
Socio-Economic Impacts of COVID-19 in Comoros

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Abstract

A global event appeared for the first time in china in September 2019. The environmental, socio-economic aspects have become more and more worrying. A deadly infectious disease that is transmitted through breathing or direct contact with an infected person called COVID-19 worried the whole world including the major powers. Discovered in China in the city of Wuhan and emerged towards America, after Europe, then Asia and then Africa, a fulgurating epidemic is spreading throughout the world. As a result of the rapid development of the cases of contamination, on March 11, 2020, the WHO officially declared the Coronavirus as a world pandemic. The first case of COVID-19 appeared in Comoros on April 30, 2020, which makes it one of the latest countries to be officially infected, says the President of the Republic.

Keywords: COVID-19, BDC, WHO, China, Comoros

INTRODUCTION

In a televised address, the President of the Comorian Republic, Azali Assoumani, announced the first case of COVID-19 on 30 April 2020.

On March 11, 2020, the WHO officially declared the Coronavirus a global pandemic. No country is spared and Comoros is one of them.

After the government officialized its appearance in Comoros, measures often copied and pasted are taken by the authorities. The government, the medical profession, national and international NGOs, the AND¹, the national police, civil society, associations, notables and religious leaders mobilized to contain the spread of the pandemic. The economic consequences of the barrier measures are

¹ National Development Army

dramatic. The absence of state support for economic actors, the double taxation of the Comorian population, the non-assistance of poor households and the rigorous management of the Comorian Customs, the curfews without accompanying measures for evening workers among others, have led to a shortage of basic necessities.

I. CONTEXT AND IMPACTS OF THE CORONAVIRUS IN COMOROS

The current situation in Comoros is one of the consequences of the effects of COVID-19. Although not everything seems to be at the origin of the problems linked to the pandemic, COVID-19 contributes considerably to them.

The political crises, the mismanagement of public funds, the incessant increase in customs duties and taxes, the lack of confidence of the population in the judicial system, the development of partisan ideas, corruption, the generalized impunity for certain categories of people, and the violence against children and women are all worrying the population. The population remains dissatisfied. This is due to the absence of a protectionist policy for a population deprived of everything.

The galloping inflation rate, the technical and/or forced unemployment, the decrease of imports and exports, the political and professional clientelism, the abandonment of the parental authority are also consequences of the coronavirus.

In this aspect, Comoros remains one of the first countries seriously brought to its knees by this pandemic despite being placed among the least affected countries in terms of human life. Today, all sectors of activity are affected. The impact is too visible that all social strata are affected and the country's economy has collapsed. The current situation brings us to make a criticism of the impact of the coronavirus in all levels.

I.1 Impact of Covid 19 on the development of the country

The government's initiatives for socio-economic development in this period of the pandemic are slowing down. Many of the agreements, support to bilateral or multilateral partnerships have been suspended or terminated. The government is struggling to implement these development projects for both strategic and financial reasons.

The private sector is also unprepared for the possibilities of re-establishing the production chain, as their partners are also at a standstill. Comoros is very dependent on trade. The Union of the Comoros is a small island developing state (SIDS) with an open economy that is not very differentiated and therefore very sensitive to external shocks. Exports are concentrated on three products; ylang-ylang, vanilla and cloves, which account for about 70 percent of export earnings over the past ten years and 90 percent in 2018. This indicates a great food insecurity for the population whose food needs are covered by imports to the tune of over 40%.

Industrialization, which occupies the second sector, exists only on paper, because Comoros imports almost everything. As a result, even housing, hardware stores and large investments have come to a standstill. The scarcity of building materials, transport, basic necessities and other products is felt.

I.2 Impact on the country's economy

The rule of commercial art is tilted, all commercial exchanges are slowed down. The dashboard shows a total disruption of any mode of transport linking regions and other regions, countries and other countries.

The economic difficulties caused by the pandemic in importing countries such as Comoros constitute a great risk for Comorian trade. The consequences are apparent: price hikes, scarcity of essential products, extortion of the commercial chain. Inflation is unmistakable with falling incomes, Comorians are finding it difficult to fill their household baskets.

I.3 Impact on the social economy

Many of the families have lost loved ones. Some heads of household have lost their jobs or have been laid off. The country is affected by a social blockade such as the cessation of socio-cultural and religious festivities, social insecurity and the decrease in the level of business activities. The fear of the appearance of new variants of the pandemic does not reassure anyone.

Different measures have been taken by the governments of the countries affected by the sanitary crisis, ranging from the generalized confinement of the populations, to the closure of schools

and companies, and to the technical or permanent unemployment of some employees in the public and private sectors.

II. JOB LOSSES AND IMPACT ON HOUSEHOLD INCOME

Some companies have made a structural adjustment, resulting in the loss of salary scales, suspension of social security contributions, and suspension of salary bonuses.

For Comorian society, a large part of their assets depend on money transfers from the diaspora. This phenomenon has had a positive impact on the beneficiaries in Comoros, but a negative impact on Comorians abroad, who were forced to draw on their savings to help their families.

In addition, the Central Bank of the Comoros shows that the inflow of funds from the Comorian diaspora, mainly established in France, is 102.5 billion CFA francs in 2020 against 88.3 billion CFA francs in 2019. The consequences on the social economy have collapsed, as taxpayers have lost credibility in a short period of time if we refer to the work of Miss Maimouna Msaidie Ali and Kamaria M'madi Abdou in the context of their defenses of the DUT dated October 2021.

II.1 Impact of trade on the country's economy

The confusion of world trade circuits and the economic difficulties caused by the pandemic in importing countries constitute a great risk for the exports of the Union of Comoros, which could see the quantities ordered and the prices of its cash crops fall drastically, especially since Europe and India, the main export areas for these products, are among the regions most affected by this pandemic.

II.2 The impact on education

All over the world, education is heavily impacted by the pandemic. Considered as potential sites of massive contamination, schools are subject to extreme restrictions or simply closed in some countries.

In Comoros, the authorities have extended the current school vacations until June 30, 2020 as a precautionary measure. But it is conceivable that the government had extended the vacation period for an indefinite period depending on the evolution of the epidemic. The question then arises whether the schooling of children for the current

and next academic year are valid in a context where the authorities often talk about all measures being taken to fight the pandemic while we find rooms crowded with students and pupils without spacing or masks and others.

The challenge is to imagine innovative solutions that would allow children to be able to validate the school year without compromising the anti-viral prevention policy.

II.3 Effects of COVID-19 in the Comorian financial system

The effects are everywhere and visible in the Comorian financial system. Take the case of the Development Bank of the Comoros. There has been a decrease in activities related to loans, account openings, and so on. Customers are making more withdrawals than deposits. Several loans are in arrears. Only remittances have increased by about 3% according to the same sources. At the national level, no sector has been spared, everything is under threat and the recovery is not going well.

III. EFFECTS ON AGRICULTURE

For agriculture, our raw materials composed by cash crops (vanilla, cloves, ylang-ylang ...), have suffered the full force of the crisis, and as a whole, it contributes to the Comorian economy (46% of GDP, 57% of jobs and almost all export earnings), begins to feel the blows of the health crisis. With this situation, the banks have recorded unpaid debts over the past two years in connection with the financing of the vanilla campaign and direct debits for agricultural receipts.

Cloves have lost half of their value before Covid 19. Ylang-ylang is hardly sold at all. It lost more than 60% of its value before Covid. Only BERNARDI has a monopoly on buying essential oil in the Comoros, with a derisory price, according to the sellers.

III.1 Effects on tourism

A growing sector has experienced an unprecedented drop in revenue in recent years. Restrictive measures have led to the suspension of the movement of goods and people around the world and mean that banks are not benefiting from foreign currency exchange by tourists and the consumption of local products.

III.2 Effects on health

The Comorian health system is characterized by the absence of hospitals that meet standards. Hospital logistics are inadequate and pharmaceutical products are becoming increasingly expensive and scarce. Patients refuse to attend health facilities for fear of being declared carriers of the virus.

Today, the health system deserves to be financially supported. The capacity and quality of care in public health facilities is poor, especially with the demolition of the country's national referral hospital based in Moroni, El Maarouf, under reconstruction.

III.3 Effects on prices

For prices in the primary, secondary and tertiary sectors, the passage of COVID-19 has caused a considerable increase. This phenomenon has led to losses in revenue, which in turn has affected Comorian banks, resulting in a significant decrease in savings and a reduction in the demand for credit.

Over the past five years, the inflation rate has been increasing and the pandemic has made matters worse, resulting in a further deterioration of the household basket. After reaching 3.7 percent in 2019, average inflation measured by the change in the Harmonized Index of Consumer Prices (HICP) weakened significantly in 2020, coming in at 0.9 percent, an annual rate that is well below the community norm (< or =3 percent for CMAF and COMESA countries) and is expected to increase in 2020.

This deceleration is essentially explained by the decline in food prices due to the combined effect of an increase in the supply of agricultural products and a decrease in demand from hotels, restaurants and the diaspora.

Second, prices for health services continued to rise, as they had begun to do in the second quarter of 2020, due to strong demand for medicines and hospitalization services. Almost all basic necessities such as bread, flour, matches, chicken wings, imported meat, and local fish, among others, have seen their prices soar.

CONCLUSION

Comoros has suffered the full effects of the covid 19 and the state seems powerless to avoid the worst.

The observation is simple, because the barrier measures accompanied by other socio-political situations have led the country to drift. The negligence of the population to the barrier measures, the daily police brutality, the mismanagement of the state and the corruption has caused much more damage within the Comorian society. We believe that the Comorian State seems to be resigning from its regalian functions, i.e., to feed and care for its population, to guarantee the security of people and property, to ensure the rights and fundamental freedoms to its citizens, etc.

The BDC has been affected, but never fallen, it has been able to support its clients by ensuring their operations, granting credit to the needy and containing the spread by its own means.