An Analysis of Poverty and Inequality

...in Southern Africa During A Global Pandemic

This policy brief will seek to provide an analysis of the poverty trends in the Southern Africa region over the past few years, with a specific focus on the impact of the global COVID-19 pandemic. It also explores how measuring poverty and inequality have been affected by the pandemic (i.e., the changing face of poverty and inequality during the COVID-19 pandemic). The brief will appraise various poverty reduction responses (the efficiency and effectiveness of addressing emerging socio-economic shocks relevant for poverty reduction), and the role of key stakeholders, in achieving the current main poverty development targets for the region. It concludes by making policy recommendations and putting forward possible interventions for non-state actors, for influencing policy and developing outcomes, within a changing operational environment, marred by a global pandemic.

Introduction and Background

The Southern African region has over the past few years struggled to sustainably reduce its level of poverty and inequality. Inequalities along class, race, and gender continue to characterise the access and control over both productive and reproductive assets in the region. The global COVID-19 pandemic has worked to worsen poverty and inequality in Southern Africa. Existing social safety nets and welfare programmes, policies, and practices were unprepared and not effective in protecting the most vulnerable populations. Responses across various stakeholders tended to be responsive, with early warning systems and disaster management (including risk reduction efforts), similar to global trends, were largely inadequate.

Poverty and Inequality Trends in the Region

Southern Africa remains confounded in collecting and monitoring poverty data and or trends (SADC Secretariat, 2020[1]). In 2010, the Southern African Development Community (SADC) established a multi-stakeholder Regional Poverty Observatory (SADC RPO). Among several tasks under the SADC RPO's terms of reference (TORs), was to monitor and evaluate poverty trends in the SADC Member States. Yet, the SADC RPO reported on the complexity of this task when SADC Members States did not have a harmonised approach to measuring and/ or monitoring poverty. Nonetheless, the SADC RPO did develop, a SADC Indicator Framework for tracking poverty and living conditions, which was adopted / approved by the Member States. The data on the indicators are being collected through the SADC Monitoring and Evaluation System. However, challenges remain concerning the quality, reliability, availability, and consistency of the statistical data on poverty and inequality, which will require the development of data collection capacity at the Member State level, as well as training on the use of the System to ensure reporting takes place. As a result, development practitioners, researchers, and social scientists have been using high-frequency datasets (online and or mobile data), surveys, economic modelling, simulations, and case studies to determine and or monitor and report on the impact of the COVID pandemic on poverty trends, inequalities and inequities globally, and including in Southern Africa.

Six of the seven[2] countries globally, that reported more than half their population living below the national poverty line between 2007 and 2018 are from Southern Africa (i.e., Lesotho, Madagascar, Malawi, South Africa, and Zimbabwe). A third of the world's poor, live in the Democratic Republic of Congo (DRC). Poverty in DRC is high, widespread, and is rising during the ongoing pandemic, ranking 175 out of 189 countries on the 2020 Human Development Index (HDI for 2019[3]). In 2018, it was estimated that 73% of the population in the DRC (i.e., 60 million people) were living less than $1.90 a day (the international poverty rate). Therefore, it can be concluded that one in six people living in extreme poverty in Sub-Sahara Africa (SSA), lives in DRC. Zambia's poverty head-count increased from 54.4% in 2015 to 55.8% in 2019, with rural areas accounting disproportionately for these poverty statistics. Mozambique was the worst-ranked country in Southern African in the 2020 UNDP HDI Report (i.e., 0,456). According to the Ministry of Economy and Finance, from 2015 to 2019, the number of Mozambicans living in extreme poverty has increased from 55% of the population to 60%, (i.e., from 16.7 to 18.2 million people). Over the last five-year, poverty in rural Mozambique has significantly worsened, as the country has faced severe negative impacts from climate-related disasters, civil unrest – with military attacks in central and northern provinces/ regions of the country.

The Impact of COVID-19 on The Most Vulnerable Groups

While the COVID-19 disease does not discriminate among rich or poor, its impacts will exacerbate existing inequalities, including those in Southern Africa. There is sufficient empirical evidence that suggests that the adverse impacts of COVID-19 will affect the region severely for a much longer period. The impact of COVID-19 has disproportionately affected the poor and already vulnerable groups. Existing challenges such as the dualistic character of all Southern African economies, including most countries having trade deficits, huge external debt, and declining external aid / resource support, worsened the COVID crises in the region – with a much-differentiated response to the pandemic.

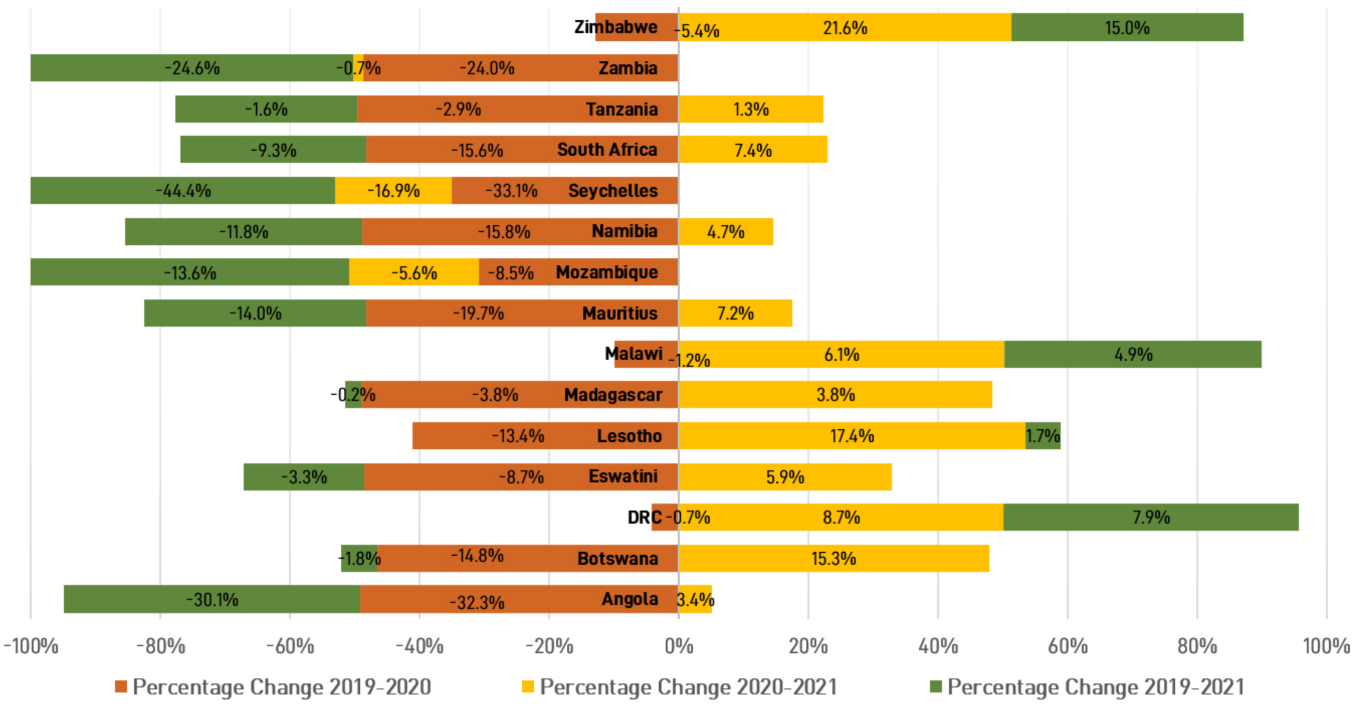
The COVID-19 pandemic exposed fragilities and fault lines in many African countries, particularly their health systems and economic variables. Only four Southern African countries were reported to not likely experience (significant) contraction in their GDP for the year ending 2020, (i.e., Madagascar, Malawi, Mozambique[4], and Tanzania[5]). Coincidentally, these are the countries within the Southern African region that did not go into intense national COVID-19 lockdowns. They either practiced localised / partial lockdown, with most economic sectors up and running, including the informal economies. However, there is increasing evidence in some the Southern African countries, that the informal economy is no longer necessarily absorbing those that are losing their formal jobs and those seeking formal employment – despite getting sufficient / required education, training, or human capital development. At the continental level, the informal economy in Africa is projected to contract by more than 40% as a result of the pandemic (Morsy et.al, 2020). In South Africa, the informal economy contracted by almost 10% (Francis et.al, 2020).

With declining GDP in most of the Southern African countries, GDP Per Capita significantly also declined. Graph 1.3.1 shows the GDP Per Capita for the SADC Members States for 2020.

Graph 1 reveals that between 2019 and 2021, only 4 of 15 SADC countries reported an increase in GDP Per Capita. Zimbabwe reported and 15% increase, followed by DRC with 7.9%, Malawi with 4,9%, and Lesotho with 1.7%. Seychelles had the highest decline in GDP Per Capita during the same period with reporting a 44.4% reduction. Angola, Zambia, Mauritius, and Mozambique also reported significant declines in their GDP Per Capita between 2019 and 2021, reporting a decline of 30.1%, 24.6%, 14%, and 13.6% respectively. Zimbabwe and Botswana reported the highest declines in GDP Per Capita between 2020 and 2021 (i.e., reporting a decline of 21.6% and 15.3% respectively). While GDP Per Capita declined in Tanzania for 2019-2020 and over the last three years at 2.9% and 1.6% respectively, the country reported the lowest reduction rates in the region. Overall, despite the general negative review of GDP Per Capita over the last three-year period and for 2019 and 2020 (which marked the start of the pandemic), the IMF database shows that 11 of the 15 Southern African countries have recovered GDP Per Capita for 2020-2021.

The shrink of many of the economic sectors also had the impact of increasing employment risk and most sectors either had to let workers go and or cut back on wages for survival – worsening the social impact on the already fragile economies. Using high-frequency data based on 'Google Mobility Data', Rosenberg et.al (2020) estimated the level of employment risk resulting from the COVID-19 shock in selected economic sectors (i.e., primary, secondary, and tertiary sectors). The results are presented in Table 1 overleaf.

Graph 1: GDP Per-capita - SADC Members States, 2019 - 2021



Source: Calculated from IMF Data, 2019 - 2021

Table 1: 2020 Employment Risk and Vulnerability Vnalysis for SADC Countries from COVID-19 Shock

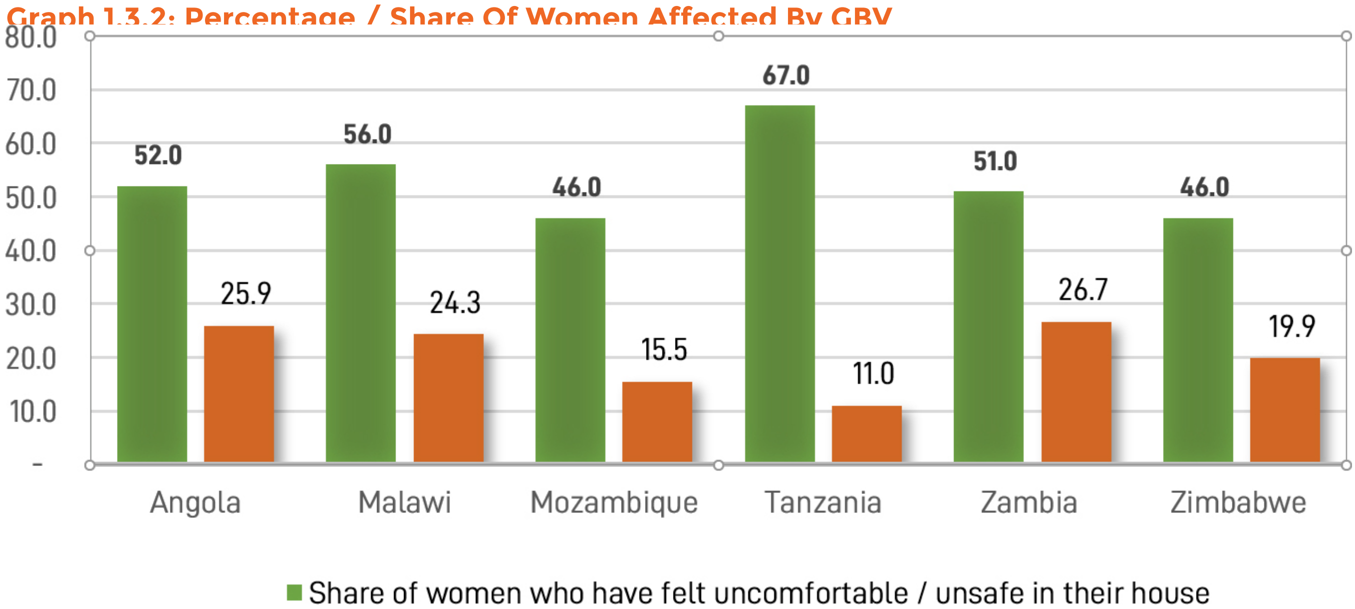
Country	General	Primary sectors	Secondary sectors	Tertiary sectors	Women	Youth
Angola	High	High +	Low	Medium	High	High
Botswana	High	Low	Low	Medium	Low	ND
DRC	High	Medium	Low	Low	High	High
Eswatini	High	Low	ND	High	Low	High
Lesotho	High	Low	High	Medium	Low	ND
Madagascar	High	Low	Medium	Low	High	High
Malawi	Medium	Low	ND	Medium	High	High
Mauritius	High+	Low	High	High	Low	Low
Mozambique	Medium	Low	Medium	Low	High	High
Namibia	High	Low	Medium	Medium	Low	ND
Seychelles	High +	Low	Medium	High	ND	Low
South Africa	High +	Low	High	High	Low	High
Tanzania	Medium	Low	Low	Low	High	High
Zambia	Medium	Low	Medium	Low	High	High
Zimbabwe	High +	Low	Medium	Medium	High	High

Note: ND is where data was insufficient for modelling the risk. The estimates do no factor in planned and or unplanning mitigating interventions.

CouVarious national surveys on employment risks have also revealed that low-medium skilled workers were at most risk for losing their jobs and or incomes through wage reductions. Yet these already form the bulk of the working poor and most vulnerable groups. Often, they also do not qualify for social security / protection interventions that are being rolled out by most governments in the region. For example, in Mozambique, 42.7% of workers facing the highest employment risk were low- and medium-skilled workers, found in the three quintiles, roughly representing the poor and vulnerable). Rosenburg et.al (2020), concluded that Angola, South Africa, and Zimbabwe are the countries at the most risk along several labour dimensions, followed by the DRC, Madagascar, and Mauritius (see Table 1.3.1 above). By mid-year in 2020, more than 23% of the poorest people working in Zimbabwe, had lost their jobs, while among the non-poor 20% lost employment (World Bank, 2021). According to results of a high-frequency survey conducted by the National Statistics Institute (INE) in Mozambique, 67% of the urban population were not working in June 2020, as a direct result of the pandemic, with only 9% of workers indicating that they were receiving their wages in full. More than 40% of the households that participated in the survey reported that they had received a reduction in their wages.

Eight of the fifteen SADC Members states showed that women had a high risk of losing employment as a result of COVID-19. The employment risk for the youth was high in many more countries (i.e., ten countries). Women and youth in the Southern African region remain the most vulnerable to unemployment, precarious employment, inequality, inequity, and poverty. Before the pandemic, 4 of the 15 SADC Member States are reported to have the most significant gender inequalities (i.e., Angola, Eswatini, Malawi, Mozambique). Over the past year, there has been mounting evidence that the pandemic has had a disproportionate impact on women, both by destroying paid jobs and increasing the burden of unpaid work. Regrettably, a recent report by Amnesty International revealed that some countries within Southern Africa (i.e., Mozambique, South Africa, and Zimbabwe) had not (sufficiently) integrated support services for women and girls into their COVID-19 responses. This is despite the rising cases and or occurrences of gender-based violence, which increases women and girls' vulnerabilities disproportionately to their male counterparts. Graph 1.3.2 below shows the percentage of women in selected Southern African countries affected by gender-based violence.

Graph 1.3.2: Percentage / Share Of Women Affected By GBV



Source: Adapted from the Analysis by The ONE Campaign, Physical and/or Sexual Violence from the WHO, Global Health Observatory

Surveys in 4 of the 6 countries that were covered by this research revealed that more than 50% of women felt unsafe and or uncomfortable in their own homes. On average approximately 21% of the women in the six countries reported GBV related crimes over the past 12 months.

Table 2 shows the gender inequality gap for Southern African countries for 2021 while showing the scoring change for each country between 2006 and 2020.

Table 2: The Global Gender Gap Index 2021 Ranking

Country	General	Primary sectors	Secondary sectors	Tertiary sectors	Women	Youth
Angola	High	High +	Low	Medium	High	High
Botswana	High	Low	Low	Medium	Low	ND
DRC	High	Medium	Low	Low	High	High
Eswatini	High	Low	ND	High	Low	High
Lesotho	High	Low	High	Medium	Low	ND
Madagascar	High	Low	Medium	Low	High	High
Malawi	Medium	Low	ND	Medium	High	High
Mauritius	High+	Low	High	High	Low	Low
Mozambique	Medium	Low	Medium	Low	High	High
Namibia	High	Low	Medium	Medium	Low	ND
Seychelles	High +	Low	Medium	High	ND	Low
South Africa	High +	Low	High	High	Low	High
Tanzania	Medium	Low	Low	Low	High	High
Zambia	Medium	Low	Medium	Low	High	High
Zimbabwe	High +	Low	Medium	Medium	High	High

Source: World Economic Forum, 2021

The 2021 Global Ranking covered a total of 156 countries. Seven of the fourteen SADC countries that were covered under the 2021 ranking were in the bottom half of the survey. Malawi, Angola, and DRC ranked amongst the lowest globally and regionally. Namibia is ranked among the seven countries, globally, that have made the most progress to cover their gender gap – closing also 80% of their gender gap. The 2021 Gender Gap report, overall, notes that the gender gap only closed marginally between 2020 and 2021 and that globally, at the current rate, it will take over 200 years to close the existing gap. While some of this lack of progress over the last year could have been the regressive impact of COVID-19, gender inequality has been a persistent development challenge – especially in the Southern African region that still has strong patriarchal socio-economic notes.

COVID-19 has worked to worsen inequalities inequities, not only at the global level but also at regional and national levels. Income inequality is high in Africa, and even more so, in Southern Africa. An analysis of the Gini Coefficient over the last 2 years reveals that 7 out of the 20 most income unequal countries in the world are in Africa. Of the 4 countries with the most unequal societies, globally,3 are in Southern Africa (i.e., Eswatini, Namibia, and South Africa. With the onset of COVID-19, many of the Southern African countries have failed to report significant progress in addressing these inequalities. Table 3 shows the results of the Gini coefficient[8] for Southern African countries for 2020 and 2021.

Table 3: Gini Coefficient for Southern African Countries, 2020-21

Country	2020	Regional Ranking for 2020	2021	Regional Ranking for 2021	Comment / Overview
South Africa	62.73	14/14	63	15/15	South Africa remains not only the worst country in the region when it comes to inequality, but also globally – with very little progress over the past 12 months.
Namibia	59.17	13/14	59.1	14/15	Namibia is characterised by both high poverty levels and high inequalities. It is regionally ranked to be the 2nd most unequal country. Its Gini Coefficient slightly worsened over the past year, since the onset of the COVID pandemic. However, over a much longer period, this is an improvement from a Gini Coefficient that was above 60 reported in 2003.
Zambia	58.09	Dec-14	57.1	13/15	Zambia remains one of the most inequitable societies in Southern Africa, and also among the top 10 countries globally with the worst forms of inequalities over the past year. Overall, its inequality has been steadily rising over the past decade. This has largely been caused by having most of its employment in the informal economy (with statistics rising to more than 80%) – where incomes are twice less than those earned in the formal sector.
Eswatini	Not Available	-	54.6	Dec-15	While data for Eswatini was unavailable for 2020 to make a comparison in inequality over the past year, inequalities remain high in Eswatini compared to other Southern African countries – ranking 12 out of 15 this year. It is ranked the 5th most inequitable country in the world.
Mozambique	53.87	Nov-14	54	Nov-15	While Mozambique has in the past few years enjoyed exponential growth, this growth has widened the inequality gap.
Botswana	53.35	Oct-14	53.3	Oct-15	Botswana remains one of the most unequal societies, and among the few countries at the global level that have a Gini Coefficient above 50. This is despite achieving significant progress in its GDP and GDP Per Capita (see Graph 1.3.1).
Angola	51.29	Sep-14	51.3	Sep-15	The past rapid expansion of the Angolan economy, especially during the first 10 years after its civil war, did little to address poverty and reduce inequalities., the rural poor are 3 times poorer than their urban counterparts. Angola presents the classical case of poverty and inequalities that often characterises developing economies that rely on extractive industries (the 'resource curse'). Over half the population resides in overcrowded areas or slums.
Seychelles	32.09	Jan-14	46.8	Aug-15	Seychelles was the worst performer in terms of progressing against inequality. Falling from being the ranked 1st in the region, down to 8th over the past 12 months.

Lesotho	44.92	Jun-14	44.9	Jul-15	While inequality in Lesotho over the last year ranks Lesotho 7th within the region. Lesotho had made significant progress by reducing its Gini Coefficient from 51.9 in 2002. However, it remains one of the 20% of the countries in the world with the most unequal societies – with the projection that by the end of 2021, Lesotho's Gini Coefficient may increase to 63, making it the worst country in the world when it comes to inequality.
Malawi	44.72	May-14	44.7	Jun-15	One of the most perverse inequalities in Malawi is gender inequality.
Zimbabwe	50.29	Aug-14	44.3	May-15	The number of people living in extreme poverty increased from 6.3 to 7.9 million. During the pandemic, this likely explains the significant reduction in the inequality gap. The non-poor were disproportionally affected by the pandemic as they relied on wage incomes which were negative affected by redundancies and or scaled back as the economy shrunk.
Madagascar	43.08	Apr-14	42.6	Apr-15	Despite its high poverty levels, Madagascar has a fairly low level of inequality when compared to other Southern African countries.
DRC	49.4	Jul-14	42.1	Mar-15	DRC is one of the countries in the region for which inequality significantly worsened over the last year.
Tanzania	40.53	Mar-14	40.5	Feb-15	There are was a slight reduction in the level of inequality in Tanzania over the past year.
Mauritius	36.79	Feb-14	36.8	Jan-15	Mauritius was one of the very few SADC Member states that improved its Gini Coefficient over the past year (despite the improvement being marginal).

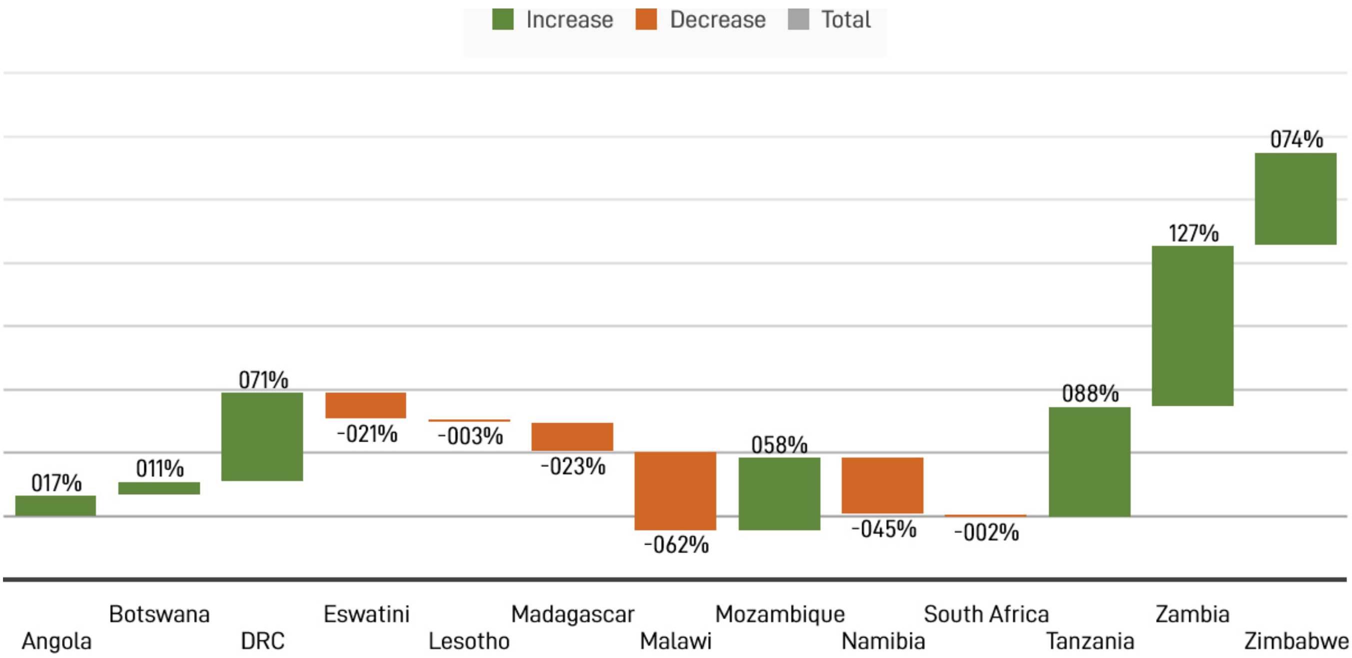
Source: Adapted from the 2020 and 2021World Bank Data

South Africa remained the country with the worst inequality, with inequality deepening during the pandemic. According to the latest figures from the World Inequality Database, the top 1% of South African earners take home almost 20% of all income in the country, while the top 10% take home 65%. The remaining 90% of South African earners get only 35% of total income. For example, one in four of South Africa's billionaires experienced an increase in their net worth valued at over ZAR83 million rand (i.e., US$5 million), over the past year (since March 2020), yet more than 55% of the country's population was reported to be living in poverty, with an average net wealth of ZAR16,000 (i.e. US$1,116), with their assets for less than their liabilities (Chatterjee et al. (2020); Futsane, 2021). In contrast, the wealthiest 10% of South Africans have an average net wealth of ZAR2.8 million (US$195,000) per person (the top 1% has an average net wealth of ZAR17.8 million (US$1.2million) per person. While these individuals would have lost a part of their wealth in the recent stock market crash[9], they are still substantially remaining far better off than most in enduring the impact of the pandemic.

One of the major inequalities that have been highlighted by the pandemic is unequal access to health care and health insurance. This also includes inequalities in accessing the vaccine – especially between rural and urban populations.

With the onset of the pandemic, food insecurity in most of the Southern Africa countries has been exacerbated (see graph 3. below).

Graph 3: Percentage Change in population who are food insecure (2015 - March 2020 estimates)



A UNECA study on the socio-economic impact of COVID in Southern Africa[10] revealed that 7 of 13 of the thirteen Southern African countries that had their data analysed for food insecurity had experienced a significant increase in the number of people who were food insecure. Zambia reported the highest increase of 126.9% between 2015 and 2020 (i.e., reporting that more than 2 million Zambians were food insecure. This was followed by Tanzania (87.9%), Zimbabwe (73.8%), the DRC (70.6%). Most of the significant increases were reported between the years 2018/9 and 2019/20. DRC and Zimbabwe reported the most significant increases in food insecurity between 2018/19 and 2019/20. The DRC reported an increase from 7.2 to 13 million, while Zimbabwe reported an increase from 2.2 million to over 5.5 million people over the last annual period. Of the 6 countries that have reported an overall decrease in the number of people who are food insecure between 2015 and 2020 (Eswatini, Lesotho, Madagascar, Malawi, Namibia, and South Africa), 3 reported an increase in the number of people who became food insecure over the past year (i.e., Eswatini, Lesotho, and Namibia).

Socio-economic Policy Responses and Development Interventions for Poverty Reduction During the COVID-19 Pandemic

As presented in the earlier section, the region has experienced severe socio-economic shocks, that are most likely reversing decades of progress in poverty eradication and efforts to reduce the inequality gap. Before the onset of the pandemic, most of the countries in Southern Africa were grappling with structural vulnerabilities such as; socio-economic inequalities, increased political instability (rising political tensions), declining trust in government, migration-related challenges (e.g., rising xenophobia, precarious employment, porous borders, trafficking), forced displacement, the impacts of climate change, and environmental fragility.

SADC Member States have and are still developing various responses to address the various impacts of COVID-19. In addition, Southern Africa has various policies and programmes aimed at reducing poverty from before the pandemic started – with less definite frameworks for addressing inequality. Similar to other regional economic blocks, SADC developed strategic plans to address the various crises resulting from the pandemic. Most of the measures that have been adopted by Southern African governments focused on COVID-19 infection prevention and containment. These measures have generally consisted of implementing national and or localised lockdowns. While some countries have been globally credited with effectively containing the number of infections and fatalities in the region, they have had huge negative impacts on societies, where there were insufficient social welfare support programmes to mitigate the loss of employment, incomes, livelihood nor the infrastructure and service delivery (e.g., water, ICT, healthcare, education, and energy) to support the mechanisms enforced.

Unfortunately, compared to the rest of the world, most of SADC's Members States have relied for several decades on external resource mobilisation, and therefore lacked sufficient internal resources to develop the level of responses required to mitigate the negative impact of COVID-19, and are struggling to finance socio-economic recovery. Development partners who traditionally have supported development initiatives in Africa – including the Southern African region turned their attention to developed economies / countries, which they primarily originated who were facing much more significant COVID-19 infection and fatality rates.

The sections below present the various responses that were undertaken by Southern African countries to provide support to the poor and vulnerable groups – including a brief analysis of their effectiveness. SADC's regional response to the pandemic was mainly focused on three areas, that is, healthcare, law enforcement and security, and nutrition and food security (SADC Secretariat[11]). Table 2.1 below shows a summary of the measures that various SADC Members States have so far undertaken to address the pandemic, but will focus on the implications of these measures on vulnerability, poverty, and inequality.

Table 3: COVID-19 National Responses and Strategies

Country	Travel Restrictions	Fiscal Stimulus	Monetary stimulus	Lockdown	Mass Testing
Angola	X	X	X	X	NO
Botswana	X	X	X	X	NO
Eswatini	X	X	X	X	NO
Lesotho	X	X	X	X	NO
Malawi	X	X	X	NO	NO
Mauritius	X	X	X	X	NO
Mozambique	X	X	X	X	NO
South Africa	X	X	X	X	X
Tanzania	X	X	X	X	X
Zambia	X	X	X	X	NO
Zimbabwe	X	X	X	X	NO

Source: UNECA, 2020

- **Lockdown and impact on employment and livelihoods**

  Table 2.1 shows that all 11 SADC countries covered under the UNECA study at some point implemented travel restrictions, including national quarantine timelines. Some of the Southern African countries initiated hard lockdowns. While some of these hard lockdowns in some of these countries (i.e., in South Africa and Zimbabwe) helped to rein in the rate of COVID-19 ineffective to 'buy time' for a more robust health sector response, they also had harsh impacts on economic indicators. These containment measures were largely difficult to implement and resulted in ripple effects in the context of widespread informality and the lack of social safety nets and social protection for the majority of households. The lockdowns had a significantly disproportionate impact on people living with vulnerability and the poor. Women who form the majority of informal economy workers and domestic work suffered more from the hard lockdown (see section 1.3). The travel restrictions and closures of borders also negatively affected those that rely on informal cross-border trade for livelihood and food security. Small-scale (informal) trade in the region provides employment to a significant number of people in Southern Africa – allowing vulnerable populations to access goods and services that are key for their economic and social recovery (especially for women and youth).

- **Fiscal stimulus**

  A various range of fiscal stimulus was undertaken by all the SADC Members Sates. These ranged from increased budget allocations to social safety nets and protection, reduction in income taxation thresholds, tax exemption of basic commodities, and or reduction of import duties – especially those for COVID-19 prevention and management resources (e.g., sanitizers, ethanol for alcohol-based sanitizers, etc), and acceleration of tax repayments. However, the real challenge was that all these countries had very weak / insufficient social programmes. Social protection in most of the Southern African countries is generally regressive. For instance, only 13% of Angola's poor have access to social protection and only 5% are covered by social safety nets (mainly targeted ex-military and ex-veteran benefits).

  In addition, coverage is largely limited to urban areas, yet the majority of the poor reside in urban areas. Namibia provided fiscal relief for the workers that were classified as most vulnerable. It granted a tax-back loan scheme for tax registered and tax-paying (PAYE) employees and for those that are self-employed and reported incomes losses. The loan must not be more than a twelfth of the workers' applicant's monthly income and is payable after one year. This offered some (minimal but much needed) reprieve for many workers. However, it excluded those that were unemployed before the onset of the pandemic, or those that had not only lost their incomes but had lost their jobs. Perhaps most relevant for the vulnerable and poor in Angola (regarding fiscal stimulus), was the provision of interest-free, deferred payment options for social security contributions. But the number of beneficiaries in terms of whom should have been targeted was rather insignificant given the formal employment statistics and social protection coverage in Angola (also see sections 1.1 – 1.3 above). Perhaps the most interesting fiscal response in Angola was the reduction in the number of Ministries from 28 to 21 and the suspension of non-essential fiscal capital expenditures[12] over the one year since the onset of the pandemic. Yet another indication that existing public sector institutions and or departments are huge resource spenders, yet many of them may not be necessary and can be easily done away with. This is something that should not have waited for the pandemic.

  At the onset of the pandemic, Malawi announced a few fiscal packages that were largely aimed at improving taxation compliance among taxpayers, taxation waiver on importers of COVID-19 prevention and management equipment / supplies, and tax relief for medical professionals and some actors in the tourism sector. These in practice have not yet really made a positive difference, nor can direct impacts on the most vulnerable and poor be determined. Perhaps one of the only Malawian government interventions that have the potential to offer some relief to the poor is the " increase in consumer protections concerning the prices of essential goods, including stiff fines for retailers that artificially inflate the price of goods for profit-making purposes."

- **Money stimulus**

  All SADC countries covered in Table 2.1 provided monetary stimulus packages, that were aimed at economic recovery programmes. Most of these support mechanisms included; liquidity support to business / private sector enterprises, credit stimulus packages, temporary suspension of loan/debt repayments, financial support mechanisms for importers of essential goods and services.

  The resourcing of these stimulus packages has been shrouded by controversy – as they have primarily been funded through externally mobilised resources. The grants and loans accessed for supporting most of these packages have been characterised by a lack of transparency and accountability (also see section 3.1). Generally, the history of stimulus packages in the region has been negative – shrouded in corruption, misuse, and mismanagement. For Zimbabwe, this is worsened by the country's inability to engage foreign investors and development partners for resource mobilisation. Many other Southern African countries are increasingly viewed as high risk (e.g., DRC, Eswatini, Lesotho, Madagascar).

What is also unfortunate is that most of the efforts are targeted at small business enterprises required that the SMEs be registered (e.g., in South Africa and Zimbabwe[13]). This worked to exclude a significant number of actors that operate in the informal economy, whose livelihoods would have been the hardest hit from an economic perspective. Some of the countries implemented a shift in the taxable income threshold. For instance, Zimbabwe increased this by 150%. This increase did not noticeably improve the purchasing power of the income earners, as the local currency is grossly devalued – with the non-taxable amount being 29% of the Poverty Datum Line (PDL). Malawi was one of the countries with the least provision / facilities for monetary stimulus packages (i.e., offering little relief through supporting banks through an emergency liquidity assistance package, reducing the domestic currency Liquidity Reserve Requirement and offering support to SMEs, and microfinance institutions). These packages have almost no real tangible possible impact on alleviating the challenges confronted by a significant number of Malawians that depend on subsistence agriculture and live on the periphery of the formal economy.

- **Mass testing**

  Only 2 of the 11 SADC Countries covered in the UNECA study undertook COVID-19 Mass testing (i.e., South Africa and Tanzania) – although South Africa has trailed behind when it comes to rolling out the COVID-19 vaccines.

In conclusion, it can be easily argued that while no response creates a worse crisis, the responses that Southern African countries have opted for are largely carved to cater to the emerging needs of their respective formal sectors that continue to marginalise their much broader informal economy – which holds the key to addressing vulnerabilities, poverty, and inequalities. Most of these responses have been adapted from developed countries' responses and are ill-suited to address the region's human development challenges. This challenge is not new to the region and needs countries in the South to develop contextualised and responsive socio-economic programmes.

Key Recommendations for Addressing Poverty During and in a Post-COVID-19 Recovery Programme

While the COVID-19 pandemic wreaked socio-economic havoc in Southern Africa, poverty and inequality in the region have always been dogged the region. The causes of poverty and inequality in Southern Africa have structural causes, that have to be addressed accordingly, and need to be supported by political will, commitment and efforts. In addition, the impact on increasing natural disasters such as droughts, cyclones, and in some cases, political instability (e.g., in the DRC, Lesotho, Madagascar, Mozambique, and Zimbabwe) have worsened poverty and inequality, creating a vicious cycle of causality. Therefore, while indeed the need to address the resilience of many economies globally, continentally, and regionally are relevant, Southern Africa's causes of these endemic challenges will require more than addressing the current crises that are directly related to the pandemic. The pandemic has merely highlighted the existing development challenges in the region.

It is therefore unlikely the current recovery efforts for COVID-19 in the short-term to medium-term will address poverty and inequality in the region. There has to a conscious effort to intensify responses to counter the infection and its socio-economic consequences but strive to equally prioritize addressing pre-existing structural challenges that compound vulnerabilities, poverty, and inequality. Whatever a country's history and context, several measures have proven effective in lessening inequalities within Africa in general, and Southern Africa in particular. These measures include increasing productivity among small-scale farmers, ensuring women's access to land, reversing urban concentration in the provision of services and economic opportunities.

Government Recommendations

The following are recommendations for the SADC Members States on addressing vulnerabilities, poverty, and inequality;

- **Implementation of the SADC Poverty Reduction Framework:** The observatory was tasked to review and integrate poverty reduction policy and practice recommendations during the review process of the Regional Indicative Strategic Development Plan (RISDP). The current RISDP framework (2020-2030[14]), acknowledges the outcomes of the recommendations for poverty reduction that were presented by the SADC Regional Poverty Reduction Framework (SADC RPRF) for implementation. The SADC RPRF seeks to present and transform the RISDP's priority intervention area on "Poverty Eradication", into an implementation framework, which would affect improving SADC's agenda for poverty eradication, while also identifying and or providing synergies, for the Member States to harmonise national poverty reduction strategies with regional interventions.

- **Developing economic resilience:** It remains unquestionable that economic growth and development are crucial for social development and poverty reduction. The pandemic has shown the lack of resilience of many of the region's economies and their over-reliance on the global market. The pre-existing conditions of vulnerability, poverty, and inequality worked against State interventions of most of the Southern African countries.

  Developing countries are being encouraged to seek and or undertake efforts for -socio-economic transformation as a strategy for developing a more resilient response to the COVID pandemic. This often includes the development of infrastructure (e.g., service delivery, digitisation) and increasing investment in economic diversification (including value addition and beneficiation). South Africa remains at the highest end of the spectrum in now using digital platforms, not only in Southern Africa but also in Sub-Saharan Africa (with 51% of firms investing in ICT technologies and services). It is therefore recommended that the SADC Member States undertake strategic efforts to mitigate against deindustrialisation, by strengthening regional and continental value chains, as well as domestic industrial capabilities. These strategies should be complemented by stimulus measures for a sustainable recovery.

  Regrettably, despite the dual nature of most of the Southern African economy, post COVID-19 economic stabilisation policies and recovery mechanisms / interventions have remained largely targeted on reviving the formal sectors. This may instead work to further entrench the informal economy and thus worsen poverty and inequality in the medium to long term. Regrettably, some of the business revival programmes targeted were unfortunately discriminatory. For example, South Africa was heavily criticised for developing small-medium enterprise interventions that intentionally discriminated against foreign-owned businesses. The package is aimed at "appropriately registered" SMEs that were 100% Southern African-owned and employed at least 70% of South Africans.

- **Transparency and accountability in resource mobilisation for COVID-19 Recovery / Stimulus initiatives:** SADC Member States should strive to be transparent and accountable when it comes to financing mechanisms, grants, aids, and loans being received for developing / supporting the COVID-19 response.

- **Addressing gender-related socio-economic inequalities and vulnerabilities:** is essential for strengthening the impact of the COVID-19 response mechanism, not only, within the short term but also in the long term. These interventions must also seek the integration of developing livelihoods interventions of vulnerable groups, such as the elderly, people with disabilities, youth (who are largely unemployed), people living with HIV, migrants, refugees, while also striving to protect citizen rights and freedoms.

- **Widening and broadening social safety nets and social welfare:** The overall COVID response by most, if not all Southern African Governments was to increase the robustness of social security. Yet, the fundamental challenge was that these systems already had several structural weaknesses and were failing before the COVID crises began. Comprehensive social protection has been proven to be an effective developmental tool for considerably reducing poverty and inequality. More and more countries are now considering setting a "basic income grant". The experiences with social grants in Malawi, South Africa, and Namibia have shown the importance of social protection programmes in reducing poverty, in the short-term to medium term. The Basic Income Grant Campaign has been for years calling on governments in Southern Africa to establish a grant that targets vulnerable communities, which does not necessarily seek to provide immediate and or urgent relief of targeted communities, but at providing them with an economic opportunity to increase income for purposes of creating an alternative.

  During the first year of the onset of the COVID-19, almost 10 million South African (approximately a quarter of the population) applied for the COVID basic social grant (BusinessTech[15]). After more than 20 years after the end of Apartheid, the South African Government is now in the process of considering a BIG as a mode of social protection, that will target people aged 19 – 59 years old. Simulations conducted to determine the impact of COVID in Zambia suggest that a fully operational social cash transfer programme with the current and proposed enhanced transfer amounts has the potential to reduce poverty significantly, by four and six percentage points, respectively.

- **Developing and undertaking redistributive and equitable tax measures:** One of the main consistent recommendations that came out of the SADC Regional Poverty Observatory was the call for the SADC Member States to systematically develop a concise mechanism for redistribution of national wealth as a means for reducing income inequality.

Development Partners

Development partners that are supporting and or financing COVID-19 responses in developing countries, much ensure that they;

- Ensure that finances and support (including humanitarian and emergency assistance), provided, including through external resource mobilisation and through international financial institutions, are delivered in a transparent and accountable manner.
- Development partners must strive to develop better coordinated human development support for developing countries and work to ensure that support is complementary, rather than duplicative. This especially necessary in the context of multiple crises, that often characterise fragile countries / economies.
- Ensuring that support that is aligned to expected development outcomes of a COVID-19 economic recovery programme / project financed external should include components and or indicators on vulnerabilities, poverty, and inequality. These must be aimed at targeting and measuring progress in addressing the structural causes of these challenges. There is a need for increased commitments to supporting and or financing sustainable development. Supporting emergency responses will address the immediate to short-term needs, but will not be enough to support socio-economic transition in developing countries. This also includes providing resource support to nationally and or regionally developed response policies (i.e., SADC and AU), which underpin strengthened South-South cooperation. This includes promoting and supporting efforts undertaken by developing countries to preserve critical productive capacities, deepen regional integration, and develop local and regional value-chains.
- This is expected to in the long run reduce dependence on external resource mobilisation while facilitating the self-determination of developing countries.
- The issues around sovereign debt restructuring and relief need to be urgently addressed. They have remained a huge advocacy point of developing countries for many decades. Drawing out temporary and or short-term relief for loan repayments will not be sufficient for adverse SADC human development agenda.

Civil Society Recommendations

The following recommendations are proposed for civil society;

- Advocacy and lobbying for social dialogue structures: The 2020- 2030 RISDP Blueprint recognises the needs for the SADC Member States to engage non-state actors (NSAs), including and or engaging actively with members of civil society, in the region's development agenda. Therefore, continued lobbying and engagement in ensuring that these dialogue mechanisms are established and operate effectively are necessary for influencing human development outcomes.
- Public outreach campaigns: CSOs have been known for their strong competencies in undertaking effective campaign / capacity development outreach programmes. This includes raising awareness about COVID19 prevention and management – yes, but also about civic rights, participation, and mobilisation for purposes of influencing human development outcomes. CSO efforts to promote, facilitate and support societal cohesion are essential to addressing rising domestic and regional social and political tensions – that have resulted from decades of poverty, inequality, and socio-economic exclusion from the majority of the population.

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