



**An ideal economic response to COVID-19**  
*Sunday Independent opinion article*  
26 April 2020

The health crisis that the world faces is essentially a global economic crisis. Soon the health challenge would be mitigated but the global economic crisis would worsen. COVID-19 came when many economies globally were still experiencing major problems largely because the global economy had not yet recovered from the 2008/9 global economic recession.

There are obvious things that are being done and should be done better to deal with the health and worrying economic crises facing the world. For African countries, there is more that needs to be done in order to deal with disturbing issues that many people have mentioned, ranging from ensuring that past mistakes of making Africans guinea pigs for testing of vaccines and the repeat of structural adjustment programmes are avoided. More attention should be going to the reconstruction and development agenda for Africa as a whole, over and above what individual African countries are doing.

The agenda to reconstruct and inclusively develop Africa gives Africa another chance to do things in a manner that is beneficial to Africa. At the centre of that agenda must be a clear alternative socio-economic development approach - relative to what has happened so far. This is also an opportunity to push more for the political unification of African countries into an appropriate federal African government ensuring all African countries function in unison for the benefit of Africans.

As we fashion an alternative socio-economic approach, it is also important to take into account the distortions and contradictions that characterise the current capitalist system in terms of the prevailing hegemony of neoliberal and market fundamentalist ideas, the resultant lack of effective regulation over capital, the shift in the structure of the global economy towards financialisation, growing inequality, policy influence of the super-rich, and the lack of will on the part of those who

wield the levers of political power to effect a fundamental change to the current order.

The efforts that are being pursued have to take into account that the global economy has undergone dramatic changes over the past three decades. These changes have been fuelled by economic globalisation, broadly defined as the growing interconnectedness of different regions of the world. The search for higher profits and reduction in the cost of operations has led to further changes in the global economic system in recent years. In what Joseph Stiglitz, at the height of the recent global economic recession, termed the 'free fall', money seeks to beget money and its role as a means of exchange for goods and services is relegated to the oblivion.

In the book '*The Great Recession and its Implications for Human Values: Lessons for Africa*' ([link](#)) we argue that the debate over how to achieve a just and humane society can be located in the discourses on the limitations of the current form of capitalism both in theory and praxis and the alternative socio-economic and political arrangements required to ensure the utilitarian goals of the greatest good for the greatest number of people. Essentially, activities in the real economy are at the centre of social relations.

Globalised financialisation has led to the growing delinking of the real economy from financial markets. Rather than lending to the real sector of the economy such as manufacturing, trading in financial products is fashionable to the extent that the volume of trading in financial products reaches trillions of dollars in seconds. Given this, a fundamental question has occupied minds of many whether the social relations that have governed the economic logic of the market as an answer to all humanity problems can be configured differently to serve the collective interest of humanity.

It is in this context that interventions to get our economies back on track post COVID-19 we must bear in mind that with each socio-economic crisis of a generalised nature, there have been attempts to reconfigure social relations within and outside the purview of neoliberal ideology. It is therefore not surprising that the International Monetary Fund and the World Bank are dangling funds enticing countries to take loans that would further entrench the global capitalist system. This very system that has not been able to meet medical supplies needs of many countries.

As we deal with COVID-19 , at minimum, we must avoid the many mistakes made in response to the 2008/9 great recession, i.e., simply patching up things and end up creating more problems like increasing corporate bailouts and public sector funding, among other things, without dealing with the underlying problems of the global economy.

It is also a troubling paradox that a large chunk of managers who ran the various companies aground during the great recession, especially in the financial sector were paid huge bonuses, while workers and citizens who lost their jobs, pensions and savings in the various investment schemes have been licking their wounds. It is getting worse or it is going to get worse.

Pertinent to all this are the challenges of weak regulation of capital and the economy in general, both at the national and global levels. However, fundamentally, the answer is not in doing capitalism differently. Rather, the global human society has an opportunity to experiment with a different system because the capitalist system has repeatedly failed us.

Africa undoubtedly has an opportunity to lead by example.