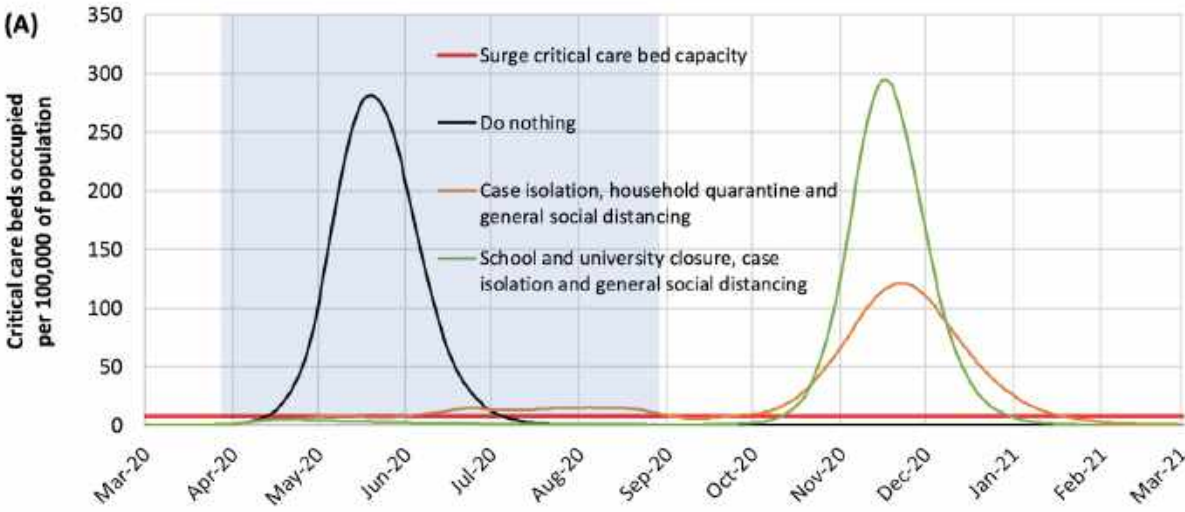


DOMINO EFFECT AND THE NATIONAL QUARANTINE AGAINST COVID-19: CASING OUT KENYA.

To avoid a situation that may lead to more infections resulting from ignorance from the public or disobedience, it is critical for the governments to invest more in research that can support their decision-making processes.



COVID-19 has become an international threat and nation states are implementing responses based on limited data and limited lessons learnt from Wuhan, China. The measures taken are categorized either as: “Doing Nothing, Mitigation, or Suppression,” as shown in Figure 1 below. The virus emerged in Wuhan, China, last December, and has now spread to more than 171 countries and territories globally. The World Health Organization declared the outbreak a pandemic and available data shows more than 307,000 confirmed cases and an excess of 13,000 deaths. Globally, more than 92,000 patients have recovered. I would like to thank Tomas Pueyo, who has put together a lot of the analysis images that have been used. Reach out and read his work on medium ([Coronavirus: The Hammer and the Dance](#)).



Source: Impact of non-pharmaceutical interventions (NPIs) to reduce COVID-19 mortality and healthcare demand, Neil Ferguson et. al, Imperial College

Figure 1: Borrowed from Tomas Pueyo - Coronavirus: The Hammer and the Dance: Suppression strategy according to imperial college.

African countries have followed international partners in responding to COVID – 19, with the governments taking steps towards national quarantine processes. As an example, Rwanda has taken several measures to curb the spread of the virus as the number of confirmed cases rose to 11 since March 14. The latest measure came into force with the suspension of arriving and departing commercial flights for an initial period of 30 days. Initially, the government announced the temporary shutdown of schools, universities, and places of worship for two weeks amid concerns on the spread of COVID-19. According to the BBC, South Africa has declared a national disaster and announced a ban on travel from the worst-affected countries.

Morocco has shut hammams, cafes, restaurants, cinemas and mosques after reporting 28 cases and one fatality since the outbreak of the pandemic. In Tanzania, the Ministry of Health has announced that two more people have tested positive for coronavirus, bringing the number of cases in the country to six. According to the World Health Organization (WHO), nearly 350 people have been diagnosed with the virus across Africa. Seven people have died while 42 have recovered. In Kenya, county governments have imposed stricter restrictions than those announced by the president by banning public gatherings. This has forced the closure of nightclubs and open-air markets and athletic training camps. The measures seek to prevent a major outbreak on a continent with poor health services.

There are genuine concerns on the well-being of those who live hand-to-mouth, but overall Kenyans are willing to cooperate with the authorities in the bid to stem the spread of Corona virus. The impact of corona virus is yet to be analyzed in full. Scofield Associates does not justify disobedience and noncompliance. We make an analyst’s argument that the implementation of government directives without a review of the impacts of the decisions, is detrimental to the republic of Kenya. This will result to civil disobedience as a resulting effect as seen with the Mirraa traders in Mandera County. While the suppression decision category led to containment in Wuhan as shown in the Figure 2 below, there are challenges in democracies that makes this option not applicable without some tweaking.

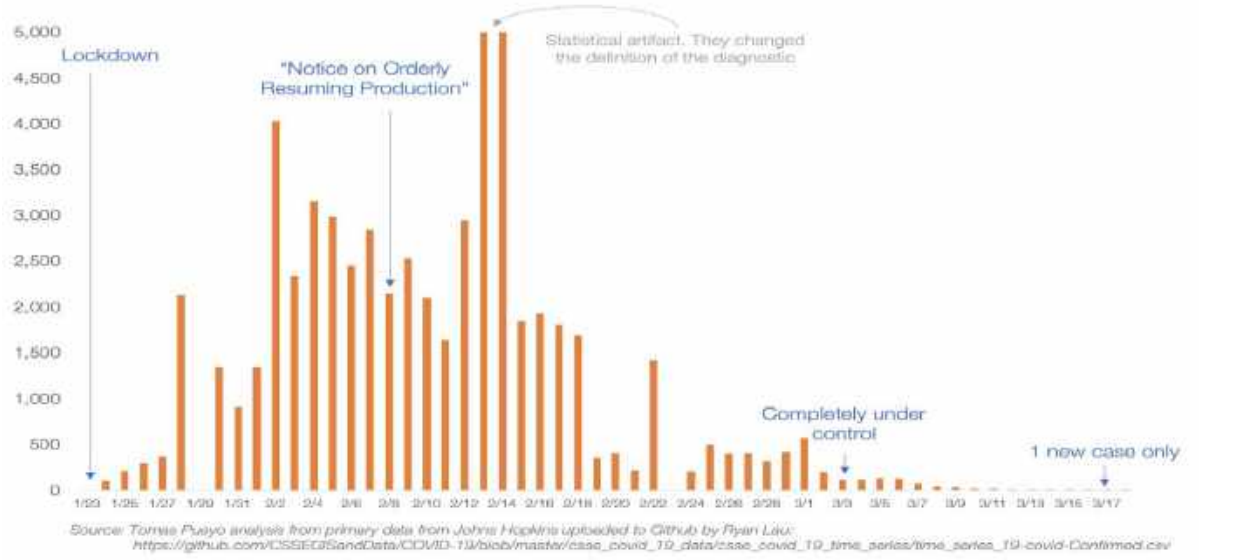


Figure 2: Borrowed from Tomas Pueyo - Coronavirus: The Hammer and the Dance: - Cases in Wuhan and infection evolution

The Kenyan economy; like any other, works in a chain. Economics act by the laws of supply and demand where variables have a symbiotic relationship. To put it into perspective, the economy faced a beating in 2019 and early 2020, the Central Bank of Kenya (CBK) governor mentioned that it will be tough year. The Kenya Revenue Authority (KRA) has not reached their annual tax targets, and the deficit will be reflected in the budgeting.

The [Corona virus](#) has made the situation worse as it has resulted to a lockdown of services and businesses with most of the casual laborers facing the brunt of the actions. Even worse, it's not clear what period the lockdown will persist and the uncertainty results to panic within the public. While international and multinational organizations have otherwise resulted to paying casual and daily contracted staff, Kenyan organizations have opted for layoffs and non-renewal of contracts. The private sector may not be blamed for this action, but the impact will be worse in the coming days. To put it into perspective, the Mama Mboga or Juakali individual who depends on the daily sale of products through hawking or in open air-non-one-meter-spaced-markets, will not have the customers to buy their products. Maslow law of basic needs still apply to these individuals, yet their livelihoods have been put on halt.

Information sharing on [Corona virus](#) make sure that the public acknowledges the impact of the pandemic through fear. The result is a scenario where the level of fear will slowly rise and create civic disobedience. The Government of Kenya (GOK) in the latest press briefing (from the Cabinet Secretary Health on the 22nd March 2020), delegated roles to the National Police Service (NPS) to enforce the directives. While these may be the choices that the Kenyan public understand, it is not sustainable.

An analysis of the behavioral responses from the first day of National Quarantine and the preceding days, show that most of the middle class responded through massive shopping that resulted in temporary reduction of stock on the food shelves in major supermarkets. While the fear of price increases and hoarding may be a reality, the major challenge may result from shortages as the impact to manufacturing, import and even agriculture is real.

A report from the Kenya Private Sector Alliance (KEPSA), shows that 61 percent of businesses surveyed, reported that the [Corona virus](#) has had a direct negative impact on their businesses. Another report from KMA & Kenya Chambers of Commerce, have mentioned the opportunities and challenges that [COVID-19](#) provide. The agricultural and manufacturing sector is directly affected. On average, Kenya falls short by 750,000 tons of wheat, 12.5 million bags of maize, 400,000 tons of rice, and 247,000 tons of sugar, annually.

At the time of National Quarantine initiative, the Kenyan Agricultural cycle is at planting season for less than 40 percent of the farmers. The reality is that we are not harvesting, and food

production will be affected by the initiative both in the short and long term. Unless something is done, the next coming weeks will witness a behavioral pattern of increased shopping for food as a response to the first stage of Maslow's hierarchy.

During a presidential briefing, the CBK governor together Bankers Association boss, spoke to the nation providing assurances on loans and other credit facilities. In addition, Safaricom lowered the tariffs on transactions resulting to no-charges on any transaction below Ks. 1,000. While the analysis on the transactions is pending, one conclusion based on the supply and demand is, that these transactions will only last if individual reserve is able to sustain them. The current trend of layoffs, lack of business to basic commodity vendors and standard tax rates, will ensure render it unsustainable.

Economic analysis estimate that the Kenyan economy is supported by the private sector, government initiatives, and the development partner work. The development partners have heavily invested in research and response to COVID-19, while leaving other development work behind. As an example, the World Bank has given the Kenyan government 6.1 billion shillings from the COVID-19 facility and the Contingency Emergency Response (Transforming Health Systems for Universal Care Project). The U.S. Government announced a commitment of \$37 million in financing from the Emergency Reserve Fund for Contagious Infectious Diseases at the U.S. Agency for International Development (USAID) for 25 countries including Kenya, affected by novel coronavirus COVID-19 or at high risk of its spread.

The beneficiaries of development programs are facing the brunt from the virus courtesy of the decisions made by the government. As Scofield Associates, we hope to release a detailed analysis of COVID-19 to development work, but top level analysis show that even with the release of funds to World Health Organization (WHO) and World Food Programme (WFP), other development work will suffer. As a national disaster, one recommendation would be to have representatives from the research community, academia and other development partners; including civil society, to provide data and options for implementation of the decisions.

These top-level analyzes will affect our economy and other economies in the African continent. As a summary, the decision to carry eight to nine individuals in a Matatu in Kenya will be influenced by the tax rate paid to the counties for parking, cost of fuel, membership payments and profit margins to the owners, loan interests on the vehicles, and availability of clients to board the Matatus. This same ripple effect will also be witnessed with the Criminal Justice System, Housing, Medicare, and even the implementation of Social Distancing. The Domino effect can be positive as we struggle to contain COVID-19, or it can be negative, leading to more deaths resulting from the directives and responses to the pandemic.

Kenya is not a welfare state but, it is improbable for the decisions not to consider the short- and long-term impacts of the state during implementation. The eight recommendations provided serve as a route shaper in the domino effect puzzle that the national quarantine has for the Kenyans. We don't have enough data to make a conclusive decision, but the presence of a cost benefit analysis can help African governments respond. As shown in Figure 3 below, the analysis can provide an indication of the impact during the mitigation and suppression period. As documented by Tomas, the chart below is made up from estimation because adequate data doesn't exist today. Though a lot of research work is required on COVID-19, it is also important to research the impact of the decisions made during the suppression and mitigation periods. The use of big data analytics can also provide predictive models to support the government responses.

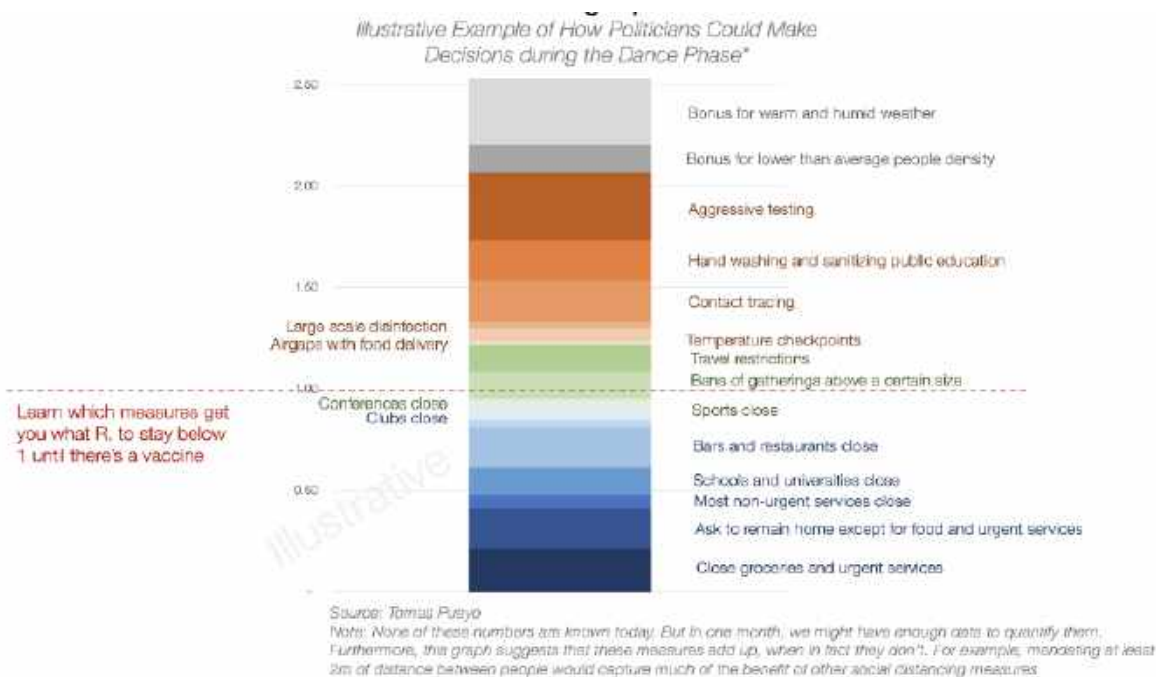


Figure 3: borrowed from Tomas Pueyo- Coronavirus: The Hammer and the Dance: Cost benefit analysis.

1. **Tax waivers:** - The response from the CBK and the banks in Kenya is a good move. The same should be extended to Kenya Revenue Authority allowing for tax waivers of VAT processing to incentivize increased production, reduce the cost of basic commodities. Additionally, treasury through the Cabinet Secretary (CS) Finance should look for concessions to allow for waivers and a six months grace period for the international loans. It will cushion the resources available and make sure that money is spent reducing the burden of the citizens.
2. **Government subsidies:** - The tax waiver will influence the cost of fuel and power, which drive the cost of production and living. Alternatively, the government can supplement the

costs of basic commodities as a response to the challenges being faced for a three month period.

3. **Administrative interest-free loans:** - Incentives can be offered to Small and Medium Enterprises (SME) and other companies to make sure that they are able to sort out the administrative costs of employees to allow for flow of cash in the economy. These can be through the provision of interest-free loans with guidelines on expenditure for the beneficiaries.
4. **Repurpose Government Resources:** - The closure of the schools puts on hold projects from the ministry of education as an example. While sending children home may not have been the best response at the time, especially considering the institutions serving as quarantine areas in themselves. The resulting impact on the literacy levels in Kenya will be another area for review. The funds and resources can be channeled towards building and equipping public hospitals with the required facilities and medicine required. It should be noted that while COVID-19 actively influencing policy, Malaria, Tuberculosis and other diseases still plague citizens in Kenya and other African Countries.
5. **Accountable distribution of donor funding:** - The funds released from international organizations including the World Bank should be put to good use. While Kenya faces the challenges of corruption like any other African nation, accountability and proper planning is required for these funds.
6. **Public Campaign:** - To avoid disobedience, a large campaign should be run by the government to share more information on the pandemic and the options available before, during and after the infection.
 - a. Additionally, a tentative lockdown timeline should be shared to ensure calmness. The Figure 4 below show sample timelines that can help the government with the budgeting and planning. GOK can plan to have staggered work plans starting from weeks to months with options, to allow for the public to adjust. These can start with a four week period as stage one, two week as stage two, one week- stage three, as examples.
 - b. It is important to make sure that the discussions in the counties provide direction on how to the members of the public can seek help for testing, when infected and when in need of advice.



Figure 4: borrowed from Tomas Pueyo - Coronavirus: The Hammer and the Dance.

7. **Development partner guidelines:** - The development partners should concentrate on developing operational guidelines to make sure service delivery. This process will encourage calm among the citizens and community beneficiaries.
 - a. Development partners in other countries (see Figure 5 below) are working on this, and the same can be applied in Kenya.
 - b. The inter-ministerial committee on COVID-19 should also include representatives from the civil society to allow for planning and briefing on the same.



Figure 5: NRC stepping up its work: <https://www.nrc.no/perspectives/2020/nrc-stepping-up-its-work/>

8. **Research:** - A lot of research should concentrate on providing information on cost benefit analysis. This will support decision making and ensure the provision of alternatives to the challenges facing both the government and the public in Kenya and other African countries.

While international discussions are focused on a debate that spans; doing nothing, mitigation and suppression, as available options, it is clear that governments need to do a lot of work to buy time to flatten the curve or wait for a vaccine to be discovered. However, research on the domino effect that arises from the decisions made during mitigation and suppression, is not being done. To avoid a situation that may lead to more infections resulting from ignorance from the public or disobedience, it is critical for the governments to invest more in research that can support their decision-making processes.

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