



**University of Nairobi**

INSTITUTE OF DIPLOMACY AND INTERNATIONAL STUDIES

MA RESEARCH PROJECT:

ASSESSING THE EFFECTS OF COVID-19 ON AFRICA'S ECONOMIC SECURITY, A CASE STUDY OF

KENYA'S HOSPITALITY AND TOURISM SECTORS

BY:

APAKAH OKOTH OSCAR-R51/33345/2019

A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE

AWARD OF MASTER OF ARTS DEGREE IN DIPLOMACY

2021


### DECLARATION

This research project is my original work and has not been presented for the award of a degree in any other university.

Name: Apakah Okoth Oscar

Signature:  Date 25/11/2021

This research project has been submitted for examination with my approval as a university supervisor.

Signature: 

Dr. Anita Kiamba

Date 25<sup>th</sup>/11/2021

## **DEDICATION**

I dedicate this proposal to my mother Joyce Kerebi Monayo, my father Charles Abuto and my three little angels; J, Lisa and Tiro; who I miss so much. Sincere dedication goes to my good friend Charles Owenga.

To all individuals who endured the suffering, the pain of losing loved ones and the other challenges brought about by the Pandemic, I urge you to stay strong, and to continue fighting and never relent because we can defeat the virus.

## **ACKNOWLEDGEMENT**

To begin with, I am grateful to almighty God for the ability to pursue my studies. Secondly, I recognize and appreciate the appreciable council and support of my Supervisor Dr. Anita Kiamba, She has dedicated her time to in guiding me through this research process, equipping me with skills which shall be essential to my studies at this level as well as advanced future level ; My gratitude goes out to my colleagues for their support at work especially when I needed to pay attention to my studies during work time. I also appreciate the support and motivations I received from my best friend Vidah Otieno. Finally, I thank my family and friends for their support.

## **ABSTRACT**

COVID-19 has caused unprecedented challenges to the entire world, at the onset of the Pandemic, communities across the world began to experience the hurdles, ranging from health to other social and economic needs. In fighting the Pandemic, the governments of different countries adopted various strategies and policies including total and partial lockdown, introduction of curfews, closing of borders, restrictions on transportation, limitations on the number of passengers per transit, closing down of restaurants, bars and other entertainment joints, restrictions on gatherings including the number of people to attend church or social events. All these restrictions saw the usual lifestyles of the people change. The pandemic has posed numerous challenges on the economic security of communities across the globe, at higher risk are those who live and work in informal sectors, it has spared no one including women and children, the poor and the people living with disabilities. Restrictions on travels and movements across borders, caused a decrease in the activities within the tourism and hospitality sector, consequently leading to loss of income, increased unemployment rates and eventually on the standards of living of the African population. This research purposes to Assess the impact of the Pandemic on the Economic security of Africa, a case study of Kenya's Hospitality and Tourism sectors, It looks at how COVID-19 has affected the Economic Security Of Africa, the impact of the pandemic on Kenya's tourism and hospitality sectors and the impact of the Pandemic on the employment rates within Kenya's tourism and hospitality sectors and how this affects the standards of living of the People. The study also keenly explores how available policies can be keenly implemented towards post-Covid Economic Recovery. It applied Keynes theory of economic growth and adopted a mixed method approach through the use of both quantitative and qualitative data. The study relied on both primary and secondary data.

## TABLE OF CONTENTS

DECLARATION	2
DEDICATION	3
ACKNOWLEDGEMENT	4
ABSTRACT	5
TABLE OF CONTENTS	6
ACRONYMS AND ABBREVIATIONS	10
TABLES AND FIGURES	10
CHAPTER ONE	1
INTRODUCTION AND BACKGROUND OF THE STUDY	1
Introduction	1
1.1 Background of the Study	2
1.2 Statement of the Research Problem	6
1.3 The Research Questions	7
1.4 OBJECTIVES OF THE STUDY	7
1.5 Literature Review	7
1.5.1 The Economic Security of Africa	8
1.5.2 The Gross Domestic Product	11
1.5.3 Hospitality Industry amid COVID-19	14
1.5.4 Unemployment amid COVID-19	18
1.5.4 Poverty and Inequality	20
1.5.6 Gaps in the Literature	30
1.6 Hypotheses of the Study	22
1.7 Justification of the Study	31
1.7.1 Academic Justification	22
1.7.2 Policy Justification	32
1.8 Theoretical Framework	23

1.9 Scope and Limitation of the Study	37
1.10 Research Methodology	43
1.10.1 Research Design	47
1.10.2 Research site	48
1.10.3 Target Population	48
1.10.4 Research Sample size	53
1.10.5 Data Collection	55
1.10.6 Data Analysis	58
1.11 Chapter Outline	30
Chapter 1 – Introduction	61
Chapter 2 – Keynesianism and Economic Security	62
Chapter 3 –Kenya’s Hospitality and Tourism Sectors amid COVID-19	63
Chapter 4 – Data Collection and Analysis	64
Chapter 5 – Summary Conclusion and Recommendations	31
CHAPTER TWO	32
KEYNESIANISM AND ECONOMIC SECURITY	32
2.0 Introduction	32
2.1 Economic Security	32
2.2 Keynesian Theory	33
2.3 Demand and Living Standards	35
2.4 Inflation	36
2.4 Unemployment	38
2.6 The GDP and Economic Welfare	40
2.7 Debts and Consequences of Debts	41
2.8 Economic Development and Growth	43
2.9 Kenyan Situation during COVID-19	74
2.10 Conclusions	47
CHAPTER THREE	48

KENYA’S TOURISM AND HOSPITALITY SECTORS AMID COVID-19	48
3.0 Introduction	48
3.1 The Tourism Sector Pre-COVID-19	48
3.2 Tourism and Hospitality Sector amid Pandemic	49
3.3 Restriction on Movements	52
3.4 Demand for Hospitality Services and Goods	53
3.5 Employment Sector	54
3.6 Effect of the Pandemic on new opportunities, innovations and investments	56
3.7 The Standard of living of the People	57
3.8 Increased Cost of Living	58
3.9 Food Security	60
3.10 Conclusions	61
CHAPTER 4	62
DATA COLLECTION AND ANALYSIS	62
4.0 Introduction	62
4.1 Response Rates	62
4.2 Sample Demographics	62
4.3 Age of the Respondents	63
4.4 Respondent Occupation	64
4.5 Effects of COVID-19 on ability to cover essential needs	65
4.6 Effects of the Pandemic on Financial Goals	66
4.7 Most Disastrous effects of COVID-19	68
4.8 Hotel and Restaurants Closure	69
4.9 Effects of Covid on local and international Travel	69
4.10 Effects on Hotel Food consumption and job losses during covid-19	70
4.11 Effects of COVID-19 on Employment in the hospitality sector	71
4.12 Effect of the Pandemic on the Standard of living	72
4.13 Actions taken by the government of Kenya has done to fight the Pandemic	72
4.14 Recommendations on what more can be done	73



4.15 Conclusion	73
CHAPTER FIVE	74
SUMMARY CONCLUSIONS AND RECOMMENDATIONS	74
5.0 Introduction	74
5.1 Summary	74
5.2 Conclusion	77
5.3 Recommendations	78
5.3.1 Recommendation for Further Research	78
BIBLIOGRAPHY	80
APPENDICES	88
Appendix 1: Letter of Transmittal	88
Appendix 2: Questionnaire and Research Guide	89
Appendix 3:Data Collection Authority	94

## **ACRONYMS AND ABBREVIATIONS**

COVID-Coronavirus Disease

GDP-Gross Domestic Product

IFAD-International Fund for Agricultural Development

MERS-Middle East Outbreaks

SARS-Severe Acute Respiratory Syndrome

UNECA-United Nations Economic Commission for Africa

UNWTO-United Nation World Tourism Organization

WHO-World Health Organization

WTO-World Trade Organization

WTTC-World Travel and Tourism Council

## **TABLES AND FIGURES**

Figure 1: Africa's extreme poverty rates, 2018–21

Figure 2: Percentage change in the number of tourist arrivals

Figure 3: Depth of Recession: Africa and Other Regions 2018-2021

Figure 4: Confirmed COVID-19 cases by March 2020

Table 4.1: Sample Demographics

Graph 4.1: Age of the respondents Table 4.2 Respondents occupation

Table 4.3: Effects of COVID-19 on Ability to cover essential needs.

Table 4.4: Effects of the pandemic on Financial Goals and most disastrous effects in Kenya

Table 4.5: Hotel and Restaurant Closure

Table 4.6: Effects of COVID-19 on local and international Travel

Table 4.7: Effects of Lockdown policies on hotel food consumptions

Table 4.8: Job loss during COVID-19

Table 4.9: Effects of the Pandemic on Employment in the hospitality sector

Table 4.10: Actions by the government in fight of the Pandemic

## CHAPTER ONE

### INTRODUCTION AND BACKGROUND OF THE STUDY

#### 1.0 Introduction

The 2019 novel Coronavirus pandemic also referred to as COVID-19 that was first reported in Wuhan, China and spread across the entire globe becoming a pandemic with a magnitude that cannot be underestimated, a virus that the world had neither anticipated nor experienced.<sup>1</sup> No nation across the globe was spared. The attention of each nation was diverted towards health and life saving at the expense of other sectors. Many fabrics of lives were torn, businesses closed down. It has various challenges to the global health, global economy, as well as economic security of the people. The Virus has had vast consequences on the economic security of Africa. With the various governments putting up key essential measures towards saving the lives of the people by curbing the spread of the pandemic, including total and partial lockdowns, leading to closure of businesses partially. Other measures included closure of schools, social and entertainment sectors, tourism industries, transport across borders among others. These desperate measures which have been adopted by most nations across the globe caused a gradual decline in the economic growth of most countries across the globe. As the spread of the Virus increased, the ability of the people to meet their needs sustainably began to face challenges with the most vulnerable being those who live and work in informal settlements.<sup>2</sup>

---

<sup>1</sup>Balasubramanian, M. *Covid 19-The new age pandemic*. Notion Press, 2020.

<sup>2</sup>Hamann, Ralph, Judy N. Muthuri, Ijeoma Nwagwu, Neeveditah Pariag-Maraye, Wendy Chamberlin, Shivani Ghai, Kenneth Amaeshi, and Chris Ogbechie. "COVID-19 in Africa: contextualizing impacts, responses, and prospects." *Environment: Science and Policy for Sustainable Development* 62, no. 6 (2020), pg . 8-18.

## 1.1 Background of the Study

Pandemics are not a new issue when it comes to the history of human beings. The world has gone through various pandemics in the past. In the year 1918 there was an outbreak of the Spanish Influenza which claimed millions of lives. Diseases at the inception stage of the world included Maladies that brought a plague to humanity, with time, however, as transport, communication and trade advanced, the interactions of people sped up, leading to increased impacts of the epidemics such as smallpox, malaria, tuberculosis influenza and others that affected humanity during the early years<sup>3</sup>. The world has also faced H5N1 (Avian Flu), SARS-Cov (SARS). H1N1 (Swine Flu), Ebola among others<sup>4</sup>. It has been majorly recognized that in the 20th century there were three major pandemic, influenza or Spanish flu 1918-19: The Hong Kong Flu which occurred in 1968 and the Asian flu. The twenty-first century has so far been affected by four major Pandemics; in 2002 SARS, 2009 Bird Flu, Ebola and currently COVID-19<sup>5</sup>. Researchers such as Posner Richard depict that the more civilized human beings become, the more it has become inescapable for pandemic to occur.<sup>6</sup> The outbreaks of these pandemics had adverse effects on the transport, education and health sectors. There were also threats on humanity and human

---

<sup>3</sup>Zechner, Josef, Marco Pagano, and Christian Wagner. "Disaster resilience and asset prices." (2020).

<sup>4</sup>Sivasankarapillai, Vishnu Sankar, Akhilash M. Pillai, Abbas Rahdar, Anumol P. Sobha, Sabya Sachi Das, Athanasios C. Mitropoulos, Mahboobeh Heidari Mokarrar, and George Z. Kyzas. "On facing the SARS-CoV-2 (COVID-19) with a combination of nanomaterials and medicine: possible strategies and first challenges." *Nanomaterials* 10, no. 5 (2020), pg. 852.

<sup>6</sup>Posner, Richard A. *Catastrophe: risk and response*. Oxford University Press, 2004.

existence. Even though Pandemics are not new to mankind Covid 19 poses new challenges to the global community.

By around 31<sup>st</sup> December 2020 cases of unknown pneumonia like cases were reported in Wuhan, city of China. The patients presented symptoms such as diarrhea, fever, dry cough and bilateral infiltration of the lungs, all the initial cases had linkages to Wuhan's Seafood Wholesale Market, previously known for fish as well as poultry, bats and snakes.<sup>7</sup> Most of the Patients with COVID-19 develop symptoms like sore throat and fever as well as dry cough, these happened to be symptoms that had been linked to many other flu-like issues, making it difficult to tell with certainty unless a COVID-19 test is conducted. Other patients developed serious symptoms including organ issues and possibly death. Patients who had pre-existing conditions like diabetes, heart conditions, and previous organ transplant history were in greater danger.<sup>8</sup>

Covid-19 is a pandemic that will go down in history as a catastrophe that has caused the entire world to be on a stand still. The pandemic has had unfathomable impacts on every sector across the entire globe. The pandemic did not only pose challenges to the health sector but also to the economic sector and the economic security of the people, no sector was spared by it; be it tourism, transport, hospitality and employment sectors.<sup>9</sup> The pandemic being new to the global

---

<sup>7</sup>Ali, Imran, and Omar ML Alharbi. "COVID-19: Disease, management, treatment, and social impact." *Science of the total Environment* 728 (2020): 138861.

<sup>8</sup>Sohrabi, Catrin, Zaid Alsafi, Niamh O'Neill, Mehdi Khan, Ahmed Kerwan, Ahmed Al-Jabir, Christos Iosifidis, and Riaz Agha. "World Health Organization declares global emergency: A review of the 2019 novel coronavirus (COVID-19)." *International journal of surgery* 76 (2020): pg.71-76.

<sup>9</sup>Asante Antwi, Henry, Lulin Zhou, Xinglong Xu, and Tehzeeb Mustafa. "Beyond COVID-19 Pandemic: An Integrative Review of Global Health Crisis Influencing the Evolution and Practice of Corporate Social Responsibility." In *Healthcare*, vol. 9, no. 4, p. 453. Multidisciplinary Digital Publishing Institute, 2021.

community, brought about unprecedented challenges even as the world tried to understand its causes, effects as well as possible remedies.

Various catastrophes, including those classifiable as pandemics or otherwise have had a significant impact in Africa's Economic growth. Not to mention the great economic depression of the 1930 that had a global impact on the Economy including Africa's as well as the financial crisis of 2008-2009. However, the Virus has indeed put the world into a standstill with every continent and sector having to worry each day and night. The employment sector in Kenya, both formal and informal has been greatly affected with the hospitality sector having to send most of their employees packing.<sup>10</sup>The financial and banking sectors have equally had a significant decline in the business flows. Literally every sector has been hit by the pandemic. The Lockdowns and the curfew rules in Kenya have affected the businesses across counties as well as the hours of economic productivity. The Oil producing countries in Africa such as Nigeria have felt a significant decline in the demand for the golden products. Companies have had to shut down.

Kenya reported its first case of the virus on 13<sup>th</sup> March 2020 and within less than three weeks, precisely on 31<sup>st</sup> of March, the reported cases had increased to 59. By 14<sup>th</sup> of April 20 total number of confirmed cases were 148,128 with a death toll of 2,420 a figure that is rising in an exponential sequence. Kenya is following Ethiopia closely in the number of infections across East Africa.<sup>11</sup>The Kenyan government put certain standard measures to curb the spread, including

---

<sup>10</sup>Thomas, Kevin JA. *Global Epidemics, Local Implications: African Immigrants and the Ebola Crisis in Dallas*. Johns Hopkins University Press, 2019.

<sup>11</sup>Salyer, Stephanie J., Justin Maeda, Senga Sembuche, Yenew Kebede, Akhona Tshangela, Mohamed Moussif, Chikwe Ihekweazu et al. "The first and second waves of the COVID-19 pandemic in Africa: a cross-sectional study." *The Lancet* (2021).

social distancing, regular hand washing, and spacing within the public means of transport. Suspension on public gathering was affected and learning centers were shut down. Travel restrictions were issued. The government issued compulsory directives for each business owner including those in public transport to provide hand sanitizers and hand washing facilities. The government came up with measures, strategies and policies with intentions of helping curb the spread of the pandemic.<sup>12</sup>

Other African countries for example Ethiopia which is the second most populated African country, with a population of about 110 million has also been significantly affected in the region. The pandemic disrupted the supply chains, global demand weakened and this affected the imports of manufactured goods as well as raw materials. The Ethiopian economy also recorded a sharp rise in inflationary pressures as the prices of domestic food rose. Declined tourism as well as rise in levels of unemployment.<sup>13</sup> The economy of Uganda has also faced numerous challenges as a result of decline in tourism activities, disruption in supply chains and reduced economic activity due to national lockdowns.<sup>14</sup>

---

<sup>12</sup>Wango, G. M., Gidraph Wairire, and Charles Kimamo. "Patterns of Development of COVID-19 in Low- and Middle-Income Countries: Suggested Psychological Intervention Strategies." *IOSR Journal of Humanities and Social Science*, 25, 6: 52 65 (2020).

<sup>13</sup>Makumi, Gladys, Kevin Kimotho, and Tewodros Sisay. "Economic impact of the COVID-19 pandemic on East African economies." (2020).

<sup>14</sup>Kansiime, Monica K., Justice A. Tambo, Idah Mugambi, Mary Bundi, Augustine Kara, and Charles Owuor. "COVID-19 implications on household income and food security in Kenya and Uganda: Findings from a rapid assessment." *World development* 137 (2021): 105199.



## 1.2 Statement of the Research Problem

COVID-19 has negatively affected the economic development of African deteriorating the economic security of the people. The Virus affected numerous sectors including tourism and hospitality sector and employment sectors hence affecting the standards of living of the people who depend directly or indirectly in these sectors. Amid the pandemic, the ability of the people to sustain their needs comfortably and with dignity declined, those who live in informal sectors lost their jobs and begun finding it difficult to meet their daily needs. The productivity of Kenyan hospitality industry including tourism has declined. The rate of unemployment has been increasing with people losing jobs both in the formal and informal sectors. Being that the pandemic is unique to the world, the strategies and policies that have been adopted by most states have had minimal impact in helping deal with the virus and some have instead deteriorated the economic productivity of these various states.

As COVID-19 spread across the globe with almost every state recording new infections each day, the economy was greatly affected. The governments of various states had to come up with policies to curb the spread and protect its citizens.<sup>15</sup> Policies such as total and partial lockdowns, curfews, and ban of public gatherings have affected the economies that had been operating freely day and night. Kenyan government for instance issued directives towards closure of hotels and restaurants, except for take-away services, this has drastically affected many people who have been in those sectors for years. Most hotels have had to either retrench or send their

---

<sup>15</sup>Kraus, Sascha, Thomas Clauss, Matthias Breier, Johanna Gast, Alessandro Zardini, and Victor Tiberius. "The economics of COVID-19: initial empirical evidence on how family firms in five European countries cope with the corona crisis." *International Journal of Entrepreneurial Behavior & Research* (2020).

employees on unpaid leaves. With various industries having to shut down, unemployment has become inevitable and with the shutting down of international Markets, Kenyan coffee export has declined significantly.

### **1.3 The Research Questions**

- i. How Has COVID-19 Affected the Economic Security of Africa?
- ii. What is the impact of COVID-19 on Kenya's hospitality and tourism sector?
- iii. How has COVID-19 Affected employment in the tourism and Hospitality sector and consequently the standards of living in Kenya?

### **1.4 OBJECTIVES OF THE STUDY**

- i. To assess how COVID-19 has affected the Economic Security of Africa
- ii. To examine the impact of COVID-19 on Kenya's Hospitality and Tourism Sector
- iii. To examine how COVID-19 Affected employment in Kenya's tourism and Hospitality sector and consequently the standards of living in Kenya.

### **1.5 Literature Review**

The review of literature focuses on the Africa's economic security, the economic status of the hospitality sector during the COVID-19 Pandemic, The Gross domestic product and how it was shaken by the Virus, The employment amid COVID-19 and poverty. The review has been taken following the global economic stagnation due to the pandemic as the pandemic brought unprecedented challenges to the society. With the ability of the people to afford their various economic needs being affected significantly. The study focuses on the effects of the Pandemic on the Economic Security of Africa, a case study of Kenya's hospitality and Tourism sectors.

### 1.5.1 The Economic Security of Africa

According to Cormac, 2014 Economic security consists of conditions that protects the economy against external and internal dangers and ensures that people enjoy decent living.<sup>16</sup> The international Community of the Red Cross defines economic security as the ability of the people, the household and communities to attain essential needs without losing their dignity. The African Employment sector is largely informal, with over 80% of Africans lacking social protection. The magnitude of the effect of the Pandemic poses numerous economic security challenges to Africa.

De Groot and Charlotte Lemanski argue that some of the decisions by various governments worsened the conditions of life in the informal sectors. The decision by the South African Government as the Virus spread across the country initially allowed the operations of the formal food retail companies while prohibiting the operations of the informal food traders within the informal settlements. Although this decision was reversed after some weeks, it caused significant damages to the economic lives of the people.<sup>17</sup> The hardships that emanated from the decision were so severe to the traders who survive from hand to mouth and those who's source of livelihood; from health to food is based singly on the proceeds from their day to day sales. The decision by the government of South Africa to have relief support and redeemable vouchers distributed to formal retail stores affected the growth of the informal sectors which support the survival of many people.

---

<sup>16</sup>Cormac, R., 2014. Secret intelligence and economic security: The exploitation of a critical asset in an increasingly prominent sphere. *Intelligence and National Security*, 29(1), pp.99-121.

<sup>17</sup>De Groot, Jiska, and Charlotte Lemanski. "COVID-19 responses: infrastructure inequality and privileged capacity to transform everyday life in South Africa." *Environment and Urbanization* 33, no. 1 (2021): 255-272.

The government of Nigeria reduced tax to the companies that would not retrench their workers ,this would be effective in the formal sectors but provided no impact to those at higher risk who actually live and work in the informal sectors, constituting 65 percent of the employed population of about 25 million.<sup>18</sup>The economic activities of communities within Africa are pretty diverse. The government of Kenya for example reduced the tax base for various people within various sectors but only for a couple of months.

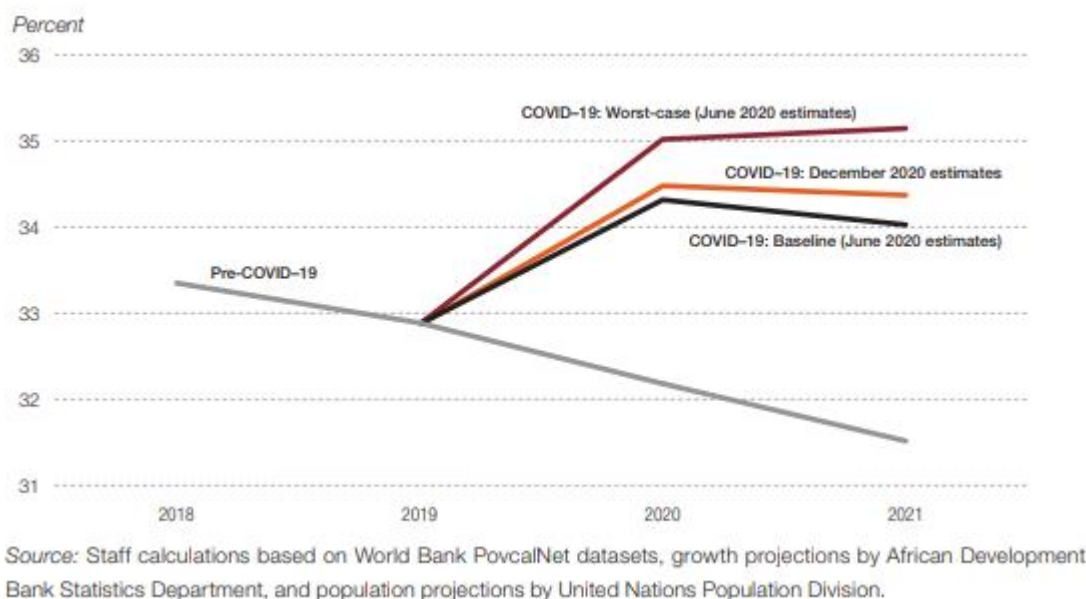
The shutting of schools and the shift to online learning presented numerous challenges to most public schools that did not have the capacity to adopt the online learning norm. This posed the challenge of inequality as most of those in public schools depended on informal jobs for survival and could not afford to transfer their children to private schools.<sup>19</sup>The increased loss of jobs in both informal and formal sectors created decline in the standards of living of the people as they could no longer afford their previous lifestyle, even festive like Christmas and New Year celebrations saw many people who were used to extravagant spending in the malls adopting home based celebrations that are usually affordable. The ability of the people to afford proper healthcare has also been affected as a majority are not able to afford. The African Development Bank reported a rise in the poverty levels in 2020 and shown by the graph below.

---

<sup>18</sup><https://www.hrw.org/news/2020/04/14/nigeria-protect-most-vulnerable-covid-19-response> access date 16/7/2021

<sup>19</sup>Simamora, Roy Martin. "The Challenges of online learning during the COVID-19 pandemic: An essay analysis of performing arts education students." *Studies in Learning and Teaching* 1, no. 2 (2020): 86-103.

Figure 1.1: Africa's poverty rates, 2018–21



The Pandemic led to increased poverty causing the economic security of the people of Africa which implies their ability to achieve sustainable life and dignity to dwindle. There has been a disproportionate impact of those who live and work in informal sectors being at higher economic risks within the society.<sup>20</sup> Most governments of the African Countries lack the fiscal capability that is essential in helping mitigate the dangers of the COVID-19. Some have had to resolve to borrowing; which eventually would increase the debt burden that the people have to deal with in the long run.<sup>21</sup>

<sup>20</sup>Laborde, David, Will Martin, and Rob Vos. "Poverty and food insecurity could grow dramatically as COVID-19 spreads." *International Food Policy Research Institute (IFPRI), Washington, DC* (2020).

<sup>21</sup>Gentilini, Ugo, Mohamed Almenfi, Ian Orton, and Pamela Dale. "Social protection and jobs responses to COVID-19." (2020).

### 1.5.2 The Gross Domestic Product

Gross Domestic product means the value of all the goods and services that are produced within the borders of a country at a given time.<sup>22</sup> The negative impacts of the pandemic on the economy of the world caused a decline in the demands for the primary products such as raw materials exported by Africa hence threatening the growth of GDP.<sup>23</sup>The gross domestic product GDP of a state is a key Instrument in measuring how healthy a country's economy is,<sup>24</sup>It is the measure of the total output of the economy of a country, it measures economic growth and it is one of the determiners of the standards of living of the people. Economic growth is the sustainable rise in the average national output within a long time.<sup>25</sup>

Kenyan economy has had a positive GDP trend of about 5.7% in 2015 to a GDP growth of 6.4% in 2018.The government came up with policies and restrictions taken with intentions of containing the virus. The measures have significantly affected the productivity of various economic sectors. The pandemic has had major consequences in the global economy, with a recording of significant decline in the global GDP in the year 2020.<sup>26</sup> COVID-19not only threatens health and lives but triggers a long lasting economic change.<sup>27</sup>COVID-19 caused a major economic Shock. It has

---

<sup>22</sup>Callen, Tim. "Gross domestic product: An economy's all." *International Monetary Fund: Washington, DC, USA* (2012).

<sup>23</sup>Arieff, Alexis. *Global economic crisis: Impact on sub-Saharan Africa and global policy responses*. Diane Publishing, 2010.

<sup>24</sup>Antipa, Pamfili, Karim Barhoumi, Véronique Brunhes-Lesage, and Olivier Darné. "Nowcasting German GDP: A comparison of bridge and factor models." *Journal of Policy Modeling* 34, no. 6 (2012): 864-878.

<sup>25</sup>Nyoni, Thabani, and Wellington Garikai Bonga. "What determines economic growth in Nigeria?" *Dynamic Research Journals (DRJ) Journal of Business & Management* 1, no. 1 (2018): 37-47.

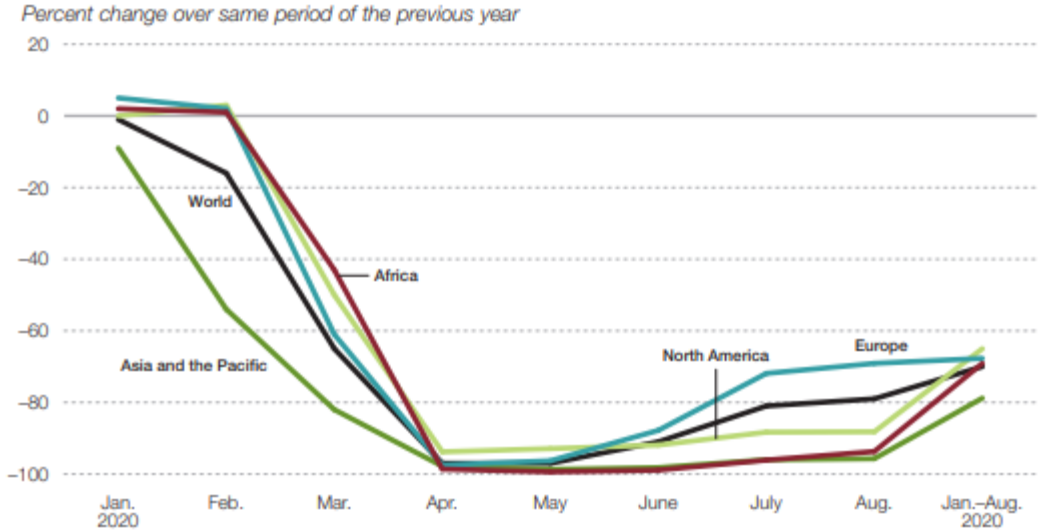
<sup>26</sup>Coven, Joshua, and Arpit Gupta. "Disparities in mobility responses to covid-19." *New York University* (2020).

<sup>27</sup>Mohamed, Abdiaziz Harun. "A Literature Review: The Impact of COVID-19 Pandemic on Somaliland Economy." *Open Journal of Social Sciences* 9, no. 2 (2021): pg.54-64.

caused massive effects on both small and large businesses.<sup>28</sup> In Somaliland about 25% of businesses had temporarily closed as soon as the first case was reported.

The economic productivity and security of Africa dwindled during the Pandemic and trade within the African economy has gradually and exponentially declined, with most economies expected to face recession in 2020. The African tourism sector for instance recorded decline in the arrival of visitors as shown by the figure 1.2 below.

Figure 1.2: Percentage of tourist arrivals



Note: Percentage change over same monthly variations, calculated over 2019–20.  
 Source: World Tourism Organization.

<sup>28</sup>Bartik, Alexander W., Marianne Bertrand, Zoë B. Cullen, Edward L. Glaeser, Michael Luca, and Christopher T. Stanton. *How are small businesses adjusting to COVID-19? Early evidence from a survey.* No. w26989. National Bureau of Economic Research, 2020.

There has been a decline in the Gross Domestic Product (GDP). The estimated possibility of loss of Revenue among the top 10 fuel exporting countries in Africa by about US\$113 billion caused by COVID-19 disruptions.<sup>29</sup>The economy of Africa faces a great risk, in 2020, the pandemic pushed about 30 million Africans into poverty with the lowly educated and those working in informal sectors being more affected.<sup>30</sup> According to African Development Bank group the GDP of Africa shrunk<sup>31</sup>Tourism dependent countries had declined. The macroeconomic fundamentals have been made weaker by the Pandemic, exchange rates experienced fluctuations, inflationary pressures rose, and financial flows were interrupted. The impact of COVID-19 on Africa was felt even before the first COVID-19 cases were reported in the continent as the Pandemic affected the trade connections globally. The rate of infections in Africa rose, deepening economic security challenges.<sup>32</sup>

---

<sup>29</sup>Andam, Kwaw S., Hyacinth Edeh, Victor Oboh, Karl Pauw, and James Thurlow. *Estimating the economic costs of COVID-19 in Nigeria*. Vol. 63. Intl Food Policy Res Inst, 2020.pg.5.

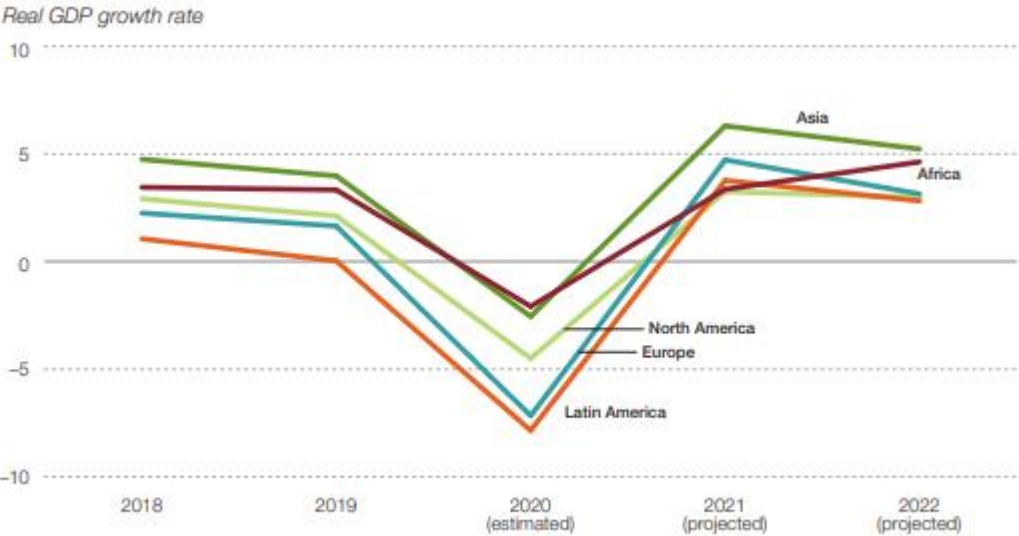
<sup>30</sup>Anyanwu, John C., and Adeleke O. Salami. "The impact of COVID-19 on African economies: An introduction." *African Development Review* 33, no. Suppl 1 (2021): S1.

<sup>31</sup> *ibid*

<sup>32</sup>Musa, Hassan H., Taha H. Musa, Idriss H. Musa, Ibrahim H. Musa, Alessia Ranciaro, and Michael C. Campbell. "Addressing Africa's pandemic puzzle: Perspectives on COVID-19 transmission and mortality in sub-Saharan Africa." *International journal of infectious diseases* 102 (2021), pg. 483-488.



Figure 1.3: Depth of Recession: Africa and Other Regions 2018-2021



Source: African Development Bank statistics and IMF World Economic Outlook database.

The figure shows a decline in the GDP growth across various regions amid COVID-19

**1.5.3 Hospitality Industry amid COVID-19**

The global community has had various critical responses to the COVID-19 situation that included; travel restrictions, most countries around the world have formed policies to facilitate partial or complete closing of their borders, and this has affected the hospitality industry pretty adversely. Millions have lost their jobs as hotels and recreational and tourism centers have had to shut down in fighting the Pandemic. The US reported a case of the Pandemic for the first time on January 20<sup>th</sup>, 2020 and by March 2020 the pandemic had already begun having unprecedented

consequences on the economy. There have been many uncertainties with regards to economic recoveries after the Pandemic and how long the recovery will take.

According to Gössling, pandemics in the past have had significant effects on tourism for example the outbreak of the Middle East Outbreaks (MERS) and the SARS. He suggests two angles of looking at the pandemic: firstly, based on the impacts that can be observed for example the lowering of the hotel rates of occupancy, the second angle is based on the revenue forecast estimation.<sup>33</sup>The world has had many various pandemics in the last four decades, however, none has had an impact on tourism as compared to COVID-19. As there has been a global spread of the Pandemic, a number of states have adopted closure of borders as a measure of helping prevent the spread, these measures have had significant effects on the travel of tourists across the borders. Various states laid restrictions on air transport and gave orders to its citizens to stay at home, this put restrictions on movement both locally and internationally. Some states lifted travel restrictions on movement from certain countries.<sup>34</sup>There has been a great struggle by the tourism industry in trying to comprehend the impact as well as in the development of strategic measures to enable them to remain in business.

By March 2020 the UNWTO released a report predicting a decline in tourist arrival to various states globally by 1-3% and by 26<sup>th</sup> March 2020. The prediction by The UNWTO had updates that the loss of international tourist arrivals had risen to between 20-30%, this calls for caution in the interpretation of the consequences of the pandemic on tourism. Airlines began to adopt social

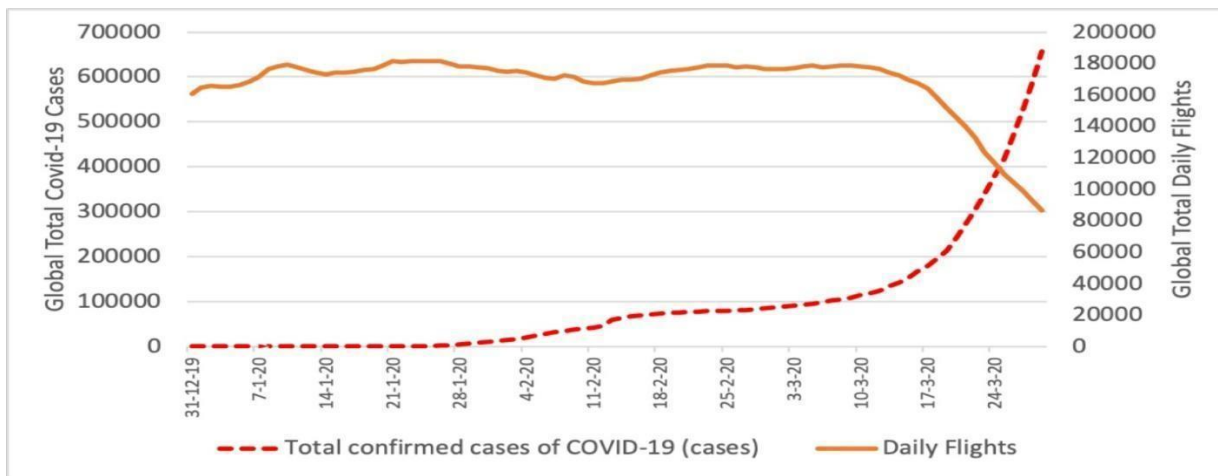
---

<sup>33</sup>Gössling, Stefan, Daniel Scott, and C. Michael Hall. "Pandemics, tourism and global change: a rapid assessment of COVID-19." *Journal of Sustainable Tourism* 29, no. 1 (2020): 1-20.

<sup>34</sup> Yu, Y.; Xu, S.; Li, G.; Kong, H. A systematic review of research on abusive supervision in hospitality and tourism. *Int. J. Contemp. Hosp. Manag.* 2020, 32, 2473–2496

distancing policies leading to a reduced capacity of the passengers. Some of the countries that had been hard hit initially were Italy, with most states laying restrictions on travels. With time other countries like the US had equally experienced a dramatic rise in the number of infections.<sup>35</sup>The worrying trend regarding the effect and the magnitude of the effects of the Pandemic caused tourists who were in various foreign countries to return home as businesses began to register decline in car rentals, hotel bookings and occupancy, tourist activities and recreational activities.

Figure 1.4: Confirmed COVID-19 cases by March 2020



Source: Daily global COVID-19 cases and global flights. *Data sources:* ECDC (2020), FlightRadar24 (2020).

The World Travel and Tourism Council (WTTC) latest report reveals that at least 75 covid-19 put 75 million workers at immediate job risk. According to WTTC there was an estimated loss in

<sup>35</sup>Gössling, Stefan, Daniel Scott, and C. Michael Hall. "Pandemics, tourism and global change: a rapid assessment of COVID-19." *Journal of Sustainable Tourism* 29, no. 1 (2020): pg.1-20.

revenue from travel tourism by about US\$ 2.1trillion.<sup>36</sup> COVID -19 shut the world economy almost overnight, The hospitality industry was faced with unprecedented challenges, various measures that were put in place to curb the spread for the pandemic including limitations of the restaurant operations only to take outs had adverse effects on the hotel business<sup>37</sup> Some of the strategies that had been meant to curb the spread of the Pandemic meant that people had to forego interactions as much as possible. With travel bans and restrictions on social gatherings, there have been limitations on both local and international tourist activities.

With reduction in income earned by the people, the majority preferred to eat at home than in the various restaurants. The number of both international and local guests who book and dine in restaurants declined significantly as the people who had prioritized hotels began to get alternatives which will limit interactions and take more control of what they eat. According to Gursoy, many individuals are not willing to eat in restaurants and many customers are reluctant to travel and stay in hotels. Other key areas that had previously had gatherings like the shores of lakes and oceans, parks among others have also had lesser gathering as compared to periods prior to the pandemic.<sup>38</sup> The survival of hotel industry has been heavily dependent on the business operations, this is because they have relatively high cost of operations and hence a high break-even point, this makes the survival of the industry heavily dependent on the proceeds of

---

<sup>36</sup>Škare, Marinko, Domingo Riberio Soriano, and Małgorzata Porada-Rochoń. "Impact of COVID-19 on the travel and tourism industry." *Technological Forecasting and Social Change* 163 (2021): 120469.

<sup>37</sup>Bartik, Alexander W., Marianne Bertrand, Zoë B. Cullen, Edward L. Glaeser, Michael Luca, and Christopher T. Stanton. *How are small businesses adjusting to COVID-19? Early evidence from a survey*. No. w26989. National Bureau of Economic Research, 2020. pg.4.

<sup>38</sup>Gursoy, Dogan, and Christina G. Chi. "Effects of COVID-19 pandemic on hospitality industry: review of the current situations and a research agenda." (2020): 527-529.

their operations and any situation that interferes with this operation causes adverse effects on the operations of this industry.

#### **1.5.4 Unemployment amid COVID-19**

Unemployment is a broad concept and a major issue in the economy of not only Africa but the entire globe. The types of unemployment according to scholars include, frictional, structural, cyclical seasonal among others.<sup>39</sup> The pandemic had a direct impact on the employment both to the youth and the aged with the youth being at higher risks, many have lost their jobs either permanently or sent on unpaid leave. The labor market activities have changed drastically with the spread of the pandemic that has affected not only Africa but the entire globe.

With the lockdown policies and the restriction on the operations of the various industries. Many have had to opt for other means of livelihood. Many people within Africa live and work in informal sectors, the COVID-19 spread has led to loss of jobs within the informal sectors due to reduced productivity as well as the need for social distancing. The hotels have had to close, and some have reduced the hours of operations and this has culminated in the rise in the number of jobs that have been lost and ultimately to the standards of living of the people.

In South Africa the lock down measures and the intermission of some economic activities lead to loss of jobs estimated to be between 2.2 and 2.8 million during the pandemic.<sup>40</sup> The pandemic offers a unique kind of effect since the suspensions of the various activities was done in anticipation that normal recoveries would be attained quickly and easily after the lockdown

---

<sup>39</sup>Kamau, Paul, Bethuel Kinyanjui, Akinyinka Akinyoade, and Catherine Mukoko. "Assessment of productive employment policies in Kenya." *ASC working paper* (2018).

<sup>40</sup>Posel, Dorrit, Adeola Oyenubi, and Umakrishnan Kollamparambil. "Job loss and mental health during the COVID-19 lockdown: Evidence from South Africa." *PloS one* 16, no. 3 (2021): e0249352.

policies have been eased, which is not yet the case.<sup>41</sup> Some people had their jobs furloughed and are not guaranteed resumption and the situation of the pandemic keeps taking the world into circles of waves.

According to Beland, COVID-19 has led to increased unemployment, as well as a decline in hours of work<sup>42</sup>. The pandemic has affected mostly the youth and the less educated, this is an indication that the negative impact of the Virus has caused an increase in the labor market inequalities. The jobs that required people to work close to each other were affected due to social distancing.

According to Fana et al, the portion of the population that is mostly affected by the Pandemic are the most vulnerable group which includes the people in the sectors that are informal, the self-employed and the temporary workers, the less educated and the workers who earn low wages.<sup>43</sup>

Palomino argues that the workers who are most vulnerable are those who worked in sectors that dealt with entertainment, tourism and hospitality as well as those in lowly productive service industries.<sup>44</sup> The tourism and hospitality industry has experienced large market shocks, as a result of the pandemic with the low wage occupations being highly vulnerable. The intensity of the impact of the pandemic is heavily dependent on the specialization area by that particular country. The States that have service activities that are less productive with low.<sup>45</sup>

---

<sup>41</sup> Ibid

<sup>42</sup> B eland, Louis-Philippe, Abel Brodeur, and Taylor Wright. "The short-term economic consequences of Covid-19: exposure to disease, remote work and government response." (2020).

<sup>43</sup> Fana, Marta, Sergio Torrej n P erez, and Enrique Fern andez-Mac as. "Employment impact of Covid-19 crisis: from short term effects to long term prospects." *Journal of Industrial and Business Economics* 47, no. 3 (2020): 391-410.

<sup>44</sup> Palomino, Juan C., Juan G. Rodr guez, and Raquel Sebastian. "Wage inequality and poverty effects of lockdown and social distancing in Europe." *European economic review* 129 (2020): 103564.

<sup>45</sup> Dingel, Jonathan I., and Brent Neiman. "How many jobs can be done at home?" *Journal of Public Economics* 189 (2020): 104235.

#### 1.5.4 Poverty and Inequality

There has been an increase in the number as a result of the outbreak of the pandemic, the pandemic however has not been selective on the poor or the rich, the politically exposed or the subjects, it has hit hard the poor and those who work and live in informal areas.<sup>46</sup>The IFAD report in 2011, about 1.4 billion people are living in extreme poverty, including many countries in Africa. The Pandemic is feared to be capable of increasing the poverty levels and the number of the absolutely poor by millions. <sup>47</sup> poverty definition according to the world bank means “an inability to achieve the minimum standard of living” with numerous people within the society struggling to meet their needs and achieve a comfortable living standard, The COVID situation has worsened things, the term poverty however is relative and broad, it prevents the people from being able to enjoy the necessities of life. The Unique nature of COVID is evident based on the fact that it is the first of a kind to affect the entire globe. With the improved technology in the world for the last 100 years, the interactions of people across the world has increased the spread of the pandemic like no other pandemic before. With the spread of the pandemic, the middle income have felt the effect on the social-economic living standards, there has also been increased levels of unemployment and the increased challenges in finding jobs. The extremely poor have had struggles of not being able to afford adequate food.<sup>48</sup>

---

<sup>46</sup> Kenya Private Sector Alliance (KEPSA) (2020) Business Perspectives on the Impact of the Coronavirus on Kenya’s Economy, KEPSA, Nairobi

<sup>47</sup>Naylor, Rosamond. "Expanding the boundaries of agricultural development." *Food Security* 3, no. 2 (2011): 233-251.

<sup>48</sup>Rohwerder, Brigitte. "Social impacts and responses related to COVID-19 in low-and middle-income countries." (2020).

The level of poverty in Kenya is notably high in spite of the numerous attempts to reduce it. The statistics by the KNBS reported a reduced poverty rate in Kenya to 36.1% in 2016/17 from 46.6% in 2005/2006 although the figures are higher in rural areas, arid areas as well as semi-arid parts of Kenya.<sup>49</sup> The Kenyan Population and housing census showed that almost 18 million of Kenyans live in poverty, majorly in rural areas and slums. The impact of the pandemic has only worsened the living conditions of these people. COVID-19 has not spared any households of the people who have been living from hand to mouth and are not able to save. As the pandemic spread, the poor became poorer, the pandemic has increased income inequality. With increased bills including medical bills, the pandemic brought additional burden on the Kenyan people leading them into more poverty. The pandemic affected the sources of income of the people with some people being rendered jobless, the nature, some having to change the nature of work, some going on compulsory leaves without pay, all these changes disoriented the previous way of life that the Kenyan people had gotten used to. Both the formal and informal sectors needed to make adjustments in coping with the damages of the Pandemic. The tragic effect of the pandemic affected even those depending on an open market to sell their goods and services since the government gave directives to close

### **1.5.6 Gaps in the Literature**

Although a lot has been done regarding the impact of COVID-19 on economic Security, little has been done with a focus on Africa and Kenya. This research commits to adding the knowledge

---

<sup>49</sup>Thuiya, Hellen Wangeci. "An Assessment of the Socio-Economic Impact of Cash Transfers: A Comparative Study of Kenya and Malawi between 2008 and 2014." PhD diss., United States International University-Africa, 2019.



body concerning the impact of the Pandemic on Africa's Economy, the study narrows its scope to Kenya's tourism and hospitality sectors and focuses on making essential contributions towards finding solutions to life challenges.

### **1.6 Hypotheses of the Study**

H1. COVID-19 has negatively affected the economic Security of Africa

H2. COVID-19 negatively affected Kenya's hospitality and tourism sector.

H3. COVID-19 has caused increased rates of unemployment and consequent decrease in standards of living.

### **1.7 Justification of the Study**

The study has academic, policy and general public justification

#### **1.7.1 Academic Justification**

Ataguba in his study on the economic implications of COVID-19 in Africa and depicts that the pandemic caused a series of distractions to the economic activities and businesses hence causing a decline economic growth. Ozili focuses on the socioeconomic challenges during the Pandemic. Indeed research has been done on the economic impact of the COVID-19 pandemic on the Global and African Economy. This study focuses how the Pandemic has affected the economic security of Africa, a case of Kenya's tourism and hospitality sectors.

#### **1.7.2 Policy Justification**

There are various policies that have been adopted by different states to help reduce the spread of the pandemic, the pandemic being new to the globe, there existed a few monetary and fiscal policies essential to address the pandemic. By broadening the knowledge on the impact of the

pandemic on the Economic Security of Africa, the study recommends policies and strategies that are essential for post pandemic economic recovery.

### **1.8 Theoretical Framework**

The study is based on Keynesian theory whose main proponent was a British economist called John Maynard Keynes. There was a severe Economic collapse in 1930s following the great depression and existing theories were not able to explain it or provide enough public policy solutions required towards economic production and employment. This theory argues that the economy is driven by aggregate demand which is measured as the spending of households, businesses as well as governments. Another assertion by Keynes is that the market does not have a self-balancing mechanism that would lead to creation of full employment.<sup>50</sup> Keynes advocated that for economic stability and employment, government interventions through policies are required. According to his theory Keynes argued that when people are unemployed they spend very little, this lowers the demand for the various products and the producers will be demotivated to produce, as they cut production leading to more job losses.<sup>51</sup>

The relevance of this theory includes: First COVID-19 pandemic interrupted the processes and means of livelihood of the people, with the policies around total and partial lockdown, the productivity of the economy went down, Demand for various products reduced either due to reduced incomes or due to reduced need for the various products and services within the market.

---

<sup>50</sup>Mokoena, Nkateko. "Empirical Evidence of the Effects of Public Spending on Economic Growth from BRICS." Master's thesis, Faculty of Commerce, 2020.

<sup>51</sup>Tyukavkin, Nikolai Mihailovich, Inessa Vjacheslavovna Kosjakova, and Gennady Ivanovich Yakovlev. "Keynesian theory-the evolutionary basis to change the paradigm of economic development." *Life science journal* 11, no. 12s (2014): 399-402.

Taking the hospitality sector, the demand for goods and services that relates to tourism dwindled. This was partly due to restrictions on travels and social gathering that affected international travelling of foreign tourists and partly due to reduced need for these services by local tourists due to reduced income. The decline in demand led to a reduced productivity in the various sectors which would eventually mean that less labor as a factor of production would be required and continuing to have the pre-covid-19 labor force became expensive hence most employers reduced their employees.

With the COVID-19 situation the policies such as social distance as well as partial and total lockdown policies lead to reduced demand for certain commodities especially in the tourism and hospitality industry, this would in turn imply reduced production of such goods and services and reduced proceeds generally, employers have therefore had to lay off some of their workers in order to avoid incurring higher costs of producing the various goods and services.<sup>52</sup>With reduced hotel room occupancy and reduced number of guests and clients within the hotels, quantities of products in the industry reduced, maintaining the previously existing labor force within the industry became costly, compelling the employers to lay off some of the workers leading to increased unemployment within the economy. Keynes argued that if the aggregate supply price fails to cover production cost then less workers are employed.

The intervention of states in formulation of policies towards dealing with the pandemic and its impacts is very critical. Recovery of the economy even in the middle of the pandemic as well as

---

<sup>52</sup>Nicola, Maria, Zaid Alsafi, Catrin Sohrabi, Ahmed Kerwan, Ahmed Al-Jabir, Christos Iosifidis, Maliha Agha, and Riaz Agha. "The socio-economic implications of the coronavirus and COVID-19 pandemic: a review." *International journal of surgery* (2020).

the post pandemic recovery plans depends on various policies and strategies that the governments of different states adopt. Matters infrastructure and support towards the growth of local industries, proper fiscal and monetary policies are among some of the strategies essential for the recovery of the economy. As much as Keynes theory began after the great depression of the 1930s, the theory is still relevant in explaining such economic problems such as the one that the global community faces today due to the COVID-19 pandemic.

A key plank in Keynes theory is the postulation that aggregate demand is a very critical driving force economically. According to Keynes , the output of an economy is composed of the sum of consumption, investment, government purchases and net exports and any increase in demand emanates from these components,<sup>53</sup> However, during recession spending declines dampening the demand, COVID-19 caused uncertainties that has caused reduced consumptions on various commodities, the reduced spending by the consumers can lead to low investments by the businesses as the firms respond to the demands that have been weakened by the reduced demands. Policies and structures that have been put In place by various heads of states in order to help curb the spread of COVID-19 including restrictions on travels and gatherings, and lockdown policies, have caused a decline in the demand for the products and services that are offered within the tourism and hospitality industry leading to responses by the business owners leading to reduced quantities of production as well as investments in this sectors.<sup>54</sup>

---

<sup>53</sup>Kydland, Finn E., and Edward C. Prescott. "Business cycles: Real facts and a monetary myth." *Federal Reserve Bank of Minneapolis Quarterly Review* 14, no. 2 (1990): 3-18.

<sup>54</sup>Stiglitz, Joseph E. *The pandemic economic crisis, precautionary behavior, and mobility constraints: an application of the dynamic disequilibrium model with randomness*. No. w27992. National Bureau of Economic Research, 2020.

Keynes argued that a rise in consumption and/or investment increases employment opportunities and conversely decrease in consumption and/or investment reduces the rates of employment hence causing unemployment.<sup>55</sup> Consumption is dependent on income  $C(Y)$  and consumption rises, income also increases but not in the same proportion, and the rise in income is dependent on effective demand. The effective demand results in output. The theory assumes that:  $\text{Effective demand(ED)} = \text{Output (Q)} = \text{Income(Y)} = \text{Employment (N)}$ . Keynes regards employment as a function of income.<sup>56</sup>

According to the theory the factors of production; capital, labor supply and technology remain constant and therefore level of employment is dependent on income and output. Keynes argued that increasing the propensity to consume increases consumption which increases employment, this means that a decrease in the propensity to consume leads to a decline in employment. The propensity to consume depends upon the psychology of the people, habits of the people, tastes and social structure which can be affected by catastrophe.<sup>57</sup> The increase in the national income leads to a rise in consumption although not directly proportionally. Low consumption rate leads to a decline in effective demand. According to Keynes two factors determine the aggregate demand: the price of aggregate supply and the price of aggregate demand. The two factors determine the effective demand and the effective demand helps in estimation of employment.

---

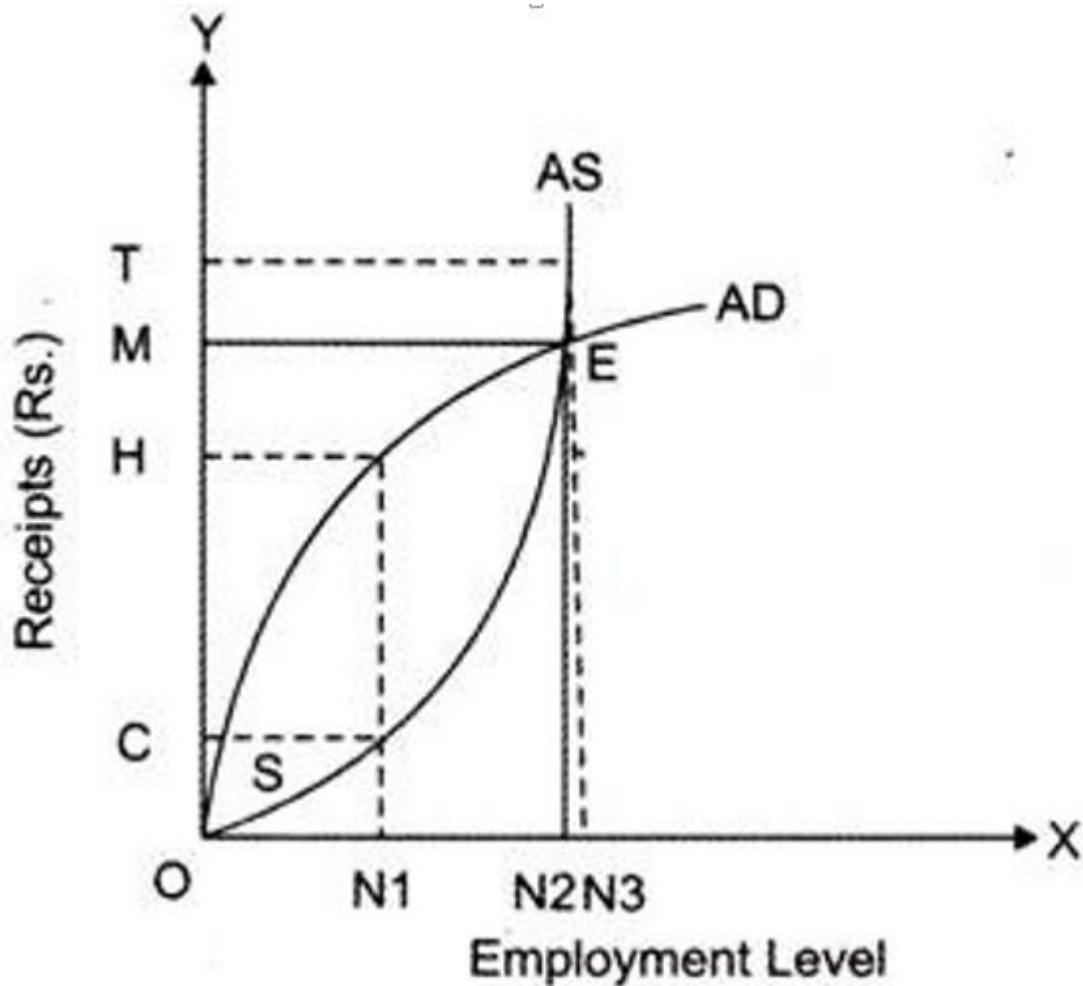
<sup>55</sup>Appelbaum, Eileen. "The labor market in post-keynesian theory." In *Unemployment and Inflation*, pp. 33-45. Routledge, 2017.

<sup>56</sup>Brown, Christopher. "Does income distribution matter for effective demand? Evidence from the United States." *Review of Political Economy* 16, no. 3 (2004): 291-307.

<sup>57</sup>Cogan, John F., Tobias Cwik, John B. Taylor, and Volker Wieland. "New Keynesian versus old Keynesian government spending multipliers." *Journal of Economic dynamics and control* 34, no. 3 (2010): 281-295.

Employment within the economy is dependent on the number of employed workers that helps draw profits, hence the levels of employment within the economy depends on organizational decisions towards hiring and placing of the workers. Aggregate supply price according to Keynes is based on the cost associated with producing a given product within a given level of employment, this is the expenditure on the different factors of production that have been utilized in the production of a given output. An organization would opt not to incur a cost that they cannot recover. Inducing employers towards offering a specific amount of employment opportunity requires a certain minimum price. This price is the aggregate supply price of that employment.

Figure1.5: Determinants of employment Levels.



The aggregate demand price and aggregate supply price plays a key role in the determination of equilibrium employment level which is attained at point E

### 1.9 Scope and Limitation of the Study

The scope study focuses on the Impact of COVID-19 to the Economic Security Of Africa, it looks at how the Pandemic affected the ability of the Africans to sustain their basic life needs comfortably, The study then narrows down to Tourism and hospitality sector within Kenya as an

African country, how the pandemic has affected that sector, the rates of unemployment in the sector of Tourism and Hospitality and consequently the standard of living of the people.

The study is limited in the sense that it focuses on Kenya as the Area of study and with this gives limited representation considering that Africa has 55 countries.

### **1.10 Research Methodology**

This study adopted a mixed method approach whereby it uses both quantitative and qualitative data sampling method/technique. The researcher will apply triangulation to ensure effectiveness, efficiency and reliability of our findings.

#### **1.10.1 Research Design**

The research uses a case study of Kenya as one of the countries within the African region.

#### **1.10.2 Research site**

For primary data collection, the researcher conducted an in-depth interview through engaging various respondents including, the staff within the ministry of tourism, the travel and tours organizations, academicians, ministry of health and the employees and employers within hotels and restaurants within Kenya.

#### **1.10.3 Target Population**

There are two broad categories of the target population; specified or unspecified. The study targeted a specified population given its specific thematic area. My target population here included, the staff within the ministry of tourism, ministry of health, the travel and tours organizations, academicians and the employees and employers within hotels and tourism sectors within Kenya.



#### **1.10.4 Research Sample size**

A sample size of 60 respondents were interviewed. The simple random sampling technique was used to arrive at the respondents to be interviewed

#### **1.10.5 Data Collection**

The study will rely on both primary and secondary data. The data will be both qualitative and quantitative since the study is largely qualitative. Primary data will be collected using questionnaires and interview guides from the target. The researchers target population here includes, the target population here includes, the staff within the ministry of tourism, the travel and tours organizations, ministry of health and the employees within hotels and restaurants The secondary data will be obtained from the literature and publications that have been done by other scholars and researchers.

#### **1.10.6 Data Analysis**

The data was analyzed using SPSS and Excel and the results presented in the form of tabulation and graphs. Content analysis will be used, which involves identification of the main theme, assigning codes to the main theme, classification of responses under the main theme and integration of the main theme and responses into the report.

### **1.11 Chapter Outline**

#### **Chapter 1 – Introduction**

In this chapter the research topic is introduced. The chapter then looks at the background of the study, problem statement, literature review, theoretical framework, and the hypothesis, methodology of the study, as well as the scope and limitations of the research.

## Chapter 2 – Keynesianism and Economic Security

This chapter explores the literature on Keynesianism and economic Security.

## Chapter 3 –Kenya’s Hospitality and Tourism Sectors amid COVID-19

This chapter looks at Kenya's hospitality and tourism sectors as well as employment in these Sectors by exploring various literature deeply

## Chapter 4 – Data Collection and Analysis

This chapter looks at both the primary and secondary data that has been collected; it presents them through tables and graphs with an aim of establishing a solution to the problem of the research.

## Chapter 5 – Summary Conclusion and Recommendations

The chapter gives a summary and recommendations that are based on the research findings.

## CHAPTER TWO

### KEYNESIANISM AND ECONOMIC SECURITY

#### 2.0 Introduction

Africa was among the last Continents to be hit by the Pandemic, indeed the economy of Africa is considerably young making the continent pretty susceptible. At the onset with the first report of the pandemic in Wuhan City of China, its economic impact on the Continent had been felt, the supply chains disruptions.<sup>58</sup> The economies and economic lives of the African people were significantly affected as various economic sectors began to record declines in productivity and returns. The tourism sector was affected as the number of guests arriving into the continent declined, leading to reduction in hotel bookings and income from tourist and travel sectors. The reduced economic productivity and other effects of the pandemic ranging from health, tourism, and developments, manufacturing among others. The gross domestic products of most countries declined, the standard of living declined and reduced Gross Domestic products across the globe.

#### 2.1 Economic Security

Cormac 2014 states that economic security consists of a set of conditions that protect the economy from threats with an objective of ensuring a decent living among the people.<sup>59</sup> The

---

<sup>58</sup>Udombana, Nsongurua J. "A Step Closer: Economic Integration and the African Continental Free Trade Area." *Duke J. Comp. & Int'l L.* 31 (2020): Pg.1.

<sup>59</sup>Cormac, R., 2014. Secret intelligence and economic security: The exploitation of a critical asset in an increasingly prominent sphere. *Intelligence and National Security*, 29(1), pp.99-121.

concept of economic security has a relationship with both the state and the individuals, how the decisions of a government affect the economic lives of the citizen. It entails resource accumulation, supply changes among others. To understand economic security it is critical to approach it from various areas including; how stable the economic power of a state is, the provisions of essential commodities such as energy, the diversification of foreign trade social security of individuals determined by income and employment levels, quality of life<sup>60</sup>Economic security can be threatened by various factors like pandemics among other catastrophic factors.

## **2.2 Keynesian Theory**

According to Keynes, declined overall demand for goods and services can cause long lasting high unemployment rates. Four components constitute the output of goods and services within the economy including consumption, government purchases, investment, and net exports. When an economy faces downturns, the consumer confidence is affected by the uncertainties, this makes them to reduce spending majorly on discretionary commodities and services, the reduced spending by the consumers' triggers firms and businesses to respond by producing less.<sup>61</sup> And state intervention becomes necessary to jumpstart the economy back to recovery. Keynes argued that if the government increased expenditures and reduced taxes, the demand would be stimulated, and the economy would grow towards recovery.

---

<sup>60</sup>Soderbaum, Peter. *Understanding sustainability economics: towards pluralism in economics*. Routledge, 2012.

<sup>61</sup>Skousen, Mark. *The structure of production*. NYU Press, 2007.

The theory argues that the aggregate demand is the driver of economic growth and that this demand is based on the spending by the households, businesses as well as governments. Keynes relates his theory to employment contrary to the classical theory that argued that the demand for labor is determined by the wage equality to the marginal labor product and the supply for labor is based on the equality between wage utility and the employment's marginal disutility. The classical theory argues that the labor market equilibrium is attained when the marginal labor product equals the labor disutility, hence the employment can only be frictional.

Keynes argued that the increase in prices of wage goods does not necessarily cause the workers to withdraw their labor and that the wage bargaining affects the money wage and not the real wage. Keynes introduces involuntary unemployment that occurs when a rise in wage could drive the economy towards a rise in both the supply and demand for labor beyond the existing quantities, hence the argument by Keynes that there are other kinds of unemployment other than the frictional one that classical theorists had advocated for.

Keynes reasoned that a rise in the employment rates would lead to an increase in income, this income can either be consumed or saved, the increase in consumption is at a lesser rate, the part of the increased income is used in financing investments, hence an increase in investments, and the increased investment avails the output to cater for the increased consumption<sup>62</sup>. As the income

---

<sup>62</sup>Ahiakpor, James CW. "On the mythology of the Keynesian multiplier: Unmasking the myth and the inadequacies of some earlier criticisms." *American Journal of Economics and Sociology* 60, no. 4 (2001): 745-773.

decreases, conversely, consumption and investment also decrease, the decreased investment leads to reduction in output production.

The consumption which is determined by the propensity to consume is affected by both the subjective and objective factors, the subjective factors according to Keynes includes psychological, social circumstances and institutional factors, these factors are classified into various motives including, precautions, independence. The objective factors like the changes in the real wages of the workers, changes in the income of the consumers and its effects on consumption thus demand.<sup>63</sup> The decisions by the government can also influence consumer behavior, taxes and public spending influences consumption. Consumption can also be affected by the expectations for changes in incomes in the future.<sup>64</sup>

### **2.3 Demand and Living Standards**

Keynes argued that aggregate demand is key in driving the economy towards growth. The economic output is composed of the sum of investment, purchases by the government, consumption and exports net. Any changes whether increase or decrease in demand emanates from these components. During an economic recession there is a decline in spending leading to a consequent decline in demand. The decline in spending implies that people can no longer

---

<sup>63</sup>García-Lizana, Antonio, and Salvador Pérez-Moreno. "Consumption and income distribution: a proposal for a new reading of Keynes' thinking." *The European Journal of the History of Economic Thought* 19, no. 1 (2012): 45-65.

<sup>64</sup>Blinder, Alan S. "Keynesian economics." *The concise encyclopedia of economics* 2, no. 008 (2008).

consume certain products.<sup>65</sup> Changes in the aggregate demand causes great effects When there effect on output and employment.<sup>66</sup>

According to Terry Berker et al in their book 'Towards new thinking in economics.' Economic operations need policy interventions, a very essential policy dimension is. According to the scholars, an economy faces ups and downs of a business cycle and is prone to crisis. The scholars argue that Aggregate demand is a critical element of economic activity, distribution effect is critical, money is endogenous. The scholars argue that economic recovery and growth requires both fiscal and monetary policies.<sup>67</sup>

## 2.4 Inflation

Arestis and Sawyer 2010 economic activity has a relationship to the income and employment and is usually set by the aggregate demand.<sup>68</sup>Terry Berker et al argues that inflation results from factors that vary from time to time, the factors may include the rate of change in aggregate demand, increased cost of production, rise in import prices as well as fluctuations in the exchange rates. The scholars argue that money is internally created and that the key objective of monetary policy is to achieve financial stability. An achievement of financial stability ensures that a socially and economically useful financial sector is created <sup>69</sup>

---

<sup>65</sup>Makin, Anthony J., and Allan Layton. "The global fiscal response to COVID-19: Risks and repercussions." *Economic Analysis and Policy* 69 (2021): 340-349.

<sup>66</sup>Dutt, Amitava Krishna. "The dependence effect, consumption and happiness: Galbraith revisited." *Review of Political Economy* 20, no. 4 (2008): 527-550.

<sup>67</sup>Barker, Terry. "Towards new thinking in economics." (2011).

<sup>68</sup>Arestis, Philip, and Malcolm Sawyer. "The return of fiscal policy." *Journal of Post Keynesian Economics* 32, no. 3 (2010): 327-346.

<sup>69</sup>Barker, Terry. "Towards new thinking in economics." (2011).

Paul Davidson argues that the role of economists is to focus on the real world problems with intentions of making the world more humane through economic policies.<sup>70</sup> The term economic security, although lacking a standard definition, revolves around the ability of the people to acquire sufficient income that enables them to sustain their needs as well as the needs of their dependents, it entails the earning of a decent living and the promotion of wellbeing.<sup>71</sup> Covid-19 affected the economic security of many people and families. The Covid-19 has caused numerous rapid or simultaneous changes to the way of life of the people. Loss of a job for example does not only affect the unemployed, its impact is felt by the dependants as well. Covid-19 brought about unprecedented fear, in the middle income countries like Kenya where jobs are hard to come by, unemployment rates are high and with a higher rates of borrowing, the impact of the pandemic has been huge.<sup>72</sup> The pandemic has had tremendous social, psychological and economic wellbeing of the Kenyan people, the pandemic affected the economy and the financial growth of the people.

According to Evsey Domar, short term recession relates to investment, the main concern of Domar was based on how demand aggregate relates with supply aggregates. The new machines built during industrialization leads to desire by the people to purchase various goods as well as increased ability of production, the two factors; demand and supply, however, does not increase

---

<sup>70</sup>Smithin, John N. *Controversies in monetary economics*. Edward Elgar Publishing, 2003.

<sup>71</sup>Grosh, Margaret, Carlo Del Ninno, Emil Tesliuc, and Azedine Ouerghi. *For protection and promotion: The design and implementation of effective safety nets*. World Bank Publications, 2008

<sup>72</sup>Osama, Athar, Harris Afzal Cheema, Zainab Riaz, Muhammad Masood Ahmed Siddiqui, Qazi Masood Ahmed, Asma Hyder, Faiza Mushtaq et al. "eBook Short Notes on the Economy during the COVID-19 Crisis. Vol-III." *Vol-III (June 21, 2020)* (2020).



proportionately<sup>73</sup>. Lewis Arthur, argued that it would be necessary to construct factories that would absorb the excess Labour that existed due to high levels of unemployment in the rural areas<sup>74</sup>

## **2.4 Unemployment**

An economy thrives when there exists a significant amount of expenditures, increase in the rates of unemployment emanates from reduction in the expenditures within the economy. During recession, spending reduces, the reduced spending causes a reduction in the level of employment. The increased unemployment further reduces spending.<sup>75</sup> According to Keynesians, there is a need for the intervention of the government to boost the economy by increasing the capital spending. Like in the 2007-2009 Great Recession. The then US president Obama responded through the Federal government to help bail out many industries. An American Recovery and reinvestment Act was designed to protect the existing jobs and facilitate the creation of more job opportunities.

Keynesian economists hold that aggregate demand plays an essential role in driving the economy and that the economic outcomes originate from either public or private spending. They do not advocate for a takeover by the government but for economic stimulation during a crisis.

---

<sup>73</sup>Hall, Peter A. *The political power of economic ideas*. Princeton University Press, 2020.

<sup>74</sup>Lewis, W. Arthur. *Development planning*. Routledge, 2004.

<sup>75</sup>Hall, Thomas E., and J. David Ferguson. *The Great Depression: an international disaster of perverse economic policies*. University of Michigan Press, 2009.

According to Keynes, economies, even the most productive ones, can face downturn if demand declines.<sup>76</sup> During economic crises, economic policy is a key reviver.

According to Arestis et al there are various subjective factors that affect investment for example, expectations and confidence. To support the expectations of the entrepreneurs and eventually boost up investments. Proper policies are necessary.<sup>77</sup> Effective policies are capable of influencing aggregate demand and creating a proper environment that is needed for economic growth by increasing the confidence and the spirit of the investors. Keynes argued that macro-economic policies can spark effective demand and investment and address unemployment. The economic society is unable to provide full employment and is characterized by inequitable distribution of resources and income. Keynesians advocate for the role of the state and reason that the economy, if left to operate freely may not address the problems that exist.<sup>78</sup> The world has a lot of uncertainties that present risks as entrepreneurs attempt to create proceeds out of the social wealth that they invest with intent of future gains. The entrepreneurs create employment, wealth and income<sup>79</sup>

Decrease in the demand triggers the investors to reduce the amount of production, this leads to reduced productions that makes wage cut and job losses inevitable, this in turn will in turn lead

---

<sup>76</sup>de Paula, Luiz Fernando, André de MeloModenesi, and Manoel Carlos C. Pires. "The tale of the contagion of two crises and policy responses in Brazil: A case of (Keynesian) policy coordination?." *Journal of Post Keynesian Economics* 37, no. 3 (2015): 408-435.

<sup>77</sup>Arestis, Philip, and Terra Fábio Henrique Bittes. "Keynesian macroeconomic policy: Theoretical analysis and empirical evidence." *Panoeconomicus* 65, no. 1 (2018): 1-20.

<sup>78</sup>Wolff, Richard D., and Stephen A. Resnick. *Contending economic theories: neoclassical, Keynesian, and Marxian*. MIT Press, 2012.

<sup>79</sup>Lavoie, Marc. *Post-Keynesian economics: new foundations*. Edward Elgar Publishing, 2014.

to a reduction in the disposable income and eventually affect the standard of living of the people<sup>80</sup>. By April 6<sup>th</sup>, 2020, the congress of the United States made a unanimous approval of a \$2.2 trillion package that would be used in addressing the shock of the coronavirus individuals and businesses within the country. Keynes theories motivated various policy decisions focusing on economic growth. The Keynesians advocate for interventions of the government in jumpstarting the economy amid crisis and if policy interventions are not pursued, economies would continue to suffer.

The enemy that the World is facing currently is an invisible threat with v-visible impacts on health and economics as the governments impose various restrictions with an aim of helping fight the spread of the pandemic. The case of pandemics is unique, and they pose unprecedented challenges to the economy. The governments have been faced with two critical situations, stopping the spread and saving lives of the people as well as dealing with the economic catastrophe that the pandemic has caused and engineering the economic recovery.<sup>81</sup>

## **2.6 The GDP and Economic Welfare**

The GDP and welfare are distinct in many ways, in the year 1934, Kuznets stated a nation's welfare can barely be inferred from a measure of the income of a nation. The GDP for instance does not include critical factors within the society for example crime, discrimination, the Gross

---

<sup>80</sup>Seccareccia, Mario. "The role of public investment as a principal macroeconomic tool to promote long-term growth: Keynes's legacy." *International Journal of Political Economy* 40, no. 4 (2011): 62-82.

<sup>81</sup>Rasul, Golam, ApsaraKarki Nepal, AbidHussain, Amina Maharjan, Surendra Joshi, Anu Lama, PrakritiGurung, Farid Ahmad, Arabinda Mishra, and Eklabya Sharma. "Socio-Economic Implications Of Covid-19 Pandemic In South Asia: Emerging Risks And Growing Challenges." *Frontiers in Sociology* 6 (2021).

domestic product leaves out the information about the distribution of the income and assumes an average which is referred to as the Gross Domestic Product per capita. The GDP also does not include environmental factors such as climate change as well as how the natural resources are distributed, these are very substantial factors when it comes to matters such as the standards of living of the people.<sup>82</sup> The gross domestic product tends to exclude most home production and activities that are non-market for instance the leisure, these activities actually increase consumption hence enhancing the welfare. Over The years, GDP has been used to predict the economic wellbeing of various countries.

## **2.7 Debts and Consequences of Debts**

With the increased spread of the pandemic, there has been increased needs for finances in Africa, the costs include the cost of fighting the pandemic, the cost of putting up the required medical facilities and improving the health sector as well as the provision of various basic amenities that are essential during the period of the pandemic. The African Development Bank estimated that the African government requires increased gross financing of 154 billion in 2020/2021 to be utilized in responding to the Pandemic.<sup>83</sup> The financial needs being urgent and immediate has made it necessary for quick adjustments in the budgets and increased borrowing. The borrowing by the African countries in the recent pre-Covid past has been with the focus of addressing the issues of development of infrastructure as well as other sectors. The emergence of the pandemic

---

<sup>82</sup>Monni, Salvatore, and Alessandro Spaventa. "Beyond GDP and HDI: Shifting the focus from paradigms to politics." *Development* 56, no. 2 (2013): 227-231.

<sup>83</sup>Weiss, M., A. Schwarzenberg, R. Nelson, Karen M. Sutter, and Michael D. Sutherland. "Global economic effects of COVID-19." *Congressional Research Service* (2020).

has seen many countries channel the funds that are originally meant for economic productivity towards the fight against the pandemic. Attention of AID has also shifted from developmental Aid to Humanitarian Aid and this has a significant effect on the economic productivity of the country and eventually the GDP and the standards of living of the people. The average rate of debt to the Gross domestic product ratio is projected to rise significantly. The average debt ratio to the GDP ratio of Africa has been at 60% between 2017 and 2019, it is projected to rise by about 15% in 2021 with the countries whose economies rely on tourism being highly affected.<sup>84</sup>

The increased need for borrowing has been exacerbated by factors such as the exchange rate depreciations, increased interest expense, increased primary deficits, and having development programs that are too ambitious. The dynamics however vary from country to country. The oil exporting economies for instance have been more affected by the exchange rates depression and the primary deficits due to the volatility of the prices of the various commodities.<sup>85</sup> The debt distress and the cost of debt has increased the problems that the African countries have had to deal with. There has been deterioration in debt sustainability. Having supportive external conditions as well as a favorable domestic policy environment is essential in ensuring that the debt distress issue is addressable.

---

<sup>84</sup>Siebert, Horst. *Global View on the World Economy: A Global Analysis*. Routledge, 2007.

<sup>85</sup>Loewald, Christopher, David Faulkner, and Konstantin Makrellov. *Time consistency and economic growth: A case study of South African macroeconomic policy*. No. 842. Economic Research Southern Africa, 2020.

## 2.8 Economic Development and Growth

The government of Kenya has a key objective of ensuring economic growth and development. The pandemic affected the various development programs that were ongoing. Being that the government had not anticipated a pandemic of such a magnitude, there were no funds allocated in the budget that would be used in dealing with the pandemic, the government re-channel the money that was meant for other projects towards its health agenda, this slowed down the programs that were in the agenda for economic growth and improved productivity of the country. Health and saving of lives became a priority and created an opportunity cost for other programs.

The governments of different put different measures that were intended to curb the spread of the pandemic, the implementation and focus on these measures meant that the state would focus more on curbing the spread of the pandemic than on other programs that were not health related, but forms part of the development agenda. From the onset of Kenya reporting its first case of the Virus, the Kenyan Health secretary<sup>86</sup> gave a daily report on the spread of the Virus, and the progress of the government in fighting the monster. Attention was given towards equipping Kenyan hospitals with the equipment that are essential in helping fight the Pandemic.<sup>87</sup> The ministry of treasury and planning was tasked with diversion of some of the development funds and re-allocating them towards the fight against the Pandemic.

---

<sup>86</sup>Mbambo, Sanele Brian, and Samuel Babatunde Agbola. "The Impact of the COVID-19 Pandemic in Townships and Lessons for Urban Spatial Restructuring in South Africa." *African Journal of Governance & Development* 9, no. 1.1 (2020): 329-351.

<sup>87</sup>

## 2.9 Kenyan Situation during COVID-19

COVID-19 has exposed various sectors within the country including; health, housing, education among others. These sectors play critical roles in ensuring that the country stays true to and focused towards achieving the sustainable development agenda. The pandemic pushed the majority to poverty which is a great threat to development.<sup>88</sup> The Pandemic provided a clear sign that most of the Kenyans are not able to achieve sustainable lifestyles without having to rely on their normal income and so when the pandemic affected the normal income of the people, the short run effect is that they had to adjust and reduce their spending purely to basic needs. The sectors that were hard hit included the hospitality and tourism sectors, transport, health and trade.<sup>89</sup> Kenya being a middle income economy faced a challenge in being able to take care of the social welfare of the people who have been affected by the Pandemic each and every single day. The government however, tried to reduce the taxation rates which worked for the good of the few in the formal employment sector. Unlike other states that were able to give foodstuff and other basic necessities to its citizens, Most Kenyans in the informal sectors have had to face the economic hurdles without having to rely on direct state interventions, the government for instance lacked the power of directing landlords to waive or reduce rent to those who could prove that they have been affected by the Pandemic.

---

<sup>88</sup>van Barneveld, Kristin, Michael Quinlan, Peter Kriesler, Anne Junor, Fran Baum, Anis Chowdhury, Pramod N. Junankar et al. "The COVID-19 pandemic: Lessons on building more equal and sustainable societies." *The Economic and Labour Relations Review* 31, no. 2 (2020): 133-157.

<sup>89</sup> Delloite, Economic impact of the COVID-19 pandemic on East African economies Summary of government intervention measures and Deloitte insights, (2020) pg.5.

The Republic of Kenya attained the status of a middle-income economy in 2016 following a decade of economic growth, prior to the pandemic Kenya's economic performance had been relatively good, this is as a result of eased political tensions, well performing service sectors, strong agricultural recovery as well as improved consumptions in various private sectors. The IMF reported a decline in the GDP from 6.3 in 2018 to 5.6 in 2019 and predicted a further decline in 2020.<sup>90</sup>The government needs to give priority to programs that ensure that there is social protection. The government should also provide resources to support continued economic productivity and minimal job losses. Addressing the issue of COVID- requires. To facilitate economic productivity, international lenders like the International Monetary Fund (IMF) and the World Bank committed financial Assistance to Africa but in the form of loans, this adds into public debts. The World Bank and The IMF convinced the G20 countries towards the establishment of the Debt Service Suspension Initiative (DSSI), the initiative is meant to enable them to concentrate their resources towards the fight against the Virus. The initiative took effect on 1<sup>st</sup> may 2020 and has been extended through December 2021.<sup>91</sup>

There is a need for new strategies that are desirable, for example those that would enable continued generation of public revenue, the rising debt burden or the postponed repayment period is not a solution to the fiscal needs of the African countries. The African continental Free Trade focus on promotion of Trade with intention of limiting the dependence on borrowing is

---

<sup>90</sup>Herbert, George. "Factors influencing inclusive economic resilience in middle-income countries." (2020).

<sup>91</sup>Yaya, Sanni, Akaninyene Otu, and Ronald Labonté. "Globalisation in the time of COVID-19: repositioning Africa to meet the immediate and remote challenges." *Globalization and Health* 16, no. 1 (2020): 1-7.



arguably sustainable in the long run. The social economic impact of the pandemic has been felt even by the developed nations. It destabilized the lives of many Africans. Prior to the Pandemic, there was more global interconnectedness that had enabled smooth international trade connections that had been distracted by the closing of the borders by different countries. The continent had prior to the Pandemic been warned by the IMF following economic interruptions that had been experienced in China, The United States, and Italy among other regions. Many African countries have trade connections with China, the United States and Europe, and from the onset, Pandemic already caused a significant decline in the prices of minerals and products from Africa. The social economic impacts of the Pandemic, it is critical to adopt strategies that puts into consideration the needs of women and children. The needs of people with disabilities, the refugees and the youth who constitute a vulnerable group that are at higher risk of suffering the socio-economic consequences of the Pandemic.

Provision of Loans that are not tied to unfavorable conditionality can help in boosting the participation of the private sector in the productivity of the economy. The financial aid can be provided directly by the African governments when they utilize the various strategies that are innovative.<sup>92</sup> The organizations like the European development Bank, The World Bank and the international Monetary Fund have made loans Available to African countries. Loans would however increase the debt burdens that these countries have had to bear over the past years, repayment of the loans would burden the taxpayers.

---

<sup>92</sup>De Janvry, Alain, and Jean-Jacques Dethier. "The World Bank and governance: the Bank's efforts to help developing countries build state capacity." *World Bank Policy Research Working Paper* 6275 (2012).

Many African countries already have risky debt profiles with almost half of the countries having a current account deficit higher than 5% of the GDP. Having international financial assistance in the form of grants rather than loans is essential in providing more solutions towards managing the crisis. The agreement by The G20 countries towards suspension of the poor countries debt repayment helped free up about US\$20 billion, this is essential finance for interventions by governments towards the Pandemic, the relief ensures that the governments focus on various strategies to deal with the pandemic due to reduced pressure on conditionality on the loans owed that comes with a lot of pressures and ties, the conditionality usually have a pressure towards the spending of the affected governments on health and other necessities as the greater focus is usually towards facilitation of the loans.

## **2.10 Conclusions**

The chapter explores the literature of Keynesianism on the issue of economic security as well as the contributions of other scholars on the issues around the effects of the pandemic on various sectors. It also discussed the economic security Of Africa during the Period of COVID-19 pandemic. The pandemic affected the economic security of the African People significantly. Different states began to pay more attention to safety within their borders affecting beyond border interactions including trade, preventive measures that were adopted by states in order to help fight the spread of the virus in addition to factors related to the virus directly , have had significant effects on the Economic security.

## CHAPTER THREE

### KENYA'S TOURISM AND HOSPITALITY SECTORS AMID COVID-19

#### 3.0 Introduction

By the March 2020, More than 140 Countries across the globe had reported cases of infections<sup>93</sup> being new to the world and with no pharmaceutical solutions, various governments adopted policies and strategies which involved limited interactions and isolations of the infected people, with restrictions on travels grossly affecting the sectors of tourism and hospitality. With the Spread of COVID-19 Hospitality sector suffered significantly, the policies on lockdown and restrictions on travels affected both international and local tourist activities, this rendered certain employees within the tourist and hotel industry jobless leading to increased unemployment rates and eventually a decline in the standards of living.

#### 3.1 The Tourism Sector Pre-COVID-19

Tourism is one of the most critical industries in the continent of Africa and by 2018 contributed to about 194.2bn which is 8.5% of the GDP of the continent.<sup>94</sup> The employment contribution by the sector also contributed significantly to employment with estimates of 24.3 million employment by 2018, this forms about 6.7% of the total employment. In Kenya the tourism sector has recorded an impressive growth over the years with an increase in both domestic and international tourists.

---

<sup>93</sup>Gautam, Ritu, and Manik Sharma. "2019-nCoV pandemic: A disruptive and stressful atmosphere for Indian academic fraternity." *Brain, behavior, and immunity* 88 (2020): 948.

<sup>94</sup>Tseane-Gumbi, L. A. "Tourism prospects post Covid-19: A closer look into African countries." *Gender and Behaviour* 18, no. 4 (2020): 16642-16650.

### **3.2 Tourism and Hospitality Sector amid Pandemic**

According to Hall, The impact of Crisis to Kenya's Tourism not new and various crises have affected the country, some of these crises in the past have been found within Kenya like the Post-election Violence of 2007 and the threats of Bombings as well as issue of Political tensions.<sup>95</sup> In the past crises have had varying effects ranging from reduction in the arrival of guests, negative effects on businesses and eventually reduced incomes and increased unemployment levels. The Kenya's ministry of health confirmed the first COVID-19 case on 12<sup>th</sup> March 2020, the daily confirmation of the cases went on as the number of cases continued to rise, The government began to put up measures with intentions of curbing the spread of the Pandemic, including restrictions on travels across the borders as well as closing down of hotels and restaurants. By 16<sup>th</sup> March 2020 about 37 cargo ships that supplied to Kenya had cancelled their arrivals, this affected the supply chains as the prices began to increase.

The Tourism industry was hit as soon as the government announced the closing of the borders and limitations on the local travels as one of the strategies in helping fight the Pandemic. Report by the Economic survey 2019 Shows an increase in tourism earnings by 31.3% to sh157.4 billion in the year 2018, the report also shows increased number of guests by 14 percent, the number of hotel occupancy by both domestic and foreign nationals also increased. This dropped on the verge of the Pandemic causing decline in the Revenues.

---

<sup>95</sup>Hall, C. Michael. "Crisis events in tourism: subjects of crisis in tourism." *Current issues in Tourism* 13, no. 5 (2010): 401-417.

The sector of tourism plays a critical role in building the growth of the economy of a country. Tourism can be understood as a phenomenon of economic, social or cultural nature that causes movement of people to a country or destination for personal or business purposes.<sup>96</sup> Tourism contribution to global employment is major, it is usually supported by other industries like transportation, accommodation, retail, food and hospitality, tourism being a service industry its main features revolve around various services. The tourism sector plays a very essential role in the economic security of the people with some of the economic benefits of the industry ranging from employment creation and provision of revenues.<sup>97</sup> According to Gamage, tourism is one of the fastest growing industries in a developed or developing nation and considerably the highest employment opportunity provider.<sup>98</sup>

The pandemic almost shut the economy of the world overnight. The hospitality industry has been faced with unprecedented challenges, the strategies that were adopted by governments to help flatten the curve for example stay at home orders, lockdowns, and bans on travels have caused significant decrease in demand for tourism related products with worst cases being temporary or closure of businesses within the sector.<sup>99</sup> With almost all restaurants having to limit their operations to take-outs limiting hotel occupancy and operations and eventually proceeds from

---

<sup>96</sup>Lin, Zhibin, Ye Chen, and Raffaele Filieri. "Resident-tourist value co-creation: The role of residents' perceived tourism impacts and life satisfaction." *Tourism Management* 61 (2017): 436-442.

<sup>97</sup>Steiner, Carol J., and Yvette Reisinger. "Ringing the fourfold: A philosophical framework for thinking about wellness tourism." *Tourism recreation research* 31, no. 1 (2006): 5-14.

<sup>98</sup>GAMAGE, Sisira Kumara NARADDA, S. K. Illangarathne, S. H. T. Kumudumali, and Alexandru-Mircea NEDELEA. "Terrorism and Tourism: A Systematic Review of Empirical Literature." *Revista de turism-studii si cercetari in turism* 29 (2020).

<sup>99</sup>Gursoy, Dogan, and Christina G. Chi. "Effects of COVID-19 pandemic on hospitality industry: Review of the current situations and a research agenda." (2020): 527-529.

the hotel industry. The travel bans limited the flow of both local and international tourists and consequently the operations within hotels and tourism. Kenyan renowned hotels such as Norfolk were closed amid the Pandemic. The industry was also expected to make certain changes to ensure that the employees and clients are safe including training of staff on health safety measures, the safety measures involves associated costs.<sup>100</sup>

The COVID-19 had a significant damage on the economic security of almost the entire global community causing the highest effect in economic history. It affected the economies including those of advanced countries. The downfall in the economic performance occurred as a result of reduction in demands, disruptions in supply chains among other factors. According to Horowitz, The Pandemic caused significant effects on all sectors of the economy, with people from all over the globe facing various economic shocks.<sup>101</sup> Elliot argued that the outbreak of the pandemic caused travel bans and restrictions on visits which had significant challenges.<sup>102</sup>

Gursoy argues that re-opening of restaurants to allow for sit-down hotel services as well as eased bans on travels and border opening might not have an immediate positive effect on the industry as it will take time for customers to adjust <sup>103</sup> which suggest that clients are still fearful and reluctant to eat in the restaurant. The Hospitality industry has high breakeven points due to high

---

<sup>100</sup>Gössling, Stefan, Daniel Scott, and C. Michael Hall. "Pandemics, tourism and global change: a rapid assessment of COVID-19." *Journal of Sustainable Tourism* 29, no. 1 (2020): 1-20.

<sup>101</sup>Horowitz, Richard I., Phyllis R. Freeman, and James Bruzzese. "Efficacy of glutathione therapy in relieving dyspnea associated with COVID-19 pneumonia: A report of 2 cases." *Respiratory medicine case reports* 30 (2020): 101063.

<sup>102</sup>Elliot, Alex J., Sally E. Harcourt, Helen E. Hughes, Paul Loveridge, Roger A. Morbey, Sue Smith, Ana Soriano et al. "The COVID-19 pandemic: a new challenge for syndromic surveillance." *Epidemiology & Infection* 148 (2020).

<sup>103</sup> Ibid, 15

cost of operations, so the survival of the industry highly depends on the ability of the industry to retain its customers and keep the high demands of their products as well as services. Tourism being a sector that supports various sectors like, health, transport, hospitality, food among others, the effects of the Pandemic on Tourism industry poses significant threat to the sectors that complements it.<sup>104</sup>Bloom and Cigarette postulates that a pandemic is blast of an infectious disease that starts from a single locus and spread affecting a large region<sup>105</sup> The pandemic causes increased mortality and strain though the health of the people, forcing the government to act towards halting the spread.

### **3.3 Restriction on Movements**

With restrictions on movement locally, local tourists were not able to move to the tourism sites, the closing of borders also made it impossible for foreign tourists to be able to travel from their countries to the tourist destinations, the air travels had limits as different states banned flights from various adversely affected states. The government of Kenya issued directives restricting social gatherings leading to closing down of some tourism sites, some of the sites were closed due to fear of employees being infected. Tourism sector has broad integration with other sectors such as food, transport and communication among others. Various countries that had their citizens visiting different states on tourism or other purposes persuaded their citizens to return home, with states making arrangements which included lifting their citizens back home. With

---

<sup>104</sup>Zhan, James X. "Covid-19 and investment--an UNCTAD research round-up of the international pandemic's effect on FDI flows and policy." *Transnational Corporations* 27, no. 1 (2020): 1-3.

<sup>105</sup>Bloom, David E., and Daniel Cadarette. "Infectious disease threats in the twenty-first century: strengthening the global response." *Frontiers in immunology* 10 (2019): 549.

canceled events and reduced number of guests, hotels began to record empty rooms, catering services were affected, the demand for food previously needed by the tourists dwindled, and employment opportunities reduced as the level of unemployment began to rise.

The knowledge of Kenya in the global map is partly due to its vast tourism sites, The Maasai Mara National Park brings numerous guests from across the globe, and other sites included the coastal beaches among others.<sup>106</sup> The number of visitors to The Park contributes a lot not only to the Maasai community that dominates the region but also to the entire country's revenue. The pandemic saw reduction in the number of tourists and the proceeds from the tourist activities. The pandemic, new to the world, caused tremendous fear to the global community. Various African states adopted certain policies including lockdown policies. Some of the policies that were adopted included, restrictions on public gathering, events cancellation , restrictions on domestic and international travels, the measures were taken by the countries as soon as the first cases of the pandemic were reported, In as much as these measures played significant roles in fighting the pandemic , they have had costly economic impacts

### **3.4 Demand for Hospitality Services and Goods**

Hotels and restaurants across the world recorded reduction in the bed occupancy, reduced guests so many hotels opted to develop measures that would reduce the cost of operations including laying off of their workers, some were sent on compulsory leaves. The restriction of hotel services to take- away lead to reduced consumption of products as most of the people

---

<sup>106</sup>Ogutu, Joseph O., Hans-Peter Piepho, Mohamed Y. Said, Gordon O. Ojwang, Lucy W. Njino, Shem C. Kifugo, and Patrick W. Wargute. "Extreme wildlife declines and concurrent increase in livestock numbers in Kenya: What are the causes?" *PloS one* 11, no. 9 (2016): e0163249.



developed preference for homemade food since it was considered safer and cheaper. The pandemic caused reduced demands for various products across the world, the reduction in demands significantly affected the production of the various industries reducing the need for the already existing labor force, with this effect there has been reduction in the amount of labor needed to produce the various products and services as the various supplies respond to the reduction in demand by reducing the quantity of products supplied. Sanchez et al argues that the jobs that would expose the workers more were likely to be lost unless declared essential.<sup>107</sup>

### **3.5 Employment Sector**

According to Rojas, the major job losses are driven by are driven by policies that were aimed to curb the spread of the pandemic such as social distancing and lockdowns<sup>108</sup>Gupta, focusing on business hours lost in the United States, argues that the falls in employment rates are as a result of the number of hours that the country lost in the stay-at home policies.<sup>109</sup>According to Coibion, Unemployment levels and job losses could be as a result of discouraged workers in addition to other causes like the lockdown policies.<sup>110</sup> According to Aum et al, increased infections lead to

---

<sup>107</sup>Rodríguez, Bárbara Otonín, and Tania Lorca Sánchez. "The Psychosocial Impact of COVID-19 on health care workers." *International braz j urol* 46 (2020): 195-200.

<sup>108</sup>Montenovo, Laura, Xuan Jiang, Felipe Lozano Rojas, Ian M. Schmutte, Kosali I. Simon, Bruce A. Weinberg, and Coady Wing. *Determinants of disparities in covid-19 job losses*. No. w27132. National Bureau of Economic Research, 2020.

<sup>109</sup>Gupta, Sumedha, Laura Montenovo, Thuy Dieu Nguyen, Felipe Lozano-Rojas, Ian M. Schmutte, Kosali Ilayperuma Simon, Bruce A. Weinberg, and Coady Wing. "Effects of social distancing policy on labor market outcomes." *NBER Working paper* w27280 (2020).

<sup>110</sup>Coibion, Olivier, Yuriy Gorodnichenko, and Michael Weber. *Labor markets during the COVID-19 crisis: A preliminary view*. No. w27017. National Bureau of Economic Research, 2020.

drop in employment even in the Absence of Lockdown in South Korea, however the job losses were higher in countries where there were mandatory lockdown policies.<sup>111</sup>

According to Beland, Wright and Brodeur, the jobs that can be done remotely were less affected compared to those than could not be done remotely, those affected more are the jobs that required the workers to have physical proximity with each other.<sup>112</sup> Those classified as essential service providers like the health sector are less likely to experience job losses. According to Schmidt, working from home has become the new normal and it reduces losses in productivity of various industries during the Pandemic.<sup>113</sup> The increase in prevalence of working from home was caused by strong enforcement of the social distance and the lockdown policies. According to Bartik et al the effects of the pandemic on business ranges from temporary or permanent closures as well as reduced need for labor pushing the employers to reduce their labor force.<sup>114</sup> Industries that have a highly concentrated labor force are at risk since social distance means reducing the workforce.

Adams- Prassl found out that the most affected workers are those who cannot work from home making them more likely to lose their jobs, they also observed that the youth and those who lack

---

<sup>111</sup>Aum, Sangmin, Sang Yoon, Tim Lee, and Yongseok Shin. *Who should work from home during a pandemic? The wage-infection trade-off*. No. w27908. National Bureau of Economic Research, 2020.

<sup>112</sup>Béland, Louis-Philippe, Abel Brodeur, and Taylor Wright. "The short-term economic consequences of Covid-19: exposure to disease, remote work and government response." (2020).

<sup>113</sup>Cinelli, Matteo, Walter Quattrociocchi, Alessandro Galeazzi, Carlo Michele Valensise, Emanuele Brugnoli, Ana Lucia Schmidt, Paola Zola, Fabiana Zollo, and Antonio Scala. "The COVID-19 social media infodemic." *Scientific Reports* 10, no. 1 (2020): 1-10.

<sup>114</sup>Gursoy, Dogan, and Christina G. Chi. "Effects of COVID-19 pandemic on hospitality industry: Review of the current situations and a research agenda." (2020): 527-529.

university education were at higher risk of having a drop in their income.<sup>115</sup> According to Yansevo, the people who are less educated are at higher risk of losing their jobs as compared to those who have university education.<sup>116</sup> Alstadser et al finds out that in Norway, the parents, children and the vulnerable are at higher risk<sup>117</sup>.

### 3.6 Effect of the Pandemic on new opportunities, innovations and investments

The spread of the Pandemic has increased uncertainties and fear among various people within the society. The people who had planned to invest in various sectors had to rethink or hold in wait for the situation to get better. Various business ventures that had intended to expand have also had to either halt the processes or diversify altogether, this is due to the reduced profits as the sectors are hit or closure of the various businesses due to the impact of the Pandemic<sup>118</sup>.

The focus has always been to try and remain in business at whatever cost and minimize the risks at the initial stages of the spread, the focus of the world shifted towards health first and that has dragged the focus on growth on various sectors. In other words covid-19 spared neither the natural persons nor the artificial persons. Business has been greatly affected. With the pandemic great opportunities for diversification have also been presented that are essential in ensuring that Africa diversifies and begins to focus on trade. The African Continental Free Trade Area

---

<sup>115</sup>Adams-Prassl, Abi, Teodora Boneva, Marta Golin, and Christopher Rauh. "Inequality in the impact of the coronavirus shock: Evidence from real time surveys." *Journal of Public Economics* 189 (2020): 104245.

<sup>116</sup>Yasenov, Vasil I. "Who can work from home?" (2020).

<sup>117</sup>Alstadsæter, Annette, Bernt Bratsberg, Gaute Eielsen, Wojciech Kopczuk, Simen Markussen, Oddbjorn Raaum, and Knut Røed. *The first weeks of the coronavirus crisis: Who got hit, when and why? Evidence from Norway*. No. w27131. National Bureau of Economic Research, 2020.

<sup>118</sup>Hossain, Mokter. "The effect of the Covid-19 on sharing economy activities." *Journal of Cleaner Production* 280 (2021): 124782.

(ACFTA) has received numerous membership signing In with so far 54 out of the 55 African Union nations being able to sign. Eritrea is yet to sign .With seed trading relationship and elimination of tariffs African Nations will see more trade oriented growth.<sup>119</sup>

### **3.7 The Standard of living**

The term standard of living lacks a universal definition, its interpretation has gone through various changes over the years. Between 1940s to the 1950s the term could be measured using measures like the Gross Domestic Product since it was conceptualized materially in terms of the available goods and services.<sup>120</sup> The definition has since changed to accommodate factors that consider the Welfare of the people including the span of life, human development, and level of literacy among others. According to the United Nations, the term should in addition to the GDP account for issues such as employment, the expectancy of life, education and health.<sup>121</sup> The conceptualization of the term standard of living by the United Nations includes policies for instance political participation.

The pandemic shook the entire world with the standards of living of the people being greatly affected, the income from various sectors declined, banks began to record significant decline in the number of transactions, people began to have thin budgets with key focus on basic needs at the cost of luxury, and more attention went to medication. The most affected groups were the already considered poor living from hand to mouth as they could no longer find jobs and food,

---

<sup>119</sup>Ferreira, L. "Investigating how realising export potential can contribute to regional trade in the Tripartite Free Trade Area." PhD diss., North-West University (South Africa), 2020.

<sup>120</sup>Easterlin, Richard A. "The worldwide standard of living since 1800." *Journal of Economic Perspectives* 14, no. 1 (2000): 7-26.

<sup>121</sup>*ibid*, 8

they were also the most affected by the pandemic since the informal settlement areas including slums made it impossible to exercise social distance.<sup>122</sup>

The rising medical needs of the people also lead to despair as most people in the informal sectors had no medical cover, with the job losses and reduced incomes it has become difficult for the people to be able to afford medication and indeed this has made life more unbearable for the people. The hospitality Industry in Kenya recorded significant job losses and this in return negatively affects the ability of the people to afford their usual way of life. Not only did the country experience job losses but there have also been decline in the creation of other opportunities since hard hit sectors included trade and manufacturing sectors hence reduction in the economic productivity.

### **3.8 Increased Cost of Living**

Andersen et al identifies changes in the consumer spending during the pandemic, the total expenses fell amid the pandemic as compared to pre-Covid, and the drop in the spending was more towards the commodities whose supply had declined due to containment policies. The impact on spending varied according to the products, for instance the spending on groceries and pharmaceuticals which remained open was not as affected as the expenditures on travels and restaurants services which were restricted.<sup>123</sup>

---

<sup>122</sup>Ötsch, Walter. *What type of crisis is this? The coronavirus crisis as a crisis of the economicised society.* No. 57. Working Paper Serie, 2020.

<sup>123</sup>Andersen, Asger Lau, Emil Toft Hansen, Niels Johannesen, and Adam Sheridan. "Consumer responses to the COVID-19 crisis: Evidence from bank account transaction data." *Available at SSRN 3609814* (2020).

Coibon et al conducted a study on the effects of the containment measures on the outcomes of the labor markets in America, they note a fall in the spending by American households. The households would spend less on the commodities that are either durable or whose supply had been restricted by the measures adopted by the government. Morsy et al conducted a study exploring the effect of the Pandemic on The economies of Africa and the wellbeing of the people they look at both the informal and the formal economy. According to them the pandemic led to decrease in employment both in the formal and the informal sectors, this reduced the consumption rates.<sup>124</sup>

According to Cavallo, the global inflation rates was way higher during the pandemic than before ,and that this is caused mainly due to the increased expenditures on food , The expenditures on deflationary goods and services like transportation reduced while there was increased spending on food and other commodities whose prices usually increases over time.<sup>125</sup>Baker et al did a research on how epidemic affects the consumptions by households, they note that as people took precautionary measures, the expenditures increased sharply as people shopped to have a stock of basic communities. This led to an increase in global spending by households.<sup>126</sup>A report by UN Habitat in 2019 shows that more that 238 million Africans live in slums and the people who live in the informal settlements do not have proper access to basic water and sanitation,

---

<sup>124</sup>Morsy, Hanan, Adeleke Salami, and Adamon N. Mukasa. "Opportunities amid COVID-19: Advancing intra-African food integration." *World Development* 139 (2021): 105308.

<sup>125</sup>Cavallo, Alberto. *Inflation with Covid consumption baskets*. No. w27352. National Bureau of Economic Research, 2020.

<sup>126</sup>Baker, Scott R., Robert A. Farrokhnia, Steffen Meyer, Michaela Pagel, and Constantine Yannelis. "How does household spending respond to an epidemic? Consumption during the 2020 COVID-19 pandemic." *The Review of Asset Pricing Studies* 10, no. 4 (2020): 834-862.

proper hygiene. The people who have been compelled to pursue informal means of life have been the most affected by the Pandemic.<sup>127</sup>

### **3.9 Food Security**

The increased loss of jobs and reduced incomes threatened food security with most affected being individuals in the informal economy. The government of the Republic of Kenya however did not adopt full lock down, the measures adopted included restrictions on movements and night curfews. The number of youths who live and depend on informal economies were also greatly affected as most could no longer find the casual jobs that they depended on previously. Restrictions on hotel and restaurant to take away also lead to laying off of many Works in the hotel and tourism sectors and these in return would. Prior to the Pandemic, millions of people across the globe could not access food adequately and sufficiently, The Pandemic aggravated the situation The Global Report on food Crises (GRFC) 2020 states that the pandemic worsened the situation for the people who lacked food security <sup>128</sup> The issues of food insecurity may not be as a result of reduced supply but rather due to reduced incomes and increased unemployment making it impossible for people to afford adequate food.

---

<sup>127</sup>Onyishi, Chinedu Josephine, Adaeze UP Ejike-Alieji, Chukwuedozie Kelechukwu Ajaero, Casmir Chukwuka Mbaegbu, Christian Chukwuebuka Ezeibe, Victor Udemezue Onyebueke, Peter Oluchukwu Mbah, and Thaddeus Chidi Nzeadibe. "Covid-19 pandemic and informal urban governance in Africa: A political economy perspective." *Journal of Asian and African Studies* (2020): 0021909620960163.

<sup>128</sup>Andree, Bo Pieter Johannes, Andres Chamorro, Aart Kraay, Phoebe Spencer, and Dieter Wang. "Predicting food crises." (2020).

### **3.10 Conclusions**

With the pandemic spreading and taking lives, the tourism and hospitality sectors suffered significantly and the number of job losses in these sectors rose. The impact of the pandemic led to reduced productivity in the tourism sector, due to the high operational costs, employers in this sector had to lay off some of their employees, this move affected the standards of living of the people. Many people in this sector lost their jobs, had pay cuts and dwindling income affecting their economic security.



## CHAPTER 4

### DATA COLLECTION AND ANALYSIS

#### 4.0 Introduction

This Chapter focuses on data analysis, presentation and interpretation, the aim of the study is to assess the effects of COVID-19 on the economic Security of Africa. A case study of Kenya's tourism and Hospitality Sectors. The data was obtained by use of questionnaires, the data was then cleaned and coded and descriptive statistics was applied, the findings were presented by means of tables, charts and graphs.

#### 4.1 Response Rates

The questionnaires were done both online through Google docs as well as physically. The online responses were a total of 53 with 3 being empty submissions and 50 were complete submissions. The physical responses were 10 making a complete of 60 complete responses which makes 100% rate of response adequate for the purpose of the study.

#### 4.2 Demographics of the Sample

Gender options were given as either Male or Female. The number of male respondents totaled 58%, the female respondents were 42%. As per table 4.1

Table 4.1 Sample Demographics

Gender	Frequency	Percentage
Male	35	58

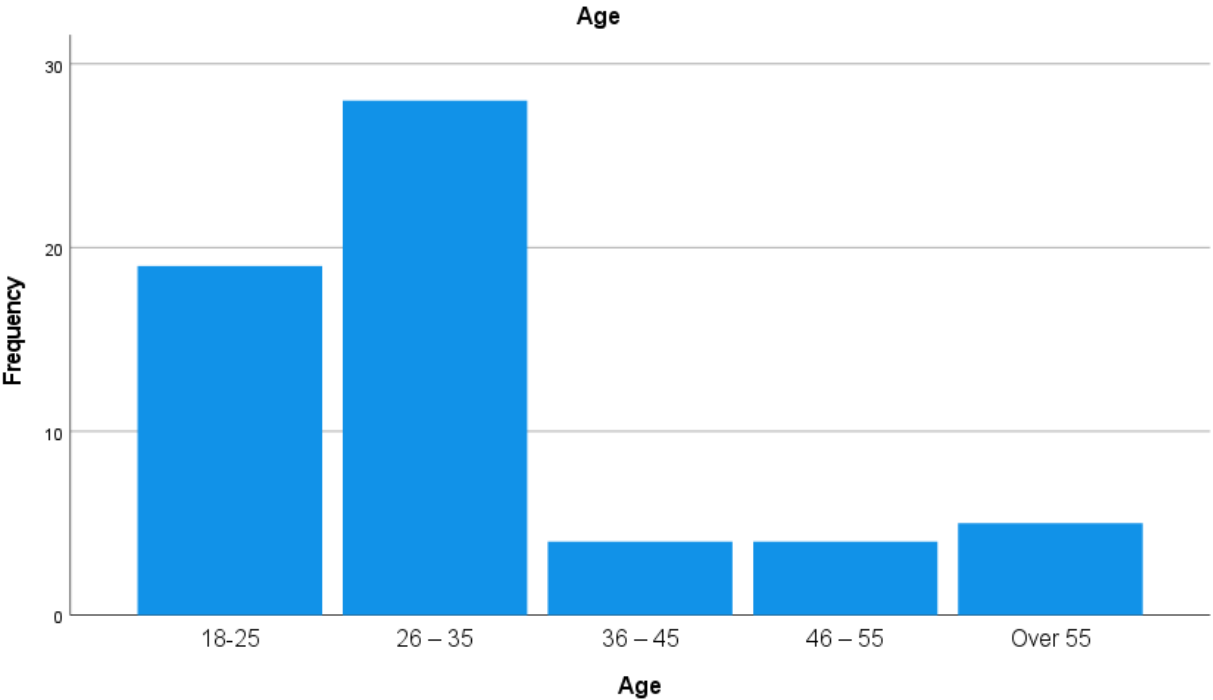
Female	25	42
Total	60	100

Source: Author 2021

**4.3 Age of the Respondents**

Age 18-25 had 19 respondents forming 31.7%, 26-35 formed the majority at 28 which is 46.7% 36-45 and 46-55 each had 4 respondents which forms 6.7%. Those aged over 55 years were 5 and this is equals to 8.3% as shown in graph 4.1

Graph 4.1 Age of the respondents



Source: Author 2021

#### 4.4 Respondent Occupation

The respondents interviewed belonged to either of the following categories; Ministry of Hospitality and Tourism, Employer in Tourism industry, Employee in tourism industry, Hotelier, A tour Agent, Civil Society, Academician and Ministry of Health.

Table 4.2 Respondents occupation

	N	%
A tour Agent	4	6.7%
Academician	12	20.0%
Civil Society	8	13.3%
Employee in tourism industry	4	6.7%
Employee within a hospitality industry	13	21.7%
Employer in Tourism industry	3	5.0%
Hotelier	4	6.7%
Ministry of Health	6	10.0%
Ministry of Hospitality and Tourism	6	10.0%

Source: Author 2021

The respondents constituted 6.7% tour agents. 20.0 academicians, 13.3% civil society, 6.7% employees within the tourism industry. 5.0% employers in the tourism industry, 6.7% hoteliers, 10% respondents from the ministry of health and 10% respondents from the ministry of Hospitality and Tourism.

#### 4.5 Effects of COVID-19 on ability to cover essential needs

The Respondents from different occupations stated that the pandemic affected the ability of African Citizens to cover their essential needs. Major Common responses included increased unemployment rates that make people unable to cover for their needs. Decline in disposable income led to reduced abilities to attain various needs. Economic recessions, increased poverty levels. Reduction in ability to cover for the essential needs, Change of priorities towards various needs as income reduced, the purchasing ability of the people dwindled. Summary is shown in table 4.3

Table 4.3 Effects of COVID-19 on Ability to cover essential needs.

Stakeholders	Effects on essential needs
Tour Agents	Negatively Loss of income Loss of jobs hence inability to afford needs Low cash flow makes it difficult to attain needs.
Academicians	Yes there has been significant effect Job losses. Economic recessions Negatively due to significant effect on the economy Reduced income Increased poverty levels
Civil Society	Reduced ability to cover for the essential needs Negatively due to reduced incomes. Constraints due to affected businesses Expenses cut down due to reduced incomes Inability to buy or order some essential goods
Employee within Tourism Industry	Inability to carter for needs

	Loss of job Loss of income Priority on basic needs as other needs are forgone
Employee within a hospitality industry	Many people lost jobs and income sources Inability to take care of needs Reduced Expenditure Closure of businesses leading to reduced income circulations
Employer in Tourism industry	Increased struggles Reduced income Inability to afford some of the goods and services
Hotelier	Reduced standard of living Reduced purchasing ability
Ministry of Health	Job losses leasing to reduced incomes Reduced ability to afford some basic life
Ministry of Hospitality and Tourism	Lowered living standards Decline in the ability to purchases some goods Difficult to meet essential needs Affected purchasing ability

**4.6 Effects of the Pandemic on Financial Goals**

Respondents stated that the Pandemic affected the financial goals of the people most of the common responses cutting across the different categories included, reduced spending abilities as a result of job losses and income reductions as summarized in table below

Table 4.4 Effects of the pandemic on Financial Goals and most disastrous effects in Kenya

STAKEHOLDERS	Effects on financial goals	Most disastrous effect in Kenya
A tour Agent	Reduction in income Affected international Trade Lack of stable income Closure of businesses	Health Deaths and fear Reduction in income Reduced economic growth Fear
Academician	Decrease in incomes Finances were redirected towards the pandemics Reduced pay and job losses led to inability to afford needs Reduced loans and resource flows Severe effects on the financial markets Shrinking economy Decline in standard of living	Negative impact on economy Deterioration in health Loss of jobs/unemployment Decreased standards of living Business interruptions
Civil Society	Limited spending Reduced disposable income Inability to buy various goods and services Unemployment and reduced spending Reduced financial power of most Africans People had to forgo some needs Increased difficulty in goal achievement	Worsened economic state Widened gap between rich and poor Job losses/unemployment Closing of business
Employee in Tourism industry	Inadequate funds to meet financial goals Businesses closed Job losses. Savings depleted	Loss of jobs Closure of businesses/industries Rise in cost of living
Employee within a hospitality industry	Reduced aid and loans Reduced income	Rise in cost of living Loss of jobs

	Inability to afford basic needs Reduced ability to sustain themselves	Closure of industries Loss of livelihood Reduced income
Employer in Tourism industry	Income reductions Job losses	Unemployment Reduced income Reduced standard of living
Hotelier	Job losses Reduced income Reduced business Closure of business	Reduced economic growth Increased unemployment rates Closure of businesses
Ministry of Health	Thwarted business visions Reduced investments Reduced earnings Job losses	Economic contains Loss of lives Closure of businesses Job losses
Ministry of Hospitality and Tourism	Reduced purchasing abilities Many lost their jobs Reduced purchasing ability	Unemployment/loss of jobs Closing of tourism sectors Closure of businesses Loss of livelihood

Source: Author 2021

#### 4.7 Most Disastrous effects of COVID-19

The respondents were asked about what they think is the most disastrous effect of the Pandemic. Some of the responses included loss of livelihood, reduced standard of living, Loss of jobs as unemployment rates rose. Businesses including hotels and restaurants closed down, Economic growth rate dwindled, and the cost of living went up as summarized in table 4.4 above.

#### 4.8 Hotel and Restaurants Closure

The respondents were asked whether the pandemic led to closing down of hotels and Restaurants, majority constituting 49 responses that totals to 81.7% strongly agree that the pandemic led to closure of hotels and restaurants. 8.3% of the respondents agree, 1.7 % respondents were neutral.

Table 4.5 Hotel and Restaurant Closure

	Frequency	Percent	Cumulative Percent
Strongly disagree	4	6.7	6.7
Disagree	1	1.7	8.3
Neutral	1	1.7	10.0
Agree	5	8.3	18.3
Strongly Agree	49	81.7	100.0
Total	60	100.0	

Source: Author 2021

#### 4.9 Effects of Covid on local and international Travel

The respondents were asked to give a scaled responses on whether the pandemic has caused a decline in both local and international Travel 80% of the respondents strongly agree that the Pandemic led to reduced travel, 10% agree that the pandemic caused decline in travels while 10% strongly disagree as shown in table 4.6



Table 4.6: Effects of COVID-19 on local and international Travel

	N	%
Strongly disagree	6	10.0%
Agree	6	10.0%
Strongly agree	48	80.0%

Source: Author 2021

#### 4.10 Effects on Hotel Food consumption and job losses during covid-19

The respondents were asked if the Lockdown policies have had any effects on the Consumption of Hotel foods. Majority constituting 75% strongly agree that lockdown policies have caused a reduction in hotel food consumption as shown on Table 4.7 below

Table 4.7 Effects of Lockdown policies on hotel food consumptions

	N	%
Strongly disagree	4	6.7%
Neutral	1	1.7%
Agree	10	16.7%
Strongly agree	45	75.0%

Source: Author 2021

Table 4.8: Job loss during COVID-19

H	N	%
Yyes	58	96.7%
Nno	2	3.3%

Source: Author 2021

96.7 % of the respondents which totals to 58 confirms to have a friend or a relative who has lost his/her job due to COVID-19. Only two respondents. The pandemic has affected many people known to us.

#### 4.11 Effects of COVID-19 on Employment in the hospitality sector

Table 4.9 Effects of the Pandemic on Employment in the hospitality sector

Stakeholder	Effects of COVID-19 on Employment within Tourism
A tour Agent	Increased unemployment Increased laying off due to closure of eateries
Academician	Reduced rates of new employments Increased job losses due to Reduction in hotel bookings Lockdowns affected tourism hence reduced check-ins.
Civil Society	Many people lost their jobs Reduced rate of hiring Reduced pay Compulsory leave Businesses were affected leading to pay cuts
Employee in Tourism industry	Closure of businesses rendering people jobless Increased unemployment
Employee within a hospitality industry	Increased job losses Reduction in job creations Reduction in wages

Employer in Tourism industry	Most people in the hotel industry lost their jobs. Compulsory leaves and pay cuts Borders closure since their employers could barely raise enough money to pay the employees.
Hotelier	Reduced employment Rates Reduced pay
Ministry of Health	Increased unemployment leading to reduced income
Ministry of Hospitality and Tourism	Rise in the rates of unemployment No new jobs as businesses closed down.

Source: Author 2021

**4.12 Effect of the Pandemic on the Standard of living**

The respondents stated that the pandemic lowered the standard of living of the people, as job losses rose and income dropped, the ability to afford their living standard was affected, daily consumptions reduced, it affected the lifestyle of the people who depended on the tourism and hospitality sectors for their livelihood.

**4.13 Actions taken by the government of Kenya has done to fight the Pandemic**

Table 4.9 Actions by the government in fight of the Pandemic

Actions by the government
---------------------------

- Vaccination
- Restrictions on movements to help curb the spread
- Improved health infrastructure
- Creation of awareness and sensitization of the media
- Tax incentives to encourage business growth
- Curfew hours to help reduced interaction

#### **4.14 Recommendations on what more can be done**

The respondents suggested proper recovery policies, mass vaccination and ensuring that the vaccines are available for all the citizens, also proposed more focus on the health infrastructure during and post the Pandemic to ensure that the health of the people is a priority. The respondents also suggested fiscal and monetary policies that would help shape the economy towards recovery and growth.

#### **4.15 Conclusion**

This chapter relied purely on the primary data that was collected through the use of questionnaires and analyzed by using SPSS and Excel, The respondents who were from different professional backgrounds ranging from, tour agents, Ministry of tourism, Ministry of health, academicians, employees and employers from tourism industry among others gave responses that depicts the effects of the COVID-19 on the economic security of Africa. The scope of the study was limited to Kenya's tourism and hospitality sectors.

## CHAPTER FIVE

### SUMMARY CONCLUSIONS AND RECOMMENDATIONS

#### 5.0 Introduction

The chapter provides a summary of the data collected and conclusions obtained from the data. The study focused on Assessment of the effects of COVID-19 on Africa's Economic Security, a case study of Tourism and Hospitality Sectors of Kenya. The objectives of the study included assessing how COVID-19 has affected the economic Security Of Africa, Examining the impact of COVID-19 on Kenya's hospitality and tourism sectors and to examine how COVID-19 affected employment in the tourism and Hospitality sectors and consequently on the standard of living in Kenya. The study also sets out to provide recommendations on what further can be done in dealing with the pandemic, future pandemics and pushing the economy towards recovery.

#### 5.1 Summary

Economic security consists of circumstances that protects the economy from threats, the threats may be either external or internal, and economic security is to focus the ability of the people to attain a decent living. Any factors that threaten the employment of the people and their amount of income is usually a threat to their economic security<sup>129</sup>. According to the International Committee of the Red Cross (ICRC) Economic security entails the ability of the people to obtain their essential needs with dignity. Food and accommodation among other needs constitute essential needs. The Pandemic negatively affected the ability of the people to achieve various

---

<sup>129</sup>Campbell, David, David Edgar, and George Stonehouse. *Business strategy: an introduction*. Macmillan International Higher Education, 2011.

essential needs. In the Hospitality sector in Kenya, as the government gave directives that hotels and eateries just offer take away services, the occupancy of hotels declined significantly. The employers within the industry were faced with the challenge of how to continue with the operations amid the Pandemic, what followed was either temporary or permanent closure of restaurants, this rendered some of the employees within the industry jobless hence threatening their economic security.

Restrictions on travels and gatherings and partial lockdown policies imposed by the government of Kenya lead to reduction in demand for the products and services in the industry, as the demand declined, The profits by the tourism sector declined, these also caused a reduction in the demand for labor in the tourism sector leading to retrenchments, compulsory leaves , as well as a reduction in new job creations within the industry , loss of job means loss of income and loss of income affects the ability of the people to take care of their essential needs without losing their dignity. Jobs and services that hotels offer are not possible to be done from home, this implies that even the majority of businesses resorted to working from home. Those in hospitality industries depending heavily on internal and external guests were still adversely affected.

The Pandemic effected the economic security of Africa, with a focus on the scope of Kenya's tourism and hospitality sectors. Amid the Pandemic many people lost their jobs, with the increased levels of job losses, income dwindled leading to decline in the ability of the people to afford various needs with dignity the pandemic, being new to the entire world posed unprecedented challenges and effects to the entire globe. The governments of various states had to intervene by coming up with policies and strategies that would help curb the spread of

the virus. Among the measures included restrictions on travels, the restrictions on travels affected international tourism as guests could no longer travel from other countries to Kenya, these led to decline in the number of hotel bookings and demand for the products that are consumed by the tourists. Some of the other measures such as partial or total lockdowns also affected the operations of many businesses. As the demand for hotel and tourism goods and services declined. Employees had to cut down on costs by either laying off their employees or sending them on compulsory leave as their services were no longer required.

The operations of various businesses went down, this led to reduced rates of new employment opportunities, investments dwindled, and this significantly affected the economic productivity, the rate of unemployment rose. The closing down of various businesses led to reduction of supply of certain commodities leading to supply induced inflationary pressures as the prices of various commodities increased. The closing of borders also affected the movement of goods across the borders hence leading to rise in the commodity pricing as well as reduction in supply.

Other measures by the state such as ban on social gathering and limitations of the operations of hotels to take away, these caused a decline in the number of clients in hotels and eateries and consequently a significant decline in the productivity of the economy. Many eateries had to cut down on costs by laying off some of the employees hence causing increased unemployment and subsequent reduction in the standard of living of the affected people. The pandemic scared the whole world attracting responses from the International community. It had both mental, physical and psychological wellness of the people. Spending on various goods and services. Air travel services providers cut on transportation due to restrictions on movement by the government.

## 5.2 Conclusion

The government of Kenya in the quest to fight the pandemic came up with various measures that would be essential in fighting the pandemic whose damage and effects was felt not only within the country or the continent of Africa but across the entire globe. The pure intentioned measures were meant to help fight the spread of the pandemic and save the society from contacting the deadly pandemic. However, these measures had significant effects on the economic security of the country.

This research recognizes the effects of the pandemic and looks at the issue of the economic security of Africa from a lens of the ability of the African people to afford essential needs. It looked at the effect of the pandemic on employment within the tourism and hospitality sector , the effect of the Pandemic on the operations within the hospitality sector as well as how increased rates of unemployment within the tourism and hospitality sector of Kenya consequently affects the standards of living of the people of Kenya. Critical finding noted is that the majority of the people in Kenya, especially those working in tourism and hospitality sectors in Kenya lost their jobs hence facing significant decline in their income.

The study found out that some of the actions of the government in the pursuit of solutions towards the pandemic includes sensitization and creation of awareness to ensure that people have correct information regarding the virus. The government also came up with policies such as lockdown policies with intentions of helping in the war against the catastrophe, other mitigation policies advanced by the government of Kenya included mass vaccination that is ongoing. The



government also allocated a substantial amount of revenue towards development of improved health institutions in order to help fight the Pandemic.

### **5.3 Recommendations**

Even war on winning the battle against the Pandemic continues, it is crucial for the governments to be prepared in and out of threats as the Pandemic though being unique, is not the first one and might not be the last one, that makes it important for the government and the community to be prepared to handle similar, worse or less adverse Pandemics even in future. The government needs to ensure that the process of Mass Vaccination and ensuring availability of enough vaccines for the people would be a noble idea, other includes, and sufficient allocation of finances by the government towards health and development of local industries would ensure that the economy of the nation continues to thrive even in the middle of crises. It is critical for the community to be prepared. The people should be willing to take directions and follow rules and regulations in ensuring that preventive measures are adhered to. The government should also ensure that there are sufficient policies and resources that are essential for Post-COVID economic recovery and with the focus on sustainability that would ensure that the needs of the future generation are not ignored.

#### **5.3.1 Recommendation for Further Research**

Further research is recommended in the following areas, to ensure availability of information essential in filling the knowledge gaps.

Health economics-Research is needed on the effectiveness and functionality of health systems for the betterment of society.

Post COVID-19 Economic recovery - formulation and implementation of policies that would ensure economic recovery and growth after Covid-19

## BIBLIOGRAPHY

Adams-Prassl, Abi, Teodora Boneva, Marta Golin, and Christopher Rauh. "Inequality in the impact of the coronavirus shock: Evidence from real time surveys." *Journal of Public Economics* 189 (2020): 104245.

Addressing Africa's pandemic puzzle: Perspectives on COVID-19 transmission and mortality in sub-Saharan Africa." *International journal of infectious diseases* 102 (2021): 483-488.

Ahiakpor, James CW. "On the mythology of the Keynesian multiplier: Unmasking the myth and the inadequacies of some earlier criticisms." *American Journal of Economics and Sociology* 60, no. 4 (2001): 745-773.

Ali, Imran, and Omar ML Alharbi. "COVID-19: Disease, management, treatment, and social impact." *Science of the total Environment* 728 (2020): 138861.

Alstadsæter, Annette, Bernt Bratsberg, Gaute Eielsen, Wojciech Kopczuk, Simen Markussen, Oddbjorn Raaum, and Knut Røed. *The first weeks of the coronavirus crisis: Who got hit, when and why? Evidence from Norway*. No. w27131. National Bureau of Economic Research, 2020.

Andam, Kwaw S., Hyacinth Edeh, Victor Oboh, Karl Pauw, and James Thurlow. *Estimating the economic costs of COVID-19 in Nigeria*. Vol. 63. Intl Food Policy Res Inst, 2020.

Andersen, Asger Lau, Emil Toft Hansen, Niels Johannesen, and Adam Sheridan. "Consumer responses to the COVID-19 crisis: Evidence from bank account transaction data." *Available at SSRN 3609814* (2020).

Antipa, Pamfili, Karim Barhoumi, Véronique Brunhes-Lesage, and Olivier Darné. "Nowcasting German GDP: A comparison of bridge and factor models." *Journal of Policy Modeling* 34, no. 6 (2012): 864-878.

Appelbaum, Eileen. "The labor market in post-keynesian theory." In *Unemployment and Inflation*, pp. 33-45. Routledge, 2017.

Arestis, Philip, and Malcolm Sawyer. "The return of fiscal policy." *Journal of Post Keynesian Economics* 32, no. 3 (2010): 327-346.

Arestis, Philip, and Terra Fábio Henrique Bittes. "Keynesian macroeconomic policy: Theoretical analysis and empirical evidence." *Panoeconomicus* 65, no. 1 (2018): 1-20.

Arieff, Alexis. *Global economic crisis: Impact on sub-Saharan Africa and global policy responses*. Diane Publishing, 2010.

Asante Antwi, Henry, Lulin Zhou, Xinglong Xu, and Tehzeeb Mustafa. "Beyond COVID-19 Pandemic: An Integrative Review of Global Health Crisis Influencing the Evolution and Practice of

Corporate Social Responsibility." In *Healthcare*, vol. 9, no. 4, p. 453. Multidisciplinary Digital Publishing Institute, 2021.

Aum, Sangmin, Sang Yoon, Tim Lee, and Yongseok Shin. *Who should work from home during a pandemic? The wage-infection trade-off*. No. w27908. National Bureau of Economic Research, 2020.

Baker, Scott R., Robert A. Farrokhnia, Steffen Meyer, Michaela Pagel, and Constantine Yannelis. "How does household spending respond to an epidemic? Consumption during the 2020 COVID-19 pandemic." *The Review of Asset Pricing Studies* 10, no. 4 (2020): 834-862.

Balasubramanian, M. *Covid 19-The new age pandemic*. Notion Press, 2020.

Barker, Terry. "Towards new thinking in economics." (2011).

Bartik, Alexander W., Marianne Bertrand, Zoë B. Cullen, Edward L. Glaeser, Michael Luca, and Christopher T. Stanton. *How are small businesses adjusting to COVID-19? Early evidence from a survey*. No. w26989. National Bureau of Economic Research, 2020.

Béland, Louis-Philippe, Abel Brodeur, and Taylor Wright. "The short-term economic consequences of Covid-19: exposure to disease, remote work and government response." (2020).

Blinder, Alan S. "Keynesian economics." *The concise encyclopedia of economics* 2, no. 008 (2008).

Bloom, David E., and Daniel Cadarette. "Infectious disease threats in the twenty-first century: strengthening the global response." *Frontiers in immunology* 10 (2019): 549.

Brezina, Corona. *Understanding the gross domestic product and the gross national product*. The Rosen publishing group, INC, 2011.

Brown, Christopher. "Does income distribution matter for effective demand? Evidence from the United States." *Review of Political Economy* 16, no. 3 (2004): 291-307.

Callen, Tim. "Gross domestic product: An economy's all." *International Monetary Fund: Washington, DC, USA* (2012).

Campbell, David, David Edgar, and George Stonehouse. *Business strategy: an introduction*. Macmillan International Higher Education, 2011.

Cavallo, Alberto. *Inflation with Covid consumption baskets*. No. w27352. National Bureau of Economic Research, 2020.

Cinelli, Matteo, Walter Quattrociocchi, Alessandro Galeazzi, Carlo Michele Valensise, Emanuele Brugnoti, Ana Lucia Schmidt, Paola Zola, Fabiana Zollo, and Antonio Scala. "The COVID-19 social media infodemic." *Scientific Reports* 10, no. 1 (2020): 1-10.

Cogan, John F., Tobias Cwik, John B. Taylor, and Volker Wieland. "New Keynesian versus old Keynesian government spending multipliers." *Journal of Economic dynamics and control* 34, no. 3 (2010): 281-295.

Coibion, Olivier, Yuriy Gorodnichenko, and Michael Weber. *Labor markets during the COVID-19 crisis: A preliminary view*. No. w27017. National Bureau of Economic Research, 2020.

- Cormac, R., 2014. Secret intelligence and economic security: The exploitation of a critical asset in an increasingly prominent sphere. *Intelligence and National Security*, 29(1), pp.99-121.
- Coven, Joshua, and Arpit Gupta. "Disparities in mobility responses to covid-19." *New York University* (2020).
- De Groot, Jiska, and Charlotte Lemanski. "COVID-19 responses: infrastructure inequality and privileged capacity to transform everyday life in South Africa." *Environment and Urbanization* 33, no. 1 (2021):255-272.
- De Janvry, Alain, and Jean-Jacques Dethier. "The World Bank and governance: the Bank's efforts to help developing countries build state capacity." *World Bank Policy Research Working Paper* 6275 (2012).
- de Paula, Luiz Fernando, André de Melo Modenesi, and Manoel Carlos C. Pires. "The tale of the contagion of two crises and policy responses in Brazil: A case of (Keynesian) policy coordination?." *Journal of Post Keynesian Economics* 37, no. 3 (2015): 408-435.
- Dingel, Jonathan I., and Brent Neiman. "How many jobs can be done at home?" *Journal of Public Economics* 189 (2020): 104235.
- Dutt, Amitava Krishna. "The dependence effect, consumption and happiness: Galbraith revisited." *Review of Political Economy* 20, no. 4 (2008): 527-550.
- Easterlin, Richard A. "The worldwide standard of living since 1800." *Journal of Economic Perspectives* 14, no. 1 (2000): 7-26.
- Elliot, Alex J., Sally E. Harcourt, Helen E. Hughes, Paul Loveridge, Roger A. Morbey, Sue Smith, Ana Soriano et al. "The COVID-19 pandemic: a new challenge for syndromic surveillance." *Epidemiology & Infection* 148 (2020).
- Fana, Marta, Sergio Torrejón Pérez, and Enrique Fernández-Macías. "Employment impact of Covid-19 crisis: from short term effects to long term prospects." *Journal of Industrial and Business Economics* 47, no. 3 (2020): 391-410.
- Ferreira, L. "Investigating how realising export potential can contribute to regional trade in the Tripartite Free Trade Area." PhD diss., North-West University (South Africa), 2020.
- GAMAGE, Sisira Kumara NARADDA, S. K. Illangarathne, S. H. T. Kumudumali, and Alexandru-Mircea NEDELEA. "Terrorism and Tourism: A Systematic Review of Empirical Literature." *Revista de turism-studii si cercetari in turism* 29 (2020).
- García-Lizana, Antonio, and Salvador Pérez-Moreno. "Consumption and income distribution: a proposal for a new reading of Keynes' thinking." *The European Journal of the History of Economic Thought* 19, no. 1 (2012): 45-65.
- Gardini, G. "The World Before and After Covid-19-Intellectual Reflections on Politics, Diplomacy and International Relations." (2020). 62
- Gautam, Ritu, and Manik Sharma. "2019-nCoV pandemic: A disruptive and stressful atmosphere for Indian academic fraternity." *Brain, behavior, and immunity* 88 (2020): 948.

Gentilini, Ugo, Mohamed Almenfi, Ian Orton, and Pamela Dale. "Social protection and jobs responses to COVID-19." (2020).

Gilbert, M., Pullano, G., and Pinotti, F., et al. (2020) "Preparedness and vulnerability of African countries against importations of COVID-19: a modelling study," *Lancet* 2020; 395: 871–77.

Goldberg, Pinelopi Koujianou, and Tristan Reed. "The effects of the coronavirus pandemic in emerging markets and developing economies: An optimistic preliminary account." *Brookings papers on economic activity* 2020, no. 2 (2020): 161-235.

Gössling, Stefan, Daniel Scott, and C. Michael Hall. "Pandemics, tourism and global change: a rapid assessment of COVID-19." *Journal of Sustainable Tourism* 29, no. 1 (2020): 1-20.

Gössling, Stefan, Daniel Scott, and C. Michael Hall. "Pandemics, tourism and global change: a rapid assessment of COVID-19." *Journal of Sustainable Tourism* 29, no. 1 (2020): 1-20.

Gössling, Stefan, Daniel Scott, and C. Michael Hall. "Pandemics, tourism and global change: a rapid assessment of COVID-19." *Journal of Sustainable Tourism* 29, no. 1 (2020): 1-20

Grosh, Margaret, Carlo Del Ninno, Emil Tesliuc, and Azedine Ouerghi. *For protection and promotion: The design and implementation of effective safety nets*. World Bank Publications, 2008

Gupta, Sumedha, Laura Montenegro, Thuy Dieu Nguyen, Felipe Lozano-Rojas, Ian M. Schmutte, Kosali Ilayperuma Simon, Bruce A. Weinberg, and Coady Wing. "Effects of social distancing policy on labor market outcomes." *NBER Working paper w27280* (2020).

Gursoy, Dogan, and Christina G. Chi. "Effects of COVID-19 pandemic on hospitality industry: review of the current situations and a research agenda." (2020): 527-529.

Gursoy, Dogan, and Christina G. Chi. "Effects of COVID-19 pandemic on hospitality industry: Review of the current situations and a research agenda." (2020): 527-529.

Hall, C. Michael. "Crisis events in tourism: subjects of crisis in tourism." *Current issues in Tourism* 13, no. 5 (2010): 401-417.

Hall, Peter A. *The political power of economic ideas*. Princeton University Press, 2020.

Hall, Thomas E., and J. David Ferguson. *The Great Depression: an international disaster of perverse economic policies*. University of Michigan Press, 2009.

Hamann, Ralph, Judy N. Muthuri, Ijeoma Nwagwu, Neeveditah Pariag-Maraye, Wendy Chamberlin, Shivani Ghai, Kenneth Amaeshi, and Chris Ogbachie. "COVID-19 in Africa: contextualizing impacts, responses, and prospects." *Environment: Science and Policy for Sustainable Development* 62, no. 6 (2020): 8-18

Herbert, George. "Factors influencing inclusive economic resilience in middle-income countries." (2020).

Horowitz, Richard I., Phyllis R. Freeman, and James Bruzzese. "Efficacy of glutathione therapy in relieving dyspnea associated with COVID-19 pneumonia: A report of 2 cases." *Respiratory medicine case reports* 30 (2020): 101063.

Hossain, Mokter. "The effect of the Covid-19 on sharing economy activities." *Journal of Cleaner Production* 280 (2021): 124782.

<https://covid19.who.int/>

<https://www.hrw.org/news/2020/04/14/nigeria-protect-most-vulnerable-covid-19-response>

Idris, Miftahu, and E. Oruonye. "Socioeconomic impact of COVID-19 in oil exporting countries: an analytical review of the macroeconomic indicators in Nigeria." *International Journal of World Policy and Development Studies* 6, no. 5 (2020): 44-50.

Kamau, Paul, Bethuel Kinyanjui, Akinyinka Akinyoade, and Catherine Mukoko. "Assessment of productive employment policies in Kenya." *ASC working paper* (2018).

Kansiime, Monica K., Justice A. Tambo, Idah Mugambi, Mary Bundi, Augustine Kara, and Charles Owuor. "COVID-19 implications on household income and food security in Kenya and Uganda: Findings from a rapid assessment." *World development* 137 (2021): 105199.

Kenya Private Sector Alliance (KEPSA) (2020) Business Perspectives on the Impact of the Coronavirus on Kenya's Economy, KEPSA, Nairobi

Kraus, Sascha, Thomas Clauss, Matthias Breier, Johanna Gast, Alessandro Zardini, and Victor Tiberius. "The economics of COVID-19: initial empirical evidence on how family firms in five European countries cope with the corona crisis." *International Journal of Entrepreneurial Behavior & Research* (2020).

Kydland, Finn E., and Edward C. Prescott. "Business cycles: Real facts and a monetary myth." *Federal Reserve Bank of Minneapolis Quarterly Review* 14, no. 2 (1990): 3-18.

Laborde, David, Will Martin, and Rob Vos. "Poverty and food insecurity could grow dramatically as COVID-19 spreads." *International Food Policy Research Institute (IFPRI), Washington, DC* (2020).

Lavoie, Marc. *Post-Keynesian economics: new foundations*. Edward Elgar Publishing, 2014.

Lewis, W. Arthur. *Development planning*. Routledge, 2004.

Lin, Zhibin, Ye Chen, and Raffaele Filieri. "Resident-tourist value co-creation: The role of residents' perceived tourism impacts and life satisfaction." *Tourism Management* 61 (2017): 436-442.

Loewald, Christopher, David Faulkner, and Konstantin Makrelov. *Time consistency and economic growth: A case study of South African macroeconomic policy*. No. 842. Economic Research Southern Africa, 2020.

Makin, Anthony J., and Allan Layton. "The global fiscal response to COVID-19: Risks and repercussions." *Economic Analysis and Policy* 69 (2021): 340-349.

Makumi, Gladys, Kevin Kimotho, and Tewodros Sisay. "Economic impact of the COVID-19 pandemic on East African economies." (2020).

Maliszewska, Maryla, Aaditya Mattoo, and Dominique Van Der Mensbrugge. "The potential impact of COVID-19 on GDP and trade: A preliminary assessment." *World Bank Policy Research Working Paper* 9211 (2020).

Mbambo, Sanele Brian, and Samuel Babatunde Agbola. "The Impact of the COVID-19 Pandemic in Townships and Lessons for Urban Spatial Restructuring in South Africa." *African Journal of Governance & Development* 9, no. 1.1 (2020): 329-351.

Michaillat, Pascal, and Emmanuel Saez. "Aggregate demand, idle time, and unemployment." *The Quarterly Journal of Economics* 130, no. 2 (2015): 507-569.

Mihai, Daniela, and Smaranda Toma. "The International Tourism and the COVID-19 Pandemic – Present and Perspectives." *Ovidius University Annals, Economic Sciences Series* 20, no. 1 (2020): 433-438.

Mohamed, Abdiaziz Harun. "A Literature Review: The Impact of COVID-19 Pandemic on Somaliland Economy." *Open Journal of Social Sciences* 9, no. 2 (2021): 54-64.

Mokoena, Nkateko. "Empirical Evidence of the Effects of Public Spending on Economic Growth from BRICS." Master's thesis, Faculty of Commerce, 2020.

Monni, Salvatore, and Alessandro Spaventa. "Beyond GDP and HDI: Shifting the focus from paradigms to politics." *Development* 56, no. 2 (2013): 227-231.

Montenovo, Laura, Xuan Jiang, Felipe Lozano Rojas, Ian M. Schmutte, Kosali I. Simon, Bruce A. Weinberg, and Coady Wing. *Determinants of disparities in covid-19 job losses*. No. w27132. National Bureau of Economic Research, 2020.

Morsy, Hanan, Adeleke Salami, and Adamon N. Mukasa. "Opportunities amid COVID-19: Advancing intra-African food integration." *World Development* 139 (2021): 105308.

Musa, Hassan H., Taha H. Musa, Idriss H. Musa, Ibrahim H. Musa, Alessia Ranciaro, and Michael C. Campbell.

Naylor, Rosamond. "Expanding the boundaries of agricultural development." *Food Security* 3, no. 2 (2011): 233-251.

Nicola, Maria, Zaid Alsafi, Catrin Sohrabi, Ahmed Kerwan, Ahmed Al-Jabir, Christos Iosifidis, Maliha Agha, and Riaz Agha. "The socio-economic implications of the coronavirus and COVID-19 pandemic: a review." *International journal of surgery* (2020).

Nyoni, Thabani, and Wellington Garikai Bonga. "What determines economic growth in Nigeria?" *Dynamic Research Journals (DRJ) Journal of Business & Management* 1, no. 1 (2018): 37-47.

Ogutu, Joseph O., Hans-Peter Piepho, Mohamed Y. Said, Gordon O. Ojwang, Lucy W. Njino, Shem C. Kifugo, and Patrick W. Wargute. "Extreme wildlife declines and concurrent increase in livestock numbers in Kenya: What are the causes?" *PloS one* 11, no. 9 (2016): e0163249.

Onyishi, Chinedu Josephine, Adaeze UP Ejike-Alieji, Chukwuedozie Kelechukwu Ajaero, Casmir Chukwuka Mbaegbu, Christian Chukwuebuka Ezeibe, Victor Udemezue Onyebueke, Peter Oluchukwu Mbah, and Thaddeus Chidi Nzeadibe. "Covid-19 pandemic and informal urban governance in Africa: A political economy perspective." *Journal of Asian and African Studies* (2020): 0021909620960163.



Osama, Athar, Harris Afzal Cheema, Zainab Riaz, Muhammad Masood Ahmed Siddiqui, Qazi Masood Ahmed, Asma Hyder, Faiza Mushtaq et al. "eBook Short Notes on the Economy during the COVID-19 Crisis. Vol-III." *Vol-III (June 21, 2020)* (2020).

Ötsch, Walter. *What type of crisis is this? The coronavirus crisis is a crisis of the economicised society*. No. 57. Working Paper Serie, 2020.

Pais, Gillian, Kartik Jayaram, and A. V. Wamelen. "Safeguarding Africa's food systems through and beyond the crisis." *McKinsey and Company*

Palomino, Juan C., Juan G. Rodríguez, and Raquel Sebastian. "Wage inequality and poverty effects of lockdown and social distancing in Europe." *European economic review* 129 (2020): 103564.

Pose, Dorito, Adela Oyenubi, and Umakrishnan Kollamparambil. "Job loss and mental health during the COVID-19 lockdown: Evidence from South Africa." *PloS one* 16, no. 3 (2021): e0249352.

Rasul, Golam, ApsaraKarki Nepal, AbidHussain, Amina Maharjan, Surendra Joshi, Anu Lama, PrakritiGurung, Farid Ahmad, Arabinda Mishra, and Eklabya Sharma. "Socio-Economic Implications Of Covid-19 Pandemic In South Asia: Emerging Risks And Growing Challenges." *Frontiers in Sociology* 6 (2021).

Rodríguez, Bárbara Otonín, and Tania Lorca Sánchez. "The Psychosocial Impact of COVID-19 on health care workers." *International braz j urol* 46 (2020): 195-200.

Salyer, Stephanie J., Justin Maeda, Senga Sembuche, Yenew Kebede, Akhona Tshangela, Mohamed Moussif, Chikwe Ihekweazu et al. "The first and second waves of the COVID-19 pandemic in Africa: a cross-sectional study." *The Lancet* (2021).

Siebert, Horst. *Global View on the World Economy: A Global Analysis*. Routledge, 2007.

Sivasankarapillai, Vishnu Sankar, Akhilash M. Pillai, Abbas Rahdar, Anumol P. Sobha, Sabya Sachi Das, Athanasios C. Mitropoulos, Mahboobeh Heidari Mokarrar, and George Z. Kyzas. "On facing the SARS-CoV-2 (COVID-19) with a combination of nanomaterials and medicine: possible strategies and first challenges." *Nanomaterials* 10, no. 5 (2020): 852.

Škare, Marinko, Domingo Riberio Soriano, and Małgorzata Porada-Rochoń. "Impact of COVID-19 on the travel and tourism industry." *Technological Forecasting and Social Change* 163 (2021): 120469.

Smithin, John N. *Controversies in monetary economics*. Edward Elgar Publishing, 2003.

Soderbaum, Peter. *Understanding sustainability economics: towards pluralism in economics*. Routledge, 2012.

Sohrabi, Catrin, Zaid Alsafi, Niamh O'Neill, Mehdi Khan, Ahmed Kerwan, Ahmed Al-Jabir, Christos Iosifidis, and Riaz Agha. "World Health Organization declares global emergency: A review of the 2019 novel coronavirus (COVID-19)." *International journal of surgery* 76 (2020): 71-76.

Steiner, Carol J., and Yvette Reisinger. "Ringling the fourfold: A philosophical framework for thinking about wellness tourism." *Tourism recreation research* 31, no. 1 (2006): 5-14.

Stiglitz, Joseph E. *The pandemic economic crisis, precautionary behavior, and mobility constraints: an application of the dynamic disequilibrium model with randomness*. No. w27992. National Bureau of Economic Research, 2020.

Thomas, Kevin JA. *Global Epidemics, Local Implications: African Immigrants and the Ebola Crisis in Dallas*. Johns Hopkins University Press, 2019.

Thuiya, Hellen Wangeci. "An Assessment of the Socio-Economic Impact of Cash Transfers: A Comparative Study of Kenya and Malawi between 2008 and 2014." PhD diss., United States International University-Africa, 2019.

Tseane-Gumbi, L. A. "Tourism prospects post Covid-19: A closer look into African countries." *Gender and Behaviour* 18, no. 4 (2020): 16642-16650.

Andree, Bo Pieter Johannes, Andres Chamorro, Aart Kraay, Phoebe Spencer, and Dieter Wang. "Predicting food crises." (2020).

Tyukavkin, Nikolai Mihailovich, Inessa Vjacheslavovna Kosjakova, and Gennady Ivanovich Yakovlev. "Keynesian theory-the evolutionary basis to change the paradigm of economic development." *Life science journal* 11, no. 12s (2014): 399-402.

van Barneveld, Kristin, Michael Quinlan, Peter Kriesler, Anne Junor, Fran Baum, Anis Chowdhury, Pramod N. Junankar et al. "The COVID-19 pandemic: Lessons on building more equal and sustainable societies." *The Economic and Labour Relations Review* 31, no. 2 (2020): 133-157.

Wango, G. M., Gidraph Wairire, and Charles Kimamo. "Patterns of Development of COVID-19 in Low-and Middle-Income Countries: Suggested Psychological Intervention Strategies." *IOSR Journal of Humanities and Social Science*, 25, 6: 52-65 (2020).

Weiss, M., A. Schwarzenberg, R. Nelson, Karen M. Sutter, and Michael D. Sutherland. "Global economic effects of COVID-19." *Congressional Research Service* (2020).

Wolff, Richard D., and Stephen A. Resnick. *Contending economic theories: neoclassical, Keynesian, and Marxian*. MIT Press, 2012.

Yasenov, Vasil I. "Who can work from home?" (2020).

Yaya, Sanni, Akaninyene Otu, and Ronald Labonté. "Globalisation in the time of COVID-19: repositioning Africa to meet the immediate and remote challenges." *Globalization and Health* 16, no. 1 (2020): 1-7.

Yu, Y.; Xu, S.; Li, G.; Kong, H. A systematic review of research on abusive supervision in hospitality and tourism. *Int. J. Contemp. Hosp. Manag.* 2020, 32, 2473–2496

Zechner, Josef, Marco Pagano, and Christian Wagner. "Disaster resilience and asset prices." (2020). Posner, Richard A. *Catastrophe: risk and response*. Oxford University Press, 2004.

Zhan, James X. "Covid-19 and investment--an UNCTAD research round-up of the international pandemic's effect on FDI flows and policy." *Transnational Corporations* 27, no. 1 (2020): 1-3.

## APPENDICES

### Appendix 1: Letter of Transmittal

APAKAH OKOTH OSCAR  
P.O.BOX 1486  
KISUMU

Dear Sir/ Madam

I would like to invite you to participate in this study focusing on the effects of COVID-19 on Africa's Economic Security. A case study of Kenya's tourism and Hospitality Sectors. This study forms a part of

My Master's degree in Diplomacy at the University of Nairobi. Your contribution is appreciated and shall be handled with absolute integrity.

My gratitude in advance

Yours Faithfully

Apakah Okoth

## **Appendix 2: Questionnaire and Research Guide**

Assessing the Effect of Covid-19 on Africa's Economic Security, A Case Study of Kenya's Hospitality and Tourism Sectors.

My name is Apakah Okoth Oscar, a University of Nairobi Student taking a Master's degree in Diplomacy. The questionnaire aims to gather relevant information on my study on "Assessing the Effect of Covid-19 on Africa's Economic Security, A Case Study of Kenya's Hospitality and Tourism Sector". This is a part of a research that I am conducting towards the Award of my Master's degree in Diplomacy. The information you give will be handled with absolute in accordance with provisions of data integrity. Thank you for your support.

### **SECTION A: PERSONAL DATA**

What is your Gender?

Male

Female

What is your age Bracket?

18-25

26 – 35

36 – 45

46 – 55

Over 55

What category are you in

Ministry of Hospitality and Tourism

Employer in Tourism industry

Employee in tourism industry

Hotelier

A tour Agent

Civil Society

Academician

Ministry of Health

## SECTION B: THE ECONOMIC SECURITY OF AFRICA

How has COVID-19 affected the ability of individuals and communities to cover their essential needs?

.....

.....

Do you think that COVID-19 affected the ability of the Africans to achieve various financial goals? If yes, explain how?

.....  
.....

What do you think is the most disastrous effect of COVID-19 in Kenya?

.....  
.....

### SECTION C: COVID-19 AND THE HOSPITALITY SECTOR OF KENYA

On a scale with strongly disagree, disagree, neutral, agree, strongly agree, and tick where applicable with regards to the statements below.

COVID-19 lead to closure of hotels and restaurants

strongly disagree  disagree  neutral  agree,  strongly agree

COVID-19 led to reduced travel for both international and local tourists

strongly disagree  disagree  neutral  agree,  strongly agree

The lockdown policies caused reduction in hotel food consumption

strongly disagree  disagree  neutral  agree,  strongly agree

### SECTION D COVID-19, THE EMPLOYMENT SECTOR AND THE STANDARD OF LIVING

What do you think is the meaning of the term living standard?

.....  
.....

How do you think COVID-19 affected the rates of employment in the hospitality sector?

.....  
.....

Do you know someone (a relative, a friend or self) who lost his/her job during COVID-19?

.....  
.....

If yes, how do you think that affected their standard of living?

.....  
.....

What has the government of Kenya done to help curb the Pandemic?

.....  
.....

Do you believe that the Pandemic led to increase in prices of goods if yes explain how?

.....

.....

What more do you think can be done in dealing with the pandemic?

.....

.....



Appendix 3:Data Collection Authority



**UNIVERSITY OF NAIROBI**  
Faculty of Social Sciences  
**Department of Diplomacy and International Studies**

Tel : (002) 338282  
Telefax : 254-2-245599  
Fax : 254-2-245599  
Website : www.uonbi.ac.ke  
Telex : 22066 Versity Ke Nairobi, Kenya  
E-mail : director@uonbi.ac.ke

P.O. Box 30197  
Nairobi  
Kenya

June 20, 2021

**TO WHOM IT MAY CONCERN**

**RE: APAKAH OSCAR OKOTH – R51/33345/2019**

This is to confirm that the above-mentioned person is a bona fide student at the Institute of Diplomacy and International Studies (IDIS), University of Nairobi pursuing a **Master of Arts Degree in Diplomacy**. He is working on a research project titled, **"ASSESSING THE EFFECTS OF COVID-19 ON AFRICA'S ECONOMIC SECURITY, A CASE STUDY OF KENYA' HOSPITALITY AND TOURISM SECTORS"**.

The research project is a requirement for students undertaking Masters programme at the University of Nairobi, whose results will inform policy and learning.

Any assistance given to him to facilitate data collection for his research project will be highly appreciated.

Thank you in advance for your consideration.



**Professor MAFIA Nzomo,**  
**Ag. Chair, DDIS**  
**&**  
**Professor of International Relations and Governance**

Republic of Kenya  
National Commission for Science, Technology and Innovation  
Ref No: 466358

**RESEARCH LICENSE**



**This is to Certify that Mr. Oscar Oloith Apakah of University of Nairobi, has been licensed to conduct research at Nairobi on the topic: ASSESSING THE EFFECTS OF COVID-19 ON AFRICA'S ECONOMIC SECURITY, A CASE STUDY OF KENYA'S HOSPITALITY AND TOURISM SECTORS for the period ending : 15/November/2022.**

License No: NACOSTI/P/21/14158

Applicant Identification Number: 466358

Director General  
NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION

Verification QR Code



NOTE: This is a computer generated License. To verify the authenticity of this document, Scan the QR Code using QR scanner application.

THE SCIENCE, TECHNOLOGY AND INNOVATION ACT, 2013

The Grant of Research Licenses is Guided by the Science, Technology and Innovation (Research Licensing) Regulations, 2014

CONDITIONS

1. The License is valid for the proposed research, location and specified period
2. The License any rights thereunder are non-transferable
3. The Licensee shall inform the relevant County Director of Education, County Commissioner and County Governor before commencement of the research
4. Excavation, filming and collection of specimens are subject to further necessary clearance from relevant Government Agencies
5. The License does not give authority to transfer research materials
6. NACOSTI may monitor and evaluate the licensed research project
7. The Licensee shall submit one hard copy and upload a soft copy of their final report (thesis) within one year of completion of the research
8. NACOSTI reserves the right to modify the conditions of the License including cancellation without prior notice

National Commission for Science, Technology and Innovation  
off Waiyaki Way, Upper Kabete,  
P. O. Box 30623, 00100 Nairobi, KENYA  
Land line: 020 4007000, 020 2241349, 020 3310571, 020 8001077  
Mobile: 0713 788 787 / 0735 404 245  
E-mail: [dg@nacosti.go.ke](mailto:dg@nacosti.go.ke) / [registry@nacosti.go.ke](mailto:registry@nacosti.go.ke)  
Website: [www.nacosti.go.ke](http://www.nacosti.go.ke)

Appendix 5 Turnitin report

