



# WATHI5

N°8

## LESSONS FROM COVID-19 FOR WEST AFRICAN ECONOMIES

WATHI5 is the summarized version of Mataki, which presents WATHI's proposed courses of action on a thematic issue. The Mataki (in French only) and the WATHI5 can be downloaded at [wathi.org](http://wathi.org).

## About WATHI

WATHI is a participative, multidisciplinary and innovative think tank focusing on West Africa. WATHI offers an interactive platform to all interested and capable individuals concerned about West Africa's future.

WATHI adopts a flexible definition of West Africa which includes the 15 member countries of the Economic Community of West African States (ECOWAS) as well as countries linking ECOWAS to bordering African regions, namely Cameroon, Chad and Mauritania.

Freely inspired by «waati» which means «time» in the Bamanakan language of Mali, WATHI expresses both the urgency of a collective mobilisation and the need for a long-term commitment.

WATHI is a non-for-profit association which is supported in its activities by its members and by partner foundations, notably in 2019-2020: the Konrad Adenauer Foundation, the Bill and Melinda Gates Foundation, the Open Society for West Africa Foundation (OSIWA).

## Mataki and WATHI5 publications

WATHI5 is the short version of the Mataki that presents the proposed courses of action. Mataki (in French) and WATHI5 (in French and English) are available on wathi.org. Mataki means «measures» in the sense of «taking action, taking steps» in the Hausa language, one of the most widely spoken local African languages in West Africa. Mataki is an extension of the section “Le débat” of the WATHI website.

## The Special Series of publications on Covid-19 Lessons for West Africa

This WATHI5 and the longer Mataki version are the first in a special series on the economic, political, educational and regional integration lessons to be drawn from the Covid-19 crisis, as part of a project funded by the OSIWA Foundation, a member of the global network of Open Society Foundations.

### CONTACTS

[infowathi@wathi.org](mailto:infowathi@wathi.org)  
[www.wathi.org](http://www.wathi.org)



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In December 2019, China announced its first case of a person infected with a new coronavirus, which scientists later named COVID-19. Very quickly, this infection spread to the rest of the world, with more than 170 countries now affected. The world is facing a totally unexpected health crisis. In addition to this, countries are fighting on several other fronts including the economy, social stability and security. The African continent has also not been spared, even though the human toll remains much less alarming than in some other regions of the world. However, the economic and social impact of the pandemic on the continent is considerable.

The WATHI Debate is an initiative of the West African Citizens' Think Tank, and its second installment for the year 2020 focused on the implications of the Covid-19 crisis for the West African region. This document proposes five policy themes to guide the collective action of citizens and decision-makers in order to revive West African economies weakened by the crisis, with a deliberate choice to focus on medium and long-term objectives. It is the first in a series of publications on the lessons to be learned from the Covid-19 crisis in the economic, political and educational fields as well as for regional integration in West Africa.

## **RECOMMENDATIONS**

The five key recommendations aim at stimulating in-depth debate on the economic policy responses that need to be made at the level of African countries - particularly West African countries while taking into account the specificities of each economy. Some recommendations also relate to the lessons to be drawn from the health crisis in terms of education policies, political governance and regional integration. These will be the subject of forthcoming publications and confirm the need to further develop a multidisciplinary approach to responses to the challenges faced by the countries and peoples of the continent.

### **1. Strengthen agricultural development policies by combining modern technology adoption, training, digitalisation, environmental conservation and adaptation to climate change**

- a. Promote initiatives for local production of agricultural equipment at national and regional levels
- b. Fund agricultural scientific research for the improvement of seeds and agricultural techniques, taking into account the effects of climate change in the coming years and decades on natural conditions.
- c. Develop training programmes in agricultural techniques and adapt them to local ecosystems.
- d. Familiarise children at an early age with agriculture, animal husbandry and the natural environment, by revising curricula in the education system, from nursery to secondary education, and adapting educational content to the local context of each region.
- e. Streamline existing financial support schemes for agricultural entrepreneurs and link financial support to training and individual monitoring of entrepreneurs
- f. Ensure that public institutions that support agricultural entrepreneurship recruit agricultural project monitoring advisors with proven skills in the field.
- g. Develop a statistical database of actors (farmers and agricultural enterprises) and providers (agricultural workers, input suppliers, processors, transporters, exporters, etc.) in order to better target public policies aimed at improving the added value of agricultural products.
- h. Develop digital technologies at the national level to increase agricultural productivity by providing farmers with permanent access to information on weather conditions, available technologies (improved seeds, fertilizers and tractors) and marketing channels, including export markets.
- i. Introduce incentives for financial institutions, such as guarantee funds and credit lines, to finance SMEs involved in the processing of agricultural raw materials.
- j. Facilitate the matching of supply and demand for agricultural labour through the establishment of an integrated information system that is accessible and affordable.

k. Stimulate intra-regional trade by facilitating the free movement of goods within trade corridors in border areas by removing informal security posts that fuel racketeering and other forms of corruption.

l. Reduce the lack of information on trade rules and procedures by establishing or strengthening trade barrier monitoring mechanisms involving government and the private sector, and extending them to include representatives of consumers and civil society in general.

m. Create spaces for citizen debate on agricultural policies, rural development policies and economic inequalities between territories. This will be in order to raise awareness among urban populations of the economic and social realities of rural populations, and the need to rebalance public investment in favour of the most disadvantaged regions.

## **2. Giving renewed priority to realistic industrialisation as an engine for job creation, economic diversification and reduction of external dependency**

a. Equip ministries and public institutions in charge of economic development with human resources with proven expertise and experience in the design and implementation of industrial policies, and build bridges between national and regional research centres in West Africa and public officials in charge of industrial policies.

b. Give priority to the coordination of agricultural policies, industrial policies and environmental policies, within the framework of regional organisations, in particular ECOWAS.

c. Develop national industrial capacities through realistic planning by creating industrial parks and special economic zones by systematically integrating the «green» dimension in transport and logistics, energy supply, water management and sanitation choices.

d. Supporting local initiatives for the creation of industries by facilitating the formalisation of industrial enterprises and their access to credit.

e. Provide industrial projects with attractive tax regimes mainly for high value-added products identified on the basis of precise criteria and subject to regular re-evaluation.

f. Accelerate programmes for the development of technical and vocational training institutions in all regions and change the negative image of technical and vocational training in society and among young people through public communication activities.

g. Promote training and employment of young people in agriculture, livestock, agricultural and animal processing industries and logistics.

h. Develop a tax policy adapted to the size of companies that clearly favours companies that make verifiable efforts in creating salaried jobs, training young people and preserving the environment.

i. Develop incentives tailored to medium, small and very small enterprises to encourage them to create paid work placements and jobs, even of limited duration and on a part-time basis, for young people.

### **3. Enhance and transform the informal economy into a productive and solidarity-based popular economy through targeted support, training programmes and innovative financing mechanisms**

a. Understand the reality of the informal economy, and in particular the distinction between large and small informal economies, so as to develop approaches adapted to each category of actors.

b. Use empirical research from field studies on the informal economy to inform the public policies to be implemented to transform, energise, support and eventually formalise informal enterprises.

c. Eliminate administrative barriers in the transition to formal economic activity by simplifying the procedures for registering the activity, accounting, tax and social security obligations, in particular through digital means.

d. Promote the creation of meso-finance institutions for the financing of small units of the popular economy.

e. Consider the creation of a specific status for employees in the largely informal personal services sector (domestic workers, childcare workers, caretakers, etc.), with simple contract models for employers to use, providing for a minimum wage and basic medical coverage.

f. Undertake communication campaigns to change the perception of the upper and middle classes in particular on the importance of these personal services and the need to ensure decent pay for these workers who have to cope with family burdens, including child rearing, which is crucial for social cohesion, security and collective progress over the long term

g. Strengthen the capacities of actors in the popular economy by giving them access to simple and inexpensive vocational training courses coordinated by a dedicated public agency.

h. Create the conditions for improving the productivity of individual entrepreneurs in the popular economy, particularly in crafts, furniture, mechanics, etc., by creating centres for access to and rental of machines and work tools according to the nature of their activities, in collaboration with the formal private sector and the State

i. Rationalise the often numerous funds dedicated to enterprise development and entrepreneurship promotion, drawing on the best examples of success stories of such schemes in Africa and elsewhere in the world, and ensure the training and mentoring of business development advisers responsible for providing assistance, coaching and training to innovative entrepreneurs and helping them to find financing for their projects.

## 4 Improving the financing of the economy and public policies by mobilising domestic resources and fighting waste and corruption

- a. Providing the tax administration with an optimal organisation for better tax revenue collection, by improving the organisational structure (e.g. creation of offices dedicated to large taxpayers), reviewing performance incentives, modernising procedures (digitalisation of filings, online declaration and registration).
- b. Reduce corruption within tax administrations by strengthening internal and external audit services, protecting whistleblowers, simplifying procedures and providing taxpayers with clear and complete information.
- c. Identifying potential sources of taxes that are underutilized, including property and environmental taxes.
- d. Carry out campaigns to explain and raise awareness on the need to pay taxes, the logic guiding tax policy choices and the importance of greater mobilisation of domestic resources for the sovereign financing of priority public investments as well as the reduction of external dependency.
- e. Engage civil society organisations and the media at national and regional levels in the denunciation and identification of illicit financial flows.
- f. Focusing attention on the sectors most exposed to illicit financial flows, including oil and mining resources in the region, such as gold mining, which is a major source of resource leakage in the region.
- g. Inserting the debate on the scale of illicit financial flows, their cost to African populations as well as the responsibilities of external actors in blocking them on the international agenda while also organising African citizen pressure for responses at the international level.
- h. Put an end to the uncertainty surrounding the effective implementation of the single currency project in the ECOWAS region by determining a new realistic timetable or by decisively choosing a new approach that preserves the overriding objective of strengthening political, economic and human integration in West Africa.
- i. Undertake reviews of the vulnerability of public institutions to all forms of malfeasance and corruption, and on this basis strengthen the transparency of decision-making processes, internal and external financial control mechanisms and the effectiveness of administrative, financial and accounting procedures.
- j. Create a culture of austerity, transparency and optimisation in the use of public resources, seeking margins for significant reductions in prestige spending and all unproductive public spending, including unnecessary missions abroad, in all public institutions.

## 5. Improve the quantity and quality of digital, energy and transport infrastructure and engage citizens in the debate on the choice of investment priorities and the monitoring of public action

- a. Extend access to information technologies to the entire population by investing in the generalisation of high-speed internet connections and by providing a framework for the Internet services offered by telephone operators.
- b. Supporting the survival and growth of digital technology start-ups through incentives for collaboration between small businesses and investment in infrastructure essential to their competitiveness.
- c. Putting in place the legal framework necessary for the widespread use of digital payment systems.
- d. Put in place a strategy for meeting the electricity needs of the population, in particular for the development of productive activities in rural areas, by encouraging the use of decentralised solutions using solar energy, geothermal energy and other forms of renewable energy.
- e. Set up a permanent mechanism for citizen oversight on the use of funds allocated to road infrastructure maintenance, with a guarantee of access to information.
- f. Set up a permanent system of citizen oversight on the management of public or private companies responsible for the distribution of electricity and water with a guarantee of access to information.
- g. Relaunch national and regional railway projects and make them the preferred choice for major infrastructure development projects for the transport of people and goods to accelerate West African regional integration as well as connection with neighbouring regions in Central and North Africa. This will be following the recent example of Nigeria which has reinvested in new railway lines in recent years.

The selected findings presented in this document do not claim to be exhaustive. They present the impact of the Covid-19 pandemic and governmental responses on West African economies. In addition to providing an opportunity to define a new paradigm, this crisis is also an opportunity for West African countries to accelerate efforts towards a structural transformation of their economies. The courses of action presented aim to respond to some of the most urgent and important challenges, realistically taking into account the limited financial capacities of the states and populations of the region.



WATHI's website

[www.wathi.org](http://www.wathi.org)

WATHI's websites in partnership with the Konrad Adenauer Foundation

[www.guineepolitique.org](http://www.guineepolitique.org)

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[www.senegalpolitique.org](http://www.senegalpolitique.org)

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