## **POLICY and PRACTICE**

# Post-Covid-19 and local economic development (LED): sharing experiences from Ghana

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#### Introduction

The emergence of the novel Coronavirus (COVID-19) pandemic has brought many development activities to a standstill. The disruption to economic and other livelihood activities is unprecedented. Within the Ghanaian landscape, COVID-19 has become an overarching pandemic that has engulfed every facet of the national economy. The ramifications of the pandemic are particularly likely to adversely impact women and children.

The Ghanaian government has put in place several measures in response to the impact of COVID-19. In the micro, small and medium enterprises (MSMEs) sector, reported to be the hardest hit, COVID-19 Alleviation Programme has been initiated to reach out to businesses with an amount of GH¢ 600 million to be disbursed as soft loans to about 200,000 MSMEs. Other social interventions are on-going, such as free water for domestic use, free electricity for lifeline consumers and a 50% discount for non-lifeline consumers, and distribution of food items to the poor and vulnerable, among others.

We have seen that sectors that are established and largely dependent on local resources, skills and technologies rather than foreign ones have responded and adapted well and have been more resilient. Similarly, home grown jobs have proven to be more sustainable under COVID-19. We have also observed that the dynamics and consequences of the virus vary greatly from one geographical area to the other. There is a great need for targeted measures by local governments and sub-national actors to promote and grow local industries. The Shea value chain sector, the garment industry (Smock and Kente

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making), agro-processing-soya beans, ground nut oil and paste, gari processing, palm oil in the extractive sector, among the gamut of local commodities and resources, have the potential to provide sustainable jobs, livelihoods and resilient local economy.

The pandemic has exposed existing vulnerabilities in our communities that must be addressed to ensure resilient recovery. Serious economic challenges lie ahead that risk exacerbating poverty and unemployment, with national and local governments increasingly struggling to meet the needs of citizens. Addressing these challenges will require a paradigm shift in the way local businesses are modelled, livelihoods are shaped and how jobs are created. This is where Local Economic Development (LED) as a driver of innovation, employment and growth presents a great opportunity.

The Commonwealth Local Government Forum's (CLGF) work on LED in Ghana provides us with the tools and resources necessary to harness the potential for local job creation, which will be crucial to the post-COVID economic recovery process. We must bring localism to mainstream development activity with a focus on local resources, participation and social capital mobilisation. LED can provide the platform for creating and guaranteeing sustainable jobs but it must also be linked with priority crosscutting themes like gender and climate change.

We must critically assess existing community resilience building plans. This must include mainstreaming the planning and implementation of local or community hazard mitigation strategies into wider local government priorities.

Finally, local governments are at the frontline in tackling the challenges presented by the pandemic as they ensure crucial service delivery such as sanitation, water, health care and, in many cases, also the distribution of food and basic necessities to the most vulnerable sections of our society. Investing in capacity development for local level actors and providing financial resources for LED through targeted budgetary allocations is therefore crucial to building local resilience and supporting local governments in rebuilding local economies and livelihoods.

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