

Timeline

2020-2021

Study Type

Quasi-experimental Analysis

Research Implemented by IPA

Yes

The Effect of the COVID-19 Pandemic on Trade, Corruption, and Supply Chains

Researchers

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Abstract

COVID-19 and the related regulations and restrictions such as market and border closures, shelter-in-place, and product bans, are likely to significantly affect trade and food security in developing countries. This project explores how the pandemic affects Kenyan small-scale cross border traders' businesses, food prices as well as trade informality, and corruption. It also looks at how resilience varies across traders' characteristics such as gender, trader size, and industry. The project shows that over the course of a month, the pandemic drove over 20% of traders out of business and disrupted supply chains (suppliers and clients), while a majority of cross-border traders switched to being domestic traders. In addition, the remaining cross-border traders are shifting towards using informal border crossings and there is an estimated increase in the number of bribes paid and corruption at the border as well as harassment by officials and the police. The data collection is still ongoing.

Project Outcomes of Interest

This project focuses on how the pandemic and its restrictions affect the following main groups of outcomes: (i) trade outcomes, e.g., business resilience, traders' profits/sales/costs, types of goods traded, transport choices and costs; (ii) role of value chain and effect on suppliers (other traders or farmers); (iii) effect on type of trade (domestic versus cross border), type of border crossing chosen (formal versus informal); (iv) effect on market/food prices, (v) political economy outcomes, e.g., corruption and bribes paid, harassment.

Impact Goals

- Build resilience and protect the financial health of families and individuals
- Build resilient and adaptable businesses and employment opportunities
- Improve women's health, safety, and economic empowerment
- Promote peace and safety, and improve humanitarian response

Project Data Collection Mode

- CATI (Computer-assisted telephone interviewing)

Results Status

No Results Yet