Regional Economic Development Research
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UNIVERSAL WISER PUBLISHER

Research Article

Economic Implications of COVID-19 in African Countries: Looking Beyond the COVID-19 Era

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Received: 13 September 2022; **Revised:** 20 December 2022; **Accepted:** 9 February 2023

Abstract: Economic development or growth is interlinked with socio-political outcomes in any government. The outbreak of the COVID-19, a health crisis, across the globe coupled with policy responses formulated to address the spread of the disease has had greater implications for the economic trajectory of developing countries in Africa. This research paper is built upon a qualitative research design of data collection to explore the contextual and structural factors that further expose African countries to become more vulnerable to the COVID-19 pandemic. The paper further goes to assess the effects of the COVID-19 pandemic on African economies as well as assessing possible strategies that can be adopted towards economic recovery through documentary analysis. Data collected from journal articles, financial reports, newspaper articles and books was analyzed through thematic means to derive meanings and relationships across the data set. The study established that the pandemic resulted in a decline in Foreign Direct Investments, Development Assistance Funds, and decline in household incomes, lost productivity (low levels of GDP) and high debt deficit among other challenges. The study indicates that African countries have to look beyond the COVID-19 pandemic to identify possible strategies towards spurring economic development. In the same light, developing countries ought to also address context specific challenges like corruption hindering effective economic growth. The study recommends developing countries to diversify their revenue sources, digitize tax systems and introduce fiscal policies towards addressing COVID-19 effects.

***Keywords*:** COVID-19 pandemic, economy, gross domestic production, foreign direct investments, development assistance funds, taxation

JEL Codes: 011, 01, I15, E00, 055, 047

1. Background of the study

COVID-19 is a severe acute respiratory syndrome caused by the coronavirus 2 (SARS-CoV-2), which was firstly discovered in China in 2019 and has spread nearly across all countries around the world (Mohan & Nambiar, 2020). The World Health Organisation (2020) established that the virus is very unique in that as it is emerging, it has become a pandemic, and it can continue to transmit from one human to another unabated or mostly likely permanently. The

DOI: https://doi.org/10.37256/redr.4120231932

COVID-19 health crisis has trickled over into an economic crisis that has posed as a challenging tradeoff between socio-economic welfare and health considerations all over countries around the world. African countries face a twofold economic and health crisis that further exposes the healthcare systems which are already overwhelmed and slowing down economic growth aspects for this region (Chikova & Milleuomo, 2021). Despite Africa having the lowest levels of COVID-19 cases (World Bank, 2020), the pandemic has negatively affected the economic trajectory of these countries. Since the discovery of the coronavirus in Hubei, China 2019, scientists have discovered that the virus can mutate and develop new strains for instance new variants of the disease which has been discovered are the Omicron and Delta (WHO, 2021; African Union, 2020). Therefore for African countries, as the COVID-19 crisis continues, low resilience levels of these poorer countries depict the higher economic costs of containment measures (Furceri et al., 2021).

Africa has continuously fought recurring variants of COVID-19 through the adoption of various policy measures like border closures, export bans and tax waivers among others. In response to the advent of COVID-19 these countries have adopted several sets of measures to curb the spread of the virus. These include the closure of borders and businesses, partial and complete lockdowns, social distancing, masks mandates, regular washing of hands and sanitizing and travel restrictions (Gondwe, 2020; Chirisa et al., 2021). Most governments despite having limited knowledge about the virus, adopted draconian containment measures which had variable success, but invariably with severe socio-economic collateral effects (Van Damme et al., 2020). A greater number of governments were under pressure to act and they had limited time to consider variable and viable options, hence they adopted the containment measures as 'blueprints' with little consideration of their socio-economic contexts (WHO, 2020). These efforts to mitigate the socio-economic effects of the pandemic will increase debt to Gross Domestic Product (GDP) and widen fiscal deficits as governments accrue more debt to mitigate COVID-19 effects (African Development Bank (ADB), 2020a). The fiscal and monetary policies and other mitigation measures adopted have had macro-economic implications as evidenced by declining levels of Gross Domestic Product (GDP), domestic currency depreciation, low levels of Foreign Direct Investment (FDI) and Domestic Resource Mobilisation (DRM) (International Monetary Fund, 2020a). According to the Organisation for Economic Co-operation and Development (OECD) (2020c), International Monetary Fund (IMF) (2020b), while the United Nations prescribes an economic growth rate of at least seven percent for developing countries to achieve the Sustainable Development Goals (SDGs), this rate remains well below the prescribed target in African countries. Longstanding obstacles such as limited access to healthcare, extensive poverty, high prevalence of comorbid disease, limited access to clean water, and densely packed slums are amplified by the arrival of COVID-19 (Kaye et al., 2020).

The advent of the COVID-19 crisis has stimulated scholarly debates on the distributional and macro-economic implications of economic crises (World Bank, 2021a). Reports by Brookings Institute (2020) concluded that the effects of COVID-19 could have been reduced if African states improve their health systems investments. It is worth highlighting those African countries like Zimbabwe and Ghana received low rates of COVID-19 infections, yet these have been severely affected by the pandemic economic wise. In many African countries, government spending on health is relatively small, therefore substantial additional costs have been associated with the COVID-19 outbreak for the government (Adoteye et al., 2020) Previous studies by Gondwe (OECD, 2020c) examine the COVID-19 response policy measures and how they affect the development and growth in African countries. These studies establish that weakened fiscal capacities negatively affected productivity levels which ultimately led to declining levels of economic growth. However, the economic impact of COVID-19 and the specific policy measures on African countries is still unknown, and the literature has not documented the effects of the pandemic on specific sectors which have always driven these developing countries to thrive. Moreso, previous literature does not infuse the overall effects on sectors, they focus on specific sectors for instance mining sector (Laing, 2020), the healthcare sector (Ather et al., 2020) or the tourism sector (Muresherwa et al., 2022; Gossling et al., 2020; Musavengane & Leonard, 2022). The emerging coronavirus literature has explored the impact of the coronavirus crisis using single-day data, two-day data or even a week (Ozili, 2022), while this study explores the COVID-19 implications from 2019 to 2021.

The main objective to be addressed in this study is the examination of the sector specific economic effects of COVID-19 in African countries which include South Africa, Zimbabwe, Ghana, Nigeria and Kenya. Until recently, analyses of the economic implications of the COVID-19 pandemic in academic writing have focused mainly on global and microeconomic impacts. This study explores the macro economic impacts of COVID-19 in African countries. The paper firstly explores the unique structural and contextual factors that influence economic growth levels among African countries. The study further goes to evaluate the economic effects of COVID-19 pandemic on African countries and provides possible strategies that can be adopted towards economic recovery. Previous studies have explored how COVID-19 has influenced economic outcomes, without assessing the contextual background that justifies different outcomes across development countries and between developing and developed countries (Aduhene & Osei-Assibey, 2021). Therefore, this study explores the structural and contextual factors that have precipitated COVID-19 economic implications in the case study organizations. It provides a nexus between developing countries' structural background and susceptibility to COVID-19 economic implications. The rest of the paper presents the literature review, methodology, discussion of findings and the conclusion.

2. Literature review: An overview of Africa's contextual and structural factors that influence economic growth

The COVID-19 pandemic has not spared any country across the globe, however, Azomahou et al. (2021) purport that the magnitude of the effect will be unequal both within and between countries. The OECD (2020c) adds that the impact of the crisis is dependent, among others, on the economic conditions before the COVID-19 era. African economies are highly extroverted and their high levels of informality increases their vulnerability to external shocks. According to OECD (2020a) and OECD (2019), these vulnerabilities and persistent weaknesses will make African economic systems and societies highly exposed to the COVID-19 outbreak and its consequences. Systemic corruption, high levels of informality, high prevalence of political instability, relatively small public sectors tax revenue bases, corruption and weak public finance governance systems are the most relevant amplifying factors towards African economies' vulnerabilities. Therefore, it can be established that the COVID-19 only heightened existing economic challenges being faced with these developing countries.

2.1 *Corruption*

Economic growth is undermined by systemic corruption and in Africa the Sub-Sahara is the most corrupt region with an average score of 33 according to the Transparency International (2020). Transparency International (2020) underscore that countries like Zimbabwe lose US$ 1.8 billion annually to corruption while for Ghana a minimum of US$ 3 billion is lost annually as reported by the Ghana Integrity of Public Services Survey, 2021 Corruption causes low investment, low government spending on public infrastructure and low government revenues. The quantity of productive investment is affected as corruption displaces funds meant for public investment towards unproductive activities in an economy (ADB, 2020b). Corruption can result in low trust levels upon the government which can discourage investment by Multi-National Organisations and citizens as it increases uncertainty on the likely future capital returns from the investment. At the macroeconomic level, corruption has negative effects on per capita GDP and growth (Baldwin & Mauro, 2020). Therefore, the high possibility of bad governance in general and corruption, in particular, contribute to the vulnerability of African countries to COVID-19 and poor economic performance.

2.2 *Un-diversified economies*

Most African countries are dependent upon a limited number of revenue sources, which greatly affects their revenue generation capacity. According to Chikova and Millimouno (2021), for most developing countries, tourism is a strong pillar upon which most African economies are hinged. The tourism sector contributes a large share of amounts of wealth into developing countries' economies as much as Foreign Direct Investments (FDIs) and assistance of developed countries does. Travel restrictions and the closure of borders have greatly affected countries like South Africa and Zimbabwe which heavily rely on exports from the mining industry (UNCTAD, 2021). On the other hand, there are countries like Ghana that are dependent upon natural resources like oil reserves and these are likely to suffer from the consequences of a decline in export value. According to Azomahou et al. (2021) the decline in oil commodity prices due to COVID-19 corresponded with the decline in foreign exchange earnings. Therefore, heavy reliance on a single business has negatively affected the ability to gain extra income earnings during the crisis period.

2.3 *High levels of informality*

The International Labour Organisation (ILO) (2020) estimates that more than sixty-six percent of total employment in Sub-Saharan Africa is in the informal sector. Chikova and Millimouno (2021) posit that, economically, the informal sector is a significant component of most economies in Sub-Saharan Africa, accounting for approximately thirty to ninety percent of non-agricultural employment and contributing approximately twenty-five percent to sixty-five percent of the GDP. Most jobs cannot be done online or from home in most developing countries, thus high informality levels increase the direct cost of social distancing. The informally employed represent a significant breadwinner constituency, whose dependents comprise vulnerable sections of the populace (Nyagadza, 2019). Therefore, the selective closure of informal businesses and cross-border travel ban mobility meant the immediate loss of both employment and income (Chirisa et al., 2021). Informal cross-border trade is also a vital source for employment and livelihoods particularly for women and travel restrictions made them more vulnerable (Luke & Macleod, 2021). Therefore, low levels of economic growth relate to low levels of participation in the formal economy as well as high incidence of informality and unemployment in these countries.

2.4 *High levels of debt*

Most African countries have exceeded their debt ceiling, a debt limit of no more than 64% of the country's production (GDP) is recommended (Kodongo, 2020). The World Bank (2022) postulates that unsustainable debt levels and longstanding arrears to International Financial Institutions (IFIs) limit the country are potential for growth. In light of this, almost half of the Sub-Saharan African states have already exceeded the IMF's fifty-five percent debt-to-GDP threshold (Onyekwana & Ekeruche, 2019). High levels of debt within these governments are triggered by high levels of corruption and the failure of public authorities to invest borrowed funds on productive sectors of the economy. Most African countries were at high risk of debt distress before the onset of the COVID-19 pandemic. The debt-to-GDP ratio of these countries had reached levels not sustainable (ADB, 2020b; OECD, 2020a). A number of countries were already spending between forty to fifty percent of their national budgets on debt servicing than they spend on health and education combined (Chikova & Millioummo, 2021). For instance Zimbabwe was already struggling with US$ 10.5 billion external debt as at December 2020 (ADB, 2020b). Moreso, according to the World Bank (2022) Zimbabwe's external debt is estimated at 76% of GDP in 2022 while over 70% of the debt is in arrears, constraining the access to concessional finance needed to support productive investment.

3. Methodology

This study employed discourse analysis to analyze the implications of the COVID-19 pandemic in South Africa, Nigeria, Ghana, Zimbabwe and Kenya. The study incorporated various economic sectors which include agriculture, mining, tourism and the manufacturing sector in assessing the impact of COVID-19 policy response measures. The discourse analysis approach was adopted as it is useful in examining and analyzing written content by considering the context of the study. Therefore, since the study is qualitative in nature a series of journal articles, reports and newspapers were chosen as key data sources. The inclusion criterion was that data sources written between 2019 and 2022 were incorporated for the study, and this period enabled the research to analyze the long-term effects of COVID-19. This informed the study to explore the contextual and structural variables that propel Africa to be more vulnerable to the effects of COVID-19 as well as assess how COVID-19 affected the economic growth path of African countries. Thematic analysis was engaged to derive meanings from the data. Keywords together with certain themes were selected from the literature to map the content to be reviewed and analyzed. Amongst those selected were themes and concepts associated with COVID-19 epidemic and economic variables like exchange rates and investment levels. The study also evaluated strategies that African countries can adopt towards economic resilience and recovery from the COVID-19 crisis.

4. Findings and analysis: Economic effects of COVID-19 in Africa

4.1 *Gross domestic product*

The COVID-19 policy measures like business closures caused disruptions in production activities across both the primary and secondary sectors in African countries. The African continent has about 60% of its population in agriculture, with the agricultural sector being the lifeblood of economies of countries like Ghana and Zimbabwe (Food Agriculture Organization (FAO), 2022). Therefore measures such as restricted movements and gatherings significantly influenced the supply of farm inputs and other farm services. Severe economic and market shocks have been felt across the globe owing to social distancing measures, lockdowns and interruptions of business activities (Martin et al., 2020), however, for agro-based economies like those within Africa, the implications have been severe. The policy implications have been more severe for developing countries in which the informal sector consists of sixty percent of GDP and most of the developing countries were already operating below their capacity due to low levels of investment in industry (OECD, 2020b; Gondwe, 2020). The ADB (2020b) for instance provides that, in Zimbabwe, the budget deficit rose from two point seven percent in 2019 to two point nine percent in 2020, while for South Africa GDP fell by fifty-one percent from the first to the second quarter of 2020. In addition, in countries where remittances contribute to a higher proportion of GDP, the economic implications are severe (AU, 2020). The impact of the COVID-19 on Ghana's manufacturing sector continues to ravage on with a downward review of Ghana's economic growth from 5.8% to 1.5% by the International Monetary Fund as extractive items' prices continue to fall in the global market (Bamfo et al., 2020; Laing, 2020).

4.2 *Exchange rate*

The COVID-19 crisis has led to disruptions in global financial markets, where demand for African commodities like oil and agricultural products has declined which adversely affected the ability to maintain foreign currency reserves. Countries are facing currency devaluation and this can be attributed to the decline of exchange rates depending on the different commodities in different countries are heavily invested in (Chirisa et al., 2021). In the case of oil-dependent states like Nigeria, the price instability of oil products has a significant effect on exchange rate levels and economic growth respectively (ADB, 2020b). Ohuocha (2020) underscores that a flight from African and non-dollar denominated currencies has contributed to the volatile currency depreciation experienced in African economies. The AU (2020) indicated that declining external financing and tax revenue will restrain African countries to adequately finance development activities and lead to the external value of local currency depreciating.

4.3 *Trade*

The policy measures to curb the COVID-19 pandemic like the closure of borders and export bans has disrupted trade and the global economy at large as production and consumption levels scaled down (World Trade Organisation (WTO), 2020). These measures have negated globalization and the liberalized form of relationships that have long existed between Africa and its global trade partners. Border closures and movement restrictions also negated inter-continental trade with Nigeria and South Africa experiencing a trade deficit of (-7.3 percent), and (-0.6 percent) respectively (Market Access Map, 2020). Another factor that contributed to disruption in trade as well as making African countries more vulnerable economically is their links to the Chinese market where the COVID-19 pandemic initially started (OECD, 2020c; Obayelu et al., 2021). For instance countries like Zimbabwe has strong trade relations with countries like China due to its Look East Policy, hence border closures greatly affected commodity markets for its exports like tobacco and cotton (Chirisa et al., 2021). Adotuye et al. (2022) postulate that for countries like Ghana oil exports have contributed towards its economic development as it accounts for twenty percent of the total export revenue, therefore this decline in oil prices weakened their fiscal buffers. Intra-African trade fell sharply in March 2020 by ten percent compared to the 2019 levels however this was slightly lower than exports to countries around the continent (Luke & Macleod, 2021).

4.4 *Unsustainable debt crisis*

The fiscal and monetary responses of Sub-Saharan Africa and other financial institutions have had far-reaching consequences for indebtedness, debt servicing capacity and debt sustainability more broadly (ADB, 2020b). Rising debt levels have corresponded with rising debt servicing costs for developing countries. An increase in health expenditure as a response to the looming health crisis has contributed to the rise in debt financing needs for African countries. Therefore, governments borrowed to finance stimulus packages, support the acquisition of health-related infrastructure, equipment and services, provide support to ailing businesses on brink the of collapsing and creative education sector solutions (Heitzig et al., 2021). Despite these developing countries making effort to service debts through generation, much funds are lost to corruption for instance, Warah (2022) reports that up to $ 2 billion Kenyan shillings are lost due to corruption. The World Bank (2020) is of the view that the wide range of steps to mitigate the economic and social disruptions caused by the COVID-19 pandemic has had significant implications for debt sustainability which resultantly increased individual nations sovereign debt. The IMF (2020c) projected that Africa's external debt will increase to fifty-six point sic percent and fifty-seven point seven percent of GDP in 2020 and 2021 respectively. As the COVID-19 health crisis looms, it is likely that African countries' external debt will consciously rise unless borrowed funds are used for productive activities. For instance, by the end 2021, Kenya's debt stood at nearly 70% of GDP, up from 50% at the end of 2015 (Warah, 2022). Adotuye et al. (2022) purpot that hence, most African countries have returned to be categorized as highly indebted poor countries due to looming debt cost.

4.5 *Domestic resource mobilisation*

Domestic resource mobilization has severely declined due to the effects of the pandemic. According to COMESA (2020) the decline in economic activity will reduce Africa's potential to accumulate revenue. Countries like Zimbabwe and Ghana are more dependent on revenue generated, tax (sales and corporate) and tourism earnings (World Bank, 2020). Olujobi et al. (2022) purpot that Nigeria's GDP diminished by 6.1% in the second quarter and by 3.62% in the third quarter of 2020 before recovering by 0.1% in 2021. Tax rebates on domestic companies, fee and tax waivers, interest-free loans, debt reliefs and debt deferment reduced the capacity of developing countries to mobilize revenue (Devereux, 2021; Gondwe, 2021). Other countries have responded by reducing tax liabilities and introducing tax waivers to businesses which ultimately led to reduced tax revenue, for example The Kenya Revenue Authority (KRA) issued 100% tax relief for those earning low incomes and reducing Value Added Tax from sixteen percent to fourteen percent to aid basic commodities affordability (Casaburi et al., 2021). Personal income tax known as Pay As You Earn (PAYE) which is a major source of revenue for countries like Zimbabwe has also declined due to job losses (Chikova & Molliomouno, 2021). According to the Tourism Ministry, the tourism and hospitality industry in Ghana lost 171 million dollars due to the lockdown of the tourism centers of the country by December 2020 (Aduhene & Osei-Assibey, 2021). A decrease in tourism, export sales, and supply chain instability has taken Kenya's GDP to 1%, a steady rise of about 5.7 percent while Zimbabwe projecting USD 1.1 billion loss from the tourism sector by 2021 (Moyo, 2021). Moreso, Ghana -4.6%'s revenue from the mining sector declined by 4.6% due to the reduction in production levels between 2019-2020 (Gondwe, 2020).

4.6 *Foreign direct investment*

For African countries, foreign investment and Official Development Assistance (ODA) are critical financing mechanisms for Africa's development (OECD, 2020c; Chikova & Millimouno, 2021). In terms of investment, the decline in investment flows has been affecting key strategic sectors of developing manufacturing, tourism, hospitality, mining and energy which are related to Sustainable Development Goals (World Investment Report, 2021). Africa's share of total global FDI inflows for developing economies fell from 6.3 percent to 5.9 percent between 2019 and 2020 (ADB, 2020a). The pandemic created high levels of uncertainty and low investor confidence, thus Africa's financial flows are likely to contract (Morsy et al., 2021). Devereux (2021) underscores that the economic contraction projected drop in FDI, changes to wider government, and pressure on public budgets are just some areas that will have an impact on the operations and activities of transnational firms. The pandemic persistently affected and resulted in business closures across the globe, therefore this has dampened the business operating environments. The falling commodity prices, flagging global growth coupled with declining investor confidence has affected investment levels. The COVID-19 crisis presents a new, unprecedented source of investor risk that is depressing investor confidence (Saurav et al., 2020). FDIs in Africa have declined as flows to the continent declined by sixteen percent in 2020 to forty billion United States dollars, from forty-seven billion United States dollars in 2019 (United Nations Conference on Trade and Development, 2021). The price fall was more severe for commodity-dependent countries like Ghana more than non-resource-based economies (World Investment Report, UNCTAD, 2021). Kenya's FDI declined by 18 percent in 2020 as compared to 2019 due to disruptions caused by the COVID-19 pandemic (UNCTAD, 2020).

4.7 *Remittances*

The pandemic has resulted in the decline of remittance inflows to African countries due to job losses and wage cuts in destination countries for most African migrants. Kassegn (2021) underscores that for most African countries remittances represent an important tool for poverty alleviation and economic growth as they ensure the flow of money from migrants and the diaspora community to the home country. Morsy et al. (2021); World Bank (2021b) contend that the financial resources of migrants have been affected by salary cuts and job losses, thus remittance inflows have declined. Increased health and household expenditures implies that migrant workers are left with less disposable incomes to send back home. Decline in remittances inflows has greatly affected countries such as Zimbabwe, Liberia and Somalia which depend significantly on remittances (AU, 2020). Remittances are an important income source or supplement for numerous households in these countries. According to the World Bank's estimates, Sub Saharan African countries will experience remittance flows drop by twenty three point one per cent that is thirty seven billion United States dollars (UN, 2020).

5. Conclusion and recommendations

The study examined the economic implications of the COVID-19 pandemic in African countries due to the policy responses adopted to address the growing health crisis. It established that despite the health crisis affecting a greater number of countries across the globe it has greater implications for developing countries due to different contexts and structures. Despite the policy responses to prevent COVID-19 transmission in African countries, the structural weaknesses of developing countries made them more vulnerable to economic decline. These include high levels of informality, weak governance systems (corruption), weak health systems, poor product diversification, a plummeting debt crisis and political instability. This contributed to the decline in economic growth in African economies as reflected by the decline in the exchange rate, inflation, FDI (low levels of remittances and ODA), poor debt sustainability, reduced domestic resource mobilisation and trade decline.

6. Recommendations

6.1 *Instituting tax reforms*

Taxes are an important source of revenue for developing countries, thus it is imperative for African states to maximize on tax revenue through instituting tax reforms. Therefore formalization and integration of the informal economy can enable African countries to tap and maximize revenue from the informal sector (Chikova & Millimouno, 2021). In developing countries like African states, there are a lot of informal businesses and these are usually called the "hard to tax". Therefore, African governments can ensure that business contributes towards revenue generation by formalizing these businesses or at least registering them. There is a need for governments to build the capacity of tax administrators to collect taxes and also identify cases of tax fraud, evasion and avoidance. Addressing these tax challenges will lead to improved revenue mobilization which is key towards Africa's development trajectory. In the long run, the reforms should be expended to address public debt servicing by ensuring that tax revenue contributes to servicing costs (Azomahou et al., 2021).

6.2 *Strengthening fiscal transparency*

It is imperative for African governments to institute fiscal transparency measures to curb illicit flows of funds. A lot of potential revenue is lost due to lack of transparency in the management of public funds. Due to border closures a lot of potential revenue from excise duties was lost due to the smuggling of goods through undesignated points. Moreso, corruption is rife across government bodies and departments thus adopting transparency measures like auditing can ensure that there is accountability on the use of public funds. Entrenching fiscal transparency will enhance domestic revenue mobilization and curb illicit financial flows. Revenues can be used to promote public investment which can spur economic growth in the long run.

6.3 *Digitilization*

The adoption of Information Communication Technologies (ICTs) is another policy measure that can promote economic growth and recovery for African governments. The use of ICTs in revenue collection, for instance at borders, can promote transparency and accountability in the use of funds. On the other hand, in terms of crisis, production does not have to come to a halt due to company closures. Organizations can ensure that their employees work remotely. The deployment and use of digital technology can ensure that businesses operate online in case of business closures. Moreso, migration towards online services like tax and bill payment, and application for licenses among other service needs by customers promote convenience. In terms of trade, access to digitally enabled services such as cross-border e-commerce, e-payments, signatures and e-contracts will help in facilitating exchanges without physical contacts. Therefore, digitization efforts can build the capacity of governments to respond to new challenges imposed by social distancing and business closures and ultimately lead to digital economic transformation.

6.4 *Sound debt management and transparency*

The COVID-19 worsened debt crisis in African states and it is crucial for these governments to adopt measures to work on debt servicing and sound debt management (ADB, 2020a). These are important to ensure that countries' debts are properly accounted for, borrowing costs are constantly monitored which eventually restored debt sustainability (ADB, 2021). Therefore, governments need to ensure that borrowed funds are invested in the productive sector of the economy which stimulates economic recovery and growth (Chikova & Millimouno, 2021; OECD, 2020b). In addition, borrowed funds need to be used towards purposes that raise export proceeds which can help to expand foreign currency reserves for developing countries. Therefore to promote successful debt management, governments need to first understand their real needs so that they borrow smarter (Kose et al., 2020). Increasing debt accountability and transparency promotes responsible borrowing behavior.

7. Areas for further research

Further studies can explore on the effects of COVID-19 focusing on specific sectors for instance implications of COVID-19 on only tourism dependent countries in Africa. Other studies can also examine COVID-19 implications comparatively between developing countries in the global south and other developing countries which are not within the African region using a quantitative or mixed methodological analysis.

Conflict of interest

The authors declare no competing financial interest.

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