

USING DATA TO FIND A BALANCE

SPECIAL REPORT SERIES:

Economic burden of COVID-19 in Africa

Africa remains the continent least affected by COVID-19 cases and deaths, despite large outbreaks in some African Union (AU) Member States (e.g., South Africa, Morocco). However, people living in Africa are not immune from the devastating economic impact of the crisis.

This brief builds on the September 2020 report “[Responding to COVID-19 in Africa: Using Data to Find a Balance](#)” from the Partnership for Evidence-Based Response to COVID-19 (PERC). It delves deeper into findings from PERC’s 24,000-person survey conducted in 18 AU Member States between 4 and 17 August 2020 to assess the extent of household-level economic burdens during the COVID-19 crisis. It analyzes who is most affected and how governments have responded to alleviate these burdens.¹

The survey findings demonstrate the wide reach and severity of economic harms and how they are exacerbating existing inequalities. Along with the special report on [disruption to essential health services in Africa during COVID-19](#), this brief provides important data to inform policy responses as many AU Member States design approaches to counter a possible second wave while mitigating secondary impacts.

Key Findings:

The majority of households are facing economic challenges during the COVID-19 pandemic.

More than 7 in 10 survey respondents indicated that their income in August 2020 was lower than the same time the previous year and that their households had faced economic or other barriers to accessing food over the previous week. These severe burdens were evident even in August 2020, when many governments had significantly relaxed public health and social measures (PHSMs) put in place early on in the pandemic with the aim of reinvigorating economies. With some AU Member States currently reenacting measures to counter a recent surge in cases, economic challenges are likely to worsen. And even in the absence of restrictive PHSMs, voluntary social distancing and the global decline in economic demand are likely to [limit economic recovery](#) until the virus is brought under control at a global level.

While economic losses were experienced by all income and socio-demographic groups, in most AU Member States, the crisis has widened existing economic disparities, affecting lower income and more vulnerable households more.

These findings support predictions that the effects of the pandemic will push tens of millions of people in Africa into extreme poverty and contribute to food insecurity and hunger.

Most AU Member States have responded with economic relief programs in an effort to mitigate these economic harms, but coverage is low relative to need.

Many governments face particular challenges in financing and implementing relief efforts, including limited social safety nets, constrained fiscal space, and government revenues tied to heavily affected sectors such as oil and tourism. These factors have made it more difficult for governments to effectively respond at the scale needed to cushion the economic burden on households. In traditional news and social media in some AU Member States there have been significant allegations of politicization or corruption in economic relief efforts, which may have led to inequitable distribution of assistance and undermined public trust in the impartiality of government responses.

¹ For details on survey methodology and other data sources, see https://preventepidemics.org/wp-content/uploads/2020/05/PERC_DataSources.pdf

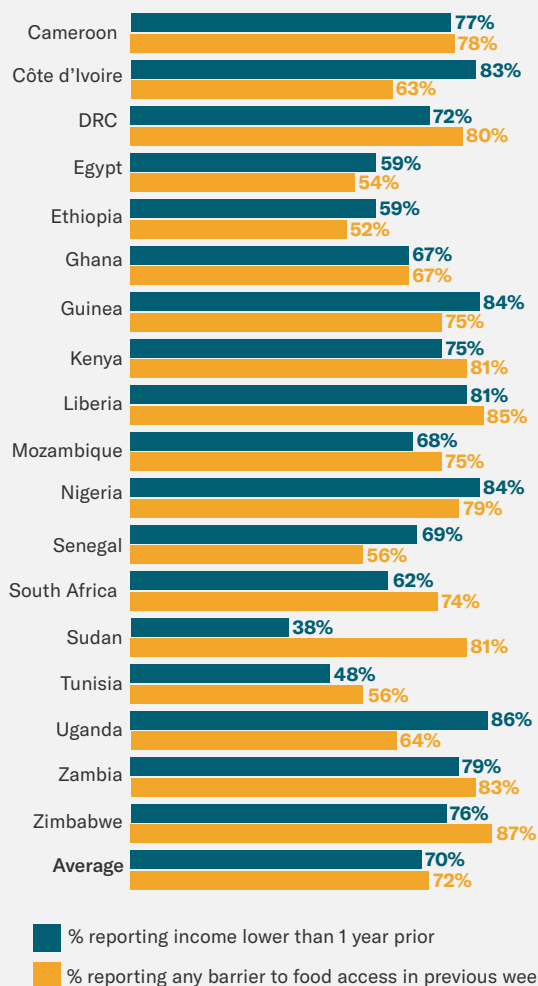
Key recommendations

- 1. Continue and expand economic relief measures.** Given the large share of the population of most AU Member States experiencing economic distress, deep and sustained economic relief is needed. Governments should extend benefits where these have ended or are scheduled to end, and should scale up programs to reach a broader share of the population wherever possible. Multilateral and bilateral donor agencies should support these programs with fast, flexible financing, taking into account high levels of indebtedness in some countries and the need for more concessional, grant-based financing and longer-term debt relief beyond the temporary suspensions on repayments offered by the G20 and International Monetary Fund to date. Ambitious frameworks for assistance such as a [temporary basic income](#) for vulnerable households in low- and middle-income countries should be considered. Regardless of the approach taken, greater support will be needed to prevent the COVID-19 crisis from undoing decades of development progress in Africa.
- 2. Use data to track economic impact on households and target programs.** Social and economic impact data should be collected at frequent intervals to inform response decisions as well as efforts to alleviate burdens. A promising [approach](#) being used by several AU Member States (Ethiopia, Nigeria, Uganda, Burkina Faso, Malawi and Mali) in collaboration with the World Bank is to leverage an existing household survey panel to run high-frequency phone surveys. These data can be used to monitor socio-economic burdens, identify who is in need of assistance and ensure that aid is reaching those people. Surveillance systems for food prices and key agricultural inputs can also help to monitor threats to food security and inform policy responses.
- 3. Target government assistance to those who are already vulnerable, while expanding assistance to the “new poor” (those who are falling into poverty as a result of the crisis).** Many governments have already expanded eligibility for current programs to groups that are particularly vulnerable to the economic impact of COVID-19, such as informal sector workers. Data will continue to reveal additional groups that are especially affected—findings which may not always match predictions. For example, we find that disruptions to food access disproportionately affect young adults. In general, given how broadly the economic impact of the crisis has affected all socioeconomic groups, policymakers should be more worried about “errors of exclusion” (leaving out people who need assistance) compared to “errors of inclusion” (giving assistance to people who do not meet targeting criteria).
- 4. Cash assistance, where feasible, will provide households with the best tools to meet their economic needs.** While digital payments have been effectively used in many relief efforts in Africa and elsewhere, and hold great promise due to the ease, speed, and safety of delivery, governments should also leverage “low-tech” means for implementing relief efforts where needed (e.g., community-based targeting and distribution methods) to ensure that those who lack access to digital payments or mobile technology are not left out. Where markets are disrupted, in-kind distribution of food and other supplies may also be needed.
- 5. Communicate clearly and transparently about relief efforts.** Communications should include clear information about who is eligible and how they can access support. Programs should incorporate independent oversight, audit and grievance mechanisms to enhance accountability. These measures will both improve implementation of relief programs and increase public confidence, which traditional news and social media analysis has shown is low in a number of AU Member States.
- 6. Use the current crisis as an opportunity to build and expand social protection systems.** Strong social protection and social insurance will support rebuilding livelihoods in the wake of this crisis, while making households and economies more resilient to future shocks.

The COVID-19 crisis has led to widespread economic pain and increased risk of food insecurity at the household level.

The PERC survey asked respondents in early to mid-August how the amount of money they made in the last week compared to the amount they made at the same time the previous year. Overall, 70% of survey respondents said their income had fallen relative to one year prior, ranging from 38% in Sudan (where the economy had already contracted in 2018 and 2019) to 84% in Guinea and Nigeria and 86% in Uganda.

FIGURE 1. Share of survey respondents reporting income loss and food access barriers by country



The survey did not probe for the cause of these income changes, and not all of the economic decline can be attributed to COVID-19. Some AU Member States, such as Zimbabwe, Zambia, Sudan and South Africa were also facing pre-existing economic crises. However, given the recent track record of growth across Africa, the vast majority of respondents reporting that their income had fallen since the previous year is striking and supports predictions by the African Union and others that COVID-19 will cause the [loss of 20 million jobs](#) and result in the [first recession across Africa in 25 years](#).

The survey also asked whether the respondent's household had experienced various barriers to accessing food over the previous week, including difficulty going to markets due to mobility restrictions, market closures, shortages at markets, price increases and difficulty purchasing food due to income losses. Overall, 72% of respondents said that their household had experienced one or more of these barriers at least once in the previous week, ranging from 52% in Ethiopia to more than 80% in DRC, Kenya, Liberia, Sudan, Zambia and Zimbabwe.

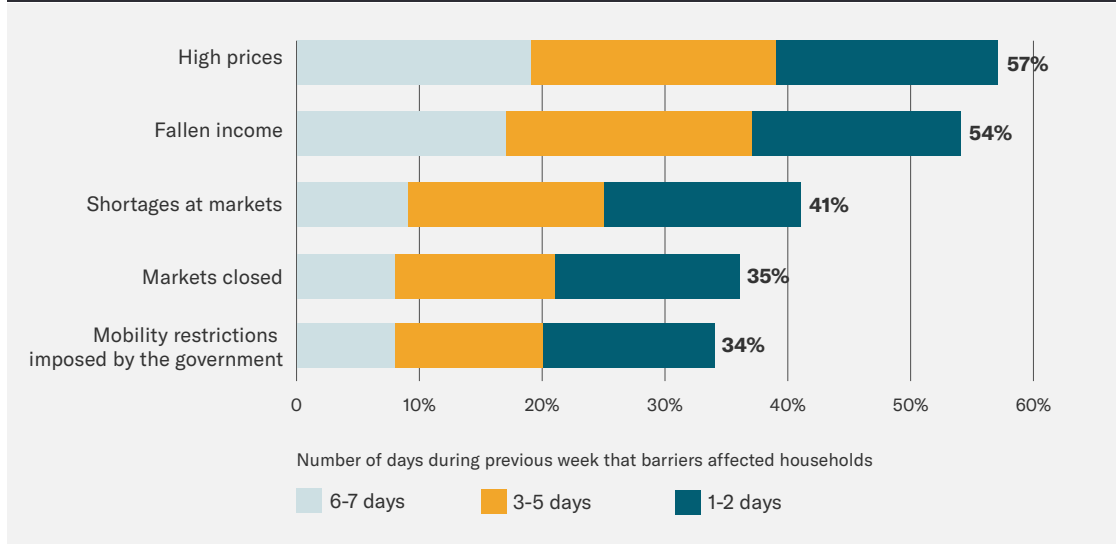
The most common barriers to food access were increased prices and income losses, indicating that the risks for food security stem most directly from economic factors, rather than restrictions on mobility or market access imposed by governments. Nearly one in five

Food access: In the past 7 days, how many days have you or someone in your household experienced any of the following? (had difficulties in going to food markets due to mobility restrictions imposed by the government / had difficulties in buying food due to most food markets being closed / been unable to buy the amount of food you usually buy because of shortages in the markets you buy from / been unable to buy the amount of food you usually buy because the price was too high / been unable to buy the amount of food you usually buy because your income has dropped)

Income: How does the amount of money you made in the past 7 days compare to the amount you made this time last year? Is it (bigger / stayed the same / smaller / don't make any / don't know)?

respondents reported that higher prices or fallen income had affected their family’s food purchases nearly every day over the previous week. Respondents who reported that their income had fallen since the previous year were also more likely to report food barriers overall. More than three in four (76%) of respondents whose income had fallen faced barriers to food access compared to 62% among those who had not.²

FIGURE 2. Share of respondents reporting that their household experienced barrier to food access in the previous week



While the survey did not include a direct measure of food insecurity, our findings align with [other analyses that suggest that COVID-19 could contribute to hunger crises in some AU Member States](#), especially given other ongoing crises, such as the desert locust invasion in East Africa, slow recovery from cyclones in Mozambique, drought in Zimbabwe, armed conflicts affecting Mozambique, Sudan, DRC and Ethiopia, and recent heavy rains and flooding in DRC, Uganda and Sudan.

Alongside falling incomes, there is evidence that the burden of unpaid domestic work increased due to COVID-19—likely related to school closures, care for sick or vulnerable household members, and the burdens of adhering to preventive measures.³ Women were more likely to see their unpaid work increase—with 39% of women reporting that they had greater responsibilities compared to 36% of men, starting from an already unequal share. Respondents from households with incomes less than 50 USD/month were also more frequently affected, with almost half (48%) saying their domestic duties had increased as a result of the pandemic.

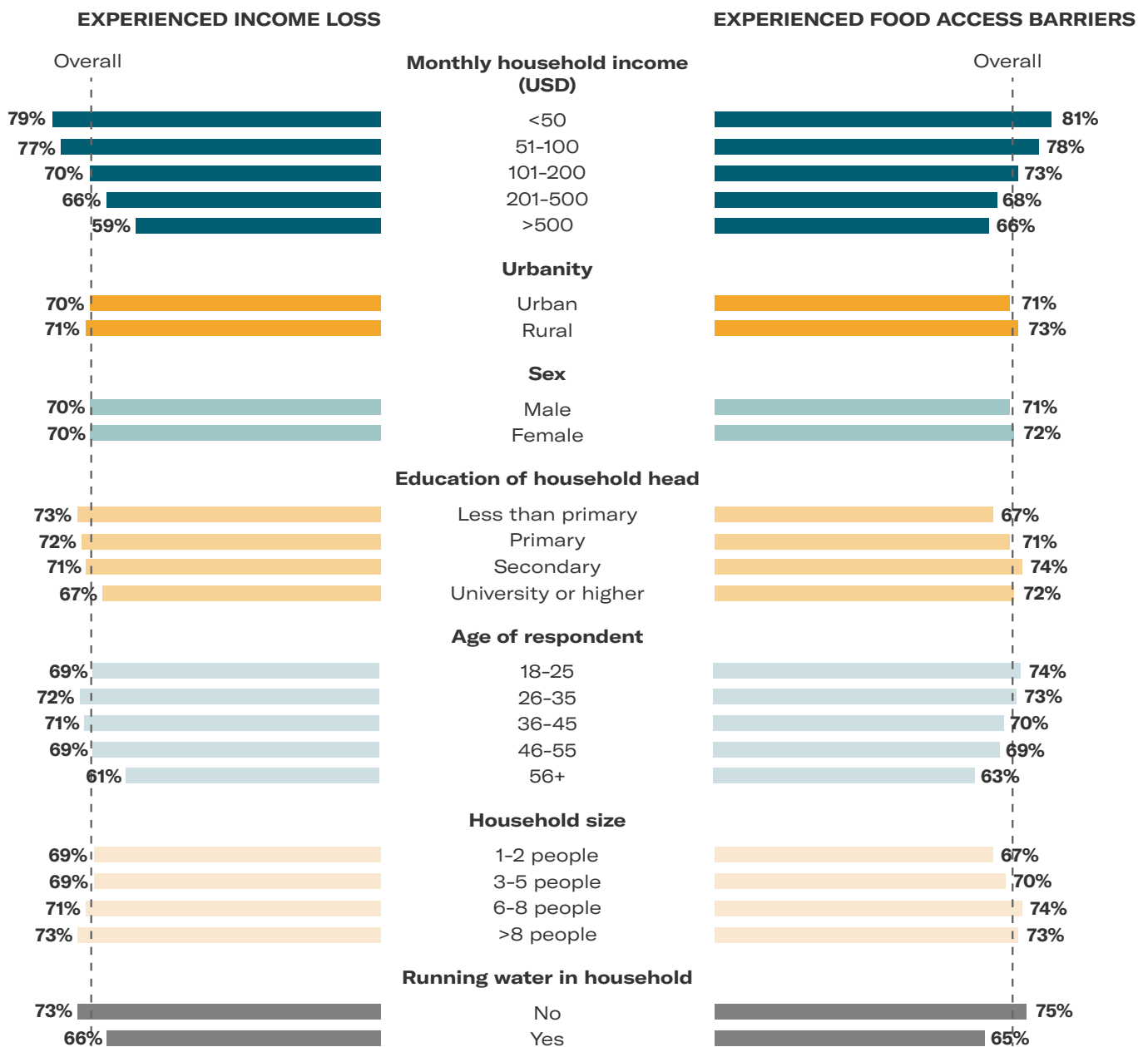
2 All cross-tabulations or socio-demographic breakdowns noted in the text of this report reflect statistically significant differences.

3 **Survey question:** Since the crisis began, have you had a change in your hours spent on unpaid work, such as childcare, care of the elderly and household work? Is it... (more hours/less hours/no change in hours).

All income groups are affected, but the crisis has widened existing disparities.

Across all AU Member States surveyed, all socio-economic groups reported income losses and barriers to food access, although lower-income groups appear more widely affected. In the cross-national findings, there is a clear income gradient for reported income losses. While the survey did not ask about the extent of income losses, any decline in income is likely to have a particularly serious impact on lower-income households, which are less likely to have access to savings or other financial coping mechanisms. At the same time, individuals or households that are newly poor and do not fit targeting criteria of existing social protection programs may have less access to government support and be especially vulnerable to the current crisis.

FIGURE 3. Share of respondents reporting income loss or food access barriers by socio-demographic categories



Income losses were also more likely among households with lower levels of education and without running water. Larger households (those with more than 8 members) were more likely to be affected, and younger adults (ages 18-55) were more likely than older adults (ages 56+) to report issues, which likely reflects higher labor force participation and therefore vulnerability to job loss. There were very few differences between urban and rural households in most AU Member States, a notable finding given predictions that urban populations would be more significantly affected by lockdowns and other measures. As the survey asked about household income, it was not designed to assess gender differences in income loss, and an equal share of women and men reported that their household income had declined.

While barriers to food access also affected lower-income and larger households more widely, income loss and problems accessing food were not aligned for all demographic groups. For example, households with running water and more highly educated household heads were more likely to report food access issues. Younger respondents (ages 18-35) were more likely to be affected by food insecurity than older adults, an important finding given that young adults are a particularly vulnerable group in some contexts. For example, young adults may be less likely to have stable or formal employment, have less access to family or community support networks, or (particularly for young women) be more likely to engage in transactional sex.

People who experienced loss of income and food insecurity were more likely to report anxiety and depression

Another factor that is significantly associated with economic hardships is self-reported experience of poor mental health symptoms, including anxiety and stress directly related to the COVID-19 situation. While 29% of all respondents reported experiencing one or more symptoms in the previous two weeks, these rates were significantly lower among those respondents who had not experienced income losses. Respondents facing food access barriers were more than twice as likely to report mental health problems. Increased unpaid care work was also associated with a slightly higher rate of mental health symptoms. These findings suggest that economic stresses are likely a significant driver of the mental health burden of the pandemic.

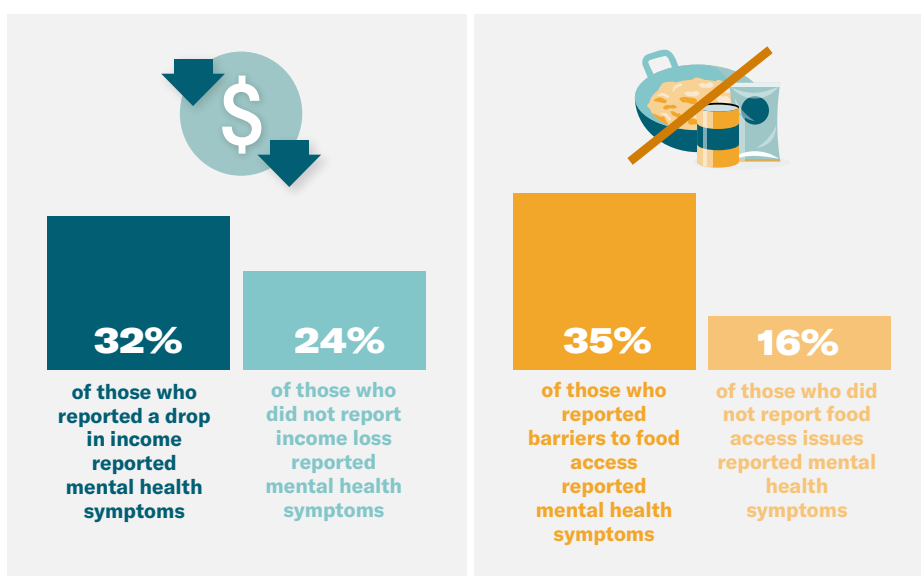


FIGURE 4. Share of respondents experiencing one or more symptoms of poor mental health over the previous two weeks

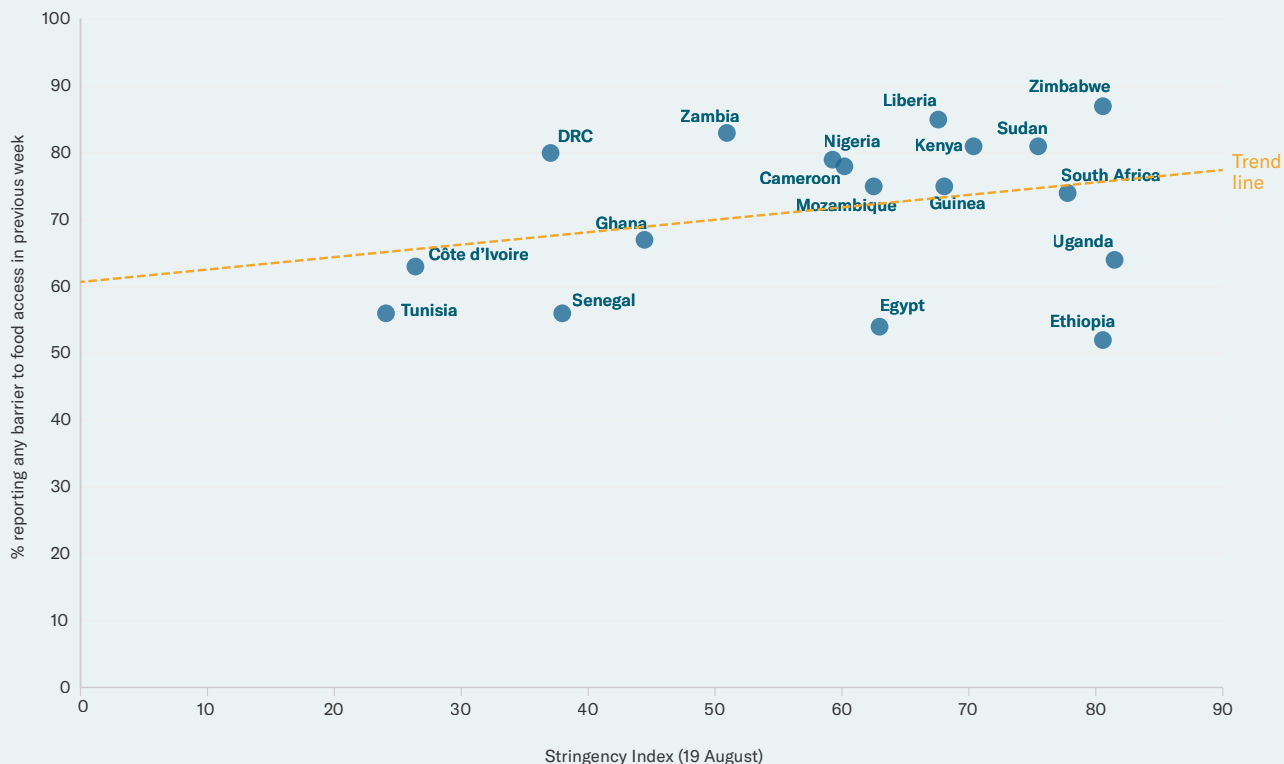
The distribution of economic losses varied across AU Member States, and likely reflect different patterns of vulnerability and economic effects at the national level.

Cross-national findings mask significant differences in the distribution of economic hardship at the national level, which likely reflect differences in micro and macroeconomic implications of the pandemic, government restrictions in place, economic responses, and patterns of economic vulnerability. It is important to note that the factors most associated with poverty vary by context, and the survey did not include questions that captured poverty status or a household’s position within the national income distribution. Nonetheless, there are some interesting patterns that emerge at the national level.

For example, in some AU Member States there was a strong income gradient among respondents experiencing income losses, with lower-income households more likely to be affected. This pattern was evident in Cameroon, Egypt, Ethiopia, Ghana, Guinea, Côte d’Ivoire, Liberia and Mozambique. But in other AU Member States, there was no clear or statistically significant income gradient (DRC, Nigeria, Senegal, South Africa, Sudan, Uganda, Zambia, Zimbabwe). Other differences across socio-demographic factors were likewise not uniform. In most AU Member States, working-age people were most likely to face income loss, but in DRC and Ghana, older people were most affected.

FIGURE 5. Stringency and Food Access

Stringency of the COVID-19 mitigation policies is associated with slightly higher barriers to food access



Data sources: OxGRT, PERC survey

Patterns around barriers to food access also emerged at the national level. In several AU Member States (Cameroon, DRC, Ghana, Guinea, Zambia), women were more likely to report that their households faced barriers to food access than men, which may reflect that women are more acutely aware of and affected by household food shortages. In DRC, Senegal, South Africa, and Sudan, rural households were more likely to report food barriers, whereas in Côte d'Ivoire, urban households were more affected. In Egypt, Ghana, Mozambique and Zambia, respondents who reported that they suffered from a longstanding illness were significantly more likely to report food barriers; this dynamic may have predated the COVID-19 crisis but may also reflect the vulnerability of this group to concerns about COVID-19 transmission risk.

We also explored whether cross-national differences in the share of respondents reporting income losses or barriers to food access were associated with higher levels of restrictions (as proxied by the Oxford COVID-19 Government Response Tracker stringency index) or with a higher number of COVID-19 cases per capita. While there was no relationship between income loss and stringency or caseload, there was a small positive association between barriers to food access and stringency as well as COVID-19 cases per capita. In particular, in AU Member States with a higher stringency index, people reported more frequent barriers to food access due to mobility restrictions, market closures, income losses and price increases. In news coverage of the pandemic, border closures and mobility restrictions were tied to disruptions to agriculture and food supply chains in a number of AU Member States, contributing to food insecurity. While we cannot interpret this relationship as a direct effect of PHSMs on food access, it suggests that further analysis of how PHSMs may affect food access should be conducted at the national level.

African governments have introduced social assistance programs to mitigate economic harm, but coverage is low.

By August 2020, almost all of the AU Member States included in the PERC sample had introduced some kind of economic assistance program to help mitigate the economic burdens on households as they weathered the crisis. While in some AU Member States, programs had already expired before the survey was conducted, most had at least some ongoing relief measures. In the months following the survey, some countries (such as Mozambique and Uganda) introduced new relief measures in recognition of the continued need for support.

Country	Cash	Food	In-Kind	Subsidies	Any government support	Any programs still in place in July/August 2020?
Cameroon	0%	1%	4%	0%	6%	Yes
Côte d'Ivoire	2%	2%	2%	2%	7%	Yes
DRC	0%	2%	6%	7%	12%	No
Ethiopia	2%	5%	3%	0%	8%	No
Ghana	2%	4%	6%	22%	27%	No
Guinea	0%	2%	8%	15%	22%	Yes
Kenya	3%	3%	2%	0%	8%	Yes
Liberia	0%	3%	5%	0%	7%	Yes
Mozambique	0%	1%	1%	0%	2%	Yes
Nigeria	1%	6%	3%	0%	8%	Yes
Senegal	1%	53%	17%	23%	63%	No
South Africa	13%	11%	2%	0%	22%	Yes
Sudan	2%	4%	1%	0%	7%	No
Tunisia	9%	3%	0%	0%	11%	No
Uganda	0%	6%	13%	0%	20%	Yes
Zambia	1%	2%	2%	0%	5%	Yes
Zimbabwe	3%	7%	1%	0%	11%	Yes
Total	2%	7%	4%	4%	14%	

FIGURE 6. Cash Assistance & Income Loss (share of respondents reporting receiving each type of assistance over previous month)

■ Government program publicly announced
■ No government program publicly announced

Note: Respondents in Egypt were not asked about government assistance received.
Data sources: ACAPS, OxGRT, Gentilini et al (2020)

Despite the wide range of economic assistance programs introduced, these reached only a small subset of the population in most AU Member States; 85% of all those surveyed saying they had not received additional assistance in the previous month, and only 2% of respondents reported that they had received cash support from the government. Direct food assistance, other in-kind assistance (for example, hygiene supplies or personal protective equipment) and subsidies for utilities or other services were able to reach a slightly higher share of the overall population in the places where these were included in relief packages. For example, 15% of people in Guinea and almost a quarter of Senegalese and Ghanaian respondents said they had benefited from subsidies over the previous month, and slightly more than half (53%) of Senegalese said they had received food aid from the government, in both urban and rural areas.

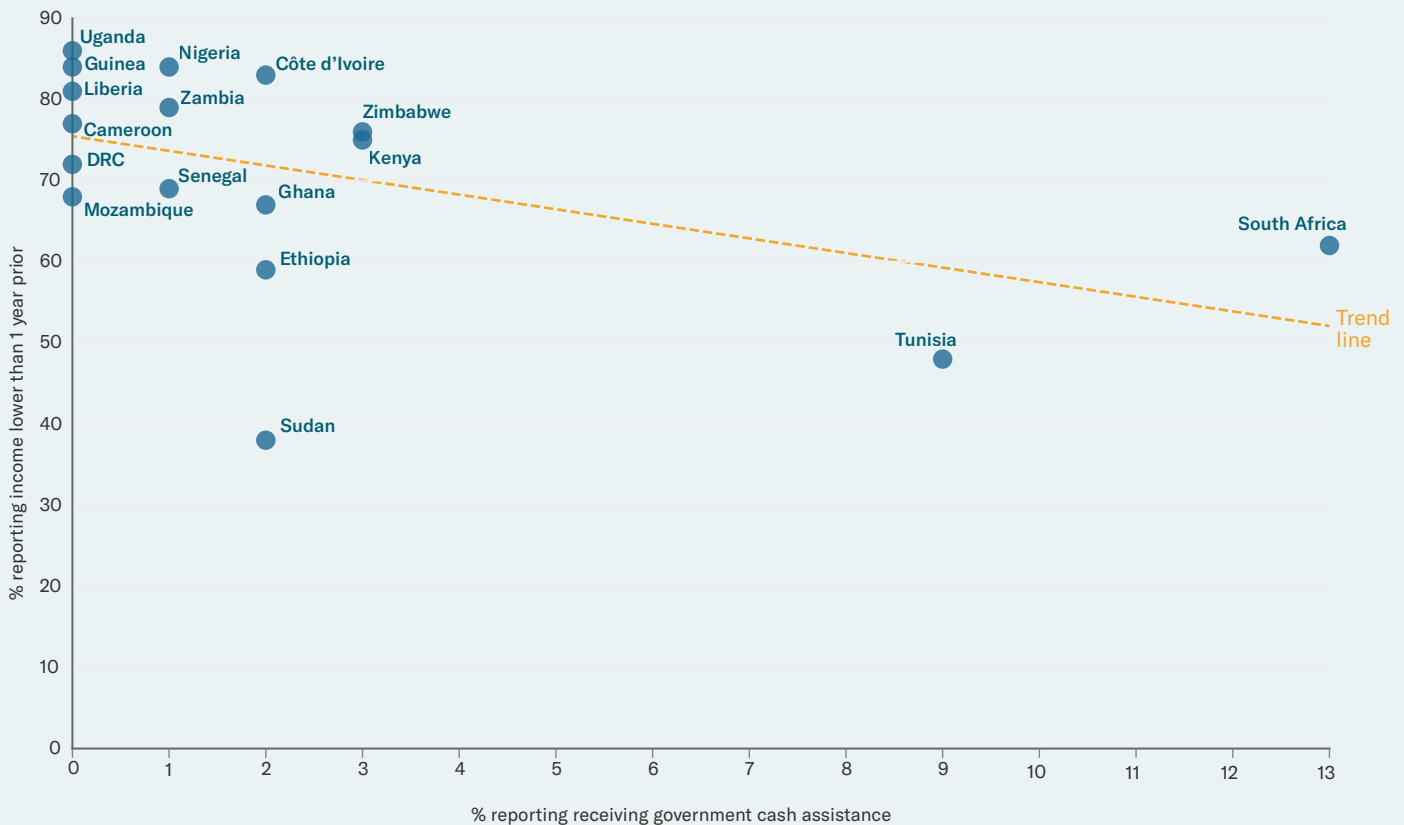
In AU Member States that reached a larger share of their populations with cash support, on average a lower share of the population reported income declines. Likewise, higher coverage of both cash and food assistance was associated with slightly lower reported barriers to food access. In the survey data, respondents who said that they had received cash from the government in the previous month were about 10 percentage points less likely to say that their income was smaller compared to the prior year. While this should not be interpreted as a cause and effect relationship—factors such as a stronger social safety

Survey question: Have you received any food, cash or other support from the government, in the past month that you do NOT usually receive? If so, which type of support?

net or more formal employment may have made it easier for some governments to roll out cash support and also reduced likelihood of income losses—it is in line with predictions that cash support is one of the best measures available to help households cope with the economic impact of COVID-19.

FIGURE 7. Cash Assistance & Income Loss

In countries that provided government cash support, survey respondents were less likely to report that their income had fallen.



Several of the AU Member States where a lower share of the population reported income losses and a greater share reported receiving cash from the government were those that were more able to mobilize relief efforts due to stronger existing social safety nets. For example, South Africa expanded a range of existing social assistance measures early on in the crisis, including early payments and top-ups of existing social assistance grants, additional unemployment benefits, and a “COVID-19 Social Relief of Distress Grant” for unemployed people not eligible for other benefits; South Africa also had the largest share of the population reporting that they received cash support (13%). Similarly, Tunisia leveraged existing social insurance and social assistance systems to provide cash transfers to informal sector workers as well as households with elderly family members, children without parental support and people living with disabilities; 9% of Tunisian survey respondents said they had received cash relief from the government.

Coverage of economic relief policies in traditional news and social media

There was significant discussion of government economic relief programs in traditional news outlets and social media between May and August, with the greatest coverage in Nigeria, South Africa, Egypt, Kenya and Zimbabwe. While traditional news coverage was relatively evenly split between negative, positive and neutral reporting, social media narratives were significantly more critical. More than half (55%) of social media posts analyzed expressed dissatisfaction with government responses, while only 15% reflected positive views of relief efforts. Negative coverage of relief programs focused on alleged corruption, lack of transparency in the distribution of aid, and politicization of relief.

- In **Nigeria**, negative coverage of the government's economic response increased in June and July, with allegations of corruption in the distribution of aid. There were calls for increased transparency, including amplification of a lawsuit filed by the Socio-Economic Rights and Accountability Project demanding that the government publish information about beneficiaries of relief measures.
- In **South Africa**, negative coverage of economic assistance dominated throughout the monitored period, particularly on social media where allegations of graft contributed to mistrust in the government and ruling African National Congress party as well as skepticism around COVID-19 risk communications messaging.
- In **Kenya**, there was an increase in negative coverage of the economic response in August, when demonstrations erupted to protest alleged misappropriation of COVID-19 response funds and demand greater transparency. Critics used the hashtag #COVID-19Millionaires to highlight and denounce allegations of government corruption.
- In **Zimbabwe**, critics of the ruling ZANU-PF party accused the government of distributing food and cash assistance along partisan lines. Negative coverage peaked in late July and early August with reports of violence against demonstrators protesting the politicization of aid; this coverage contributed to the #ZimbabweanLivesMatter movement.
- In **Egypt**, social media discussion of government economic aid and response was significantly more positive, possibly because social media users tend to share more pro-government narratives in general.

Although most of the relief programs introduced by governments included specific targeting criteria in order to reach vulnerable segments of the population—the poor, informal sector workers, households with elderly family members, etc.—it is not clear from the data that more vulnerable households were more likely to receive assistance, although this is difficult to assess given that we do not have a measure for poverty or socio-economic status. Across all AU Member States surveyed, households with monthly incomes over 500 USD were slightly more likely (15%) than households with monthly incomes less than 50 USD (12%) to receive assistance. However, when using education of the head of household as a proxy for socioeconomic status, targeting appears more in line with expectations. Roughly 18% of households in which the household head had not completed primary school received assistance compared to 11% of households in which the household head was university-educated. Older individuals (over age 56) were more likely to receive assistance (17% compared to 14% overall), although they were less likely to

experience income losses compared to working-age people. Some governments, such as those of Tunisia and Kenya, explicitly targeted benefits to the elderly.

Looking at patterns within AU Member States, targeting of assistance is more apparent. For example, in Nigeria, lower-income households were far more likely to have received food from the government. In both South Africa and Tunisia, lower-income and less-educated households were more likely to have received cash support. In some places (Ethiopia, South Africa, Tunisia, Zambia, Zimbabwe) rural households were more likely to receive cash or food assistance, while in other places (Cameroon, Ghana, Guinea) urban households were more likely to receive support in the form of food or subsidies.

Conclusion

The findings from the PERC survey highlight the extent to which the economic disruptions of the COVID-19 pandemic have affected individuals and households across Africa. Acute hunger or famine is most likely to occur when there is a convergence of multiple hazards—and a number of AU member states are currently experiencing the health and economic impacts of the pandemic simultaneously with conflict or natural disasters that greatly compound risks. While governments have mobilized new relief efforts and expanded existing social protection programs to help households cope with the economic impact of the crisis, deeper and sustained action will be needed to prevent loss of livelihoods, poverty and hunger.

Using PHSMs in targeted geographic areas and only when required to suppress or mitigate community transmission may help to limit economic disruptions. But even in the absence of PHSMs, the economic drag caused by reduced global demand and voluntary physical distancing will continue to limit employment and business revenues across both formal and informal sectors—with direct effects on household finances. Full economic recovery is unlikely until the pandemic is brought under control at a global level, and therefore governments must find a way to help people weather the crisis—particularly those at greatest risk of economic deprivation or hunger.

