representations of the 11 September 2001 terrorist attacks, in particular the collapse of the twin towers of the World Trade Center, and images of the conflict in Iraq have been fundamental in shaping dominant perceptions of security and threats within the American context (McDonald, 2008). Similarly, pictures of the crisis in Syria and migrants fleeing to Europe via the Mediterranean Sea have contributed to the fear and particular meanings of threats and security in the European context. Although including these forms of representation within the securitization framework would provide a reflective range of the forms by which security and threats can be communicated, Möller (2007) and Hansen (2006) have argued that the ambiguity of interpretation of images makes it harder to control what the audience deduces from them. Similarly, Matt McDonald (2008) argues that, while the Copenhagen School places political elites

at the centre of the securitization process, the key "securitizing actors" in visual representations are visual artists, illustrators and the media. Hence, including visual representation in the securitization theoretical framework would simultaneously involve altering the centrality of State political elites within the securitization process (McDonald, 2008). More importantly, the Copenhagen School proposes the securitizing move of the political elite to be a highly intentional and strategic action. The intentional elevation of domestic issues to become high-level issues of political importance to justify the use of extraordinary measures perhaps does not fit the communication of visual images, assumed by these functional actors (such as the media) who lack the power to undertake extraordinary measures to tackle the threat (McDonald, 2008).

Despite these criticisms, the theoretical framework of the Copenhagen School is still regarded as a leading theoretical tool within the field of security studies for its ability to accommodate the differences between traditional and modern approaches to defining security. With regard to the issues highlighted in the present paper, the Copenhagen School provides a central theoretical basis and an in-depth analysis of the power relations within politics necessary for understanding the hardening of migration policies that has occurred in South Africa during the COVID-19 pandemic.

Securitization theory and migration

Globalization has resulted in global interconnectedness and complexities whereby "societies and countries have become increasingly embedded in global social, economic and political exchanges and networks such as transport and communication" (Triandafyllidou, 2016, p. 1). Consequently, migration has become a common phenomenon, people migrating for different purposes, including education, military and diplomatic missions, economic opportunities (economic migrants), fleeing war and persecution (refugees and asylum seekers), among others (de Haas and others, 2019; Sheller and Urry, 2016). However, as Huysmans and Squire argue, "Migration emerged as a security issue in a context marked by both the geopolitical dislocation associated with the end of the Cold War and also by broader social and political shifts associated with 'globalization'" (Huysmans and Squire, 2009). Similarly, the terrorist attacks of 11 September 2001, which resulted in the collapse of the World Trade Center and the death of thousands of civilians,

redefined "the significance of migration as a security issue", subsequently providing a firm basis for the increased regulation of migration (Amoore, 2006; Andreas, 2003; Karyotis, 2012). Hence in the last two decades, migration, which was formerly a socioeconomic, historical sociological and anthropological concern, has dominated the security and political discourse.

Migration can become a matter of national security in several ways, for example: when migrants, refugees or asylum seekers oppose the host country regime; when migrants are seen as cultural threats in the host country; when there is social and economic pressure within host societies caused by migrants; or when the host society uses immigrants as instruments against the country of origin. Thus, Ceyhan and Tsoukala (2002) define four areas in which the securitization of migration is manifest. These are: (a) socioeconomic, resulting from unemployment and job competition, the rise of an informal economy, welfare state crisis, and urban environment deterioration; (b) securitarian, reflecting loss of a control narrative associated with sovereignty, borders, and both internal and external security; (c) identitarian, where migrants are considered a threat to the national identity and demographic equilibrium of the host society; and (d) political, resulting from anti-immigrant, racist and xenophobic discourses (Ceyhan and Tsoukala 2002, 24). For the benefit of immigrants and host countries, it is therefore important to prevent marginalization, discrimination, urban segregation, and social disruption in order to ensure social stability (Estevens, 2018).

Generally speaking, migration policies do not seem very inclusive, however. The United States and Europe have developed stricter legislation and policies on migration, deployed highly sophisticated surveillance and information technology and expanded the role of military personnel, methods, and hardware (Andreas, 2003, p. 79) to strengthen the capacity of various security actors to control and regulate migration flows over their borders (Amoore, 2006). Similarly, upper-middle-income countries in Africa, such as Algeria, Botswana, Egypt, Morocco and South Africa, have also employed stricter migration policies towards migrants from other African countries. The reasons given for the hardened migrant policies include security and job market competition between nationals and migrants. In some cases, these concerns have resulted in xenophobic tendencies and violent attacks in which lives have been lost and the property of migrants has been destroyed. Xenophobic attacks took place in South Africa in 2008, 2015 and 2019 (BBC, 2019).

South Africa

The strong economy and stable political environment of South Africa have made it a destination of choice for cross-border migration within the Southern African region and beyond. The pattern of migration in Southern Africa has changed dramatically since 1994, with a large number of migrants coming from neighbouring African countries, either as refugees, forcibly displaced persons or economic migrants in search of greener pastures. Hence, at a time when European migration and asylum policies have become more restrictive, migrants, refugees and asylum seekers have entered the social and economic structure of South Africa, through education, employment and formal and informal businesses (Crush, Skinner and Stulgaitis, 2017).

Bearing in mind its long-standing position as a regional migration hub, the Government of South Africa has increasingly noted that its post-apartheid refugee protection legislation, which contains a very broad definition of a refugee (derived from the African Union and United Nations definitions) and gives refugees extensive basic rights afforded to South Africans, is too liberal and therefore requires amending to introduce more restrictions and give fewer rights (ibid.). In addition to this, an analysis of the national rhetoric since the end of apartheid demonstrates a persistent securitization of African migrants as the threatening "other" (MacDonald and Alexander, 2000; Hammerstad, 2012). Consequently, South Africa has experienced a discursive shift towards a rejection of pan-Africanism that defines foreign Africans as the primary existential threat (Ilgit and Klotz, 2014, p. 149).

The exaggerated perception of African immigrants as a threat to national security in order to advance the perception of an existential threat to the safety and job opportunities of the South African working class is reflected in extreme anti-migrant public discourse, actions, and government policies (Moyo and Nshimbi, 2020). The effect of this is evident in the official government statements declaring porous borders to be the most significant threat to the country, and subsequent decisions to include home affairs under the newly created National Security Council (Duncan, 2020). Policy changes that have made it increasingly difficult for African migrants to be granted asylum or work visas, the curtailment of previously held rights and the amendment of the Refugee Act in 2020, which, enabled the immediate detention and removal of any migrant deemed a national security risk (Moyo

and Nshimbi, 2020), represent a profound reconfiguration of approach towards the recognition of migrant rights and other related international agreements.

Furthermore, the Border Management Authority Bill, the practice of Operation Fiela, arbitrary arrests, detention, and deportation of migrants (refugees and asylum seekers) (Eghosa, 2020), are all manifestations of the securitization of migration, which corroborates a global trend that seeks to prevent access to physical territories and refugee protection systems through physical, economic, and social barriers (Crush, , Skinner and Stulgaitis, 2017). In addition, the Government has ignored the Constitution of South Africa, the Refugee Act, and other national and international legal instruments, and argued that genuine asylum seekers are indeed economic migrants and potential criminals perceived as security threats within the territory of South Africa. Consequently, the Government of South Africa has overemphasized the security agenda to invoke extraordinary measures to enforce changes in the laws and policies governing the process of seeking asylum for migrants and this has affected the physical security of migrants in the country (Eghosa, 2020).

Securitization theory and the global pandemic: South Africa

Mólnar, Takács and Harnos (2020) argue that, the rate of spread and the growth in the number of serious cases leading to the potential collapse of the health-care system, meant that the COVID-19 pandemic quickly developed into an existential public health threat (Molnár, Takács and Harnos, 2020). Consequently, the global response to the pandemic includes all the elements critical for the securitization process: referent object(s), threat, audiences, speech acts and securitizing actors, and extraordinary measures. The need to protect lives and preserve the functioning of nation States from the threat of the pandemic has been used as a justification for securitizing acts. Hence, while emergency declarations have resulted in the use of extraordinary powers, including the use of the military to enforce measures in some countries, it has been widely accepted and adhered to by the public. Thus, like the global war on terror, which resulted in the intensified control and regulation of international migration (Andreas, 2003), the COVID-19 pandemic, has resulted in a similar intensification and regulation of mobility and migration.

It can therefore be observed that COVID-19 has greatly contributed to increased securitization of migration.

As mentioned earlier, South Africa is one of the hardest-hit countries in Africa, with 2,090,909 confirmed cases and 62,628 deaths recorded by WHO as at 8 July 2021 (WHO, 2021). As the pandemic deepened, President of South Africa, Cyril Ramaphosa, wearing a camouflage uniform, declared his country at war with COVID-19 on 27 March 2020. In an address to the national defence forces, he stated that the pandemic was an unprecedented period threatening the democracy of South Africa and therefore war must be waged against an invisible enemy to defend the South African people from the coronavirus (BBC, 2020). This speech act provides an "us against them" narrative where the "us" refers to the South African people being attacked by "them", coronavirus disease, which also represents an existential threat characterized by "terror". The issue is therefore raised above domestic politics when Mr. Ramaphosa declares that the pandemic threatens the democracy of South Africa and thereby justifies extraordinary measures to wage war on the invisible threat to the safety of the South African people.

Government actions to combat the of spread of the disease have therefore created exceptional scenarios in which the state of emergency has resulted in increased powers for the executive, and responses to COVID-19 have been militarized (Molnár, Takács and Harnos, 2020). In some contexts, these responses have been used to legitimize securitized responses to migration, while appearing to implement humanitarian and public health responses. These measures have put many migrants at risk and forced them into months of uncertainty, rather than preventing the spread of the virus. Some of these measures are outlined below.

Building border fences to stop the spread of the virus

As a measure to control the spread of COVID-19, Mr. Ramaphosa announced that borders and ports were to be secured with immediate effect. In line with this, the Public Works Minister, Patricia de Lille, announced that she had invoked emergency procurement procedures to build a 40-km border fence between South Africa and Zimbabwe to prevent illegal or infected persons crossing the border into the country.

Given the high rate of infection in South Africa compared to neighbouring countries, the building of a border fence not only serves a limited purpose in terms of safeguarding public health, but also takes away much-needed critical resources that could be used by public health services in the fight against COVID-19. Furthermore, since the securitization of migration occurs through the social construction of migration as a threat to security, where migration has supposedly destructive effects on the domestic environment and represents a danger to public order (Huysmans, 1998), the border fence is simply a reflection of an attempt by the Government to tighten its border to prevent the inflow of migrants. This not only undermines regional cooperation and efforts to develop cross-border responses to combat the global pandemic, but also drives cross-border migrants into irregular and more risky routes where they may encounter trafficking and exploitation.

Selective visa policies and access to documentation by migrants

In the early months of the pandemic, foreign nationals already in South Africa from "high-risk" countries (mostly in Europe), including tourists and business travellers, were given the opportunity to remain in the country and renew or extend their visas. However, for migrants from other parts of Africa, including the Southern African Development Community region, refugee offices set out to suspend issuing visas or renewing visas to limit public interaction and flatten the curve (Scalabrini Centre of Cape Town, 2020). As a temporary measure, the Department of Home Affairs announced that, as the services of the refugee reception offices were suspended, immigrants with invalid permits would be granted thirty additional days after the lockdown restrictions were lifted to renew their permits (Moyo and Zanker, 2020). Similarly, some banks provided temporary measures for immigrants (refugees and asylum seekers) to keep their accounts functioning, even if their permits had expired (Vearey and Atak, 2020).

The temporary leave to remain and the task of renewing permits during the pandemic is, however, at best merely perfunctory, as many other forms of access are often dependent on having valid permits and documentation. These include services such as access to basic health care, education, food parcels, banking services, unemployment benefits, social grants, even, at times, freedom of movement. In addition, the lockdown regulations, have severely limited access to places of immigration detention, including police cells, as

well as access to the required permits to move around freely. Despite calls to suspend deportation and detention during the COVID-19 lockdown, the Government continued to deport migrants during this period (Reidy, 2020). This form of discrimination reflects how migrants from different parts of the world are treated, those considered to be wealthy being treated far better than those considered to be poor (Vearey, 2020).

Exclusionary policies and xenophobic rhetoric to fuel anti-migrant sentiment

Apart from the issue of securitization and the bureaucratic hurdles faced by migrants in the renewal of their visas, the government response to the pandemic contributed significantly to the xenophobic rhetoric politicians frequently used to gain populist approval, in particular among the poor population. While announcing the regulations regarding the lockdown, Khumbudzo Ntshavheni, Minister of Small Business Development, noted that only spaza shops (small grocery shops) owned, managed, and run by South African nationals were to be allowed to operate (Kubheka, 2020). Consequently, the police shut down spaza shops owned by immigrants on the first day of the lockdown. Although, a new directive on 6 April 2020 permitted all spaza shops, including those owned by immigrants, to remain open (Zanker and Moyo, 2020), the initial poorly thought-out lockdown announcement at a time when national unity was so sorely needed, reinforced the government stance on migration and the safety and protection of migrants. ***Similarly, some former notable public officials, including the former Democratic Alliance Mayor of Johannesburg, Herman Mashaba,*** took to social media to urge the Government to ensure stricter regulation of borders in the #PutSouthAfricansFirst campaign, inciting xenophobic sentiments around the country (NewsClick, 2020).

Furthermore, on 1 February 2021, South Africa received its first batch of the COVID-19 vaccine, but, when announcing that the country would begin nationwide vaccination as one of the measures to combat the pandemic, the health minister announced that only South African citizens would receive the vaccine, as the Government did not have the capacity to vaccinate undocumented migrants (Egwu, 2021). Later, in a nationwide broadcast, Mr.

Ramaphosa assured the country that the vaccine would be made available to all, irrespective of nationality and immigration status (Egwu, 2021).

It can be seen from the above that, while the national Government of South Africa has mainly acted on the securitization of international migration, other government officials have used the pandemic as a basis on which to reinforce anti-migration and xenophobic rhetoric. The principal role of these actors as seen through their directives and public statements has mainly identified the objects perceived as threats and persuaded the audience to accept this narrative (Buzan and others, 1998). In this case, migrants (refugees and asylum seekers) have been described as critical existential threats to economic stability and national human health because of their perceived contribution to the spread of the virus, in addition to their impact on the economy. Therefore, in view of the recently heightened anti-migrant policy trajectory of South Africa, there is a substantial argument for viewing the measures taken to contain the COVID-19 pandemic as exploitation of a health crisis to justify an extension of a pre-existing securitization agenda. This supports the argument that security threats are constructed to justify emergency responses that promote the government agenda (Bigo, 2002).

In response, many migrant communities have expressed the fear that the measures to exclude migrants from COVID-19 responses would only increase the risk of infection and further exacerbate the challenges already faced by migrants in the country. In addition, it is widely believed in the migrant community that migrants are victims of health-care discrimination that has been described by some as medical xenophobia, thereby increasing their fear of exclusion from COVID-19 response measures, including the vaccination campaign (Egwu, 2021).

The present circumstances therefore provide a strong argument for collaborative efforts, regional coordination and global cooperation in developing measures to flatten the curve, rather than building fences to separate neighbouring countries and developing stringent policies that violate and threaten the lives of migrants.

Conclusion

The present paper has used the securitization theory framework as a tool to explain the impact of the COVID-19 pandemic on the securitization of migration, with a focus on South Africa. The principal argument is that the Copenhagen School has played a particularly important role in shaping our understanding of how the COVID-19 pandemic has been declared an existential threat globally, and especially in South Africa, where extraordinary measures are being taken to intensify control and regulate migration across borders.

Furthermore, the securitization theory suggests that securitizing the pandemic in South Africa is more about threat magnification than any effects of the pandemic itself. For example, despite the heightened securitization of migration during the pandemic, South Africa still has the highest number of cases in Africa, with many of the cases reportedly coming from high-risk countries outside the region. In addition, the migrant-related responses to the pandemic, including the building of a border fence, xenophobic rhetoric, and forcing migrants into months of uncertainty, are proof that preventing the spread of the virus is secondary to the ongoing political agenda of excluding migrants. This corroborates what some policy experts have referred to as "Governments taking advantage of the crisis to push through hard-line migration policies which are legally unjustifiable on the grounds of public health" (Zanker and Moyo, 2020).

Heightened border security has provided opportunities for health status (or perceived health risk) to be employed as an additional securitization measure to justify the arrest, detention and deportation of migrants and to restrict movement across national borders. It therefore goes without saying that the COVID-19 pandemic has intensified insular and nationalistic migration policies and exacerbated existing challenges, which will likely have long-lasting effects on migration and migrants after the pandemic is over. Nonetheless, if an infectious disease containment strategy is to succeed, everyone must be included, and so implementing securitization measures such as border fences is likely to cause further harm to the region by forcing migrants, in particular those with irregular status, to cross borders illegally, resulting in greater risks to health and human security. There is therefore an urgent need for countries to honour their international human rights obligations and responsibilities

towards all persons within their territory to ensure that all responses to the COVID-19 pandemic, including vaccination programmes, are inclusive of citizens and non-citizens alike. It is also important for countries to see this as an opportunity to develop holistic future pandemic preparedness planning which would benefit everyone within their territories.

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Determinants of teenage entrepreneurial intentions during the coronavirus disease pandemic: a survey of high school students

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Abstract

The path to socioeconomic recovery after coronavirus disease (COVID-19) and the search for innovative policy solutions has become a global policy issue. The present study argues that promoting teenage entrepreneurship has the potential to enhance youth self-employment options. Specifically, the authors seek to establish the effect of family background, perceptions of entrepreneurship, and institutional support on entrepreneurial career choice among teenagers. The study relies on the responses of 189 teenagers to the 2020 Teenage Entrepreneurial Intentions Survey administered to selected teenagers in three secondary schools located in Bariga Local Council Development Authority, Lagos, Nigeria. It uses a mixed research methodology. First, it uses exploratory factor analysis to deconstruct major constructs into smaller variables for enhanced model specification. It then applies the multiple logistic regression modelling technique. The findings show that parents talk about start-ups, grandparents' entrepreneurial status, exposure to entrepreneurial experience and support for entrepreneurship in schools are significant determinants of teenage entrepreneurial intentions. The study suggests the urgent need to develop a curriculum for teenage entrepreneurship studies in secondary schools and colleges across Africa. Further implications of the findings for inclusive development post-COVID-19 are also discussed.

Keywords: COVID-19 pandemic, entrepreneurial intentions, family background, parents' role model, teenage entrepreneurship.

JEL classification : J60, L26, M13.

Résumé

La recherche d'une voie conduisant au redressement socioéconomique après la maladie à coronavirus (COVID-19) et celle de solutions stratégiques innovantes sont devenues un enjeu stratégique mondial. Les auteurs du présent article soutiennent que la promotion de l'esprit d'entreprise chez les adolescents recèle le potentiel d'améliorer les possibilités d'emploi indépendant des jeunes. Plus précisément, les auteurs cherchent à établir l'effet du contexte familial, des perceptions de l'esprit d'entreprise et des soutiens institutionnels sur le choix de carrière entrepreneuriale chez les adolescents. Ils s'appuient sur les réponses de 189 lycéens à l'enquête 2020 sur les intentions entrepreneuriales de certains adolescents de trois établissements secondaires de la *Bariga Local Council Development Authority* à Lagos (Nigéria). Ils utilisent une méthode de recherche mixte. Tout d'abord, ils utilisent une analyse factorielle exploratoire pour décomposer les principaux concepts en variables plus petites afin d'améliorer la spécification du modèle. Ils appliquent ensuite la technique de modélisation par régression logistique multiple. Les résultats montrent que le discours des parents sur la création de startups, le statut entrepreneurial des grands-parents, l'exposition à l'expérience entrepreneuriale et le soutien à l'entrepreneuriat dans les écoles sont des déterminants importants des intentions entrepreneuriales des adolescents. Les auteurs de l'article suggèrent le besoin urgent de développer un programme d'enseignement sur l'entrepreneuriat pour les adolescents dans les établissements secondaires et l'enseignement post-secondaire partout en Afrique. D'autres implications des résultats pour le développement inclusif de l'après-COVID-19 sont également abordées.

Mots clefs : pandémie de COVID-19, intentions entrepreneuriales, contexte familial, modèle de rôle des parents, esprit d'entreprise chez les adolescents.

Classification JEL : J60, L26, M13.

Introduction

The future of African youth lies in a thriving and more prosperous Africa. Globally, Africa is known for its youthfulness, resilience and resourcefulness. Despite these attributes, how best to harness the inherent potential of African youth for inclusive and sustainable development of the continent has become a recurring policy question begging for innovative socioeconomic policy interventions with the potency to deliver an inclusive development impact.

At present, two thirds of the population of Africa is under the age of 24 and many of these young people are unemployed or underemployed (African Development Bank, 2019). The growth of formal sector employment options is slow compared to the growth of the youth population. The African labour market therefore lacks the capacity to absorb a greater percentage of its growing workforce each year. The African Development Bank estimates that Africa needs to generate at least 12 million jobs annually in order to create access to decent job opportunities for young men and women (African Development Bank, 2019, p. 7). The persistent increase in the gap between youth labour demand and supply has become the underlying factor driving the African manifesto of "decent job creation". Furthermore, the Bank endorses the emerging view that youth entrepreneurship development remains a powerful engine for inclusive economic development and job creation across the continent (African Development Bank, 2019, p. 52).

There is a scarcity of formal entrepreneurship development policies in African countries, despite increasing awareness that entrepreneurship can offer potent socioeconomic gains. For instance, the Economic Commission for Africa (ECA) laments the fact that "Africa is at a critical juncture in its development trajectory. … Africa will need to raise an estimated 11 per cent of GDP per annum for the next 10 years to close its financing gap". While several African countries lack the requisite fiscal capacity and political will to deepen domestic revenue mobilization, it is suggested that promoting entrepreneurship development will create avenues for national governments to expand their tax nets. This implies that promoting teenage entrepreneurship development can influence fiscal revenue mobilization and subsequently promote inclusive development as long as the resources gained are deployed effectively to finance sustainable development (ECA, 2019, p. 2).

Teenage entrepreneurship development has the potential to promote speedy economic recovery in a post-economic crisis regime. Like every country around the world, African countries have been battling to survive the socioeconomic damage of COVID-19. Global projections have forecast reductions in gross domestic product of between 15 per cent and 20 per cent resulting from economic disruption and the loss of at least 75 million jobs. The realities of the African youth labour market in the wake of the COVID-19 pandemic have reinforced the call for a rethink of teenage entrepreneurship development across Africa. More importantly, the COVID-19 pandemic will have three far-reaching effects: on the volume of jobs generated; on the quality of existing work; and on specific vulnerable groups. African youth constitute a vulnerable group facing job instability as a result of declining labour demand. Therefore, self-employment as a career choice is considered an option for survival beyond the COVID-19 pandemic (Fairlie, Couch and Xu, 2020).

In view of this, the current study is based on the premise that a healthy teenage entrepreneurial mindset is crucial for resilient, sustainable and inclusive development of potential African entrepreneurs (Athayde, 2009; Cardella, Hernández-Sánchez and Sánchez-García, 2020; Krueger, 2020; Peterman and Kennedy, 2003). Teenage entrepreneurship comprises systems of identification, nurturing, and the development of potential entrepreneurs as providers of solutions within the society. Unlike student and graduate entrepreneurship, teenage entrepreneurship has so far received little or no scholarly attention (Allen, 2014; Cheatle, 2015; Tobin, 2010). There are a few exceptions, including Krueger (1993), who have examined the effect of family influence on the entrepreneurial attitudes of children. Strong and Eftychia (2006) posit that teenagers from homes with strong family communications and a stable family environment have a higher probability of embracing entrepreneurship. In the wake of COVID-19, Cardella, Hernández-Sánchez and Sánchez-García (2020) suggest that future studies might examine cultural variations in teenagers' exposure to parental role models and their perception of entrepreneurial support.

The present study examines the determinants of teenage entrepreneurial intentions during the COVID-19 pandemic. Specifically, it seeks to establish the effect of family background, perceptions of entrepreneurship, entrepreneurial exposure and institutional support of entrepreneurial career

choice on teenagers. In order to achieve these research objectives, the study focuses on selected teenagers in senior secondary schools in Lagos State, Nigeria. With the aid of exploratory factor analysis, family background, perception of entrepreneurship and institutional support were deconstructed into simpler variables for the purpose of robust model estimation. The study is based on the premise that teenage entrepreneurship could be a powerful engine of inclusive sustainable development after the COVID-19 pandemic.

The remainder of the study is divided into three sections. The next section discusses the research methodology. This is followed by data analysis and interpretation, the discussion of the results, and the conclusion.

Research methodology

Sampling technique and data collection

The unit of analysis of the study is teenagers in high schools within the Lagos State metropolis in Nigeria. A structured survey instrument was distributed among 250 senior secondary students in three public high schools in the district of the Bariga Local Community Development Council between 27 June and 17 July 2020. Although 199 completed surveys were retrieved, only 189 survey instruments were found to be useful. Overall, this represents a 75.2 per cent response rate. The sample size (n = 189) comprises 89 males and 100 female respondents; 47.09 per cent and 52.91 per cent, respectively. Table 1 provides a summary of the respondent profiles.

Table 1: Profile of respondents

Variables	*Categories*	*Self-employment choice*					*Total*	*%*
		0	*1*	*2*	*3*	*4*		
Gender	Male	7	9	36	29	8	89	47.090
	Female	15	23	24	30	8	100	52.910
Age	11–15 years	21	26	54	48	11	160	84.656
	16–20 years	1	6	6	11	5	29	15.344
Class focus	Arts	1	10	17	11	4	43	22.751
	Commercial	0	0	6	6	0	12	6.349
	Sciences	21	22	37	42	12	134	70.899
Level	SSS1	7	13	17	17	6	60	31.746
	SSS2	8	7	17	14	5	51	26.984
	SSS3	7	12	26	28	5	78	41.270
Taught entrepreneurship	No	6	1	8	8	2	25	13.228
	Yes	16	31	52	51	14	164	86.772

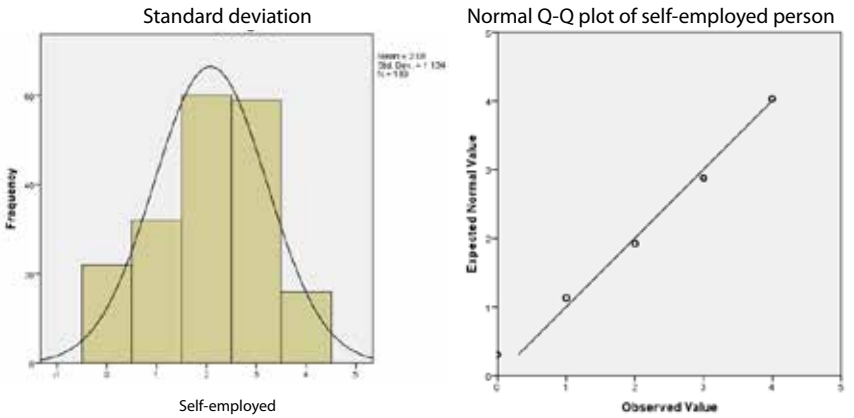
Source: Authors' compilation (2020).

Definition and measurement of variables

Self-employment choice

For the purpose of the study, self-employment choice is measured as a one-dimensional variable with four independent items: (a) I would like to buy an existing company; (b) I would like to start a new business; (c) I would like to invest in an existing profitable business; and (d) I would like to be self-employed. The respondents were required to provide a "yes" or "no" response. The leading question was, "What would you like to do within the next five years (2019–2023)?" The total sum of the four items is used as the indicator for self-employment choice (minimum = 0; mean = 2.08; maximum = 4; and standard deviation = 1.134). A test of normality of the variable with the aid of both histogram and normal Q-Q plot shows that it is near normal (see the figure below). Further statistical testing, such as the Kolmogorov-Smirnov test (K-S = 0.188; p = 0.000) and the Shapiro-Wilk test (i.e., S-W = 0.905; p = 0.000), proves that the distribution of self-employment index fails the normality assumption.

Graphical representation of self-employment responses



Source: Authors' compilation (2020).

Family background

Contrary to existing studies, family background is measured as a multidimensional variable. Respondents were provided with 10 question items with "yes" or "no" responses with a view to establishing whether the significant others (grandparents, parents and other relatives) were entrepreneurs or not. Exploratory factor analysis (i.e. principal component analysis with varimax rotation) was used to identify and analyse the underlying constructs embedded in family background. This produced five factors with eigenvalues greater than 1 and with a cumulative variance explained of 75.83 per cent. These factors and factor loading are presented in table 2. These include parental consent (minimum = 0; mean = 0.76; maximum = 2; and standard deviation = 0.851); parents talk about start-ups (minimum = 0; mean = 1.31; maximum = 2; and standard deviation = 0.894); entrepreneurial grandparents (minimum = 0; mean = 0.60; maximum = 2; and standard deviation = 0.797); entrepreneurial relatives (minimum = 0; mean = 1.07; maximum = 2; and standard deviation = 0.825); and entrepreneurial parents (minimum = 0; mean = 1.30; maximum = 2; and standard deviation = 0.743).

Table 2: Rotated component matrix[a]

Variable items	*Component*					*Variable names*
	1	*2*	*3*	*4*	*5*	
Mother will agree with my start-up	0.934					Parental consent (FB31)
Father will agree with my start-up	0.919					
Father talks to me about start-ups		0.888				Parent talks about start-ups (FB32)
Mother talks to me about start-ups		0.834				
Grandmother has own business			0.887			Entrepreneurial grand-parents (FB33)
Grandfather has own business			0.846			
My relatives have own business				0.838		Entrepreneurial relatives (FB34)
My guardians have own business				0.765		
Father has own business					0.869	Entrepreneurial parents (FB35)
Mother has own business					0.620	
Eigenvalue	2.121	1.718	1.545	1.135	1.065	
Variance explained (%)	21.209	17.182	15.446	11.346	10.647	
Extraction method: principal component analysis; rotation method: varimax with Kaiser normalizationa						

Source: Authors' compilation (2020).
a Rotation converged in 5 iterations.

Perception of entrepreneurship

Perception of entrepreneurship is measured as a two-dimensional variable. The study generated 14 statements regarding how students generally feel about entrepreneurship as a career path and these were assessed by respondents on a 5-Likert scale (1 = strongly disagree; 5 = strongly agree). With the aid of exploratory factor analysis (i.e. principal component analysis with varimax rotation), the study identified and analysed two underlying constructs embedded in perception of entrepreneurship: perception of start-up feasibility and perception of start-up desirability. These factors have eigenvalues greater than 1 and with a cumulative variance explained of 34.73 per cent. These factors, factor loading and their respective reliability scores are presented in table 3. Unlike the perception of start-up feasibility, the Cronbach alpha of perception of venture desirability is less than 0.50, which implies that the four

items are not reliable measures of perception of desirability. Consequently, this variable is excluded from further analysis of the determinants of entrepreneurial intentions among these teenagers.

Table 3: Rotated component matrix[a]

Items	*Component*		*Variables*	*Cronbach alpha*
	1	*2*		
Confident of parent's support	0.686		Perception of feasibility (PoF33)	0.757
Convenient to search for business information	0.676			
An exciting learning process	0.623			
Eager to commit more time	0.601			
Easy to share ideas with father	0.585			
Certain of successful operations	0.543			
Easy to identify business partners	0.508			
Thinking about business experiences is encouraging	0.503			
Share ideas with my mother	0.500			
Combining business with studies is boring		0.587	Perception of desirability (PoD33)	0.437
Hard to commit my time		0.576		
Hard to combine with studies		0.531		
Thinking about business is discouraging		0.508		
Eigenvalues	3.129	1.741		
Variance explained (percentage)	22.297	12.433		
Extraction method: principal component analysis; rotation method: varimax with Kaiser normalization.				

Source: Authors' compilation (2020).
a Rotation converged in 3 iterations.

Exposure to entrepreneurship opportunities

Exposure to entrepreneurship is also measured as a two-dimensional variable. The study generated seven question items with a view to capturing respondents' exposure to entrepreneurship classes, programmes, opportunities, and relevant attempts at hands-on entrepreneurial experiences with a "yes" or "no" response. The "yes" responses were coded 1 and the "no" responses were coded 0. With the aid of exploratory factor analysis (i.e. principal component analysis with varimax rotation), the study identified and analysed two underlying constructs embedded in exposure to entrepreneurship opportunities: exposure to entrepreneurship training and exposure to entrepreneurial experiences.

These factors have eigenvalues greater than 1 and with a cumulative variance explained of 50.43 per cent. These factors, factor loading and their respective reliability scores are presented in table 4. Since the Cronbach alpha of both variables is greater than 0.50, they are included for further analysis of the determinants of entrepreneurial intentions among these teenagers.

Table 4: Rotated component matrix[a]

Items	*Component*		*Variables*	*Cronbach alpha*
	1	*2*		
Attended entrepreneurship programmes in school?	0.842		Exposure to entrepreneurship training (EEO922)	.687
Attended entrepreneurship class in school?	0.812			
Are you aware that entrepreneurship is a life-changing opportunity?	0.645			
Attempted to sell products in your school?		0.797	Exposure to entrepreneurial experiences (EEO911)	.517
Attempted to sell products in other schools?		0.697		
Eigenvalues	2.146	1.385		
Variance explained (percentage)	30.653	19.779		
Extraction method: principal component analysis; rotation method: varimax with Kaiser normalization.				

Source: Authors' compilation (2020).
a Rotation converged in 3 iterations.

Institutional support

In addition, institutional support for entrepreneurship is measured as a two-dimensional variable. The study generated 13 statement items with a view to understanding respondents' perception of institutional support for entrepreneurship and these were assessed by respondents on a 5-Likert scale (1 = strongly disagree; 5 = strongly agree). With the aid of exploratory factor analysis (i.e. principal component analysis with varimax rotation), the study identified and analysed two underlying constructs embedded in institutional support for entrepreneurship: support for entrepreneurship in schools and support for entrepreneurship within the family. These factors have eigenvalues greater than 1 and with a cumulative variance explained of

52.602 per cent. These factors, factor loading, and their respective reliability scores are presented in table 5. The Cronbach alpha of both variables is greater than 0.80, which implies that the respective items are reliable measures of support for entrepreneurship in schools and within the family, respectively. Thus, both variables are included for further analysis of the determinants of entrepreneurial intentions among these teenagers.

Table 5: Rotated component matrix[a]

Items	*Component*		*Variables*	*Cronbach Alpha*
	1	*2*		
School offers entrepreneurship courses	0.773		Support for entrepreneurship in schools (ES91)	.837
School offers seed-funding opportunities	0.757			
School offers business incubation services	0.749			
School helps to patent business ideas	0.696			
School encourages student's start-up on campus	0.686			
School organizes seminars on entrepreneurship regularly	0.684			
School creates awareness of the gains of entrepreneurship	0.587			
Family members will encourage me to start business		0.794	Support for entrepreneurship within the family (ES92)	.819
Family members will support with equipment		0.788		
Family members will provide loans to start		0.759		
Family members will approve of my actions		0.733		
family members will advise		0.707		
Family members will provide office space		0.530		
Eigenvalues	4.248	2.590		
Variance explained (percentage)	32.676	19.926		
Extraction method: principal component analysis; rotation method: varimax with Kaiser normalization.				

a Rotation converged in 3 iterations.

Data analysis and econometric technique

Model specification

The present study seeks to examine the determinants of entrepreneurial career choice among teenagers. For the purpose of estimation, the model of the study is specified as:

$$Y_{ij} = b_0 + b_i X_{ij} + a_i Z_{ij} + m \qquad \text{Equation 1}$$

Where:

X_j = set of j predictors	Z_k = set of k control variables
X_1 = Parental consent (FB31)	Z_1 = gender
X_2 = Parents talk about start-ups	Z_2 = age
X_3 = Grandparents' entrepreneurial status	Z_3 = class-focus
X_4 = Relatives' entrepreneurial status	Z_4 = level
X_5 = Parents' entrepreneurial status	Z_5 = taught entrepreneurship before
X_6 = Perception of start-up feasibility	
X_7 = Exposure to entrepreneurship training	
X_8 = Exposure to entrepreneurial experience	
X_9 = Support for entrepreneurship in schools	
X_{10} = Support for entrepreneurship within families	

Table 6: Mean, standard deviation and correlation matrix

	N	*Mean*	*SD*	*FB31*	*FB32*	*FB33*	*FB34*	*FB35*	*PoF33*	*EEO922*	*EEO911*	*ES91*	*ES92*
FB31	189	1.31	0.894	1									
FB32	189	0.76	0.851	0.271**	1								
FB33	189	0.60	0.797	-0.013	0.062	1							
FB34	189	1.07	0.825	0.051	-0.037	0.026	1						
FB35	189	1.30	0.743	-0.012	-0.062	0.125	0.2**	1					
PoF33	189	0.71	0.259	0.417**	0.255**	-0.032	0.095	0.055	1				
EEO922	189	0.42	0.399	0.071	0.107	0.096	0.106	0.066	0.154*	1			
EEO911	189	0.62	0.377	0.257**	-0.049	-0.028	0.171	0.1	0.237**	0.125	1		
ES91	189	3.39	0.898	0.208**	0.082	0.055	0.072	0.102	0.295**	0.047	0.276**	1	
ES92	189	3.97	0.742	0.379**	0.202**	-0.092	0.016	-0.001	0.525**	0.154*	0.208**	0.248**	1

Notes: N: sample size (number of respondents out of 199 surveys administered); SD = standard deviation; FB31 = Parental consent; FB32 = Parents talk about start-ups; FB33 = Grandparents' entrepreneurial status; FB34 = Relatives' entrepreneurial status; FB35 = Parents' entrepreneurial status; PoF33 = Perception of start-up feasibility; EEO922 = Exposure to entrepreneurship training; EEO911 = Exposure to entrepreneurial experience; ES91 = Support for entrepreneurship in schools; and ES92 = Support for entrepreneurship within families; ** Correlation is significant at the 0.01 level (2-Tailed); * Correlation is significant at the 0.05 level (2-Tailed).

Source: Authors' compilation (2020).

Equation 1 expresses entrepreneurial career choice among teenagers (Y_{ij}) as a function of 10 predictors (parental consent, parents talk about start-ups, grandparents' entrepreneurial status, etc.) and five control variables: gender, age, class-focus, etc. The coefficients of the predictors are depicted by b_i; the coefficients of the control variables are depicted by a_i; m is the random error term. The study treats the dependent variable (Y_{ij}) as a binary variable following the convincing evidence that the self-employment index is not normally distributed. In view of this, the study examined entrepreneurial career choice using four distinct variables: "intention to take over an existing business"; "intention to start own business"; "intention to invest in other businesses"; and "intention to be self-employed". Consequently, equation 1 is estimated using the multiple logistic regression modelling technique.

Descriptive statistics

Descriptive statistics summarize the mean, the standard deviation, and the correlation coefficients of the variables of interest in the study. The correlation matrix, in particular, is used in order to ascertain that no two predictors are strongly correlated (see table 6).

Empirical results

Interpretation of results

The study used the average of the scores of the four items measuring entrepreneurial career choice among teenagers (desire to take over existing business; desire to invest in existing profitable business; desire to start own business; and desire to be self-employed) to develop a self-employment index (SEI). A test of normality was conducted using the Kolmogorov-Smirnov normality test (K-S = 0.188; p = 0.000) and the Shapiro-Wilk normality test (S-W = 0.905; p = 0.000), respectively. The results of both tests prove that the distribution of the self-employment index fails the normality assumption. In view of the finding, the study treated the four items as independent binary variables and estimated four multiple logistic regression models. This section presents and interprets the results of the estimations.

Interpretation of model I

The results of the estimated model I, in table 7, show that parents talk about start-ups, grandparents' entrepreneurial status and class level of the respondents have positive and statistically significant effects on teenagers' entrepreneurial career choice. Specifically, the odds of taking over an existing business are 2.045 times higher among teenagers whose parents talk about start-ups; 1.573 times higher among teenagers whose grandparents were entrepreneurs; and 2.74 times higher among teenagers in their penultimate year (SS2) than among teenagers without entrepreneurial career choice. This estimated model not only explained between 13.3 and 20.4 per cent of the variations in the outcome variable, it can correctly predict teenagers' entrepreneurial career choice in 81 per cent of cases.

Interpretation of model II

The results of estimated model II, in table 7, show that only parents talk about start-ups and support for entrepreneurship by schools are significant determinants of teenagers' entrepreneurial career choice of starting their own business. The odds of starting their own business are 1.847 times higher among teenagers whose parents' talk about start-ups; and 1.514 times higher among teenagers who receive support for entrepreneurship in their schools than among teenagers with no interest in starting their own business. This estimated model explains between 14.5 and 21.3 per cent of the variations in teenagers' entrepreneurial career choice. It can also correctly predict teenagers' entrepreneurial choice in 80.4 per cent of cases.

Table 7: Logistic regression results

	Model I ***Take over existing business***			***Model II*** ***Start own business***		
	B	***Sig.***	***Exp(B)***	***B***	***Sig.***	***Exp(B)***
Parents talk about start-ups	0.715***	0.010	2.045	0.614***	0.010	1.847
Parental consent	0.306	0.186	1.358	-0.205	0.393	0.814
Grandparents' entrepreneurial status	0.453*	0.061	1.573	-0.048	0.844	0.953
Relatives' entrepreneurial status	-0.022	0.932	0.979	-0.145	0.550	0.865
Parents' entrepreneurial status	0.133	0.635	1.142	-0.128	0.616	0.880
Perception of start-up feasibility	-0.172	0.858	0.842	0.701	0.419	2.015
Exposure to entrepreneurship training	0.121	0.810	1.129	0.330	0.520	1.390
Exposure to entrepreneurial experience	-0.315	0.593	0.730	0.910	0.125	2.483
Support for entrepreneurship in schools	0.039	0.866	1.040	0.415*	0.072	1.514
Support for entrepreneurship within families	-0.022	0.948	0.979	-0.335	0.270	0.716
Gender	-0.223	0.586	0.800	-0.535	0.184	0.585
Age	0.745	0.168	2.106	-0.326	0.556	0.722
Course (1)	-0.390	0.457	0.677	0.543	0.284	1.721
Course (2)	-0.143	0.870	0.867	1.624	0.175	5.073
Level		0.068			0.584	
Level (1)	1.008**	0.057	2.741	0.235	0.665	1.265
Level (2)	0.173	0.759	0.841	0.569	0.303	1.767
Constant	-3.560	0.042	0.028	0.485	0.765	1.624
Overall percentage (Block 0)		77.80				
Chi-square statistics (c^2)	27.051 (df = 16; p = 0.041)					
Cox and Snell R2		0.133				
NagelKerke R2		0.204				
Hosmer and Lemeshow test (c^2)	10.282 (df = 8; p > 0.05)					
Overall percentage (block 1 and 2 respectively)		81.0				

Note: B – buying existing business; Sig. – significance; Exp(B) – success in establishing own business

* – age; ** – support for entrepreneurship in schools: *** – exposure to entrepreneurial experience; df – degrees of freedom; p – probability

Table 8: Logistic regression results

	Model III Invest in existing profitable businesses			*Model IV Be self-employed*		
	B	***Sig.***	***Exp(B)***	***B***	***Sig.***	***Exp(B)***
Parents talk about start-ups	0.233	0.288	1.263	0.374*	0.064	1.453
Parental consent	-0.023	0.919	0.977	-0.193	0.328	0.825
Grandparents' entrepreneurial status	-0.015	0.948	0.985	-0.115	0.575	0.891
Relatives' entrepreneurial status	-0.004	0.988	0.996	0.163	0.418	1.178
Parents' entrepreneurial status	-0.294	0.221	0.745	-0.131	0.541	0.877
Perception of start-up feasibility	0.388	0.641	1.473	-0.011	0.988	0.989
Exposure to entrepreneurship training	0.454	0.335	1.575	-0.196	0.635	0.822
Exposure to entrepreneurial experience	2.379***	0.000	10.798	0.153	0.751	1.165
Support for entrepreneurship in schools	0.527**	0.016	1.694	0.099	0.590	1.104
Support for entrepreneurship within families	-0.079	0.785	0.924	0.158	0.542	1.171
Gender	-0.512	0.164	0.599	0.326	0.324	1.385
Age	1.080*	0.064	2.944	0.840*	0.077	2.316
Course (1)	-0.070	0.875	0.932	-0.028	0.945	0.973
Course (2)	0.493	0.562	1.637	0.956	0.176	2.603
Level		0.028			0.798	
Level (1)	0.690	0.162	1.994	0.280	0.512	1.323
Level (2)	1.508***	0.007	4.518	0.188	0.662	1.207
Constant	-3.705	0.018	0.025	-2.962	0.031	0.052
Overall percentage (Block 0)		67.7			51.3	
Chi-Square statistics (c^2)	48.468 (df = 16; p =0.000)			14.311 (df = 16; p = 0.576)		
Cox and Snell R2		0.226			0.073	
NagelKerke R2		0.308			.097	
Hosmer and Lemeshow test (c^2)	8.496 (df = 8; p > 0.05)			5.194 (df = 8; p > 0.05)		
Overall percentage (Block 1 and 2 respectively)		70.4			62.4	

Note: B – buying existing business; Sig. – significance; Exp(B) – success in establishing own business

*– age

**– support for entrepreneurship in schools

***– exposure to entrepreneurial experience

df – degrees of freedom; p – probability

Interpretation of model III

In table 8, the results of estimated model III show that teenagers' exposure to entrepreneurial experiences, support for entrepreneurship by schools, and class level of the respondents (SS3) are the significant determinants of their entrepreneurial career choice of investment in other businesses. Notably, the odds of choosing entrepreneurship as a career path by investing in other businesses are 10.79 times higher among teenagers who have been exposed to entrepreneurial experiences; 1.69 times higher among teenagers who receive support for entrepreneurship from their schools; and 4.52 times higher among teenagers who are in their final year (SS3) than among teenagers who did not choose entrepreneurship as a career path. This estimated model explains between 22.6 and 30.8 per cent of the variations in teenagers' entrepreneurial career choice of investment in other businesses and can correctly predict the outcome in 70.4 per cent of cases.

Interpretation of model IV

The results of estimated model IV, in table 8, show that parents' talk about start-ups and age of respondents have a statistically significant effect on teenagers' entrepreneurial career choice (to be self-employed). The findings reveal that the odds of choosing entrepreneurship as a career path by becoming self-employed are 1.453 times higher among teenagers whose parents talk about start-ups and 2.32 times higher among teenagers who are 16 years and above. This estimated model explains between 7.3 and 9.7 per cent of the variations in teenagers' entrepreneurial career choice (to be self-employed), and can correctly predict the outcome in 62.4 per cent of cases.

Discussion of results

Previous research has paid considerable attention to studying both student entrepreneurship and graduate entrepreneurship (Allen, 2014; Cheatle, 2015; Dabic and others, 2012; Tobin, 2010; Wang and Wong, 2004). However, the subject of how and why exposure to models of parental role and perceived support of family members vary in terms of teenage entrepreneurship is still underexplored (Athayde, 2009; Cardella, Hernández-Sánchez and Sánchez-García, 2020; Peterman and Kennedy, 2003). In response to the clarion call by Cardella and co-authors, the present study specifically examines the effect of family background, perceptions of entrepreneurship, exposure to

entrepreneurship opportunities and institutional support on entrepreneurial career choice among teenagers.

Family background and entrepreneurial intentions of teenagers

The results show that, of the variables measuring family background, parent talks about start-ups and entrepreneurial grandparents have positive and significant effects on the entrepreneurial intentions of teenagers. First, the finding that parents talk about start-ups aligns with the views of scholars who observe that, when parents engage with children in open conversations about entrepreneurship, it instils in them the confidence to pursue entrepreneurship as a career path. Besides, open communication between parents and children makes the path to entrepreneurial success more accessible. It gives children the sense of encouragement, perceived support and invaluable connections that make self-employment a desirable career option. According to Media (2019), starting a business as a teenager offers invaluable lessons, but the importance of open and sincere parental communications cannot be underestimated.

The results also show that having entrepreneurial grandparents has a positive and significant influence on the entrepreneurial intentions of teenagers. This finding aligns with the thoughts of Sirmon and Hitt (2003) that entrepreneurial grandparents constitute unique social resources for grandchildren willing to become entrepreneurs. In their study, they argue that grandparents – as a social resource – offer three types of capital: structural, relational, and cognitive. As structural capital, closeness to one's entrepreneurial grandparents exposes willing children to their existing networks and business configurations. As relational capital, closeness to entrepreneurial grandparents instils in willing grandchildren the requisite norms and obligations. As such, children learn the secret of trust in entrepreneurship. Entrepreneurial grandparents are also sources of cognitive capital, which helps to teach children the shared language and narratives of their grandparents' business(es). Besides providing instrumental social support systems, grandparents can also be a credible source of financial capital (Meoli and others, 2019).

All these combined comprise an informal support structure. According to Turulja and others (2020), informal support structures relate to necessary entrepreneurial support from family and friends and the society at large. This is popularly referred to as social norms. When parents and grandparents exhibit

a positive entrepreneurial attitude, children will, in turn, possess a stronger personal attitude towards entrepreneurship (Turulia and others, 2020). These notwithstanding, when children have open communications with their parents and grandparents, they are empowered with the entrepreneurial knowledge, entrepreneurial expertise and skills required to launch themselves successfully into the world of entrepreneurship (Scafarto, Poggesi and Mari, 2019).

Perception of entrepreneurship and entrepreneurial intentions of teenagers

The findings show that perception of venture feasibility has a positive and significant effect on the entrepreneurial intentions of teenagers. This is similar to the findings of Peterman and Kennedy (2003); Guerrero, Rialp and Urbano (2008); Entrialgo and Iglesias (2016); Esfandiar and others (2017); and Sancho, Martín-Navarro and Ramos-Rodríguez (2018). This implies that the sampled teenagers have strong confidence in their ability to set up a business of their own and operate it successfully.

Exposure to entrepreneurial opportunities and entrepreneurial intentions of teenagers

The findings show that exposure to entrepreneurial experience has a positive and significant effect on the entrepreneurial intentions of the sampled teenagers. This is similar to the findings of Peterman and Kennedy (2003); and Schwarz and others (2009). With specific reference to entrepreneurial opportunities, Diaz-Casero, Hernández-Mogollon and Roldán (2011) show that entrepreneurial opportunities exist in any given economy but the structure of the economic system affects individuals' capacity to perceive and respond to opportunities. Misoska, Dimitrova and Mrsik (2016) demonstrate that the ability of students to identify, explore and exploit entrepreneurial opportunities depends on the quality of entrepreneurial knowledge support systems available within a given economy.

Institutional support and entrepreneurial intentions of teenagers

The findings show that support for entrepreneurship in school has a positive and significant effect on entrepreneurial intention among the sampled teenagers. This is similar to the findings of Peterman and Kennedy (2003), Guerrero, Rialp and Urbano (2008), and Bénabou and Tirole (2003). The

findings of the exploratory factor analysis also align with the dynamics of institutional support as provided by Coduras and others (2008). In their study, they classified institutional support into two types, formal and informal institutional support. They describe formal institutional support as the forms of support provided by schools with a view to promoting active participation of students in entrepreneurial activities. They conclude that schools are saddled with the responsibility of delivering potential entrepreneurs to society. In view of this, schools are required to provide students with efficient entrepreneurial information, advisory services, accessible training facilities and seed-funding opportunities. Mboko (2011) also establishes that participation in entrepreneurial activities is dependent on perceived support.

Conclusion

The main conclusion of the present study is that family background (parents talk about start-ups and entrepreneurial grandparents), perception of entrepreneurship (perception of venture feasibility), exposure to entrepreneurial opportunities (exposure to entrepreneurial experience), and institutional support (support for entrepreneurship in schools) are determinants of entrepreneurial career choice among teenagers.

These findings have implications for research and policy. From the point of view of research, the study is very limited. The teenagers surveyed were from only one local council development authority among the 57 such authorities in Lagos State. Future research might survey more teenagers across the remaining authorities. Second, entrepreneurial career choice is treated as a four-dimensional construct – desire to take over an existing business, desire to start own-business, desire to invest in existing profitable business and desire to be self-employed. Among the explanatory variables, only parents talk about start-ups is statistically significant across three of these four dimensions. Could this mean that parental support is the most important? Future studies might examine the effect of entrepreneurial support, including environmental support (see Scafarto, Poggesi and Mari, 2019), and determine which type of support matters most.

From the policy point of view, promoting teenage entrepreneurship for the purpose of inclusive sustainable development beyond COVID-19 is not out-of-place. First, COVID-19 lockdowns have prevented teenagers from going to

school over the past six months because the fragility of the education system in Nigeria and across several countries in Africa has been exposed. With entrepreneurial-oriented parents and grandparents, these teenagers would have been encouraged to look beyond the four walls of the classroom and acquire other skills relevant for self-development. Second, general business shutdown has shown that paid employment is not enough for sustained livelihood during socioeconomic crisis, which might motivate teenagers to pursue an entrepreneurial career choice, provided they are empowered to identify opportunities and have the necessary support structure to exploit the opportunities for the purpose of creating public/private-driven solutions.

Morsy (2020) has noted recently that the under-20 population of Africa is projected to be the largest population cohort by 2070. She argues that, over the last decade, the under-20 population has expanded by more than 25 per cent, meaning that this cohort is contributing a greater percentage of the new entrants into the youth labour market. Since the continent has yet to grapple with the problem of the 12 million to 15 million jobs to be created annually in order to absorb its youth bulge (African Development Bank, 2019, p. 7), now is the time to promote teenage entrepreneurship across sub-Saharan Africa. If Africa is committed to this, the impact on Goal 4.4 and Goal 8.3 of the Sustainable Development Goals cannot be overestimated. In other words, teenagers will contribute immensely to the development of relevant skills and the creation of decent jobs. The development of youth entrepreneurship therefore needs to be promoted across the continent.

The importance of skills development among the teeming population of under-20s beyond the COVID-19 pandemic cannot be overestimated. Governments across the continent are encouraged to prioritize improving educational attainment, improving the quality of education and enhancing worker productivity to foster creative, risk-loving, and opportunity-driven teenagers. Harnessing the innate potential of this young cohort must be adequately facilitated. The African workforce must start preparing today for tomorrow's jobs (Morsy, 2020). Teenage entrepreneurship offers a credible path towards achieving inclusive sustainable development beyond the COVID-19 pandemic.

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Coronavirus disease and industrialization in Africa: what role can bilateral investment treaties play in facilitating industrial development?

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Abstract

The coronavirus disease (COVID-19) pandemic has signalled the need for Africa not only to develop the medical equipment of the region, but also to address inefficiencies in the supply chain and accelerate the growth of key industrial sectors. Most industries in African countries are unable to operate at full capacity without relying heavily on the importation of new machinery, raw materials and skills. The implication of this is that the development of the industrial sector depends, not only on domestic policies, but also on the ability of Africa to attract foreign direct investment that creates proper linkages with foreign firms and to encourage an increase in the size and number of industries. The present study analyses the impact of COVID-19 on industrial development in Africa, evaluates the existing bilateral investment treaties of African countries with the rest of the world and their implications for industrial development in Africa. It also discusses how African bilateral investment treaties can be reformulated to enhance industrial development post-COVID-19. The study points out that bilateral investment treaties that emphasize inclusion of the national treatment clause and prohibition of the mandatory use of performance requirements prevent Governments from pursuing policies that will ensure that those treaties attract foreign direct investment with proper linkage to local industries in Africa because of the prospect of facing charges of direct or indirect expropriation in international courts. Based on this, the study suggests that, to develop the industrial sector post-COVID-19, existing African bilateral investment treaties need to be reviewed in order to attract foreign direct investment in line with development objectives in the region. Africa also needs to develop a model bilateral investment treaty to be used as a basis for negotiating future agreements and renegotiating existing ones. Such treaties should emphasize the attraction of foreign direct investment that will not be counterproductive with regard to industrial development in the region. Bilateral investment treaties should emphasize the use of performance requirements and place less emphasis on the national treatment provision and fair and equitable treatment in order to attract foreign direct investment that will complement and promote the growth of domestic investment and encourage industrial development.

Keywords: COVID-19, bilateral investment treaties, industrialization.

JEL classification: F21, F23, R1, Q55.

Résumé

La pandémie de coronavirus (COVID-19) a mis en évidence la nécessité pour l'Afrique non seulement de développer les équipements médicaux de la région, mais aussi de remédier aux inefficacités de la chaîne d'approvisionnement et d'accélérer la croissance des secteurs industriels clefs. La plupart des industries des pays africains sont incapables de fonctionner à pleine capacité sans dépendre fortement de l'importation de nouvelles machines, de matières premières et de compétences. Il en résulte que le développement du secteur industriel dépend non seulement des politiques nationales, mais aussi de la capacité de l'Afrique à attirer des investissements étrangers directs qui créent des liens appropriés avec les entreprises étrangères et encouragent l'augmentation de la taille et du nombre d'industries. L'auteur du présent article procède à une analyse de l'incidence du COVID-19 sur le développement industriel en Afrique, évalue les traités bilatéraux d'investissement existants des pays africains avec le reste du monde et les implications de ces traités pour le développement industriel en Afrique. L'auteur examine aussi la manière dont les traités bilatéraux d'investissement africains peuvent être reformulés pour renforcer le développement industriel post-COVID-19. Il souligne le fait que les traités bilatéraux d'investissement qui mettent l'accent sur l'inclusion de la clause de traitement national et l'interdiction de l'utilisation obligatoire des exigences de performance empêchent les gouvernements de mettre en œuvre des politiques qui attirent les investissements étrangers directs ayant des liens appropriés avec les industries locales en Afrique, en raison de la perspective d'être traduits devant des tribunaux internationaux pour expropriation directe ou indirecte. Sur cette base, l'auteur suggère que, pour un développement du secteur industriel post-COVID-19, les traités bilatéraux d'investissement africains existants soient réévalués afin d'attirer des investissements étrangers directs qui répondent aux objectifs de développement de la région. L'Afrique doit aussi élaborer un modèle de traité bilatéral d'investissement qui puisse servir de base à la négociation de futurs accords et à la renégociation des accords existants. Ces traités devraient mettre l'accent sur la nécessité d'attirer des investissements étrangers directs qui n'iront pas à l'encontre du développement industriel de la région. Dans ces traités bilatéraux d'investissement, l'accent devrait être mis sur l'utilisation de prescriptions de résultats et il conviendrait d'accorder moins d'importance à la clause relative au traitement national et au traitement juste et équitable, afin d'attirer des investissements étrangers directs qui complètent et favorisent la croissance des investissements nationaux et encouragent le développement industriel.

Mots clefs : COVID-19, traités bilatéraux d'investissement, industrialisation.

Classification JEL : F21, F23, R1, Q55.

Introduction

The advent of the COVID-19 pandemic was a severe public health threat worldwide. As of December 2020, the World Health Organization reported that the cumulative number of confirmed cases stood at 83,558,756 (Worldometer, 2020). To curtail the transmission rate of the virus, national governments across the globe adopted a wide range of stringent economic policy measures. Notable among these was the declaration of nationwide lockdowns, restrictions on movement within and between parts of countries, the imposition of travel bans, total or partial closure of industries and export and import bans (ECA, 2020). These measures resulted in a drastic reduction in production, increased transport costs resulting from the implementation of stricter rules, postponed investments, adverse effects on production and disruption of supply chains that inhibited industrial production. The disruption in supply led to a downturn in industrial activity, which, in turn, resulted in a dramatic contraction in annual world output by 3 per cent in 2020 (IMF, 2020). In Africa, the pandemic exposed the lack of productive capacities in industrial goods in the region, especially of personal protective equipment and reduced the share of Africa in global value chains because the measures adopted in Africa disrupted the availability and supply of local raw materials and delayed the supply of foreign input, resulting in increased costs of materials and reduced orders that led to a contraction of manufacturing activities. This was exacerbated by low demand, especially for industrial goods, caused by job losses. According to the United Nations Conference on Trade and Development (UNCTAD) (2020), although the impact of the pandemic has been felt across sectors globally, its effect is more severe on the manufacturing sector, especially in African countries.

Studies have been conducted on: the impact of COVID-19 on global agricultural markets (Elleby and others, 2020) and on the global manufacturing industry from the supply chain perspective without considering Africa (Min and Jianwen, 2020); the impact of COVID-19 on poverty (Suryahadi, Al Izzati and Suryadarma, 2020); COVID-19 and global trade (Vidya and Prabheesh, 2020; Gruszczynski, 2020); the impact of COVID-19 on economic growth (Abiad and others, 2020; Chen and others, 2020); and COVID-19 and fiscal policy. These studies do not analyse the impact of

COVID-19 on industrialization in Africa. Similarly, a plethora of studies have examined the impact of bilateral investment treaties on foreign direct investment (Allee and Peinhardt, 2011; Banga, 2003; Berger and others, 2012; Bhasin and Manocha, 2016; Busse, Koniger and Nunnenkamp, 2010; Colen, Persyn and Guariso, 2016; Egger and Merlo, 2012; Egger and Pfaffermayr, 2003; Kim, 2006; Mumtaz and Smith, 2018; Neumayer and Spess, 2005; Nziramasanga, Inaba and Shreay, 2011; Salacuse and Sullivan, 2005; Tobin and Rose-Ackerman, 2005; Yackee, 2010). However, while a few studies have shown that bilateral investment treaties drive foreign direct investment, they do not consider whether such treaties attract foreign direct investment that boosts industrial development in host economies.

The present study therefore analyses the impact of COVID-19 on the industrialization agenda, assesses the role of bilateral investment treaties on industrial development in Africa and analyses how African bilateral investment treaties can enhance foreign direct investment that accelerates industrial growth and development post-COVID-19. In this respect, the study is relevant to policymakers and governments since industrial development post-COVID-19 will depend on the treaties that African Governments negotiate, sign and ratify. The study provides fresh evidence of the need to rethink bilateral investment treaties in Africa to attract investment that contributes to industrial development by creating backward and forward linkages. This is particularly important as the post-COVID-19 recovery phase provides an opportunity for African countries, not only to develop the production of medical equipment, including personal protective equipment, in the region, but also to address inefficiencies in the supply chain and accelerate industrial growth. Similarly, industrial development in Africa is central to the transformation of African economies into export-led growth through industrial development. In addition, growth of the industrial sector can create employment, which will increase aggregate demand and accelerate progress towards the achievement of the Sustainable Development Goals post-COVID-19. Industrial growth is also important to accelerate the gains of the Africa Continental Free Trade Area, which aims to foster integration by enhancing the quality and quantity of local production, boost industrialization in Africa and diversify African economies away from the export of raw commodities to the export of industrial goods to create jobs at a continental scale and sufficient growth opportunities for micro-, small and medium-sized enterprises. The objectives of the research were to:

(a) Analyse the existing bilateral investment treaties of African countries;

(b) Evaluate the implications of those treaties for industrial development in the region;

(c) Assess how African bilateral investment treaties can be reformulated to enhance industrial development in Africa post-COVID-19.

Section 2 of the paper presents an analysis of existing African bilateral investment treaties. Section 3 evaluates the implications of those treaties for industrial development. Section 4 assesses how African bilateral investment treaties can be reformulated to enhance industrial development in Africa post-COVID-19. Section 5 concludes the paper.

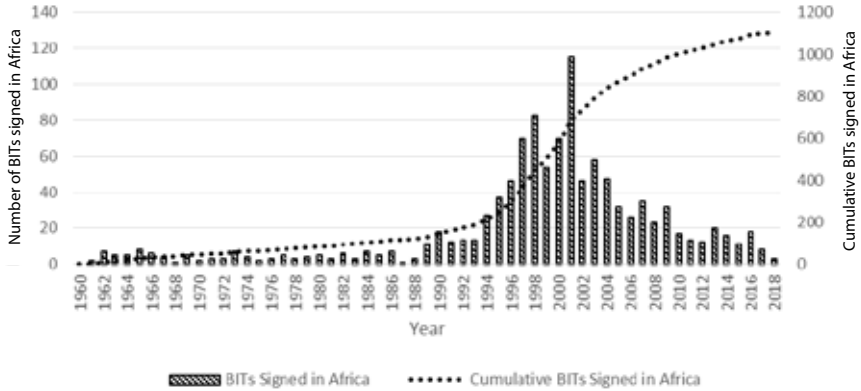
Analysis of existing bilateral investment treaties in Africa

The inconsistency problem has provided an apparent stimulus for developing economies, including in Africa, to adopt bilateral investment treaties as a strategy to attract foreign direct investment. The emergence of such treaties followed the failure of treaties of friendship, commerce, and navigation, the customary international legal rule of minimum standards of treatment and the Hull Rule to address all investment-related concerns. From the perspective of capital-exporting countries, the advantage of bilateral investment treaties is that they provide additional security to their domestic investors in a riskier investment climate abroad and facilitate the entry of investors who seek to diversify in foreign territories by encouraging host nations to remove impediments in their regulatory system (Salacuse, 1990; Hallward-Driemeier, 2003; Neumayer and Spess, 2005; Tobin and Rose-Ackerman, 2005; Allee and Peinhardt, 2011). From the perspective of host countries, the advantage is that bilateral investment treaties encourage (reinvestment) and spur (new) foreign direct investment by signalling that these countries are committed to the protection of foreign investors in their territories.

In the 1990s, as a result of increased competition for private investment among developing regions, a host of bilateral investment treaties were concluded by African countries. The very first was concluded by Togo and Germany in May 1961. By December of the same year, Liberia had also concluded an investment treaty with Germany, while Tunisia had concluded

such a treaty with Switzerland. Figure I presents the number of annual and cumulative bilateral investment treaties signed by African countries between 1960 and 2018. It shows that few such treaties were signed by African countries before the early 1990s. A possible explanation for the slow uptake in Africa is that countries were scared of putting their economy under the control of foreign investors (losing sovereignty). But with the increasing need to augment domestic savings with foreign direct investment in order to achieve development objectives, most African countries began to sign bilateral investment treaties. The number of such treaties began to increase after liberalization, deregulation, and privatization regimes began to emerge in the 1990s. The proliferation of these treaties was motivated by increased support of them by international organizations such as the Organisation for Economic Co-operation and Development and UNCTAD, mainly as a result of the intensified indigenization policy in the 1970s. In addition, increased free trade and economic integration have resulted in an increase in foreign direct investment, and that in turn has prompted capital-exporting countries to pursue bilateral investment treaties as a means of protecting their investments in capital-importing economies. As of 2001, the cumulative number of such treaties signed in Africa had reached 450, with only 24 new ones ratified in that year, by which time every country in the region had concluded at least one. The region signed about 22 such agreements a year on average between 2001 and 2009, bringing cumulative bilateral investment treaties concluded by the end of 2009 to 694. Since then, although cumulative bilateral investment treaties concluded in Africa has shown an upward trend, the number signed each year has been declining. It dropped to 13 in 2010, from 22 in 2009, and by 2012 it had dropped further to five, from 15 in 2011. As at the end of 2018, the total number of treaties signed in Africa had reached 1,117 with only three new treaties concluded that year. The region accounts for around 35 per cent of all bilateral investment treaties.

Figure I: Trend of bilateral investment treaties in Africa



Source: Drawn by the author using data from UNCTAD statistics (2018).
Abbreviation: BITs, bilateral investment treaties.

Of the total bilateral investment treaties signed in Africa, 458 are not in force, and 49 have been terminated (see table 1). A possible explanation for the high number of terminated treaties and the increase in unratified treaties may be the fact that these treaties have identical provisions and contents and usually emphasize the protection of foreign investment, rather than attracting sustainable foreign direct investment that will target development objectives in Africa. Although no such treaties were terminated between 2001 and 2019, almost half of those concluded by African countries during this period have yet to be ratified. Of the 285 treaties concluded between 2001 and 2019, about 143, representing approximately 50 per cent of them, have yet to be ratified (see figure II).

Table 1: Bilateral investment treaties in African countries, 1960–2019

No.	*Countries in Africa*	*Bilateral investment treaties*			
		In force	*Not in force*	*Terminated*	*Total*
1	Algeria	35	8	1	48
2	Angola	5	9		14
3	Benin	8	10		18
4	Botswana	2	8		10
5	Burkina Faso	14	3		17
6	Burundi	6	4		10
7	Cabo Verde	7	2	1	10
8	Cameroon	11	7		18
9	Central African Republic	2	2		4
10	Chad	3	11		14
11	Comoros	2	4		6
12	Congo	8	7		15
13	Côte d'Ivoire	7	7		14
14	Democratic Republic of the Congo	4	13	12	17
15	Djibouti	4	6		10
16	Egypt	73	29		114
17	Equatorial Guinea	4	5		9
18	Eritrea	1	3		4
19	Eswatini (Swaziland)	2	4		6
20	Ethiopia	21	13		34
21	Gabon	8	7	2	17
22	Gambia	5	11		16
23	Ghana	9	19		28
24	Guinea	6	17	1	24
25	Guinea-Bissau	1	1		2
26	Kenya	11	8		19
27	Lesotho	3			3
28	Liberia	3	1		4
29	Libya	23	17		40
30	Madagascar	8	1	2	11
31	Malawi	3	4		7
32	Mali	8	12		20
33	Mauritania	9	12		21
34	Mauritius	28	20		48
35	Morocco	40	13	6	59
36	Mozambique	20	7		27
37	Namibia	9	6		15
38	Niger	2	3		5
39	Nigeria	15	15	1	31
40	Rwanda	4	6		10
41	Sao Tome and Principe	0	2		2
42	Senegal	16	12		28

No.	*Countries in Africa*	*Bilateral investment treaties*			
		In force	*Not in force*	*Terminated*	*Total*
43	Seychelles	2	3		5
44	Sierra Leone	2	1	1	4
45	Somalia	2	1		3
46	South Africa	15	25	9	49
47	South Sudan				
48	Togo	71	10	3	84
49	Tunisia	34	21	6	61
50	Uganda	6	8	2	16
51	United Republic of Tanzania	11	8	1	20
52	Zambia	5	8		13
53	Zimbabwe	8	24	1	33
	Total	606	458	49	1 117

Source: Compiled by the author using data from UNCTAD (2019).

Figure II shows the number of bilateral investment treaties signed by African countries with countries in Asia, the Americas and the European Union, and that the greatest number have been concluded with European Union countries, with which approximately 125 such treaties, representing 44 per cent of the total, have been signed. While treaties have been signed with 19 European countries, over 50 per cent of them were with a handful of countries: Italy (14), Belgium-Luxembourg Economic Union (14), France (13), Netherlands (12), Spain (11), Germany (10), Switzerland (7), Portugal (7), the United Kingdom of Great Britain and Northern Ireland (7) and Finland (7). Thirty-five per cent of the European Union bilateral investment treaties have yet to be ratified. One reason for the high number of African countries that have signed such agreements with countries in the European Union may be ties with their former colonial masters. The fact that these investment treaties are less demanding than those with countries in other continents may also be an important factor. For example, no Asian countries have a performance requirement clause in their bilateral investment treaties, while three European countries do: France, Netherlands and United Kingdom. The United States also includes the performance requirement clause in its bilateral investment treaties.

Figure II: Bilateral investment treaties signed by African countries, 2001–2019

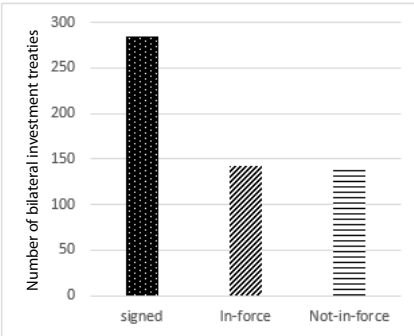


Figure IIa: Number of bilateral investment treaties signed in Africa 2001–2019

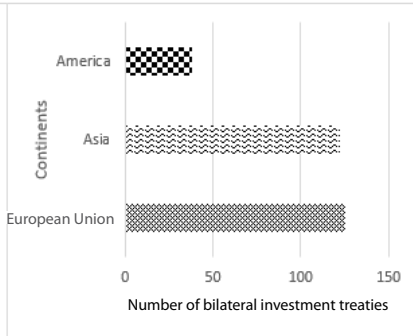


Figure IIb: Bilateral investment treaties signed in Africa with each continent 2001–2019

Source: Drawn by the author using data from UNCTAD Statistics, (2019).

Since 2010, African countries have continued to move away from signing bilateral investment treaties with traditional investment partners (European countries) to signing them with Asian countries. African countries have signed 109 such treaties with 18 Asian countries. The top 10 countries that concluded investment treaties with countries in sub-Saharan Africa were: Turkey (20), China (19), Kuwait (11), United Arab Emirates (9), Republic of Korea (9), India (7), Islamic Republic of Iran (5), Russian Federation (5), Qatar (5) and Lebanon (5). A large proportion of the investment treaties African countries signed with Asian countries were with China. Available data reveal that, between 2001 and 2017, China concluded bilateral investment treaties with 22 African countries. African countries also signed such treaties with Turkey (20), Kuwait (11), the Republic of Korea (9) and the United Arab Emirates (9). African countries concluded 20 bilateral investment treaties – 8 per cent of the total – with countries in the Americas. The countries with the most such treaties with African countries are Canada (8), Brazil (4), the United States (2), Cuba (2) and Barbados (2). Argentina and Jamaica have a single such treaty each with a country in sub-Saharan Africa. Canada and Brazil together concluded over 50 per cent of the investment treaties between countries in the Americas and African countries.

Implications of existing African bilateral investment treaties for industrial development

Conventionally, bilateral investment treaties have served as an instrument for investment promotion to achieve development objectives by reducing the risks associated with foreign investors and making host countries attractive for foreign direct investment (Neumayer and Spess, 2005; Salacuse and Sullivan, 2005; Tobin and Rose-Ackerman, 2005; Colen, Persyn and Guariso, 2016). Although the provisions found in a typical investment treaty are heterogeneous, most prototype treaties tend to be homogenous in their provisions. These treaties increasingly incorporate provisions that go well beyond the Agreement on Trade-Related Investment Measures to include wide-ranging investment provisions. Such provisions include broad definitions of "investment" and "investor", free transfer of capital, rights to establishment, national treatment and most-favoured-nation clauses, fair and equitable treatment, protection from direct and indirect expropriation and prohibition of performance requirements (Bernasconi-Osterwalder, Cosbey and Vis-Dunbar, 2012). Such treaties have been criticized as containing so-called "WTO-plus" commitments, which make them more restrictive on national policy space than World Trade Organization (WTO) multilateral trade rules.

Discussing the adverse effect of bilateral investment treaties, Blake (2013) argued that, by complying with the terms of a typical treaty, capital-importing countries face the challenge of ensuring consistency between national and international investment laws. Similarly, Bodea and Ye (2018) pointed out that, by entering into such treaties, countries are faced with the problem of designing investment policies that best support the development goals of a specific country. Moreover, providing foreign investors with access to international arbitration through the International Centre for Settlement of Investment Disputes, rather than settling disputes under national rules and the national legal system, can be costly to host economies. Furthermore, allowing international dispute settlement mechanism to discuss national public policies designed to remedy local social and economic issues is an infringement of national sovereignty. The emphasis such treaties place on the protection of investors and investment has an adverse effect on their value as a policy instrument for attracting foreign direct investment that promotes industrial development in host economies.

Despite these arguments, the majority of the bilateral investment arrangements negotiated, signed and ratified by African countries seldom deviate from "prototype" treaties in terms of provisions. Most include the post-establishment of the foreign investment type of national treatment clause. The pre- and post-establishment national treatment clause is included in the bilateral investment treaties between Canada and Guinea (2015), Rwanda and the United States (2008), Finland and Nigeria (2005), and the Belgium-Luxembourg Economic Union and the Democratic Republic of the Congo (2005). Examples of bilateral investment treaties that do not include any type of national treatment clause are those between the Belgium-Luxembourg Economic Union and Côte d'Ivoire (1999), Cabo Verde and China (1998), the Belgium-Luxembourg Economic Union and Rwanda (1983), Nigeria and Singapore (2016), Barbados and Mauritius (2004), Italy and Malawi (2003), the Gambia and Ukraine (2001), and the Belgium-Luxembourg Economic Union and Gabon (1998). It should be noted that the national treatment clause in the investment treaty between Lesotho and Switzerland (2004) is inconclusive.

The purpose of the inclusion of a national treatment clause in a typical bilateral investment treaty is to prevent a situation whereby local firms are treated more favourably than the foreign investor. However, the fact that foreign investors can take cases against the host Government to the International Centre for Settlement of Investment Disputes is a most favourable treatment that gives foreign investors huge advantages over local investors. It has been argued that the national treatment provision in a bilateral investment treaty constrains the policy space of the Governments of host economies and has an adverse effect on industrial growth because it prevents them from formulating future or implementing existing policies and making new policies in favour of local firms. In addition, the prohibition of the mandatory use of performance requirements included in the investment treaties concluded by most African countries and the prospect of being taken to an international court for direct or indirect expropriation prevents Governments from pursuing policies that will allow such treaties to attract foreign investment with proper linkage with firms in Africa. The treaties in fact attract foreign investment that crowds out rather than complements domestic investment because of the inability of local businesses to compete with foreign firms (Ejumedia, 2019). This is because multinational firms enjoy economies of scale. By constraining policy space, the investment treaties constrain export promotion strategies

and make foreign firms use host countries as part of their global production chain by importing inputs and exporting industrial goods, and this has an adverse effect on the trade of host countries (Frieden, 1991; Ruane and Ugur, 2006; Buthe and Milner, 2014). These provisions also inhibit Governments from preventing the use of foreign inputs (synthetics and raw materials) and favouring local industries whose goals align with development objective and/or require foreign investment to be located in underdeveloped regions (Bodea and Ye, 2018; Blake, 2013)). Such investment treaties attract foreign direct investment that can be counterproductive for countries seeking to facilitate the increase in the number and size of industries (Salacuse, 1990).

The constraints exerted by traditional bilateral investment treaties on policy options in host countries have encouraged many emerging and frontier economies to amend domestic legislation on such treaties. South Africa has decided to denounce the signing of traditional bilateral investment treaties as a strategy for attracting foreign investment. This followed the case of a European mining company that made use of the provisions on fair and equitable treatment and expropriation, claiming that it was affected by the post-apartheid programme. Since then, the Government of South Africa has decided not to renew bilateral investment treaties when they expire, arguing that they do not have a positive influence on foreign direct investment and that multinationals misuse the International Centre for Settlement of Investment Disputes to circumvent the national legal system. South Africa has not signed a bilateral investment treaty since the conclusion of its treaty with Kuwait in 2005. Since the unilateral action by South Africa, other developing countries, including in sub-Saharan Africa, have been rethinking the advantages of bilateral investment treaties. To avoid being taken to an international court of arbitration over national public policies, many countries have terminated existing bilateral investment treaties and introduced domestic legislation on investment that balances the rights of foreign investors with the right of Governments to make and implement policies in the interests of their countries.

Bilateral investment treaties and industrial development in Africa following the pandemic

COVID-19 has highlighted the need for African countries to develop the production of medical equipment, including personal protective equipment, in the region, to address inefficiencies in the supply chain and accelerate industrial growth. Most industries in Africa could not operate at full capacity without relying heavily on the importation of new machinery, raw materials and skills. The implication of this is that the development of the industrial sector depends, not just on domestic policies, but also on the ability of Africa to attract foreign direct investment that creates proper linkage with foreign firms and encourages an increase in the size and number of industries. The COVID-19 pandemic provides an opportunity for Africa to rethink its industrialization strategy. This is particularly important since industrial development is central to the transition of African economies to export-led growth through industrial development. Industrial growth is also needed to accelerate the gains of the Africa Continental Free Trade Area, which aims to foster integration by enhancing the quality and quantity of local production, boost industrialization and diversify Africans economies away from raw commodities and towards the export of industrial goods that will create jobs and sufficient growth opportunities for micro-, small and medium-sized enterprises. In the post-COVID-19 recovery phase, African countries therefore need to enter into bilateral investment treaties that attract foreign direct investment that is compatible with industrial development.

Existing bilateral investment treaties need to be reviewed to determine their costs and benefits. This review should include the extent to which important development objectives and national interests are protected under the treaties. Countries should then withdraw from or renegotiate and amend traditional treaties that emphasize the protection of foreign investors rather than promoting the achievement of development goals in the region. As a region, Africa should also draw up a model bilateral investment treaty that can be used as a basis for negotiating future agreements and renegotiating existing ones. These agreements should emphasize the attraction of foreign direct investment that will not be counterproductive for industrial development in the region.

It is essential to note that Africa may negotiate and sign bilateral investment treaties with developing countries in which Africa can take part in deciding their content. However, it is crucial to enter into more such treaties with developed countries because most developing countries are also in dire need of capital and may not be willing to relax terms. More importantly, the treaties should pay attention to the quality and not the quantity of foreign direct investment and therefore emphasize the use of performance requirements including: extensive use and supply of local materials and intermediate products that can be produced in the host economy, rather than importation of goods from affiliates abroad; ensuring that multinational companies have a local partner, as this will create proper linkage between local and foreign firms and promote spillovers of technology knowledge and research and development. To achieve this, it is essential to provide incentives, such as cheap provision of factory sites (industrial layout), tax rebates and the provision of essential social services, to foreign investors. This is particularly important since decisions as to where, when, what and how to invest are made by investors and investment will be higher where the risk associated with foreign direct investment is lowest

When renegotiating bilateral investment treaties, African countries should place far less emphasis on the national treatment and fair and equitable treatment provisions. If a treaty must include these provisions, investment must be in line with the development objectives of the region. Investment treaties should emphasize research and development in sub-Saharan Africa and allow foreign investors to retain monopoly power over their technology in Africa for a certain period. This would go a long way towards developing entrepreneurial and managerial skills and creating new ideas and technology that promote the development of local sources of these scarce resources and skills and encourage industrial development.

Sub-Saharan African countries also need to strive to improve institutional structures to stimulate foreign direct investment. This should entail strengthening the rule of law by electing people of integrity to the judiciary and ensuring that if foreign investors seek to challenge a host Government, the authority for the dispute settlement is a competent legal body. This would restore confidence in local institutions and provide a cheaper, easier and faster alternative to international arbitration. It would also drive the growth and development of the entire process of making investment treaties effective in

attracting foreign direct investment. The region could also establish a court to which cases that could not be settled at the country level would be referred. Qualified people are also needed to negotiate bilateral investment treaties.

Conclusion

The present study has evaluated the impact of COVID-19 on industrialization in Africa and analysed the role of bilateral investment treaties in facilitating industrial development after the pandemic. This is particularly important since the development of the industrial sector in Africa is central to the transformation of African economies into export-led growth through industrial development. Although African countries are signing an increasing number of investment treaties with Asian countries, the majority of existing investment treaties are with European countries. African bilateral investment treaties seldom deviate from prototype treaties that constrain the policy space of Governments by emphasizing the protection of foreign investors and investment, and attract foreign direct investment that is counterproductive as far as industrial development in Africa is concerned. Investment treaties should be reformulated to attract foreign direct investment that enhances industrial development in the region. This is particularly important as the post-COVID-19 recovery phase provides an opportunity for Africa to develop the production of medical equipment, to address inefficiencies in the supply chain and accelerate industrial growth. In order to develop the industrial sector, existing bilateral investment treaties should be reviewed and renegotiated in such a way as to attract foreign direct investment that in line with development objectives in the region. Africa also needs to develop a model bilateral investment treaty that can be used as a basis for negotiating future agreements and renegotiating existing ones. Treaties should emphasize the attraction of foreign direct investment that will not be counterproductive to industrial development in the region, and the use of performance requirements, and place less emphasis on national treatment and fair and equitable treatment provisions in order to attract investment that complements and promotes the growth of domestic investment and encourages industrial development.

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African Development Bank and coronavirus disease: imagining a new role

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Abstract

The coronavirus disease (COVID-19) pandemic has come at a time when there was growing optimism about the role of regional development banks, following decades of disappointing efforts by the Bretton Woods institutions to help such regions as Africa fulfil their development potentials. This article seeks to examine the role of the African Development Bank during and after the COVID-19 pandemic. The authors argue that the global economic impact of the pandemic will have severe spillover effects, especially in developing countries, thus necessitating an inward-looking regional response. The African Development Bank enjoys unique advantages that can help it play a central role in the post-pandemic recovery period. The article calls for a rethink of the priority areas of the Bank and provides recommendations on how the Bank can help boost the resilience of the continent and make the recovery experience less painful.

Keywords: COVID-19, African Development Bank, developing countries, post-pandemic recovery.

Résumé

La pandémie de coronavirus (COVID-19) est survenue à un moment où l'optimisme était grandissant quant au rôle des banques régionales de développement, après des décennies d'efforts décevants faits par les institutions de Bretton Woods pour aider des régions comme l'Afrique à réaliser leur potentiel de développement. Les auteurs du présent article cherchent à examiner le rôle de la BAD pendant et après la pandémie de COVID-19. Ils affirment que les incidences économiques mondiales de la pandémie auront de graves retombées, notamment sur les pays en développement, ce qui nécessite une réponse régionale tournée vers l'intérieur. La BAD bénéficie d'avantages uniques qui peuvent lui permettre de jouer un rôle central dans la période de reprise post-pandémique. Les auteurs appellent à repenser les domaines prioritaires de la banque et formulent des recommandations quant à la manière dont celle-ci peut aider à renforcer la résilience du continent et à rendre l'expérience de la reprise moins douloureuse.

Mots clefs : COVID-19, BAD, pays en développement, reprise post-pandémique.

Introduction

COVID-19 emerged in Hubei province, China, as a simple public health crisis, but became one of the deadliest pandemics to plague the world in recent history (Nyadera and others, 2021). Although the mechanism of how it emerged is still shrouded in mystery, available data trace its emergence from beta coronavirus in a sarbecovirus, a group that naturally infects bats and pangolins in Asia and Southeast Asia (Cui and others, 2019). Since the virus is transmitted by contact with infected people, the virus has spared no country and its spread has been aided by the forces of globalization, especially modern transportation that allows movement of people across the globe. The raft of containment measures, including bans on international travel and imposition of curfews, have aimed to minimize person-to-person contact in a bid to save the world from the ravaging effects of the virus (Onditi and others, 2020).

While these measures play an essential role in reducing the spread of the virus, their insidious impact on economies across the world is negative (Nyadera, Wandwkha and Agwanda, 2021). The pandemic arrived against a backdrop of a 2019 forecast by economists predicting slower economic growth of the largest economies, especially China and the United States of America, in 2020 (Morrison, 2019). When the virus became a global pandemic, early forecasts indicated that major economies, such as the United States, China, and Europe would lose at least 2.4 per cent of gross domestic product (GDP) in 2020, a situation whose ripple effect would be a reduction in the global economic growth rate from around 3 per cent to 2.4 per cent (Hiscott and others, 2020; Karabag, 2020).

The negative impact on these economies has in fact been worse than this and the cataclysmic crash of global stock markets is a graphic example of the negative economic effects. For example, on 16 March 2020, the Dow Jones fell by almost 3,000 points, its largest ever single-day loss, beating the previous record of 2,300 points (Ozili and Arun, 2020). The interdependence of economies means that the negative effects of COVID-19 in developed countries are likely to have far-reaching consequences for developing countries that have for a long time depended on developed nations for funds (Muragu, Nyadera and Mbugua, 2021).

In comparison with other economies, African economies have been hit hard by the pandemic. The economic outlook for Africa has worsened, with its growth expected to collapse to minus 1.6 per cent and real per capita income to fall by 3.9 per cent, which would make 2020 the worst year since 1970 for African States (Odhiambo, Weke and Ngare, 2020). The reason for this grim outlook is partly the lack of preparedness for pandemics and natural disasters among African countries. While countries in Europe have economic stimulus plans that cushion them from pandemics and natural disasters, most African countries lack these crucial plans and safety nets, and a larger segment of the labour force works in the informal sector with no health insurance or pension plan.

The widely imposed containment measures are hence inimical to struggling African economies (Nyadera and Onditi, 2020). For example, while lockdowns play an important role in slowing down the spread of the virus, they have severely affected education, with most public and private schools lacking the requisite information technology infrastructure for online learning. Increased poverty levels also diminish the possibility of continued learning since Internet connectivity is scarce and expensive for most households (Lone and Ahmad, 2020). This situation is exacerbated by loss of livelihood by many families as a result of restrictions on movement, closure of organizations and companies and low demand for non-essential commodities.

The fall in global demand for African exports, in particular agricultural products, and the slumping prices of major commodities such as oil are a harbinger of a bleak future for the continent. This, together with hard-hit financial sectors, raises questions as to the ability of States to revive their economies, given the pre-existing economic vulnerabilities plaguing the continent such as food insecurity and poverty. The interdependence of the global economy puts the continent at further risk of severe crisis since it remains unclear whether the developed world, which has also been hit hard, will provide much-needed financial support for economic recovery.

It is in this uncertain time that regional banks, in this case the African Development Bank, can play a significant role in cushioning the African economy from the shocks engendered by the pandemic. It has played a significant role in African economic growth in the past and has provided funds to key infrastructural projects in the agricultural, education, health and

energy sectors, but the pandemic has revealed the need to shift priorities to other areas such as scientific research and manufacturing in order to enhance risk preparedness, as well as economic growth. This article takes the view that the African Development Bank enjoys unique advantages that can help it play a central role in the post-pandemic recovery period and calls for a review of its priority areas. The article begins by examining the increasing influence the Bank has had on the continent and how it has responded to the pandemic.

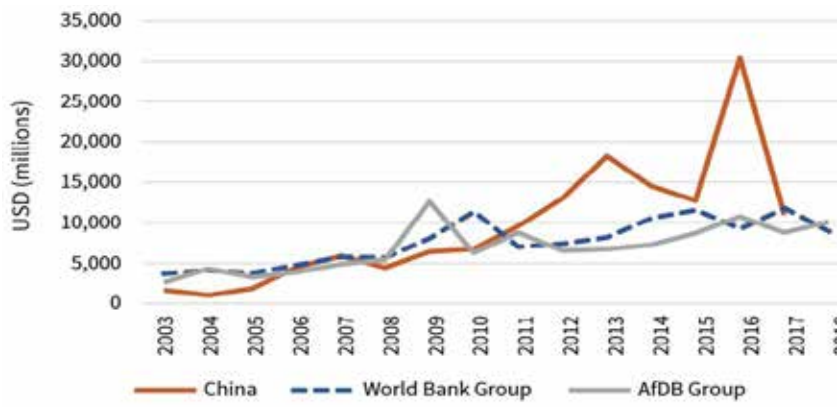
Increasing role of the African Development Bank in Africa

When the Board of the African Development Bank approved a $208 billion capital boost in October 2019, marking a 125 per cent increase from the previous year, the significance of the Bank and its future for the development of the continent became apparent. It was established in 1964 and has grown over the years to become one of the leading institutions in the region. Structurally, it is divided into two units: the Nigeria Trust Fund, and the African Development Fund. These entities are designed to facilitate the Bank's goals, which are to improve standards of living, promote investment, reduce poverty and instil best practices in public policy among its members. With 81 members (54 African States and 27 non-African entities), the African Development Bank has become, not only a source of cheaper loans for African States, but also perhaps the only entity currently providing distinct and relevant knowledge and data on African countries and giving technical and expert advice to struggling economies in the region. It enjoys significant trust; more, indeed, than any multilateral or bilateral development partner. It has opened 35 offices connecting 55 countries and largely focuses on health, infrastructure, education and natural resource governance in Africa.

The Bank operates in a unique environment that continues to experience significant socioeconomic and political changes, as it has over the last three decades. On the positive side, African countries are increasingly free (according to the *Freedom in the World 2019 Report*, more than 60 per cent of African States are either free or partly free) and rich and are establishing more stable and responsive Governments than in the past five decades (Freedom House, 2019). The private sector is growing rapidly, broadening the tax base and increasing employment. Population growth has benefited from lower infant mortality rates and higher life expectancy, while the flow of information has been enabled by a doubling of the number of mobile phone subscribers (from

380 million in 2010 to 750 million in 2017) and a seven-fold increase in the number of people with access to the Internet (Runde, 2019). On the other hand, corruption, governance and insecurity issues pose a serious challenge to further growth. Such a mixed setting presents a unique challenge for development agencies seeking to fulfil their goals. Over the years, the Bank has had to make changes and adapt to transformations in Africa and in the international system, and has consistently provided support to its members. Figure I illustrates a comparison in the provision of capital by the World Bank, China, and the African Development Bank to African countries between 2003 and 2019. It shows that, although the African Development Bank has less financial capacity, it rivals the World Bank and has been far more consistent than China, whose capital flows to the continent show sharp fluctuations.

Figure I: Comparison of capital flow from the World Bank, China and the African Development Bank to Africa, 2003–2018 (millions of United States dollars)



Sources: China Africa Research Initiative (2002–2017); African Development Bank Annual Reports (2002–2018); World Bank Group Annual Reports (2002–2018).

The creation and transformation of the African Development Bank over the years fits into the ongoing debate by scholars of global governance about the need for countries to form and be part of international organizations (Krasner, 1982; Keohane, 1984; Allee and Scalera, 2012; Rey and Barkdull, 2005). The rational choice theory explains that States establish international organizations to achieve strategic goals and overcome collective weaknesses and the anarchic environment in which they operate (Abbott, 1993, pp. 1–2;

Keohane, 1984, pp. 85–91). The Bank remains an important actor for African countries trying to overcome the challenges of economic development. It has benefited from the growing discomfort of established institutions providing similar support because over the years those established institutions (the World Bank and the International Monetary Fund) have used their financial muscle to push for non-economic (mostly political) changes in beneficiary countries. Having a regional bank whose decision-making organs are dominated by African representatives creates more trust between the institution and the member States. Between 1967 and 2018, the Bank provided resources and technical support for the implementation of several projects in the continent, as shown in table 1.

Table 1: African Development Bank financial disbursement in Africa, 1967–2018 (United States dollars)

Cumulative loan and grant disbursements per sector	***1967–2016***	***1967–2017***	***1967–2018***
Agriculture and rural development	6 826	7 223	7 631
Infrastructure	21 757	23 724	25 612
Transport	9 299	10 260	11 274
Communication	720	724	737
Water supply and sanitation	3 696	3 913	4 177
Power	8 042	8 827	9 424
Industry, mining, and quarrying	2 057	2 057	2 063
Finance	7 684	8 492	9 068
Social	5 653	5 875	6 196
Education	2 462	2 556	2 740
Health	1 541	1 571	1 590
Poverty alleviation and microfinance	451	495	466
Gender, population, and nutrition	45	45	45
Other social sector	1 180	1 243	1 355
Urban development	20	20	20
Environment	103	120	128
Multisector	12 018	13 999	15 083

Source: African Development Bank Compendium of Statistics (2019).

To achieve its goals, the Bank adopts strategic plans covering specific areas of focus for 10 years. These plans provide important avenues through which it promotes global governance goals and the voice of African countries beyond the continent. For the period 2013–2022, the Bank initially announced two thematic objectives: to promote inclusive growth; and to advocate and invest

in green growth for Africa. Inclusive growth is anchored in increasing women's involvement in economic activities, harnessing the potential of fragile States in the continent, broadening economic opportunities for youth and assisting countries to build safety net programmes (African Development Bank, 2013, pp. 10–11). The green growth agenda entails promoting economic growth in Africa through sustainable and efficient management of natural resources, creating a socioeconomic environment that is resilient, and investing in the construction of sustainable infrastructure.

The objectives for 2013 to 2022 were reviewed in 2016 with the introduction of the High 5 Goals, the five thematic areas of which are "light up and power Africa, integrate Africa, feed Africa, industrialize Africa, and improve the quality of life for the people of Africa" (African Development Bank, 2015). In the 2018 financial year, the Bank disbursed $1.9 billion for power and lighting, $2.2 billion for industrialization projects and $1.8 billion for feeding programmes. The total amount ($6.6 billion) disbursed towards implementing the High-5 Goals in 2018 may seem insignificant but, when it is compared with other external sources the same year, the value of its contribution is clear (African Development Bank, 2020a). For example, in 2018, the World Bank (including the International Development Association (IDA) and the International Bank for Reconstruction and Development (IBRD)) disbursed $8.9 billion to the continent (World Bank, 2019, pp. 82–90). Moreover, the 2018 funding of the African Development Bank represented a 17 per cent increase on its 2017 disbursement. These increasing allocations are a positive sign for a continent that has for years been desperate to diversify its revenue sources. Table 2 shows how different sectors have been financed by the African Development Bank between 2016 and 2018.

Table 2: Disbursements made on High 5 Goal projects, 2016–2018 (millions of United States dollars)

Project	*2016*	*2017*	*2018*
Light up and power Africa	1 553	1 126	1 387
Feed Africa	815	806	1 126
Industrialize Africa	1 145	1 398	1 607
Integrate Africa	906	695	783
Improve the quality of life for the people of Africa	3 317	2 172	2 376

Source: Author compilation from African Development Bank annual reports (2016, 2017, 2018).

Furthermore, the 2022 goals set by the Bank are in line with other international goals, including the Sustainable Development Goals. For example, at the core of its 2013-2022 strategic plan, the intended objectives will significantly help to reduce poverty and hunger, promote environmental sustainability, empower women and promote gender equality, and increase access to universal primary education. Given that Africa, especially sub-Saharan Africa, is lagging behind in achieving the Sustainable Development Goals, the efforts of the Bank on the continent will have a significant impact globally (Mutasa and Paterson, 2015). This can be associated with some of the ambitious plans the Bank has for Africa. Under the New Deal on Energy (2016–2025), by 2025 it aims to achieve universal access to electricity for African households (African Development Bank, 2016). More than six million people were connected to electricity between 2017 and mid-2018. In 2018, the Power Africa programme received a boost as the Bank allocation to energy increased by 74 per cent from allocations in 2017. Although on- and off-grid solutions are being adopted, renewable energy is receiving more attention as 100 per cent of the 2017 allocations were invested in green energy. This is an important contribution to global efforts on environmental conservation.

The Feed Africa programme goes beyond the passive response to food insecurity often characterized by food aid in that it targets food production through the mechanization of agriculture. In 2017, 19 million people benefited from the $1.2 billion allocated to improved agricultural technologies, which gave rise to projects such as Technologies for African Agricultural Transformation (TAAT) (Runde, 2019, pp. 6–8). Similarly, the Bank's focus on industrialization saw

over 210,000 small and medium businesses benefit from financial support. This translates to over 1.2 million people who have directly benefited from the injection of more capital into their enterprises.

The Bank is also becoming an important driving force for regional integration in the continent. Between 2009 and 2013, it invested over $3.6 billion in 70 multinational projects to enhance interconnectivity among African countries (African Development Bank, 2013, pp. 22–25). This investment was used in the construction of 467 kilometres of new transnational highways, rehabilitation of over 776 kilometres of transmission lines, promoting the establishment of single border posts and updating immigration procedures between countries, improving logistics services and technical support in implementing WTO agreements. According to the African Development Bank annual report (2018a), 2017 allocations helped 14 million people access improved transport facilities, with 312 transnational highways being constructed. In the 2018/2019 financial year, $1.1 billion went to improving transportation. These efforts have not only improved the mobility of persons within the continent but also led to increased intracontinental trade, setting the stage for the recently launched African Continental Free Trade Agreement. Indeed, one of the biggest obstacles to effective trade among African States has been inadequate infrastructure, something the Bank has increasingly been helping to remedy.

The Bank has opened new avenues through which Africa is interacting with external State and non-State actors. While it does not intend to replace bilateral relations between States, its involvement cushions some of its members from the political pressures and conditions often placed on countries seeking financial support directly from international actors. It has established an elaborate network with entities such as the World Bank Group, Japan, the European Union, Russia, the United States and China (Nyadera, Agwanda and Kisaka, 2020). The Bank interacts with such countries as China both at the governmental level and through other institutions, in the case of China through the New Development Bank (NDB) and the Asian Infrastructure Investment Bank (AIIB) (Wang, 2017; Shelepov, 2016).

Beyond the flexible financial packages, the Bank has a number of invaluable tools it is able to deploy to facilitate the smooth implementation of projects by external actors. For example, it provides annual open-access publications

on various issues touching on the continent's economic growth, including *African Economic Outlook, African Development Bank Annual Report, African Statistical Yearbook, African Development Bank Statistics Pocketbook* and, *GDP Compilation in African Countries*, development effectiveness reviews, indicators, *Quarterly Statistical Brief*, and the bi-annual *African Statistical Journal.* Information derived from these documents influences the planning of African Governments and informs decisions by international organizations. The Bank also hosts the annual African Economic Conference, which brings together scholars from the continent and outside to present their research and debate emerging trends.

Equally important is the advantage the Bank gives multilateral stakeholders operating in Africa. Its 35 offices provide good coverage across the continent that external stakeholders may not have, while the human resources working in the Bank bring valuable expertise and years of experience of working with people and States in Africa, that is useful for coordinating and convening activities. Moreover, as a peer organization of international stakeholders, the information and advice it provides is perceived as more trustworthy by external entities. At times, this has led to a division of labour between the Bank and other development partners in Africa. With the leadership of the Bank, the 2018 Africa Investment Forum saw over $38 billion of investment deals made between African States and international actors.

The 63 agreements made include: 47 million euros from the European Union Commission for the Africa Legal Support Facility and Somalia Infrastructure Trust Fund; 43.5 million pounds sterling from the United Kingdom of Great Britain and Northern Ireland to support various electricity projects; $37 million from the Gates Foundation, France and Luxembourg for the Africa Digital Financial Inclusion Fund; the Republic of Korea signed an $18 million agreement with the Africa Economic Cooperation Trust Fund; the Netherlands agreed to allocate $17 million to the Youth Initiative and Entrepreneurship Trust Fund; and Sweden promised 20 million kronor for the Clim-Dev Africa Special Fund. In addition to the capital raised, the Bank can take credit for successfully bringing together States and non-State actors to tackle key challenges on the continent.

Networking and collaboration among different agents of global governance have become a trend over the last two decades (Keck and Sikkink, 1999). This

has seen fewer small or regional organizations join efforts with other regional and international stakeholders to address concerns since, in addition to the need for financial resources, there are areas of significant importance that require global attention. Regional development banks have diversified their financial scope to include, among other roles, providing scientific studies on trends, and the causes and impact of different issues on social and economic growth. What is important is the collaboration between banks to tackle challenges affecting their regions and how such actions enhance their role in global governance. On 20 October 2019, the African Development Bank, European Bank for Reconstruction and Development, Asian Development Bank, and Inter-American Development Bank launched a report titled *Creating Liveable Cities: Regional Perspectives*, which looks at urbanization trends across emerging and developing economies in Africa, Asia and the Pacific, Eastern Europe, the Southern and Eastern Mediterranean, and Latin America and the Caribbean.

The report was informed by the rapid urbanization being witnessed across the developing world and emerging challenges. While the report offered policy recommendations to overcome these problems, it also called for increased cooperation between regional organizations in shared learning, information-sharing, collective efforts, and joint action plans. The African Development Bank also has wide-ranging collaboration with various stakeholders in fields such as co-financing, trust funds, secondment, special initiatives, technical cooperation, staff exchanges, and knowledge and research partnerships. The importance of networking is that it helps to broaden the options for curbing development problems in terms of ideas and resources and gives organizations from developing regions a platform among peers on which to discuss problems.

In view of its wide networks and ability to attract resources through its partners, it is important to examine how the Bank has responded to the pandemic and whether the support it has offered has had a meaningful impact on wider populations in Africa.

African Development Bank response to the pandemic

The Bank announced the establishment of a COVID-19 Response Facility, which aims to provide member States with $10 billion for social and economic

development. This facility is the main channel in its endeavour to address the crisis posed by the pandemic (Tairo, 2020). The COVID-19 Response Facility consists of $5.5 billion for sovereign operations in African Development Bank member States and $3.1 billion for sovereign and regional operations for countries under the African Development Fund. Within the Facility, $1.35 billion is to be allocated to private sector operations (United Nations, 2020).

In March 2020, the Bank also launched a COVD-19 bond, the largest social loan ever issued in capital markets, which has raised $3 billion. The Bank has contributed another $2 million as emergency assistance to WHO to consolidate its capacity to assist African countries to contain and alleviate the impacts of the COVID-19 pandemic (ibid.). As of June 2020, the COVID-19 response packages initiated by the Bank have reached all the geographic regions of Africa (African Development Bank, 2020b), complementing the efforts of African Governments to mitigate the impacts of the pandemic at national and regional levels in the form of loans or grants (African Development Bank 2020c). Table 3 shows most of the countries that have received either grants or loans or both from the Bank to shore up their COVID-19 response.

Table 3: African Development Bank approved loans and grants per country in response to the pandemic, July 2020 (millions of United States dollars)

Country	*Loan*	*Grant*
Djibouti	4.12	37.04
Somalia	0	25.1
Rwanda	97.675	0
Uganda	31.6	0
Ghana	0	69
Gambia, Liberia and Sierra Leone	0	53.25
South Africa	288	0
Libya	0	0.48
Ethiopia	0	165.08
Gabon	121	0
Seychelles	10	0
Togo	3	0

Country	***Loan***	***Grant***
South Sudan	0	4.16
G5 Sahel nations	0	20
Nigeria	288.5	0
Egypt	0.5	0
Mauritius	200	0
Kenya	200	0
Zimbabwe	0	13.7

Source: African Development Bank Group (2020).

Over 40 African States have received financial support from the Bank to fight COVID-19. While it can be argued that the Bank has injected colossal amounts of funds into the continent to cushion against the impacts of the pandemic, there are still deep-rooted challenges that require much investment and this support can only be sufficient for the short term. The daunting challenge is to create an auspicious foundation that will not only lead to the long-term financial independence of African States, but also enable them to enhance their preparedness for pandemics. This requires a shift in priorities and the elimination of such bottlenecks as corruption and conflicts, which are incompatible with economic growth and development. In this sense, the continent can draw a number of lessons from the pandemic, above all the need to increase investment in various sectors that were not given significant attention in the past.

Key lessons and why regional development banks matter

The pandemic has exposed multiple vulnerabilities in both developed and developing countries but in African countries, largely characterized by endemic poverty, weak health-care infrastructure and inadequate coping capacities, the pandemic has triggered unprecedented challenges, and fears that a greater proportion of the population risks sliding into poverty (Diwakar, 2020b). Measures to curb the virus are in place but the likelihood is real that they may lead to further devastation of African economies that have for a long time depended on aid and the exportation of raw materials and import of finished products (Evans and Over, 2020).

In the past, the focus was placed on key sectors, such as water and sanitation, agriculture and transport. While significant gains have been made – such as the increase in water access points, especially in urban informal settlements and rural areas, the construction of superhighways and the establishment of irrigation schemes – there are huge deficits in infrastructural spending. *African Economic Outlook 2018*, published by the African Development Bank shows that the continent had deficits of over $108 billion deficits, indicating the huge development needs of the continent (African Development Bank, 2018b). With a pandemic that spreads so fast, there is an urgent need for a shift in priorities if the continent is to experience faster economic recovery and be well-positioned to respond effectively to future pandemics. Africa should draw significant lessons from the pandemic and work towards invigorating its social and economic infrastructure in preparation for future pandemics whose effects might be worse. These lessons are encapsulated as the need for increased investment in areas such as housing, scientific research, health and information technology. Since these investments demand colossal financial commitments, the African Development Bank can play a significant role in driving the investment agenda across the continent and attracting the resources needed.

Investment in scientific research

The vital importance of scientific research cannot be overemphasized and the pandemic has further highlighted the need for more researchers and research centres as scientists around the world ponder how to stop the spread of the virus. Adegoke (2018) contends that African scientific priorities have in the past been determined by entities outside the continent, but recent years have witnessed a shift as African scientists are now playing a critical role in combating poverty, hunger and disease, despite major challenges such as lack of funds. In 2007, an African Union Heads of State summit committed to channelling 1 per cent of GDP to research and development and, in 2018, 14 Heads of State and Government made a commitment to increase investments in the areas of scientific research and technology, among other areas (Naicker, 2020). These commitments are guided by elaborate blueprints, including Agenda 2063: The Africa We Want, of the African Union, the Sustainable Development Goals, and the African Union Science, Technology and Innovation Strategy for Africa, which underscore the vital importance of investment in scientific research and development.

Nonetheless, the pace at which these commitments are pursued is slow and, according to *African Innovation Outlook III 2019* (African Union Development Agency, 2019), almost all African countries lag behind in providing funds for scientific research as a result of the presence of other great challenges that require funds, such as poverty, hunger and malnutrition. With a population of over 1.2 billion people, which is expected to double over the next three decades, Africa has only 198 researchers for every one million people, compared with 4,500 researchers for every 1 million people in the United States and the United Kingdom (Naicker, 2020). Adegoke (2018) argues that failure to invest in scientific research and to generate sufficient researchers further dampens African ability to develop sustainable home-grown solutions to the myriad challenges plaguing the continent. The demand for scientific innovation and vaccines the COVID-19 pandemic has generated in diverse fields, including medicine and economics, thus highlights the need for African countries to prioritize investment in scientific research, as this would place the continent in a better position to combat future global pandemics.

Increased investment in information and communications technology

The need to bolster investment in information and communications technology remains pertinent if Africa is to compete with other global economies; the pandemic has again brought into focus the need for increased investment in this domain. It is evident that the continent has seen a growth in Internet connectivity and an increase in mobile phone users, but it lags behind when compared to other regions. According to a report by Infrastructure Consortium for Africa (2017), there are 63 mobile phone users per 100 persons in Africa, while in Europe and North America, there are 126 and 109, respectively. Africa has 25 Internet users per 100 persons, compared to 79 and 66 in Europe and North America, respectively. Only 15 per cent of African households are connected to the Internet, while the connectivity of European and North American households is 84 per cent and 64 per cent, respectively (Infrastructure Consortium for Africa, 2017).

The need to reduce social contacts and other offline activities as a result of the pandemic and the need for increased investment in Internet connectivity and

information and computer technologies infrastructure have been brought to the fore as schools, churches and businesses have had to close as governments have demanded that work and learning be undertaken from home to reduce the spread of the virus. But low and expensive Internet connectivity and poor infrastructure have meant that households and institutions have experienced discontinuities in learning and work-related activities, while businesses have seen turnover plummet (Ozili and Arun, 2020).

Investment in manufacturing and diversification of economies

A robust manufacturing industry is considered a fundamental aspect of economic growth and development. Although the sector grew by approximately 3.5 per cent between 2005 and 2014, Africa still has the lowest manufacturing value added, at $145 billion (Signé and Johnson, 2018). The pandemic has had a negative impact on global supply chains, leading to slow movement of goods between countries. Raga and te Velde (2020) estimate that sub-Saharan Africa is likely to lose over $4 billion worth of exports in 2020. In an era when most African countries depend on China for cheap manufactured goods, the pandemic engendered a demand for manufactured goods locally, underscoring the need to support local manufacturing to enhance production of consumer goods in order to reduce the chronic dependency on imports of Chinese manufactured goods and export of raw materials.

The pandemic has highlighted the need for diversification as a way of creating resilient self-sustaining economies able to withstand future pandemics. Most African countries are dependent on the export of natural resources such as oil and minerals and the unprecedented fall in oil prices and other raw materials and the disruption of supply chains severely affected major African economies such as Nigeria, Angola and Algeria (Raga and te Velde, 2020).

Increased investment in health infrastructure

As hospitalizations increased, COVID-19 has overwhelmed health-care systems in both developing and developed countries, causing major strains on the existing infrastructure. With inadequate health-care personnel and poor infrastructure, especially in developing countries, provision of quality health care became marginal (Ozili and Arun, 2020). A report by the Economic

Commission for Africa (2020) indicates that, although its effect on health-care systems has been felt across the world, longstanding social inequalities have increased the vulnerability of marginalized racial and ethnic groups that depend on local health-care systems, and their vulnerability is further compounded by poverty and lack of medical insurance cover. According to a 2018 report by the International Finance Corporation (IFC, 2018), over 60 per cent of sub-Saharan health-care expenditure is funded by out-of-pocket daily payments by ordinary people and the continent needs over $30 billion worth of investment to meet health-care demands. The need for this investment is reinforced by the ban on international travel that has denied individuals the opportunity to seek medical care abroad.

Increased investment in housing

Africa remains the least urbanized continent, although the rate of urbanization has been rapid in recent decades. Approximately 44 per cent of population of Africa lived in urban areas in 2020, compared to 18 per cent in 1960. This represents a more than tenfold increase in population, from 52 million in 1960, to 587 million in 2020, and the number is projected to rise to 1.4 billion by 2050. While the continent can reap demographic dividends from this increase in urban population, challenges in urban planning and management eclipse the prospects of any gains. In particular, the rise of informal settlements with no or few social amenities or sanitary facilities and the concomitant overcrowding buttresses the need for more investment in decent housing. In most African States, it is the private sector and private individuals who invest in housing, leading to high rents that are punitive to the majority of the urban population, which is low-skilled and depends on daily wages. COVID-19 further highlights the fact that some features of the urban landscape enhance the vulnerabilities of African cities to pandemics because of overcrowding in informal settlements that facilitates the spread of viruses.

While it is true that poverty levels are high and there are other challenges, such as food insecurity, investment in the aforementioned areas also contributes to combating poverty. For example, increased investment in manufacturing would lower unemployment rates, while robust investment in scientific research would enhance the standing of Africa in areas such as medicine

and agriculture, which can in turn secure the continent from disease and food shortages.

Conclusion

The pandemic has crippled global economies and altered the contours of development projects across all sectors, from health and manufacturing to tourism and hospitality. Although the infection rate has been low in Africa compared to regions such as Europe, Asia and the Americas, the damage the virus has engendered in already fragile African economies cannot be gainsaid. Responses have been timely, with Governments putting measures in place with the support of regional and international organizations. The African Development Bank has provided substantial financial support to help fight the pandemic to over 40 States across Africa. Although this support is welcome, it can play a more critical role in ensuring continued economic growth in post-pandemic Africa.

This article has identified a number of interconnected lessons that demand a holistic approach since they are significant in not only catalysing economic growth but can also cushion Africa from future pandemics. Given pre-existing vulnerabilities, poor health care and few economic opportunities, increasing investment in areas such as health would ensure that many households in poverty or vulnerable to poverty could take timely preventive measures to sustain good health rather than respond to health-care challenges as an emergency. In short, it is crucial to enhance the resilience and risk preparedness of African people and States. The investment priority areas of Africa should therefore be reviewed in light of lessons outlined in this article. Since investment in these areas requires colossal amounts of capital, the African Development Bank can play a greater role in the provision of long-term financing through its ability to attract financial resources through its regional and international partners.

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Towards a developmental approach to the African Continental Free Trade Area[1]

Rob Davies

The coronavirus disease (COVID-19) pandemic has changed many things, including the way meetings are conducted. It has decisively pushed us into holding virtual meetings using new technologies, a practice whose benefits will continue to be evident long after the COVID-19 emergency passes. But the pandemic has also created new challenges that reach way beyond the direct health emergency. Among other things, we are in the midst of what some are calling the great lockdown recession, with major implications for production, jobs, incomes and indebtedness across the world. In a world economy characterized by enormous imbalances and inequalities, a disproportionate part of this burden is falling on the developing world, with our own continent being particularly hard hit. I will touch on some of the implications of this harsh reality in the course of this lecture.

Let me begin, though, by thanking the Economic Commission for Africa and its Executive Director, Vera Songwe, both for the original invitation and for rolling it over to this year. I am greatly honoured to have been invited to deliver a lecture dedicated to the memory of a great African scholar and public servant, Adebayo Adedeji. I had the privilege of getting to know Mr. Adedeji in the early 1990s when he invited me, then a research professor at the University of the Western Cape, to serve on the advisory committee of his research institute, the African Centre for Development and Strategic Studies.

I fondly recall travelling to meetings of the Centre in Ijebu Ode, Mr. Adedeji's home town, where it was evident, even to the occasional visitor, that he was greatly respected in the community. He was also a major figure in discussions on the future of African regional integration in the years immediately before the democratic transition of South Africa. I am proud to have authored a chapter in a volume edited by him entitled, *South Africa and Africa: Within*

1 Text of a guest lecture delivered at the Adebayo Adedeji Memorial Lecture Series organized by the United Nations Economic Commission for Africa (ECA), Addis Ababa, 21 March 2021.

or Apart? But he is perhaps best known as a former Executive Director of the Economic Commission for Africa. In this capacity, he is renowned for the development of the African Alternative Framework to Structural Adjustment Programmes for Socio-Economic Recovery and Transformation, which became a major beacon looked to by many who doubted that externally imposed structural adjustment programmes were the best, or only, way forward.

In preparing this lecture, I reread the key messages of the Alternative Framework. I was struck by how many of them remain relevant more than thirty years on. The point of departure and major premise of the Framework was, and I quote its very first sentence: "The structure of the African economy defines the essential features of Africa's central problem of underdevelopment." The Framework identified what it saw as the structural weaknesses in most African economies. They included a "weak productive base" characterized by low productivity and productive activities dominated by either subsistence or export-orientated primary product production. From this, it identified the central task as structural transformation of African economies. One key element of this was, and I quote from paragraph 43, "…Africa has to cut the apron strings of structural and relational dependence on producing a limited number of cheap primary commodities for export".

This highly pertinent observation remains as valid today as it was in 1990. It speaks to a reality highlighted by the experience of those very few countries that have transitioned from low to high income, or from underdeveloped to developed economies. The vast majority of these achieved this transition by passing through a stage of economic diversification involving a shift to higher value-added production. In a word, they industrialized. Poor countries have stayed poor because they have remained trapped in their colonially-defined role as producers and exporters of some primary product or products – agricultural or mineral – used in industrial production elsewhere. Developments that have unfolded in the period since the 1990s, including the rise of globally networked industries (or global value chains) and the emergence of more complex and knowledge-intensive products, have increased the imperative of cutting what the Alternative Framework called "the apron strings" of dependence on primary commodity production and export. The value of the raw materials as a proportion of the price of final products is both small and declining. This is true even of products where

little or no further physical transformation takes place. A study by KPMG in 2014, for example, found that Africa produced and exported coffee to the value of $6 billion, but that this – through roasting, blending, packaging and branding, among other things – was sold abroad in final products fetching $100 billion. In other words, 94 per cent of the value chain of a primary product produced on this continent was captured abroad. In the case of highly knowledge-intensive products, the figures are even more stark. Take the case of the iPhone 6, which retails for $649 in the United States of America. The cost of the mineral products used in its manufacture totals a mere $1.03 (0.16 per cent).

Those few underdeveloped countries that have more recently emerged as high-income or "moderately prosperous" countries have all followed the same path as earlier industrializers. Whether they were the East Asian newly industrializing economies in the 1960s and 1970s (Malaysia, Republic of Korea, Taiwan Province of China) or, more recently, China, their governments pursued active industrial policies that promoted, nurtured and protected nascent industries. The industrialization they experienced not only resulted in greater output and higher incomes for those directly involved in manufacturing, it also supported a host of related service activities that created higher quality, better remunerated jobs than those that existed before. All of this created a generalized improvement in productivity that raised incomes throughout diversifying economies. In his book, *How Rich Countries Became Rich: Why Poor Countries Remain Poor,* Erik Reinart argues that the reason luggage handlers, bus drivers, hotel personnel, barbers and shop attendants in Peru are paid less than their counterparts in Norway has nothing to do with lesser abilities or the nature of the work they perform. Both do the same job, and indeed those in Peru probably work longer hours than their counterparts in Norway. The reason for their different incomes lies in the fact that industrialization in Norway generated an overall increase in incomes in that country.

Our leaders then are perfectly correct when they have repeatedly called for the industrialization of this continent. Responding to the challenge to develop our countries and create better living standards for our people requires that we move up the value chain by cutting as, the Alternative Framework put it, the structural "apron strings" that have kept much of the continent in its colonially-defined place in the global division of labour – as producers and

exporters of raw materials used in industries located elsewhere. But there is a need to recognize that efforts to industrialize are taking place in the context of two pre-existing global mega challenges, as well as the impact of the COVID-19 socioeconomic and health crisis. The first mega challenge is that arising from the imperative to mitigate and adapt to human-induced climate change. The second, the technological transformations associated with the so-called fourth industrial revolution.

According to the Special Report of the United Nations Intergovernmental Panel on Climate Change released in 2018, global warming will likely rise to 1.5°C above pre-industrial levels between 2030 and 2052, and by 3° by the end of the century (compared with the target of less than 2°) unless net emissions reach net zero by 2050. This points to the likelihood, and indeed necessity, of a structural transition to a lower carbon economy that will affect all forms of productive activity (mitigation), and massive infrastructure investment (reactive if not proactive) to respond to the impact of the unavoidable climate change already evident and likely to gather pace (adaptation). Both of these imperatives are seeing the development of new green technologies and indeed a wave of green industrialization.

At the same time, we are entering the early stages of what is called the fourth industrial revolution. It is widely accepted that the world underwent a third industrial revolution at the end of the twentieth century, with such products as the personal computer and cell phones giving rise to innovations such as the Internet. This in turn facilitated an explosion of cross-border economic activities, the emergence of transnational corporations and globally networked industries (or global value chains), phenomena associated with the term "globalization". As I understand it, the years following the onset of the global economic crisis of 2007/8 saw digital technology advance in new directions and in ways that were set to bring about not just quantitative but qualitative change. Digital technologies began to advance into the realm of "big data" management, mining and application. In 2016, Klaus Schwab of the World Economic Forum argued that the world was on the cusp of a "technology revolution…unlike anything humankind has experienced before" and that this was set to bring about "disruptive change" in practically all sectors of all economies. Among the new technologies associated with the fourth industrial revolution, also known as the digital industrial revolution, are the Internet of things, where machines will be able to pass on instructions to other machines

via the Internet; additive manufacturing or 3D printing that can be combined into global networks via the Internet; autonomous vehicles; nanotechnology; and the greater application of robotics and artificial intelligence. On the frontier are developments such as quantum computing, which will totally revolutionize the speed of all computation – and incidentally also render all existing security codes obsolete. All of this will be enabled by the introduction of fifth generation (or 5G) networks.

Many of these technologies have enormous potential to increase human welfare by increasing overall productivity. They also have potential to offer innovative solutions to a host of developmental challenges. On this continent, we have seen many innovative uses and adaptations, including cell phone banking, the use of drones to deliver medicines to remote areas and the development of apps to draw small producers and service providers into networks, giving them access to larger markets. It is therefore entirely appropriate to examine the opportunities that these technologies offer for African development. We need, however, to be aware that the roll-out of the very same technologies is also posing enormous challenges. First, they have the potential to widen inequalities both within and between countries. This arises, in part, through exacerbating "winner-takes-most" outcomes. Massachusetts Institute of Technology economists Erik Brynjolfsson and Andrew McAfee explained this with an example. In the nineteenth century only a few hundred people could have attended performances by the best opera singer. This meant there was a market for the ninth, tenth, eleventh best. In the case of information and communications technology applications, however, global networks provide access for the vast majority of consumers to the best, meaning there is no market for the "also rans". The implication of this is that "winners" begin to receive extraordinary rewards, while "runners-up" get little or nothing.

Potential "disruptive changes" to manufacturing associated with the fourth industrial revolution look set not just to be confined to what happens within each domestic economy, but also to affect the location of industries around the world. Additive manufacturing networked through the Internet of Things looks poised to replace large assembly lines, with smaller scale processes located closer to the site of consumption. The potential implication of this was exemplified in 2017 when Adidas announced that it was relocating some of its production from Bangladesh to Germany because a combination of

3D printing and robotics had lowered production costs far below those that could be obtained by paying low wages in Asia. But "disruptive changes" are expected to go much further. They will affect mining and agriculture, financial services, legal services, the practice of medicine, education and a host of other public and private services. An early mover looks set to be wholesale and retail trade. Electronic commerce, both in intermediate products and in sales to final consumers is taking off rapidly, with digitization of processes within physical shops reducing demand for checkout staff and other less skilled personnel.

Even global value chains look set to undergo radical re-organization. Parminder Jeet Singh describes this as follows:

> As industrialization placed machine power at the centre of the economy, digitalization makes digital intelligence its new fulcrum. The factory as the site of mechanized production was the central economic institution of the Industrial Age. For the Digital Age, it is sectoral platforms that reorganize entire economic activities in any sector based on digital intelligence from data.

A further reality is that the digital platforms emerging at the apex of digitally reorganizing networks are exhibiting an exceptionally high degree of concentration and centralization. According to the United Nations Conference on Trade and Development, the top 1 per cent of technology, software and information technology services companies globally increased their share of market capitalization in the sector from 27 per cent in the period 1996/2000 to 52 per cent in 2009/15. Over the same period, their share of revenues rose from 31 per cent to 43 per cent, their share of physical assets from 31 per cent to 47 per cent, while their share of employment remained flat at 27 per cent compared with 25 per cent in the earlier period.

Both green industrialization and the fourth industrial revolution will enhance the imperative and raise the bar for the continent's drive to industrialize. If Africa is "left behind" as these developments unfold, the negatives of exclusion will outweigh the benefits of the introduction of products or systems based on the new technologies. Indeed, the continent's ability to create a scenario in which the positives or benefits outweigh the negatives or costs will depend on the extent to which it is able to industrialize. In this context, a key

question will be: can the continent develop its own niches and competitive advantages (maybe beginning in agroprocessing and smart agriculture, and infrastructure-related industries)? The answer to that question will determine the extent to which the twenty-first century becomes the African century. Like every other industrialization process before it, African industrialization in the era of green industrialization and the fourth industrial revolution will depend on the successful implementation of industrial policy using all of the policy tools deployed by others to support, nurture and protect their emerging manufacturing industries. This, in turn, will depend on the extent to which the continent is able to defend access to the policy space used by earlier industrializers and not have this curtailed by increasingly aggressive pressure to accept unfair trade rules.

On top of all this, we face the challenge of recovering from the pandemic-induced great lockdown recession. According to World Bank estimates, the gross domestic product of sub-Saharan African countries shrank by an average of 3.7 per cent last year. Even if "optimistic" projections of 2 per cent growth from a smaller base materialize in 2021, this will be less than the population growth rate, meaning that average living standards will again fall, raising the spectre some have spoken about of a prolonged period of depressed living standards. Certainly a V-shaped recovery – a quick bounce back after the health emergency passes – looks increasingly unlikely. Hysteresis – or scarring – the persistence of damage even after the initial cause subsides, will affect many sectors, including those previously thought of as "quick win" job creators, such as tourism, travel and hospitality. On top of that our economies are confronting depressed prices for many mineral commodities and an increasing debt burden, adding to already onerous debt service costs. What the Director-General of the World Health Organization has called a "catastrophic moral failure" in the roll-out of vaccines – meaning that people in the rich world will be vaccinated earlier than more vulnerable people in poorer countries – highlights the perils of continuing to be mere consumers and not producers of medical equipment and vaccines.

All of this points to the urgent necessity of basing a recovery strategy not on going back to how things were, but on striving with renewed commitment and urgency to bring about structural transformation in the African economy, in particular by cutting the apron strings of dependence on production of primary commodities by diversifying and moving to higher value-added

production. How does all this relate to the flagship project rightly absorbing much of the attention of the continent right now, the operationalization of the African Continental Free Trade Area? We can all be proud of the fact that, despite the pandemic, the Agreement establishing the African Continental Free Trade Area entered into force as a commercially meaningful partial free trade area at the beginning of this year. The secretariat is now established and already hard at work ensuring its implementation.

I included a short chapter on the African Continental Free Trade Area in a small volume published at the end of 2019 by the South Centre and available for download from their website free of charge. In it, I argued that, in the lead up to its establishment, we faced a strategic choice of whether to prioritize the broadening of integration by establishing a free trade area reaching beyond existing regional economic communities or deepening integration within regional economic communities by moving them into customs unions, common markets or monetary unions. Whatever the pathway or pathways that led to us to prioritize broadening integration by establishing a continental free trade area, that decision was, in my view, both correct and appropriate to the circumstances we find ourselves in.

We have passed through a period in which the hegemonic multilateralism that drove the processes of uneven and unequal hyper-globalization of the 1990s and early 2000s gave way to a shift towards outright mercantilism. "Discontent" with widening inequality and a sense of economic insecurity among social forces in many developed countries has underpinned both a scepticism about multilateralism and a greater economic nationalism, that some have suggested threatened to propel a trend towards deglobalization. To what extent this will change with the installation of the Biden Administration in the United States remains to be seen, but I would suggest that, while we may well see a welcome shift away from some of the extreme unilateralism of the Trump era, we are not likely to see any great willingness on the part of the developed world for an asymmetrical opening up of its markets to value added products from developing countries or even the removal of distortions on agricultural trade (unless well paid for by developing countries, and so-called "emerging economies", in particular). A major reason for this is that one of the major beneficiaries of the most recent phase of globalization has been the latest economy to industrialize, China. Not because China followed the policy prescriptions of neoliberalism proffered to the developing world

during that era: it decidedly did not. The country's industrialization is much more recognizable as having proceeded along a path similar to that of other industrializers before it. It implemented a clear industrial policy and calibrated its trade policy stance to that. It liberalized its economy selectively and strategically, beginning with liberalization of investment in defined special economic zones. Only when its industries had achieved a level of competitiveness did it move towards a carefully calibrated liberalization of trade. But, like others before it, China took advantage of any trade openings to expand its manufactured exports, beginning with clothing and textiles following the phase out of the Multi-Fibre Arrangement.

China has now emerged, not just as the world's second largest economy and a major industrial producer, but also (and again as a result of its industrial policy choices) as a major innovator in the technologies of the fourth industrial revolution and indeed a leader (over its competitors) in a number of strategic areas. Rather than accepting its competitive challenge, the rise of China has been met with a number of retaliatory measures by the developed world. As the UNCTAD *Trade and Development Report* noted, the "tariff tantrums" that began in 2018 were soon recognizable as being rooted in "technology turbulence". As the professor, Klaus Schwab, perceptively suggested, we are witnessing nothing less than a struggle for mastery over the fourth industrial revolution that looks set to shape international relations for some time to come. Among other things, it is likely, in this context, that the developed world will continue to seek to reclaim industrial policy, acting to consolidate domestic production in key strategic areas and consequently not being likely to offer easy access to its industrial markets, which in any case have not been major drivers of global growth since the onset of the great recession of 2007/08.

What this means, immediately, is that even if we in Africa wanted to base an industrialization effort on production of value-added products for export to the markets of the developed world, that path is much less available than it was to previous industrializers, even to China. Under such circumstances, several of the more successful developing countries, China and India among them, have been turning to domestic consumption to drive the next phase of their development. The problem facing African countries in moving in a similar direction is that none of us – not even the largest – has a domestic market of sufficient scale to drive significant industrialization. However, if we look to

the continent as a whole, its 1.2 billion people and combined gross domestic product of $2.3 trillion does offer a base for significant diversification and potentially for deep industrialization.

It is often said that the main benefit of the African Continental Free Trade Area will be that it supports an increase in intraregional trade, from the mere 17 per cent of total trade it now represents to a level approaching that of other successful regions: 31 per cent in North America, 59 per cent in Asia or 69 per cent in Europe. That of course would be an important gain and indication of success of the African Continental Free Trade Area. But I would suggest that the real prize would be if it supported the emergence of regional value chains involved in the production of higher value-added goods and services. Such an outcome could expect to see components and other intermediate inputs being produced in a number of countries before being assembled into "products of Africa" consumed by the citizens of the continent and also exported. Under such a scenario we could expect to see not just a quantitative increase in intraregional trade but a qualitative change in its character. This would involve a greater absolute and relative intra-trade in components and intermediate products, which is in fact the largest and fastest growing part of global trade in goods. For this to occur, it is important to recognize that trade integration is not a standalone. It must be an integral component of a broader economic integration process. Again, we can turn to the Alternative Framework for guidance in this regard. Paragraph 47 argues that African integration must "…involve three mutually interdependent dimensions: (a) the integration of the physical, social and institutional infrastructure; (b) the integration of production structures; (c) the integration of the African markets".

This speaks to the elements long argued by proponents of development integration. A fundamental point of departure of the development integration perspective is that, in developing country regions, low levels of intraregional trade are not only, or even principally, a result of high customs tariffs or other regulatory barriers: underdeveloped production structures and inadequate infrastructure are also critical factors. Thus, if country x is a producer and exporter of some raw mineral exported abroad, it has little to trade with county y next door, which produces and exports some other primary product. If road and rail networks were built fundamentally to take the raw material from the mine or farm to the nearest port for export out of the region and are

inadequate in linking up countries x and y, that too will impede trade between them. From this, it is argued by proponents of development integration that trade liberalization alone (reduction of tariffs and perhaps smoothing of other regulatory barriers) will only go so far. Two other pillars need to be integral to the integration effort. The first is infrastructure development. This would need to connect the economies of the integrating region – physically and digitally – and address the massive deficit in this regard. The onset of climate change adds a further imperative: we need to build greater infrastructural resilience so that we can defend roads and railway lines against floods and fires, ports against the effects of rising sea levels and storms, and access to water through better water course management.

The other essential pillar is to promote cooperation to support industrial development. As with industrialization elsewhere, industrialization in Africa will depend on strong policy-driven processes, including ensuring that local industries become involved in the infrastructure build, and that nascent industries in emerging value chains are supported through appropriate programmes such as localization. The appropriate combination of industrial policy at national, regional economic community and continental level is something still to be discovered, but one thing that is clear is that a united voice from the continent in defence of our right to access policy tools used by earlier industrializers will strengthen our hand in circumstances where powerful external forces will seek to constrain this, not just to preserve their access to cheap raw materials, but also to allow them to benefit from accessing growing consumer markets and mining data generated on the continent, in the latter case by, among others, opposing any attempt to establish data sovereignty.

If the African Continental Free Trade Area were to be reduced to a conventional trade integration arrangement, it would very likely entrench competitive advantages and polarization in favour of the very few countries that currently have some capacity to export finished goods to the rest of the continent: Egypt, Kenya, Morocco and South Africa. This could very likely provoke others to push for weak rules of origin that could lead to a proliferation of low value added, screwdriver-type industries emerging in other countries. The worst-case scenario is that this could result in a net lowering of the overall level of value addition on the continent. If this were to occur, it would mean that the main beneficiaries of the continental free

trade agreement would be those external parties producing goods subject only to nominal value addition on the continent.

It would be even worse if we were to succumb to the siren songs of external forces urging that the African Continental Free Trade Area should become a stepping stone to greater liberalization towards them. There are many external forces giving nominal support to the African Continental Free Trade Area because they hope it will be a step towards opening up third-party access to a larger African market and thereby enhancing the value of any free trade agreement they seek beyond that available with individual countries. The kind of supposedly twenty-first century "high quality" agreement envisaged by many, would be only slightly asymmetrical or differentiated and include numerous behind-the-border "trade-related" chapters that would, without doubt, severely curtail the policy space essential for a drive to industrialize. At the stage we find ourselves in, the African Continental Free Trade Area must entrench a real advantage for continental producers over others. If it does not, it will be extra-regional rather than African producers that are the main beneficiaries of trade liberalization in the African Continental Free Trade Area.

If the African Continental Free Trade Area is to fulfil its promise as a tool for inclusive development, industrialization and diversification, it therefore needs to embrace more of the perspectives of a development integration programme. This is not to suggest that the continent pauses to engage in a theoretical debate about paradigms. Even if this were desirable, which it is not, it could result merely in the formal adoption of wording in documents. What is needed as the African Continental Free Trade Area moves into operationalization is that practical implementation processes become firmly rooted in addressing concrete development challenges and providing more opportunities for the continent to move towards higher value-added production. The insignificant progress recorded in industrial cooperation, whether at regional economic community or African Union level, should be a matter of concern. Industrial development cooperation needs to rise above the kind of consultancy-heavy scoping exercises that have dominated the work in formal bodies up to now and deliver forward-thinking proposals for sector-specific "win-win" outcomes taking into account the African Continental Free Trade Area. Ongoing work involving private sector players and some Governments to produce an African "auto pact" is perhaps a pointer in this regard. This addresses the evident ambition of several countries to move into automotive assembly, starting

with "semi-knock-down" assembly. Rather than letting this lead to destructive competition between small-scale operations that could see the continent's few completely knock-down kit manufacturers lose markets, the auto pact aims to find a "win-win" outcome that allows more of the activities of the latter to move towards the production of components to support semi-knock-down operations elsewhere, rather than these depending on components from extra-regional suppliers. Similar strategies are also envisaged in railway equipment manufacturing.

In the circumstances we find ourselves in, it is imperative that the African Continental Free Trade Area becomes a tool of structural transformation and industrialization. It is encouraging that research bodies, industry associations and trade unions across the continent are beginning to grapple with this issue. The Secretary-General of the African Continental Free Trade Area, Wamkele Mene, is also deeply committed to working to ensure that the African Continental Free Trade Area fulfils its potential in this regard, and is in the process of establishing a consultative body to advise on how the African Continental Free Trade Area can underpin the continent's industrialization. These are positive developments that can, and must, be built on.

Let me conclude with my final reference to the man in whose honour this lecture is being given. In the concluding chapter of the volume he edited, *South Africa and Africa: Within or Apart?* Mr. Adedeji wrote with reference to the Lagos Plan of Action, and I quote, "While Governments all over Africa swear by the Plan, and pay homage to it from time to time, this has been no more than lip service, as it has been honoured more by neglect than by implementation". He went on to lament that the Alternative Framework to Structural Adjustment Programmes was suffering the same fate and argued that "…leadership is most crucial. It has to be visionary and practical at the same time. It should be pragmatic and eclectic, without in any way compromising the relentless pursuit of the overall goal. And, above all, there is need for minimum qualifications with regard to legitimacy, honesty, accountability, integrity, competence, commitment and responsibility". Those qualities are critical as we implement a transformative and developmental African Continental Free Trade Area. Let us then renew our commitment to them as we honour the memory of a great African scholar and activist.

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