

THE EBOLA EFFECT

The economic impacts of a public health crisis

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Overview

The Democratic Republic of the Congo (DRC) is currently battling the second worst ever outbreak of Ebola, in the conflict-affected and densely populated provinces of North Kivu and Ituri. As of 4 August 2019, more than 2,763 people have been infected, and 1,849 people have died from Ebola virus disease (EVD).¹ Twenty-six health zones in the country have registered cases, with almost 6,145,000 people in these health zones affected - more than half of the population in North Kivu and Ituri provinces. Active conflict and insecurity make this epidemic one of the most complex ever faced, with the disease anchored in areas with decades of endemic mistrust and violence.

Mercy Corps has been a key partner in the DRC's Ebola response since 14 August 2018, responding with water, sanitation and hygiene, infection prevention control, and community engagement and mobilization, reaching almost 1,395,000 people. Mercy Corps' experience of community mobilization and engagement is based on our response during the 2014-2016 Ebola epidemic in West Africa. Mercy Corps led a consortium of local and international partners in the largest community mobilization program in Liberia that reached more than 2.4 million people - half of the country's population, which ultimately helped to halt the spread of the disease in that country.

Mercy Corps' research during the West Africa Ebola Crisis from 2014-2016 proved that any response to the Ebola outbreak must seek to save lives as well as livelihoods. Border closures and any measures that would see international trade suspended should be avoided at all costs.

This paper presents a brief summary of our learnings and experience from the West African epidemic on the economic impact of EVD outbreaks, and lays the foundation for future research into the DRC experience.

During the 2014-2016 West Africa epidemic, Mercy Corps conducted two market studies in [Liberia](#) and [Sierra Leone](#). These findings, in particular the Liberia market assessment, contributed to the re-opening of markets - a key gain for economic stability of the most vulnerable households in EVD affected areas.

Mercy Corps' research demonstrated that efforts to control Ebola can have severe, unintended consequences on already struggling local economies. In Liberia, where Mercy Corps' analysis indicated that 66 percent of households reported a loss in income, dedicated efforts to share research findings were instrumental to the government's decision to declare local marketplaces open after months of closures.

In Sierra Leone, results from Mercy Corps' assessment highlighted that negative economic impacts of the crisis were significantly larger in local areas that had heavy restrictions on movement compared to those with fewer restrictions.

¹ World Health Organization. Ebola Daily Case Numbers. Accessed 6 August 2019. <https://www.who.int/emergencies/diseases/ebola/drc-2019/ebola-daily-case-numbers>

Key Learnings from the 2014-2016 Ebola outbreak

Policies that place restrictions on the movement of people and goods can have significant negative effects on the local economy and exacerbate food insecurity and livelihood-related grievances. There are key lessons we can implement in order to minimize impact.

- **Choose engagement over isolation.** We strenuously advocate for a scaled-up response that saves lives as well as livelihoods by keeping markets and borders open, while bolstering informal and formal surveillance of cases at crossing points. Even during an epidemic, trade, education and daily life can continue.
- **Access to life's basic necessities.** Governments should not reduce border access that would restrict trade, which would be an immediate shock to the economy and undermine food security.
- **Ignorance is the parent of fear.** An Ebola response must build community ownership and trust with affected people. Border restrictions and closures risk aggravating tensions and can be counter-productive to building community trust awareness, engagement, and mobilization.
- **Markets are essential economic and information hubs.** Governments should avoid closing local marketplaces and restricting internal movement as much as possible. Instead investing efforts and resources to make marketplaces accessible, more hygienic and leverage the social aspect of markets to promote Ebola risk prevention messaging.
- **Turn crisis into an opportunity for recovery.** Acute crises, like the Ebola epidemic, exacerbate longer term issues in fragile contexts. Response and recovery efforts should sequence and layer, short-run market-based relief with longer run interventions that address economic constraints and drivers of conflict and distrust.



“It’s really important to look at that risk before any country takes a knee-jerk reaction or implements drastic measures on border closures or movement restrictions.”

— Amy Daffé, Deputy Country Director, Mercy Corps

Insights from the Field: Liberia and Sierra Leone

Liberia Market Study

Mercy Corps implemented a community mobilization program called the Ebola Community Action Platform (ECAP) in Liberia from December 2014 to June 2015 with local civil society and international NGO partners. Organizations were given flexibility to decide what specific kinds of mobilization activities they would use and how to select community educators. Working this way allowed Mercy Corps and our partners to reach 2.4 million people— **approximately 56 percent of the total population of Liberia.**

Mercy Corps’ assessment of economic impacts on households, traders, and a range of other market actors found that border closures, market closures and restrictions on movement (checkpoints and curfews) had significant negative effects on local business and food security. In August 2014, the Government of Liberia closed borders with Guinea, Sierra Leone and Ivory Coast and recommended the

closure of weekly markets as Ebola prevention measures. This led to a rapid economic decline. Markets in the border counties relied heavily on cross-border trade for both purchasing and selling. In a survey of traders after the border closure, half reported changing the location where they purchased their goods. Most non-locally produced goods in these counties came from the capital, Monrovia, a factor that drove up transportation costs.

In addition, interviews with traders and transporters indicated that measures restricting movement and market operations reduced the number of trucks entering marketplaces by 60 percent, a key proxy for overall shifts in trade levels. Nearly half of traders interviewed reported that it was significantly more difficult to get inventory when restrictions were in place compared to when they were not, with implications for the price of goods for households. The effects on household incomes and food security were significant. **Households surveyed in Lofa, Nimba and Monrovia reported eating fewer meals per day, eating less food at each meal and eating lower quality or less preferred foods.** People also purchased food on credit and borrowed money, with 64 percent of borrowers reporting this behavior as atypical. **Forty-one percent of households reported significant reductions in income.**²

The report highlighted that without changes to the restrictions at the time, the negative economic impact would continue to grow, making economic recovery more difficult. Short-term relief, including cash transfers, could help restart economic activity and support markets, but the crisis also had long-term impacts on agriculture and transportation, which required systemic interventions.

Sierra Leone Market Study

Sierra Leone's first Ebola case occurred in late May 2014. With the onset of the Ebola crisis, the government passed several by-laws in July 2014 to control transmission of the disease, including roadside checkpoints to screen travelers and restricted inter-district movement; limited hours of business operation to 6 A.M. to 6 P.M.; a ban on the operation of periodic markets; the prohibition against large gatherings or assemblies; and the closure of borders with Liberia and Guinea. The economic impact of these restrictions was significant, with the greatest consequences on marginalized groups. Research conducted in January and February 2015 by the World Bank and the International Growth Centre noted that youth employment rates in Freetown, the capital, and surrounding areas decreased to 15 percentage points as the epidemic peaked.

Mercy Corps' survey of businesses indicated a similar trend - smaller, more informal businesses and those run by youth fared worse in the epidemic than their larger counterparts. Qualitative interviews indicated that the limitations of youths' social networks made it more difficult for them to maintain and adapt their businesses under Ebola restrictions. At the time of assessment, businesses near the capital remained under full restrictions and reported a negative effect on sales and a reduced number of customers, compared to Kenema, an area where government restrictions had been reduced. After a loss or lack of customers, loss of business capital and high transportation costs, restrictions on business hours ranked as the most significant constraints limiting recovery. Each of these factors were closely related to the long-run and short-run effects of Ebola market restrictions.³

The study recommended rolling back the regulations limiting the operation of businesses, so that the groups most adversely affected by the economic crisis, including youth, could recover their income. It also recommended that economic recovery efforts focused on strengthening financial services, so that small businesses could be better prepared for future shocks and agricultural market

² Mercy Corps. [Economic Impact of the Ebola Crisis on Select Liberian Markets](#). 4 November 2014.

³ Mercy Corps. [Economic Recovery Assessment: Sierra Leone](#). July 2015.

systems are supported to promote long-term growth.

Implications for Ebola Response and Preparedness in DRC and the Region

Every Ebola epidemic faces its own unique challenges, and the current outbreak in eastern DRC is no different – including insecurity from armed groups and local communities rejecting the response, distrust of the government and foreign workers, and erosion of confidence in the public health system.

Declared on 1 August, 2018, the response to end the epidemic has been hobbled by a volatile political climate, continued reluctance in some communities to accept response activities, and an already fragile health system now overburdened - often with weak or non-existent infection and prevention control protocols. This is coupled with an unstable security situation with over 120 armed groups operating across North Kivu.

The Ebola response faces two security issues that result from poor community engagement in the overall response: one of community acceptance, and one of armed groups already active and operating in the region. The longer the epidemic continues, the more frequent the violence against Ebola actors. In the period January through July 2019, there were 198 attacks⁴ against health care facilities or workers, a significant increase compared to the number of attacks that took place during the previous five-month period (August through December 2018).⁵

Imposing restrictions on trade and movement would negatively and directly affect the 12.8 million people in need of humanitarian assistance in DRC. The impact of the Ebola epidemic is severe, not just in public health terms, but also from an economic and social standpoint.



Border restrictions at formal crossings will drive people to informal border crossings without infrastructure and staff to monitor the movement of people and goods - thus increasing the chances of the spread of disease.

In response to border closures or restrictions on movement, people will look to informal crossing borders where there are no controls, no stations where temperatures are taken, and therefore avoiding the exact tools and data which governments and health workers need to control the disease. Simple everyday hygiene practices like regular handwashing and medical controls (e.g., regular temperature checks at border and control points) break transmission chains and stop the spread of the virus.

The World Health Organization (WHO) states explicitly that, “there is no medical or scientific reason to implement any border restrictions that would disrupt the movement of necessary logistic supplies and human resources”.⁶ Limited movement of people will dissuade badly needed foreign workers from

⁴ BBC News. “Ebola crisis: Second death confirmed in DR Congo border city of Goma”, 31 July 2019. Accessed 8 August 2019. <https://www.bbc.com/news/world-africa-49172259>

⁵ UN News. “DR Congo: Strengthened Effort Against Ebola Is Paying Off, but Insecurity Still Major Constraint.” Accessed 5 August 2019. <https://news.un.org/en/story/2019/05/1039291>

⁶ World Health Organization. “Statement on the Meeting of the International Health Regulations (2005) Emergency Committee for Ebola Virus Disease in the Democratic Republic of the Congo on 17 July 2019.” News release, July 2019. Accessed July 26, 2019. <https://www.who.int/ihr/procedures/statement-emergency-committee-ebola-drc-july-2019.pdf>.

entering the DRC. Closed borders halt foot traffic, inhibit trade, dampen cultural vibrancy, and disrupt familial and cultural ties. In times like this, it is important that governments invest and boost national confidence in public health and science. Isolationism does not work and is not the way to end an epidemic.

Any border restrictions would be counterproductive to the fight against Ebola, the regional preparedness strategy and to humanitarian response efforts. In 2017 cross-border trade between Rwanda and the DRC generated approximately US\$100 million,⁷ making the DRC the largest trading partner for Rwanda. More than 90,000 people cross the border each day between Rwanda and DRC, with 50,000 crossing at the Gisenyi-Goma One Stop Border Post (OSBP) - an essential economic link between the two countries that rely on road transport.⁸

North Kivu and Ituri, the two provinces affected by the Ebola epidemic, have lost significant agricultural production already due to conflict and civil unrest. In Ituri for example, agricultural households lost three successive harvests due to armed conflict and displacement.⁹ Until now, Ebola has had a very limited effect on food security in affected areas. However, as the epidemic continues unabated, households that were already living with food insecurity are now faced with reduced purchasing and economic power as people's access to their livelihoods is limited. Even without border restrictions, the Ebola epidemic risks deleterious effects on agro-pastoral activities in the eastern part of the DRC in the short- and medium-term.

The intensity of the Ebola epidemic, covering 26 health zones, particularly in Katwa, Mandima, Butembo, Musienene, Mabalako, and Beni, will stretch humanitarian response actors to capacity.¹⁰ The population suffered from chronic high food insecurity even before the epidemic – 67 percent of Ituri is in “crisis or emergency” food insecurity levels, and 26 percent in North Kivu affected areas are already at “crisis” of food insecurity.¹¹ While hotspot areas such as Beni can import foodstuffs and supplies from neighboring areas to compensate for decreased agro-pastoral activity, people living in the other areas rely on unrestricted access to markets in a survival economy where freedom of movement is essential to access food and earn a living.¹²

⁷ SSHAP. Brief: Rwanda – DRC Cross Border Dynamics, April 2019. Issue brief. Social Science in Humanitarian Action. Accessed 26 July 2019.

⁸ OSBP is one of two official crossing between Goma-Gisenyi, the other *La Petite Barrière*, has more foot traffic while OSBP has more vehicular/semi-truck movement.

⁹ Famine Early Warning Systems Network. "DRC Food Security Outlook June 2019 to January 2020 Famine Early Warning Systems Network." Accessed July 26, 2019. http://fews.net/sites/default/files/documents/reports/DRC_FSO_June_2019_EN.pdf.

¹⁰ Famine Early Warning Systems Network. "DRC Food Security Outlook June 2019 to January 2020 Famine Early Warning Systems Network." Accessed July 26, 2019. http://fews.net/sites/default/files/documents/reports/DRC_FSO_June_2019_EN.pdf.

¹¹ IPC Global Platform. "Democratic Republic Of the Congo: Acute Food Insecurity Situation August 2018". Accessed 5 August 2019. <http://www.ipcinfo.org/ipc-country-analysis/details-map/en/c/1151753/>

¹² Jerving, Sara. "Q&A: How the Ebola Declaration Could Threaten Food Security in DRC." Devex. July 18, 2019. Accessed 26 July 2019. <https://www.devex.com/news/q-a-how-the-ebola-declaration-could-threaten-food-security-in-drc-95320>.

Bring both medical and community-focused efforts together. Be proactive. Use every aspect of daily life as an opportunity to message - from local soccer leagues to trade unions.

Appoint a senior community engagement lead. This person should sit at the highest strategic level of the response to ensure effective community engagement is being implemented across the response.

Identify, target and flip barriers to community ownership of the Ebola response, including at border and internal checkpoints. Who is spreading misinformation - Engage and transform them into actors that promote accurate information about Ebola.

On 14 July 2019, the first positive EVD case was identified in Goma, the provincial capital of North Kivu and a key trading hub with Rwanda. Subsequently, several cases identified between 30 July - 2 August from a different transmission chain led to the slowing of activities at the Gisenyi-Goma border crossing between Rwanda and the DRC. While the border has since been fully reopened, the risk of closures or interruptions remains high. This would have devastating effects for local communities.

Anecdotal evidence indicates that the short interruption of the Gisenyi-Goma border crossing caused market prices to fluctuate on both sides of the border almost immediately. Longer-term closures or restrictions would hit vulnerable households' purchasing capacity and access to different imported goods. The restrictions would also interrupt the flow of essential humanitarian supplies and humanitarian/development workers, as well as acting as a deterrent for people to work in the DRC.

Regional Trading Partners

RWANDA

An estimated 50,000 people cross the border from Rwanda at the Gisenyi-Goma crossing every day - mainly women who sell foodstuffs and basic household items which constitute a survival economy for both traders and buyers, both Rwandans and Congolese. During the brief interruption of the border on 1 August 2019, the price of one kilogram of meat in Gisenyi decreased from 2400 Rwanda francs (RWF) to 1500 RWF.¹³ It can be expected that any further border disruptions will have dramatic consequences on market prices and availability on both sides of the border.

UGANDA

On 11 June, three people tested positive for Ebola in western Uganda, which borders DRC. The three cases were members of the same family who had travelled over the border into Uganda from DRC. On 3 July 2019, after the 21-day period of monitoring, Uganda had no new cases or deaths reported. The rapid response that shut down the transmission chain in Uganda illustrates that with proper monitoring, there is no need for restrictions on borders that interrupt market access.

BURUNDI

Burundi and the DRC have strong commercial ties, with petty traders from both countries having a large presence in several markets, mainly in Uvira and Bukavu (DRC) and Bujumbura (Burundi). More than 60 percent of the traffic between the two countries occurs at the Gatumba-Kavimvira border post, with several informal border crossings.¹⁴ Most border crossings are assumed to happen at legal control posts. Policies, regional strategy and investments should keep trade and traffic flowing through these formal and familiar crossings.

¹³ Fiston Mahamba. 1 August 2019. "#Rwanda: Fermeture de la frontière, conséquences sur les prix de denrées alimentaires. Ici dans cette boutique à Gisenyi, 1 KG de viande coûte 1500FRw alors que le prix habituel était de 2400FRw ce matin". Accessed 5 August 2019. <https://twitter.com/FMLarousse/status/1156891307081703424>.

¹⁴ SSHAP. Brief: Burundi – DRC Cross Border Dynamics, August 2019. Issue brief. Social Science in Humanitarian Action. Accessed 5 August 2019.

SOUTH SUDAN

Due to its weak public health infrastructure and loosely controlled borders, South Sudan will benefit from a strengthened regional preparedness strategy, which includes public health and community engagement as a central element. Community preparation and ownership, made possible with regional coordination and international financial support, will pay dividends.

More learning is needed

Mercy Corps has significant experience as a leading responder to the Ebola epidemics in West Africa and now in DRC – looking at both relief and recovery - including the production of two Ebola market assessments. The data clearly indicates that border restrictions or closures will be counter-productive in ending the epidemic. They can hurt purchasing power, decrease the availability of goods and limit market access at the local household and cross-border markets; harm long-term development and post-Ebola recovery efforts, and; interrupt and delay vital life-saving humanitarian aid.

Rather than restricting the movement of people and goods, preparedness through community mobilization and ownership should become the foundation to overcome the challenges of preventing the spread of Ebola across borders.

There is a gap in new primary source research on the economic impact of Ebola in the context of the DRC epidemic. Analysis conducted during the West Africa epidemic demonstrated significant market distortions that affected household income and food security; supply and transport for local and regional markets; and agricultural productivity.

In the context of the current epidemic, there is a need to investigate the economic impact of the crisis - and how its perception shapes community acceptance or rejection of the Ebola response. If attention is not paid to the economic impact of the crisis, the situation will continue to deteriorate over the coming months - with implementers and responders designing programming without due consideration of how they can potentially be contributing to market distortions. The findings from future research, specific to the DRC context and this epidemic will meet the information gaps and learnings can be leveraged to help end the epidemic, as well as lay the groundwork for early recovery in a region which has been devastated by the Ebola virus.

We know that Ebola is endemic to this region, and the knowledge we learn and systems we establish will not only save lives and livelihoods now, but also in the years to come.

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About Mercy Corps

Mercy Corps is a leading global organization powered by the belief that a better world is possible. In disaster, in hardship, in more than 40 countries around the world, we partner to put bold solutions into action — helping people triumph over adversity and build stronger communities from within.

Now, and for the future.



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