



Effects of COVID-19 on Household Welfare in Benin: A Microsimulation Approach

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November 2023 / AHCV-PB-002

Context of the study

- The World experienced an unprecedented health shock, that of the COVID-19 pandemic in 2019.
- The COVID-19 was the most important pandemic in this last two decades, overpassing the number of infections of Zika virus in 2016, Ebola virus in 2014, MERS-CoV in 2012, H1N1 virus in 2009, and SARS virus in 2003.
- The Benin's government undertook restriction measures to combat the spread of the pandemic, notably closure of land borders, prohibition of

public gatherings, the closure of commercial centres, and the systematic wearing of masks.

- These policy responses led to many economic and social consequences such as unemployment, health expenses, and poverty.
- The effects of Covid-19 were heterogeneous across households.
- Targeted social programs need to be implemented to cope with the detrimental effects of Covid-19.

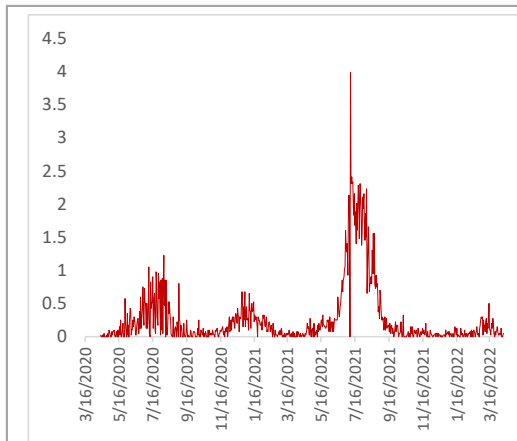
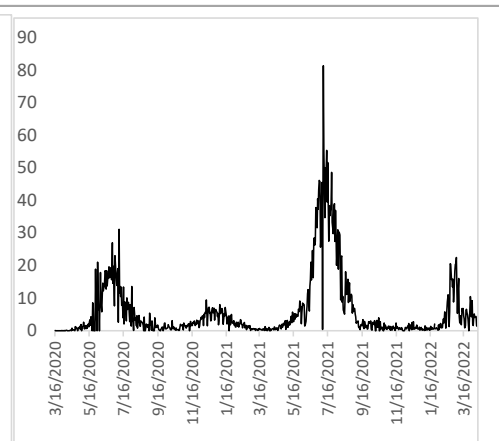
Background and statement of the problem

Benin recorded the first confirmed case of COVID-19 on March 16, 2020 and the first death was recorded on April 6, 2020.

The evolution of the pandemic was characterised by two waves: the first wave started by a rapidly growth of the number of infections and deaths during May to September 2020 before slowing down. The second wave spanned from June to August 2021, where both the number of new cases and deaths increased more than in the first wave.

The Benin's government responses to contain the spread of the pandemic were, but not limited to the closure of land borders, the closure of schools, the prohibition of public gatherings, restrictions on public transportation, the closure of restaurants and bars, systematic wearing of masks and hand disinfection. The COVID-19 testing convenient was made at a cost of 45 USD and the COVID-19 testing or vaccination was mandatory to access all public services on September 13, 2021.

All these policy responses to contain the pandemic may have many economic and social implications. We use a microsimulation approach to determine the effects of the pandemic on the households' income and health expenditures. This policy brief presents the main findings and highlights some lessons for policy.

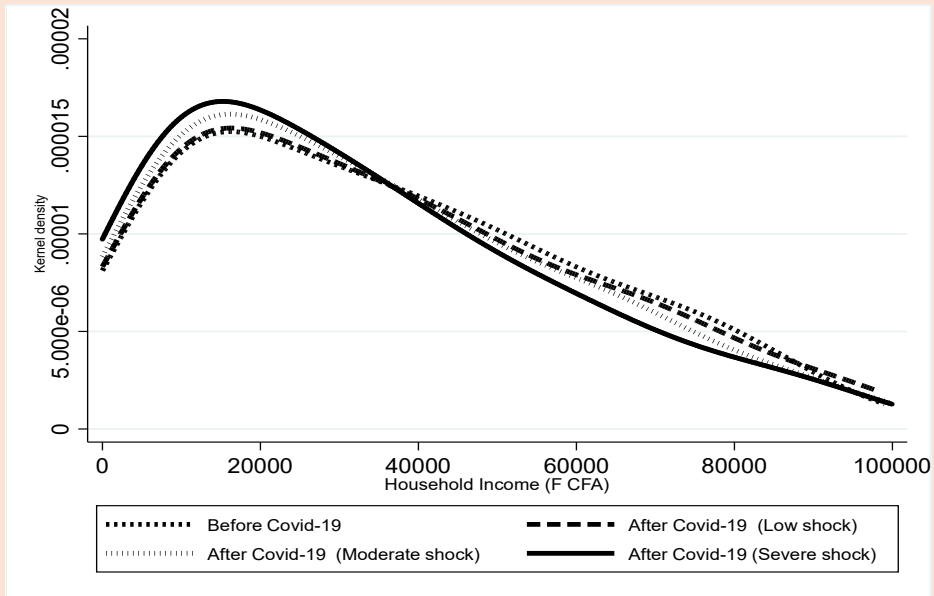
Figure 1: New confirmed cases per million in Benin**Figure 2: Deaths per million of the population in Benin**

Source: authors. based on Johns Hopkins University CSSE COVID-19 data. 2022

Results and implications

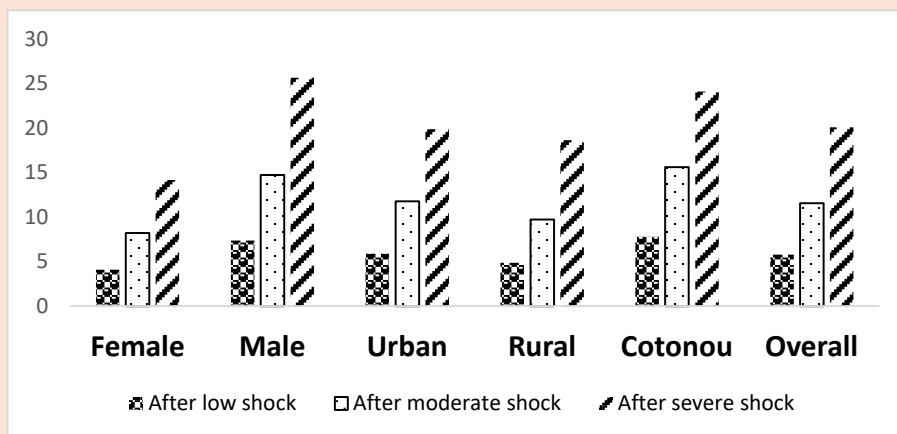
Key findings

COVID-19 led to a shrinkage in income with greater effects among poorest households.



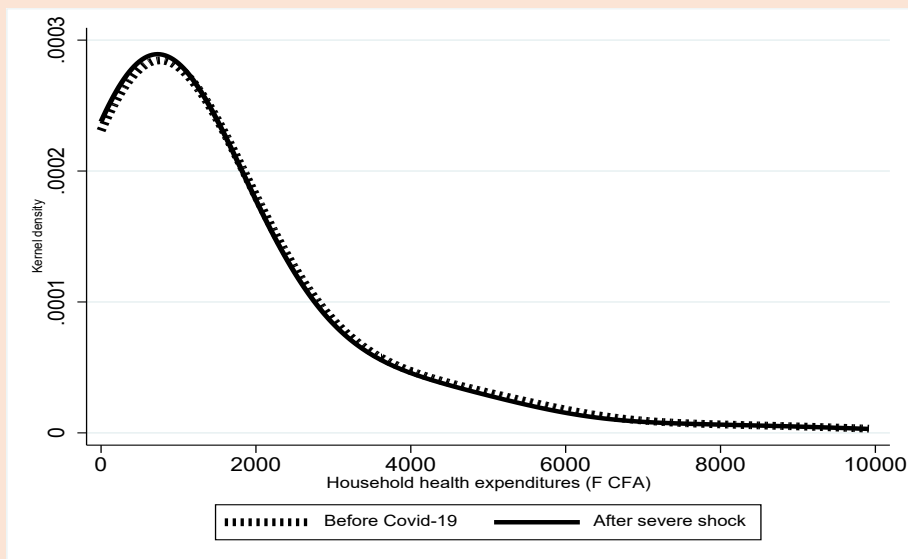
Source: authors, 2023

COVID-19 led to a shrinkage in income with greater effects among urban residents and men-led households.



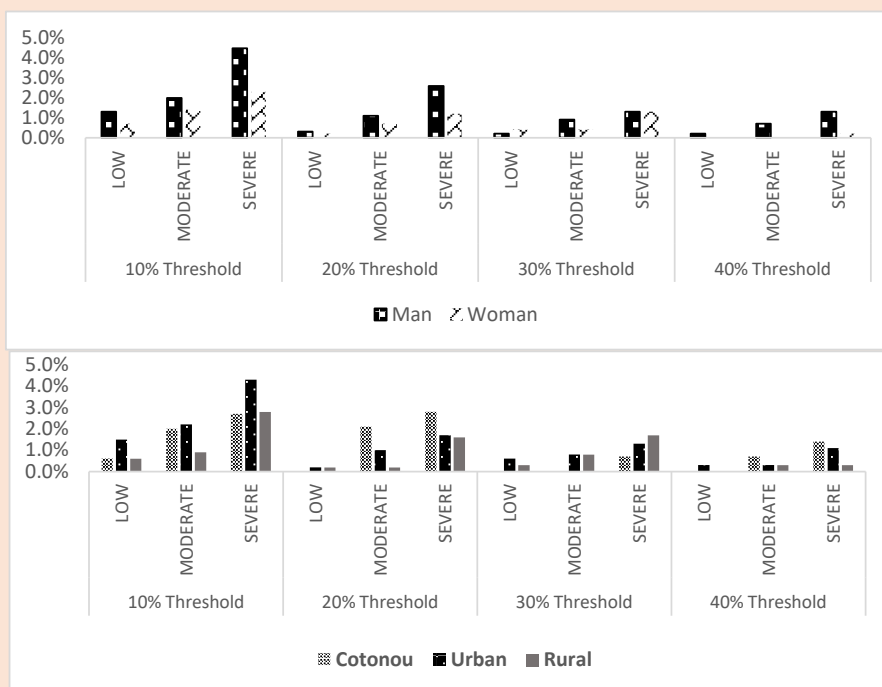
Source: authors, 2023

COVID-19 led to catastrophic health expenditures with greater effects among poorest households.



Source: authors, 2023

COVID-19 led to catastrophic health expenditures with greater effects among urban residents and men-led households.



Source: authors, 2023

Policy recommendations

Two policy recommendations emerge from the findings:

- The government need to target the poorest households led by men, and urban residents for health coverage programmes to address the vulnerability of households to health crises. Though the Benin's government, with the support of organizations like the WHO, has been working towards expanding health coverage and implementing measures to improve access to healthcare for the most vulnerable populations, it is crucial to focus on both the supply and demand sides when formulating health policies. According to the 2018 demographic and health surveys report, only 1.2% of the population in Benin had access to health coverage, while 38.5% lived below the monetary poverty line. This data emphasizes that even in the absence of health pandemics, a significant portion of the population faces difficulties in accessing health due to financial constraints. United Nations organizations such as the World Health Organization (WHO), civil society, and local and foreign private sectors could play a core role in supporting governments to design and mobilize sustainable financing.
- The Benin government need to design social policies aimed at reducing employment vulnerability among the population, notably for urban residents, poorest households led by men. The private sector could be the core partner in improving job vulnerability. The parliament needs to support government in reforming the labour code. The COVID-19 pandemic has led to income loss, disproportionately affecting lower-income quintiles. While the Benin National Institute of Statistics and Demography reported an unemployment rate of about 2% in 2018, with a high rate of vulnerable employment at 84.1%, it is worth suggesting that the government addresses this issue. In addition to targeted health coverage policies and reducing employment vulnerability, it is essential to design targeted cash transfer programs to reduce the vulnerability of the poorest households when pandemic occurred.



Mission

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