

Covid-19 Pandemic and African Autochthonous Development Challenges.

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Abstract

This paper evaluates the impacts of covid-19 pandemic on African socio-economic development challenges. The paper relies on secondary sources of data which build upon the dependency paradigm and argues that the lessons from the pandemic shock exposed the danger of Africa's dependent economy. This study thereafter concludes by advocating that Africa should prioritize their socio-economic development policies into autochthonous strategies. Lastly, the paper recommends amongst others, that the implementation of the African Continental Free Trade Area (AICFTA) will be decisively crucial in diversifying African economies which provides a shield from such global stocks that impact on the direction of socio-economic progress of Africa.

Key words: Coronavirus, Socio-economic development, self-reliance and challenges.

Introduction

Covid-19 was declared global pandemic on the 11th of March 2020, by the World Health Organization (WHO, 2020). Barely two months later more than two hundred and twenty countries and territories were affected globally including Africa. Some of the countries witnessed plateau of pandemic cases and new cases continue to decline. Ironically most African countries are yet to reach the peak of the pandemic as cases of community transmission are on daily reduction (Akinyemi, 2020). In terms of spread and fatalities, compared to other regions, Africa recorded fewer cases. Towards the formal pandemic declarations, substantive economic signals from different channels, indicated the world was leaning towards an unprecedented watershed in human history (Gopinath, 2020). This prompted the implementation of stringent measures by world governments in efforts to isolate cases and limit the transmission rate of the virus, thereby igniting a cross-border economic disaster because of the highly interconnected present global system.

These measures consequently have shattered the sustaining pillars of modern world economies as global trade and cooperation succumbed to nationalist focus and competition for scarce supplies. Africa being a dependent region on the western economies was therefore mostly affected by these measures. Against this backdrop, this paper presents a

critical evaluation of the adverse effects of these measures by the European and the rest of the world on African socio-economic development. The paper diagnosed the danger of Africa relying on the western driven solution to achieving sustainable development. It is the unequivocal position of this paper, that African dependence on other global regions remains a huge obstacle to her self-reliance and development.

The perspective shared in this paper is that Covid-19 exposed the vulnerability of African dependence on western economies. It therefore argues that a rethink of the present Euro-centric global economic models, and need for decisive, fundamental structural change to African socio-economic paradigm, that would enable her achieve self-reliance anchored on indigenous development.

In the light of the above, the paper is structured into four sections. Section one focused on the theoretical framework, which anchored on dependency theory as a framework of analysis. Section two provides a conceptualization of development which informed a brief review of the concept. In section three, an overview of the impacts of Covid-19 on African socio-economic development are presented. Section four focused on auto-centric based recommendations that would not only enhance African self-reliance, but hope to fortify Africa against future global shock.

Theoretical Framework

Dependency Theory Dependency theory is also known as underdevelopment theory/radical school of thought or the neo-Marxist theory. It emerged as a direct response to the short-comings of modernization theory in explaining why the core is developed while the periphery remained underdeveloped. The theory is traced to the influence of the philosophical considerations and the postulations of the radical scholars like, Karl Marx, Fredrick Engels, and V. I. Lenin on the Neo Marxist Scholars of Latin America and later third world scholars from Asia and Africa (Obiukwu and Abaneme, 2016). Historically, the theory originated with the two papers published in 1949 by Hans Singer and Raul Prebisch, in which they observed that the terms of trade for underdeveloped countries relative to the developed ones had deteriorated over time. And that those underdeveloped countries were able to purchase fewer and fewer manufactured goods from developed countries in exchange for a given quantity of their raw materials exports (Abaneme, 2021). Prebisch and his colleague were troubled by the fact that economic growth in advanced countries did not necessarily lead to growth in the poor countries. So their postulations brought to the fore an alternative explanation to the cause of poverty of the third world nations. Other scholars such as Paul Barran, Andre, Qunder Frank, Osalvdo Sunked, Dos Santos etc. joined the debate and expanded the theory through their various works.

The central thesis of dependency theory is that, there is dialectical relationship between development and underdevelopment. Development and underdevelopment are two sides of the same coin in the sense that they are inevitable and physical manifestation of the world capitalist system and its inherent contradictions and exploitations (Abaneme, 2021). Dependency theory therefore opposed the argument of modernization theories that blamed the underdevelopment of the third world nations on internal factors. They argued that it was pointless to try to locate within a country the reasons for its own

underdevelopment since the reasons lay outside the countries' boundaries. More precisely, the causes of underdevelopment were related to the relationship between developed and underdeveloped countries as joined by common link "exploitation" (Igwe, 2011). They therefore recommended delink from the capitalist global economy as the solution to development problems of the third world.

The theory is very apt to this study. This is because it has helped to exposed the main causes of developmental problems of Africa, prior to Covid-19 pandemic which made Africa vulnerable to internally and global shock such as accompanied Covid-19. The utility values of the postulations of the theory had implicit explanation to the study's analytical approach which is based on Afro-centric strategies of development in Africa.

Conceptualization of Development

There is no agreement among the political economy scholars on the exact meaning of the concept, development. It is to a large extent not a concrete concept. It means different things to different scholars. However, it is believed to be a relational concept because, it also refers to relationship between and among human beings within and among nations in international community (Obiukwu and Abaneme, 2016).

Development is perceived by Gerald Mier as the maximization of growth of the gross national product through capital accumulation and industrialization (Mier, 1989 in Obiukwu and Abaneme, 2016). In the same vein Michael Todaro defined development as a series of successive stages of transformation or a well ordered sequences of economic changes. He further concludes that development means the capacity of national economy whose initial economic conditions has been more or less static to generate and sustain an annual increase in its gross national product (GNP) at the rate of perhaps five to seven (5-7) percent or more (1979). The above perceptions of development are from the liberal school of thought which conceived development from economic domain, as having to do with economic growth measured in terms of increased production, technological innovation and high consumption, growth in gross domestic product, industrialization etc.

In contrast to this school of thought, the radical school of thought or Marxism sees development beyond economic prisms. Development is thus conceived as a multidimensional process involving changes in structure, altitudes and institutions as well as acceleration of economic growth, the reduction of inequality and eradication of absolute poverty (Okereke and Ekpe, 2010).

The radical scholars therefore perceived development from dialectical materialist binocular and assert that development rather than being restricted to economic variable focuses on man and his well beings, and as such, human being constitute the fulcrum on which it revolves (Okereke and Ekpe, 2010). On this premises, Goulet opined that development implies a situation where there has been an improvement in the basic needs, when economic progress has contributed to achieving a greater sense of self-esteem for the country and individuals within it and when material advancement has expanded the range of choice for individuals. It is not enough to see development in terms of abstract statistical growth. It must also include incremental qualitative changes in the lives of the citizens and of the nation to which they belong (Ejitu, 2013). Implicit in these definitions is that

development implies the realization of human potentials and therefore man is very important in development process and therefore very essential to national development.

Conclusively, Rodney (1979 in Abaneme, 2021) asserts that development of human society is a many sided process. At the level of individual, it implied increased skill and capacity, greater freedom and creativity, self-discipline, responsibility and material well-being. At the level of social group, it implied an increasing capacity to regulate both the internal and external relations... In the past; development has always meant increase in the ability to guard the independence of the social group. This study aligned on the above perception of development. Development should be auto-centric relying on internal factors and the ability of the nation to freely harness her resources for the well beings of the citizens.

On the above premises therefore, African development ought to be autochthonous, which means indigenous based development. It connotes indigenous development which, generally used to refer a variety of coordinated programs by governmental, philanthropic, environmental, religious and or financial organizations to promote the wellbeing of indigenous (African) populations, usually via economic development efforts. Notable grassroots programs, such as the Africa Windmill project started by Malawi Inventor William Kamkwamba, have been initiated locally, (<https://en.m.wikipedia.org>, 2011).

The Impacts of Covid-19 on African Socio-Economic Development

In its April World Economic outlook, IMF (2020) reversed its early global economic growth forecast from 3.3% to -3 % an annual downgrade of 6.3% within three months. This makes the pandemic a global economic shock like no other since the great depression and it has already surpassed the global financial crisis of 2009. The cumulative GDP loss over the year from COVID-19 could be around 9 trillion (IMF, 2020) on the global economy, for which governments, firms and individuals scramble for adjustments (Fernades, 2020). It has exposed the weakness of over-centralization of the complex global supply and production chains networks and the fragility of global economies, whilst highlighting weak links across industries (Fernades, 2020). Africa being a dependent economy is most adversely affected.

The UNCTAD document (2020) states that, Covid-19 cases in Africa are mainly concentrated in six of its 54 countries with infection rates that are still very low when compared to the worst-affected countries in Europe, Asia and the America. As such, most countries did not intensify the stay-at home or complete lockdown transmission control measures. However, border closures widely adopted to control cross-country transmissions. Overall, covid-19 impacts in most African countries are mainly through their linkages with the global economy, particularly trade. Thus, a drop in world demand and the resultant-commodity price drops affected production, and export performance of African countries more than did their own Covid-19 control measures. This has affected mainly commodity exporters, especially those that are involved in key global value chains such as fuel and horticulture exporters.

Using estimates of Covid-19 related falls in global GDP and fuel prices, the paper finds a decline of 1-4% in Africa's income with the worst declines observed in the smaller LDC

and SIDs economies. Under extreme scenario of a severe global recession, the paper projects a significant decline in total exports (-16.7%) on average with significant differences across the sectors and among the countries in the region. Several countries suffer worst losses in revenue including Nigeria (-11.4%), Egypt (-10.6%) Malawi (-10.2%), Eswatini (-9.3%) and Ethiopia (-8.5%).

The implications are many (a) *The impact on poverty level and unemployment rate in Africa:* Covid-19 heightened the global poverty rate. With massive job loss, and excessive income inequality global poverty increased most for the first time since 1998 (Mahler et al, 2020). It is estimated that around 49 million people could be pushed into extreme poverty due to Covid-19, with Sub-Sahara Africa projected to be hit hardest. This projection has already manifested in most African countries.

(b)*The impact of Covid-19 on African supply chain and international trade:* Covid-19 negatively affects the Africa economy by reshaping supply chains and sectorial activities. Supply chains naturally suffer fragmentation and geographical dispersion (Mohammed et al, 2021). Africa experienced the consequences mainly through its trade links with the European Union (EU), United States of America, and China resulting in dwindling markets for African exports. According to United Nations Economic Commission for Africa, African exports in 2020 declined by 5percent in February, 16 percent in March and 32 percent in April (compared to the same month of the previous year, Africa's imports experience a similar decline in the same months of 1 percent, and 25 percent, respectively. The slump in African trade was thus even larger than the decline in the volume of global merchandise trade, which is estimated to have declined by 3percent in the first quarter of 2020 and 18.5 percent in the second (UNECA,2020).

(c)*The social impacts of Covid-19 on Africa:* Covid-19 was followed with measures that however affected the socio-economic development of Africa. Cross country transmissions are seen to be significantly reduced by frontier closure policies which have been adopted by most African countries. Nevertheless, this approach further dampens tourism, FDI and most importantly Africa's inter-regional trade which is largely driven by cross border trade and international mobility. Moreover, the approach further undermines the livelihood of low-income earners who largely benefit from the cross-border trade within the respective economic communities (RECs) in Africa (UNCTAD, 2020). The overall impacts of Covid-19 on the economies of top tourist countries was higher than that on average African economies. The tourism industries contributed to more than 10% of the following countries (in descending order of %GDP): Seychelles, Cabo Verde, Mauritius, Gambia, Tunisia, Madagascar, Lesotho, Rwanda, Botswana, Egypt, Tanzania, Namibia, Comoros, and Senegal. In 1919. In these countries, economic growth is expected to drop on average of -3.3%, whereas the impact will be much high in countries like Seychelles, Cabo Verde, Mauritius, and Gambia with an expected -7& drop at least in 2020(AUC, 2020).

(d)*The impact of Covid-19 on Aviation Sector:* The transportation sector is the hardest hit sector by Covid-19 due to the large scale restrictions in mobility and aviation activities (IEA, 2020), In the aviation sector, where revenue generation is a function of traffic levels, the sector experienced flight cancellations and bans, leading to fewer flights and a corresponding immense loss in aeronautical revenue, Africa was adversely affected by this

challenge, Most Airlines that were shutdown grounded and never recovered from the shock..

(e) *The impact on fatality rate:* Daily statistics from the European Center for Diseases Control (ECDC) shows that Africa remains the region with the least number of both Covid-19 infection cases and deaths, Europe has both the highest number of infections and death, with two persons per thousand population having the infection. However, despite this low rates of infections and deaths, Africa has been affected by other economic and social impacts such as unemployment, terrorism, kidnapping, consequently the number of fatalities resulting from these security challenges have eroded the gains of the low fatality rate of Covid-19 on Africa.

Conclusion

Covid-19 has highlighted the problems associated with globalization. Indeed, the Covid-19 pandemic has distorted the world's operating assumptions, revealing the absolute lack of resilience of the dominant economic models (of the west) to respond to unplanned shocks and crises. As has been demonstrated in the study, the coronavirus pandemic and the associated lockdowns and distancing measures have had severe economic and socio political consequences on Africa. However, the impacts differ considerably between countries, the informal and formal sectors, industries, and traded products. Africa though had the lowest fatality rate but the negative impacts on Africa socio-economic development surpassed the fatality gains. The looming health shock of Covid-19 could have disastrous impacts on the continent's strained health system, and could have quickly turned into a social and economic emergency.

Beyond health challenges, the Covid-19 shock to Africa's socio economic development occurred in many ways such as lowering trade and investments, a demand slump associated with the lockdowns and a continental supply shock affecting domestic trade and intra Africa trade, amongst other impacts. Going forward, resilience thinking should guide lessons learnt from Covid-19, and auto centric based innovations emanating from circular thinking by African leaders and stakeholders should target the general well-being of the populace. The post- Covid-19 States policies should be inward thinking towards more resilient economic recovery by the respective State governments in Africa.

Recommendations

Covid-19 pandemic exposed the vulnerability of African economies' reliance on other regions of the world. Consequently, the impact of the shock adversely affected the socio-economic development and unleashed all manner of consequences. Lessons from the shocks no doubt made autochthonous socio-economic strategies for African development imperative. The study therefore upholds that sustainability through resilience thinking by African leaders and stakeholders would have a positive and lasting impact on African socio-economic development. The Stockholm resilience center (2016), which concluded that propriety and sustainability cannot be accomplished without building "resilient

systems that promote radical innovation in economic policy, corporate strategy; and in social systems and public governance”.

Haigh and Bauker (2020) also concluded that when resilience thinking is employed as a guide, all innovations emanating from circular thinking would extend beyond focusing mainly on boasting the market and competitiveness and recognize the general well-being of the populace as equal goal. As the African economy recovers from Covid-19, it has become more apparent that there is a strong sense of interconnectedness between environmental, economic and social sustainability (Bauwens et al, 2020). It is the resilience of the federal government of Nigeria to maintain the ban of importation of foreign rice that to a large extent saved Nigeria from adverse food security at the peak of global lockdown of Covid-19.

Again the trade-related impacts of Covid-19 highlight the longstanding under-utilization of the regional market by African countries. Commodity price volatilities continue to dictate the direction of economic progress, yet the diversification of exports and increased value could help build resilience to shocks in African countries. Potentially, the full implementation of the African Continental Free Trade (AfCFTA) which will provide countries with opportunities for growth and economic diversification particularly through industrialization and manufacturing could be a game changer for Africa. By addressing the fragmentation of African economies, in longer run, the AfCFTA is also likely to boost agricultural outputs. According to World Bank (2020), the AfCFTA has the potential to increase intra-African exports of agricultural products by 49% by 2035 while also lifting between 30 and 68 million people out of poverty. The solution to African Socio-Economic Challenges therefore depends on Auto-Centric Strategies.

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