## **Responding to COVID-19 in Low-Income Nations**

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Since the outbreak of the COVID-19 pandemic, nations across the world have rapidly intervened to contain the virus' spread. Much has been made of the different approaches that the world's developed nations have taken toward containing coronavirus - whether it's the <a href="United States">United States</a>' federal approach, with individual states having their own containment strategies, <a href="South Korea's">South Korea's</a> expansive testing and contact tracing, or <a href="Sweden's">Sweden's</a> avoidance of a lockdown for all but the most vulnerable. While multi trillion-dollar stimulus bills, social distancing, and WHO funding have dominated the public understanding of the international response, much less attention has been paid to the challenges that low-income nations have faced as a result of the coronavirus pandemic.

So far, COVID-19 has predominantly infected residents of high-income countries. Yet even in lower-income countries with few reported cases of coronavirus, social distancing efforts have also been preemptively instituted. Social distancing efforts have shut down large swathes of the economy in such countries, especially impacting informal sector workers who rely on daily wages to support themselves and their families. Additionally, the informal nature of their work, as well as limited government capacity, means that an America-esque stimulus check program is infeasible. As a result, millions of workers have found themselves threatened by poverty, hunger, and deprivation, demonstrating how interventions based on shutting down aspects of the economy and social distancing are a privilege uniquely enjoyed by wealthier nations. Such lockdowns are predicted to erase the incomes of 150 million Africans (and millions more in low-income countries outside of Africa), and double the number of people facing acute hunger to 256 million. Additionally, these extensive public health interventions, as well as the measures used to enforce them, have fueled increasing sociopolitical unrest in regions such as Sub-Saharan Africa, further emphasizing the impacts of social distancing on such countries.

Despite the impacts of social distancing efforts within low-income nations, the reality is that they will still be unequipped to prepare for the spread of coronavirus. Already at a disadvantage due to poor healthcare systems (a recent study found that ICUs in low-income countries have an average of eight beds, and ten African nations have no ventilators whatsoever), low-income nations are also being outbid for vital medical supplies by their wealthier counterparts. With nations such as the United States even going as far as to prohibit the export of personal protective equipment, and other regions drastically restricting such exports, poorer countries are being left without the necessary tests or equipment neded to handle a COVID-19 outbreak. As such, while the economic shock has already left many workers in low-income countries struggling for survival, the actual spread of COVID-19 within these countries' borders will leave them even worse-off. In fact, such unpreparedness could create new pandemic epicenters within developing nations.

Even if lower-income nations are able to navigate the public health aspects to the virus, the cost of doing so will place tremendous strain on their economies, especially combined with an ongoing global recession. Most governments have already borrowed heavily in order to fund their coronavirus interventions, with the US Treasury borrowing trillions of dollars in order to fund the recent bailout bill. However, the inability to borrow vast amounts of capital will mean that the economic crisis will hit low income nations especially hard. Many low-income countries' economies rely on commodity exports (the World Bank recently found that two-thirds of low income countries heavily exported metals or minerals in particular); which have been significantly impacted by COVID-19. Additionally, while richer countries can issue debt in their own currencies, low-income countries must borrow for their medical interventions in foreign currencies, the prices of which have increased drastically. Public debt has been on the rise in low-income economies even before coronavirus, with half of low-income countries at high risk of or already in debt distress. As such, the economics surrounding coronavirus will significantly strain these countries. This will be felt in the short-term, with a lack of funding causing them to struggle to pay for healthcare interventions. Worse still, heavy debt and lower revenue streams could potentially cripple their economies in the long-term. Thus, failure to act could have wide-ranging repercussions on the global fight against coronavirus and on the global economy.

How can the world respond to this multifaceted crisis in low-income countries? One thing is clear: if developing and low-income nations are forced to weather this crisis largely on their own, then widespread hunger, prolonged coronavirus transmission, defaults, and economic stagnation could all be on the horizon. Luckily, it appears that the international community is at least trying to solve this problem. The G20 released a <u>statement</u> committing itself to use all available policy tools, including funding bodies such as the World Bank and International Bank of Commerce to minimize coronavirus's economic and social impact worldwide. Additionally, <u>international bodies</u> such as UNICEF and WHO have worked to better equip low-income countries to respond to coronavirus when it does enter their borders.

However, it is not just the responsibility of such multilateral bodies to assist low-income nations with coronavirus. While the G20 announced that its members wouldn't insist on immediate repayments of loans to other countries, this "debt standstill" agreement was <a href="limited">limited</a> to specific types of loans. Additionally, more drastic actions, including an expansion of the IMF's New Arrangements to Borrow program and a "special drawing right" allocation to increase the world's reserves of currency, were opposed by the United States, thus limiting the IMF's abilities to respond to such a crisis. And individual nations can also work in partnerships to help less-prepared countries, as the United Kingdom <a href="has done">has done</a> in Senegal, or with international bodies to help regulate the manufacture and movement of medical equipment in a way that is more beneficial to all nations. But developed nations, especially those who are successfully limiting the spread of coronavirus within their own borders, cannot assume that low-income countries are capable of the same social-distancing regulations, stimulus packages, and health interventions that they are. In the fight against coronavirus, we cannot afford to only look inwards.