COVID-19 in the Global South

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Africa and the Economic Pathologies of the COVID-19 Pandemic

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In December 2019, news of yet another deadly respiratory disease arose – this time from Wuhan, China. Unlike recent zoonotic diseases like Ebola that suddenly and enigmatically emerged locally, African governments had time to prepare. On 27 January, after four Asian countries reported cases, the African Centre for Disease Control (CDC) initiated an emergency operations centre to coordinate the response. The first case was not detected on the continent until 19 February. Within a few weeks, many governments began to impose travel restrictions and mandatory quarantine periods for people arriving from Asia and Europe. In the following weeks, over 40 countries closed borders (Loembé et al, 2020).

On 28 April 2020, the US hit a million infected people with 2,000 deaths per day. Africa had recorded only 32,000 cases and 1,400 total deaths to that point. Influential publications like the Financial Times suggested: ‘Maybe, just maybe, the continent could be spared the worst of the pandemic’ (Pilling, 2020: 1). The article continued to point to all the positive factors including ‘early lockdown’, ‘less dense population’, ‘the effect of ultraviolet’, ‘a climate that meant people spent more time outside’ and ‘Africa’s youthful population’.

The optimism has quickly faded. While Africa took 93 days to hit the first 100,000 cases, the number doubled only 16 days later on 7 June. By the end of June, the numbers had roughly doubled again to nearly 400,000 cases and close to 10,000 deaths. By the third week in July, they again doubled to almost 800,000 infections with nearly 17,000 deaths. On 6 August, it surpassed the milestone of 1 million cases with 22,000 people deceased, exceeding an estimated 15,000
deaths from all recorded Ebola cases (1976–2000). However, the numbers in reality are significantly higher (Africa.news, 2020; Africa CDC, 2020, WHO, 2020). On 29 June, the New York Times proclaimed in their headlines that the ‘Coronavirus is Battering Africa’s Growing Middle Class’ (Dahir, 2020).

This chapter will argue that that the optimism followed by the growing realization of the severity of the impact on the continent is part of a false narrative that has become popular in orthodox circles. The narrative argues that African countries that followed the neoliberal dictates of the international financial institutions have been rewarded with growth and prosperity in their open integration into the global economy, as evidenced by their growing ‘middle classes’. In contrast, it will argue that it is precisely how Africa is situated in the global order that has left it more vulnerable to the pandemic’s health and economic impact. While African governments wisely put in place measures to mitigate the impact of the virus in the early stages of the pandemic, it is these underlying systemic conditions and the pathologies inherent in the economic strategies that have created these vulnerabilities that ultimately exacerbate the impact of the pandemic.

The concept of economic pathology

Pathology is generally associated with the scientific study of disease. The construct has also been used to describe an illness or sickness in a particular discipline or approach to a discipline. Others have focused on the harm and even diseases generated by the specificities of socioeconomic structures. Drawing on both ideas, Swann (2019) argues that economic pathology should be conceived as a duality. There can be a pathological condition in the economy and one in the discipline of economics. The two are interconnected. Bad economic theory can drive public policy, which can create pathological effects on the economy. Moreover, if the economics discipline accepts a pathological condition in the economy as quite normal, then this can buttress the pathological tendencies of a field. It is possible to also take this concept a step further
to consider how the pathological nature of the economics profession in this duality leads to situations where it creates the structural conditions which contribute to the proliferation and vulnerability to diseases in the medical sense. Hence, we can think of how economic pathology intersects with disease-focused pathology and in turn how it feeds back into economic pathology. The remainder of the chapter will focus on illustrating the multiple interactions embedded in the economic pathology of the coronavirus pandemic in Africa.

The pathology of the economics discipline and its consequences: the rise of monoeconomics in Africa

Theorizing about the nature of African integration into global capitalism and the domestic policies needed to enhance development were once at the core of the economics curriculum of African universities. Debates on the types of government strategies to be used drew from a variety of theoretical traditions (such as institutionalists, Marxists, structuralists). As pointed out by Hirschman (1981), the very nature of development economics of the post-independence period directly challenged the ‘monoeconomics’, or orthodoxy, which dominated before the Great Depression. Orthodoxy in economics states that ‘in a market economy benefits flow to all participants whether they are individuals or countries, from all voluntary acts of economic intercourse’ (Hirschman, 1981: 4).

Stein (2021) traces how the crisis of African universities partly generated by the structural adjustment project of the World Bank created the opportunity to undermine development economics and to expand and institutionalize neoclassical economic orthodoxy on the continent. This created the economic pathology of bad economic theory driving policies that created the economic and health vulnerabilities to the coronavirus pandemic.

Economics education in the neoclassical economics tradition emphasizes models of pure competition, optimality, indifference curves with utility maximization, equilibrium and marginal analysis. The emphasis is on learning the language
of economists and getting students to think like economists. Education is largely drawn from textbooks that purportedly reflect the latest advances in the field but are typical variations on the same macro and microeconomic constructs embedded for years in the neoclassical economic doctrine. Promotion and recognition in the field are measured by publications in a set of neoclassical economic journals that draw on the same constructs.

During the structural adjustment period of the 1980s and 1990s, the World Bank and other donors used the crisis in the universities to rebuild ‘weak’ economics departments in the image of the orthodoxy of Western countries. They understood this as a powerful mechanism to infuse policymakers and academics with a shared set of economic priorities and theories that justified the adjustment agenda.

As Mkandawire (2014) points out, donors carefully rigged both sides of the market to provide the incentives to participate. On the one hand, they provided stipends to retrain old faculty and supported a new generation of students in neoclassical economics through organizations like the African Economic Research Consortium. At the same time, they ensured that the ‘technical skills’ of these economists were demanded in aid packages that required the hiring of local experts to produce reports with lucrative contracts to supplement low academic wages. Local consultancies were organized to supply economists for projects requiring ‘local expertise’. This empowered what Mkandawire terms an ‘epistemic community’ of local economists as the trusted purveyors of the international agenda.

There were profound pathological consequences in the economy. Adjustment with its focus on liberalization, privatization, macrostabilization and user fees in health and education was supposed to lead to prosperity from static efficiency gains as rational actors made improved decisions in reaction to undistorted prices. Unfortunately, the results were very different. Public expenditure cutbacks and the privatization of social services worsened healthcare and education. Sylla (2018) reminds us that the World Bank and IMF are still seen as ‘agencies of misery, poverty and social distress’ by Africans due to adjustment. There is little
doubt that countries’ health systems were put on the wrong trajectory relative to their ability to deal with the public health needs of a pandemic.

There were even more profound economic consequences. Adjustment led to the deindustrialization of the continent and returned African to its colonial-style extraction economy with its problematic boom and bust commodity cycles. In 1995, roughly 88 per cent of exports were in primary commodities and 12 per cent in manufactured goods. By 2008, the figure was 93 per cent and 6.5 per cent, respectively. Fuel-focused commodities dominated the growth and went from 40 per cent to 72 per cent of total commodity exports over that period. Little has changed since with primary commodities still at 91 per cent of the total in 2018. Deindustrialization was also evident from the GDP figures. The manufacturing share of GDP fell from an average of 22 per cent in the 1980s to 12 per cent in the 1990s to only 9 per cent in 2000–06. In 2008, if fell to only 7 per cent and was back to 9 per cent only in 2018 (UNCTAD, 2020).

Africa is at the bottom of the global value chain. Neoliberalism removed the restrictions on capital flows, privatized state enterprises and liberalized trade, which both increased the reliance of African countries on the export of unprocessed raw materials while encouraging the deindustrialization documented above. It also demobilized the ability of governments to alter the terms and conditions of international exchange. Value in production has increasingly shifted to developed countries and offshore tax havens buttressed by international institutional structures, like the World Trade Organization (WTO), which reinforce the financial and technological power of transnational corporations. Data from the United Nations Conference on Trade and Development (UNCTAD) indicates that exports in the 2000s in Africa and other developing countries increased substantially without a comparable expansion in domestic value added (De Medeiros et al, 2017).

The tools at the disposal of mainstream economists today have delimited their capacity to comprehend the structural and institutional challenges underlying the dynamics of development; these challenges have become even more acute
as many African countries, while at the bottom of global supply chain, are subject to the vicissitudes of commodity markets. Orthodox economists see liberalized Africa as naturally following their comparative advantage. Here we have a prima facie example of a discipline that accepts a pathological condition as normal. How has this economic pathology intersected with the disease-focused pathology of the coronavirus in Africa?

**Economic pathology and the pathology of the coronavirus: examples**

In the absence of a vaccine, governments can undertake a number of measures to mitigate the health and economic impact of the disease. How do the economic pathologies discussed above affect the options available to African governments? To begin with, battling the disease requires significant financial resources not only for medical supplies and equipment for testing, treatment and the protection of medical workers, but to be able to support populations that are forced to isolate following stay at home orders or as the result of exposure determined through contact tracing.

The economic downturn exposes the financial fragility of African countries. Commodity prices have generally been falling since their peak in January 2011. In December 2019, the commodity price index was only 60 per cent of the 2011 level. Since then, the decline has been precipitous with a fall of an additional 30 per cent to April 2020, before slightly recovering in May (Index Mundi, 2020). The more recent plummeting is evident in some of the price indexes of key African export commodity types. For example, the price of energy fell by 48 per cent between the last quarter of 2019 and the second quarter of 2020 and was nearly 60 per cent below the level of 2018. Base metal prices are down by nearly 25 per cent since 2018 and key agricultural export crops like cotton are down by nearly 30 per cent, leading to a plummeting of export revenues and access to vital foreign exchange (World Bank, 2020d).
African countries have increasingly relied on remittances from millions of people that have left the continent in a desperate search of livelihoods. Between 2000 and 2018, remittances expanded ten-fold and are now as important as overseas development assistance (ODA), but are expected to fall by 23 per cent in 2020 (World Bank, 2020a, 2020b). The decline of financial flows and fall in prices and demand from commodities from the global depression are rapidly putting African governments into financial stress and another debt crisis. The pattern prior to the arrival of the virus was increasingly disturbing. The stock of total external debt went from US$301 billion in 2010 to US$580 billion in 2018. The external debt/export ratio has climbed from 75 per cent to 135 per cent, with countries like Ethiopia now exceeding 400 per cent. The reserves to external debt stock fell from 52 per cent to only 28 per cent over the same period (World Bank, 2020c).

Since then the situation has deteriorated further, forcing most African countries to turn to the IMF for relief. As of the end of June 2020, 36 sub-Saharan African (SSA) countries have taken loans from the IMF under the General Resource Account, Poverty Reduction and Growth Trust, or newly created rapid credit facilities for debt relief. This was up from 23 countries at the end of 2019 and only 19 countries in 2018 (IMF, various years). Hence, the majority of SSA countries are back in the grip of the IMF with the economic pathology of its neoliberal conditionality (Bretton Woods Project, 2020).

Economic pathology, including the relative absence of manufacturing, has affected the trajectory of the coronavirus in many ways. As the number of cases expanded in Africa, the absence of testing capacity and materials to undertake them became apparent. By the end of May, South Africa had tested 655,000 people, but still had a backlog of 100,000 partly due to the shortage of reagents. Elsewhere the situation was far worse. Nigeria had only undertaken 58,000 tests in a population of 200 million. Chad had only been able to test 105 per million people and Malawi 170 compared to 38,000/million in the US – a total considered woefully inadequate by experts. In all, only 2 million tests were undertaken in Africa by the end of May. As one correspondent noted: ‘The
shortages, especially in testing materials, have jolted African authorities into facing uncomfortable truths: Richer countries are elbowing them out in the race to obtain crucial supplies, and the continent relies almost entirely on imports for drugs and other medical items’ (Anna, 2020). The director of the African CDC, John Nkengasong, warned: ‘We have to have made in Africa materials … We cannot keep importing basic things’ (Anna, 2020). This was partly in response to the restriction on the export of medical supplies by 80 different countries to the end of April (WEF, 2020).

Shortage of personal protective equipment (PPE) and oxygen put health workers and patients at risk. By 12 June, the World Health Organization (WHO) was reporting that almost 5,000 health workers in 47 African countries were infected, with many dying (Meldrum and Fox, 2020). Most African countries lacked the capacity to produce medical oxygen, which is vital for keeping patients alive. Oximeters are scarce. Alternatives like oxygen concentration machines with few exceptions are not produced in Africa, leading WHO and other organizations to frantically attempt to secure machines to send to the continent (McNeil, 2020; Zhu, 2020). The incapacity of African countries to manufacture goods vital to the health and welfare of their population is a prima facie example of how economic pathology has affected the pathology of the disease on the continent.

**Conclusion**

This chapter has attempted to look more deeply at the structural conditions underlying the vulnerability of Africa to the coronavirus. The focus is on transcending a narrow biological understanding of the disease or a simple analysis of the influence on incomes and livelihoods to look at the more profound economic pathology of the disease. Economic pathology is linked to both the pathology of the economics that has come to dominate the discipline in Africa and the policies and domestic and economic structures that have arisen in its path. While African countries will recover from the virus, sadly the economic pathology that creates the
vulnerabilities that exacerbate the impact of these and other diseases will likely remain omnipresent.

Notes

1. For a critique of the concept of the middle class in Africa, see Melber (2016).
2. See for example the critique of the usage of rational choice theory by Green and Shapiro (1994).
3. A good example is the work of Paul Farmer and his ‘Pathologies of Power’, which focuses on the ‘structural violence’ against poor people created by how economies are organized.

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