



## **YOUTH INCLUSION AS A VACCINE AGAINST THE ECONOMIC EFFECTS OF PANDEMICS:**

# THE CALL FOR YOUTH INCLUSION IN **COVID-19** STIMULUS PACKAGES

### **EXECUTIVE SUMMARY**

Even during times of calamity, the youth in Zimbabwe continue to be marginalised and segregated against. The COVID-19 pandemic had the effect of crippling struggling youth-owned businesses and attempts to irk out a livelihood. Being the largest demographic group in the country, it is natural that the major effects of COVID-19 restrictions would be felt amongst this group. However, the youth were not explicitly considered for bailout provisions under the healthy COVID-19 Stimulus Package. The effect of

this is simple. If the largest demographic group struggles to get back on its feet economically, then the whole nation struggles too.

### **INTRODUCTION**

COVID-19 has pushed global economies into an unprecedented recession<sup>1</sup>. In the face of the pandemic, countries resorted to issuing massive stimulus packages as a form of bailouts for individuals, businesses and economic sectors. For example, France announced a 334 billion Euro package whilst Germany and England announced

13.38 and 37 billion Euro stimulus packages respectively. Zimbabwe also announced a ZWL18 billion Economic Recovery and Stimulus Package aimed at providing relief to individuals whose businesses had been affected by the pandemic. What is crucial to note is that the most vulnerable group being the youth have been summarily neglected in accessing the ZWL\$18 billion Economic Recovery and Stimulus Package bailout package.

It must be acknowledged that the government availed a ZWL17 million Youth Relief Fund. However, one must note that the ZWL 17 million Youth Relief Fund did little to satisfy the needs of the youth. This is because the funds were to be divided among the 10 provinces which comprise of 59 districts and 1200 wards. The ZWL 17 million package was meant to be divided amongst 1200 wards with each ward getting just about ZWL 14 167. The reason for dividing the ZWL 17 million package by the number of wards is because there is no data on the number of youths in each ward except that youth constitute over 67.7%<sup>2</sup> of the entire population. With the meagre amount of

ZWL 17 million under the Youth Relief Fund, it was imperative that the youth had to be included in the wider ZWL 18 billion Economic Recovery and Stimulus Package bailout package to aid the recuperation of youth-owned businesses and savings. The World Bank notes that youths across the nation have been forced into the informal sector as a survival strategy<sup>3</sup>. The lockdown coupled with the 6pm curfew greatly affected the informal sector as businesses had to close around 3 pm for everyone to be out of town by 6 pm. Taking this into consideration, the youth dominated informal economy is the most affected sector and the government should not neglect it as it contributes positively to the Gross Domestic Product of the country.

### POLICY IMPLICATIONS AND RECOMMENDATIONS

The current policy in terms of Bailout Stimulus Packages seems to favour a sectoral approach at the expense of a group centred approach. The Ministry of Finance and Economic Development tabled a sectoral package as depicted below:

### Summary of the Covid-19 Economic Recovery and Stimulus Package

Agriculture Sector Support ZWL\$6.08 billion	ZWL\$6.08 billion
Working Capital Fund ZWL\$3.02 billion	ZWL\$3.02 billion
Mining Sector Fund ZWL \$1.00 billion	ZWL \$1.00 billion
SME Support Fund ZWL \$0.50 billion	ZWL \$0.50 billion
Tourism Support Fund ZWL \$0.50 billion	ZWL \$0.50 billion
Arts Sector Fund ZWL \$0.020billion	ZWL \$0.020billion
Liquidity Release from ZWL \$2.00 billion	ZWL \$2.00 billion
Statutory Reserves Health Sector Support Fund ZWL \$1.00 billion	ZWL \$1.00 billion
Broad Relief Measures ZWL \$1.50 billion	ZWL \$1.50 billion
Food Grant ZWL \$2.40 billion	ZWL \$2.40 billion
Total ZWL \$18.02 billion	ZWL \$18.02 billion
0/o of GDP 9°/o	0/o of GDP 9°/o

Source: Government of Zimbabwe, 2020

<sup>1</sup> Delivorias, A & Scholz, N. 2020. The economic impact of epidemics and pandemics, European Union Parliamentary Research Services.

<sup>2</sup> Zimbabwe Human Rights Commission 2017 Report.

<sup>3</sup> World Bank (2014) Human Development Report, Washington DC, World Bank

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The danger with continuing with such a policy direction is that the most vulnerable groups who need the bailout more than others are simply camouflaged in the rhetoric of huge figures and blanket sectoral allocations of funds. Hence, in a bid to ensure that the youth are included and involved in future bailout packages and get to benefit decisively from them, a new group centred approach to the distribution of such funds has to be initiated. To ensure a shift towards this revised policy focus the following policy recommendations are proffered:

- The Ministry of Youth, Sports, Art and Recreation and The Ministry of Finance and Economic Development must always undertake a youth-centric analysis of the effects of pandemics on the welfare and wellbeing of the youth before crafting the distribution modalities of funds under stimulus packages.
- The Ministry of Finance and Economic Development must adopt a group focused approach in the distribution of funds under Stimulus Packages based on the anticipated impact the effects of pandemics might have on various groups in society.
- The Ministry of Youth, Sports, Art and Recreation must ensure that there is a law that obliges the Ministry of Finance and Economic Development to consult the youth before the finalisation and publication of national policies, strategies and funds disbursements.

- The Ministry of Youth, Sports, Art and Recreation and the Ministry of Finance and Economic Development should set up a youth-centred emergency fund aimed at cushioning the youth in times of calamity. Such a fund can be fed through a special Youth Emergency Tax to be paid by all citizens in the country.

## CONCLUSION

The exclusion of youths in the ZWL\$18 billion Economic Recovery and Stimulus Package is not a new phenomenon. Youths across the nation have always been neglected in socio-economic policy initiatives. Only those who are politically connected are the ones who have been beneficiaries of government projects and programs. Youths constitute 67.7% of the entire population. Including youths in government programs will culminate in greater public participation. It is high time Zimbabweans witness a paradigm shift from pseudo-youth engagement to true participation of the youth in national economic governance.

