

<https://www.internationalviewpoint.org/spip.php?article6737>



Covid-19 pandemic in Africa

Covid-19: Africa's crisis deepens

- IV Online magazine - 2020 - IV546 - July 2020 -

Publication date: Wednesday 22 July 2020

Copyright © International Viewpoint - online socialist magazine - All rights reserved

The Covid-19 pandemic has only exacerbated the economic, social and food crisis in Africa. This deterioration has hit people hard, especially the most precarious.

The situation in Africa before the Covid-19 epidemic was marked by a weakening of its economy, a consequence of the collapse of commodity markets over the period 2014-2015. As a result, the export of raw materials on which the economy is based in many countries has experienced major crises. This is obviously the case for the oil exporting countries, but also for Zambia and the Democratic Republic of the Congo in relation to copper or Guinea for bauxite. The extreme dependence of these countries on multinationals implies volatility in their income. The crises in rich countries are multiplied in Africa with dramatic consequences for the people in the absence of budgetary room for manoeuvre but also of social protection.

Recession

The Covid-19 crisis obviously only exacerbates this situation. The IMF predicted in April that the growth rate of gross domestic product (GDP) would decline by 1.6% while the World Bank expected higher figures, between 2.1% and 5.1%. The IMF revised its calculation in June and now predicts a 3.2% recession, which is close to the pessimistic forecasts of the World Bank.

The regional director for East Africa of the French development agency, FDA, in a column entitled "East Africa: what must change after Covid-19" says that "intra-continental trade links have been weakened more than international ones". [1] The author holds governments and administrations accountable, which is true, but he does not once ask himself how this situation came about.

Africa's dependence on rich countries is the result of centuries of colonialist and then imperialist policies. Europe has imposed a rent economy on Africa, confining it to a role of simple reserve of raw materials to the detriment of the development of its regional market. Since then, the industrial countries, the USA and China foremost, have benefited from this division of roles on a global scale. We must not count on a change in the policies of the rich countries to promote the development of a local economy that partially meets the needs of the populations despite the rhetoric that we have heard for years.

In France, the Institute Montaigne, a liberal think tank, has published an analysis of the situation of French companies in Africa. Beyond the clichés that can be found in this type of study, this institute sees the main danger as being that French companies miss the economic recovery: "With the twenty or so companies mobilized for the elaboration of the Institut Montaigne's assessment, we have come to the conclusion that the main risk is missing the resumption of activity: we must go quickly while guaranteeing security." [2]

European companies are already preparing in the food industry. Taking advantage of European subsidies, dairy companies are stocking stock unsold milk in powder form to try to sell it in West Africa. The principle is as follows: "With the milk fats, a certain number of manufacturers produced butter which they sold at very good prices, and the skimmed-milk powder which remained was then re-fattened with palm oil and sold in emerging countries at prices lower than their local milk". A practice that is putting the continent's livestock sector, already hard hit by armed conflicts, in crisis.

The burden of debt

Debt is another example of Africa's economic strangulation. It is true that the heads of African financial or political institutions have had rather a low profile during the Covid-19 crisis. Instead of demanding the cancellation of the debt, the repayment of which affects national budgets, they simply asked for a moratorium, that is to say a temporary suspension of the repayment of the debt, while at the same time the rich countries announced the release of hundreds of billions of euros to revive the economy, in particular through massive aid to large industries.

In any case such a moratorium would not apply to the entire debt and, as the trade press indicates: "Africa will have to find the means in foreign currency to reimburse the non-bilateral creditors. These are private investors who have made investments in Eurobonds and other bank loans made by the countries of the region". [3]

In one of its articles, the CATDM - the committee for the abolition of illegitimate debts - pointed out that the share of debt repayment was on average 7.8% of GDP in the low income countries, whereas health expenditure only accounted for 1.8% of GDP. [4]

As for the food situation, it was already difficult - at the end of 2019, 73 million people were victims of malnutrition. Struck by a massive locust invasion following three years of drought, many of the crops in East Africa have been destroyed, threatening tens of millions of people. For countries like the Central African Republic, South Sudan or Somalia, the situation is also very critical because of the continuing armed conflicts. The Covid-19 virus epidemic has fuelled nutrition problems and created tensions in other regions, hitting the most vulnerable populations. The UN report speaks of hunger in West and Central Africa, where the number of people in a situation of food insecurity has jumped by 135%, as well as in southern Africa, where there is an increase of 90%. [5]

The Covid-19 crisis, in Africa as elsewhere, shows the need to reorient the economy to meet the social needs of populations. Such a change implies political will that is no more present on the agenda of African leaders and rich countries today than it was yesterday. The only solution is the massive eruption of the people onto the political scene.

15 July 2020

PS:

If you like this article or have found it useful, please consider donating towards the work of International Viewpoint. Simply follow this link: [Donate](#) then enter an amount of your choice. One-off donations are very welcome. But regular donations by standing order are also vital to our continuing functioning. See the last paragraph of [this article](#) for our bank account details and take out a standing order. Thanks.

[1] Christian Yoka, 30 June 2020 "[Afrique de l'Est: ce qui doit changer après le Covid-19](#)".

[2] Jean-Michel Huet, *Le Point*, 3 July 2020 "[Entreprises françaises en Afrique et Covid-19](#)".

[3] Ecofin Agency 11 May 2020 "[Report du remboursement de la dette: un soutien du G20 difficile À accepter pour beaucoup de pays africains](#)".

[4] CADTM, 1 July 2020 "[Effet d'annonce, mensonge et omission sur les dettes africaines, Macron mise sur le Club de Paris](#)".

[5] United Nations "[Food insecurity in West Africa could leave 43 million at risk as coronavirus hits](#)".