LIFE AFTER COVID-19

There is some possibility, but no certainty yet, that Africa may suffer less from the pandemic because of its youthful population or because so many of its countries have, for many years, inoculated their people against TB. These theories offer hope but have yet to be confirmed by science. However, the economic effects on our continent could produce a horrifying humanitarian disaster.

By Mcebisi Jonas
Chair of MTN and former deputy finance minister of SA

This week, the number of deaths from the Covid-19 pandemic passed 255,000. The health and economic calamity continues to evolve rapidly, as the world scrambles to understand it.

The death rate in the US, scene of one-quarter of the world’s fatalities, is gradually declining. Italy and Spain, two of the worst-hit countries in Europe, have peaked.

California, the largest US state, has flattened the curve, joining Asian nations such as South Korea, Taiwan, Japan and, of course, China. Europeans and North Americans are starting to emerge from lockdown. On Monday, New Zealand reported zero new cases of Covid-19.

What it means:
Already there are signs of widespread hunger. The deeper danger is that social and political unrest will surely follow.
But the virus continues to take its toll. The
UK has passed 20,000 deaths; Russia, which
appeared initially to have escaped the worst,
is battling an outbreak that led President
Vladimir Putin to declare: “We don’t have
much to brag about.”

New infections and deaths are on the rise
in Brazil (100,000 cases, 7,485 deaths) and
Ecuador (31,886 cases and 1,569 deaths),
fuelling fears that the third wave of the coro-
navirus will be experienced in the develop-
ing world.

But, curiously, despite the bleakest fore-
casts, Africa has so far experienced only a
fraction of the cases seen elsewhere.

By early May, global confirmed infections
stood at 3.64 million, with 255,000 deaths.
Yet Africa had only 48,000 reported cases,
with 1,849 deaths.

Though it is too early to claim anything
conclusive, fears of a tsunami of cases in
Africa have not been borne out — yet.

It’s hard to pinpoint why this is so. One
possibility is that, other than in SA and
Ghana, there has been less testing. This
is suggested by the fact that Africa’s morbi-
dity rate — the number of people who die after
contracting the virus — is about 5%, com-
pared with a world average of less than 2%.

SA, with 148 deaths and about 7,672 ca-
ses, has a case fatality rate (CFR) of about
1.9%, which is less than the rest of the region
but close to the global average.

In reality, the global CFR is probably
much lower, with many more people having
been infected than tested. This is certainly
the case in the US where, as more testing
has been carried out, the CFR has decreased.

Further complicating the picture are sug-
gestions, based on data from New York, Italy,
the UK and Spain, that the actual number of
deaths from Covid-19 is at least twice the
official number. People who die at home or
in nursing homes before they are tested are
counted.

**Curves flatten in Africa’s powerhouses**

While the number of positive cases in SA is
rising, it is still not increasing at anywhere
near the level of the worst-hit regions.

It suggests that, relatively speaking, SA
has contained the spread since the first cases
were carried in on a flight from Italy in
March. Our response has been decisive and
well-planned, and much credit goes to Presi-
dent Cyril Ramaphosa and health minister
Zweli Mkhize.

Because of our history with HIV/Aids, the
country has some of the best infectious dis-
ease experts and epidemiologists in the
world, exemplified by a team of multidiscip-

Abdool Karim and Quarraisha Abdool Karim.
SA was also willing to learn from what
worked in countries such as South Korea
and China, and use the lockdown to reduce
infections and delay the onset of the peak.

It bought us time but, as Salmi Abdool
Karim has warned, it’s still very unlikely
we’ll be able to prevent an exponential
spread in SA.

Estimates by Wits University’s Prof Shabir
Madhi, who is heading the public health sub-
committee advising Ramaphosa, suggest up
to 45,000 South Africans could die from
Covid-19. The worst may be yet to come.

Nigeria, with its experience of dealing
with infectious diseases — it contained Ebola
during the 2014 epidemic, for example —
also appears to have flattened the curve.

Maybe it has. In recent days there
have been disturbing reports from its
most populous state, Kano, of elderly people dying
of “pneumonia.” A negligible amount of test-
ing makes it impossible to determine
whether, as seems likely, this is due to

But while the continent’s two economic
powers aren’t typical, it is striking how uni-
form the African numbers are. No African
country has yet been affected anything like
the worst-affected countries overseas.

Limitations on testing may be part of the reason,
but probably not the whole reason.

**Is Africa exceptional?**

From the beginning, there have been warn-
ings that Africa with its dense urban slums,
large numbers of people with chronic ill-
nesses, and inadequate public health sys-
tems, was facing a catastrophe. Yet so far,
this has proven not to be the case.

There are all manner of explanations for
why this is so.

One theory, prominent on social media, is
that being black provides some resistance.

Sadly, the US has proven this not to be true.

There, African Americans are dying at
alarming rates. In Chicago, about 70% of
those who have died are black, though the
city is only 30% black. In Milwaukee, where
only 26% of the population is black, 73% of
those dying are black.

Eugene Scott, in The Washington Post,
puts this down to four factors. African
Americans have higher rates of underly-
ing health conditions and less access to health
care; many of them hold “essential” jobs that
make social distancing difficult; insufficient
information reaches black communities; and
there are vast racial disparities in housing.

It illustrates how Covid-19 is hitting those
in the lowest economic stratum hardest.

Worryingly, all those factors cited by Scott
are prevalent in SA too — and worse in some
instances.

What does seem true, however, is that
Africa was the last continent to be affected
because it has proportionately fewer air links
with the rest of the world. And, by moving to
lockdown early on, many African authorities
slowed the virus’s path into the population.

The problem is, that was never going to
work forever.

Nonetheless, the continent does have oth-
er apparent advantages, not least of which
is its youthful population.

This is important, since a Lancet Infect-
ious Diseases study found that, globally, the
case fatality rate for those under 60 was 1.4%,
(0.2% for those younger than 20).

Africa has a median age of 19.4 years,
compared with 40 in Europe. In fact, of the
continent’s 1.2-billion people, only about
50 million are older than 60. It’s a distinct
advantage — but one which may well be off-
set by the conditions under which most live.

Another theory is that Africa might have
benefited from being in the tropics, and the
fact that the virus first struck during summer
in the southern hemisphere.

Research from Johns Hopkins University
in Baltimore indicates that higher tempera-
tures and humidity correlate with a lower
rate of coronavirus spread, similar to the
correlation between climate and the influen-
za virus.

Researchers from Spain and Finland
found that 95% of positive cases occurred at
temperatures of between -2°C and 10°C,
while researchers from China’s Beijing Uni-
versity found that early on, hot and humid
cities experienced a slower rate of spread
than cold and dry ones.

Now, we shouldn’t confuse correlation
with causation. But if there is anything in
this, it is an ominous sign for SA as it heads
into the winter months.

Several studies have also suggested a link
between the BCG (Bacillus Calmette-Guérin)
vaccine — developed to fight TB — and the
Covid-19 death rate.

Though the diseases are different — TB is
caused by a bacterium while Covid-19 is
caused by the coronavirus — the BCG vac-
cine might help people build immune
responses to things other than TB.

Medical researchers in the US and UK
analysed data from 178 countries and con-
cluded that those countries that do not have
a BCG vaccination policy have a 10 times
greater incidence of, and mortality from,

Some of the worst-hit countries – the US,
Spain and Italy – do not administer the BCG
vaccine, but almost all African countries do.
Again, it’s important to say that this link has not been scientifically established. But clinical trials are being held to determine whether those countries that make BCG vaccines mandatory at birth are less susceptible to Covid-19. If this can be shown, it would be a huge breakthrough.

**A world on life support**

The coronavirus poses the most difficult moment for the world in almost a century. The International Monetary Fund (IMF) expects the global economy to shrink 3% this year — far worse than its 0.3% dip during the global financial crisis of 2008.

In a worst-case scenario the world is heading into a global Great Depression. But unlike the recession of a decade ago, all the major economies will be crashing at the same time.

During the 2008 financial crisis, China’s economy still grew 9%. Yet for the first quarter of this year, China’s GDP plunged 6.8%, taking the country into a recession for the first time in 44 years. And the country is still wary of another wave of infections.

IMF MD Kristalina Georgieva has said 17% of its 189 member countries will suffer falling output in 2020. “The bleak outlook applies to advanced and developing economies alike. This crisis knows no boundaries. Everybody hurts,” she said.

The IMF predicts that worldwide trade will plummet 11% this year, as global manufacturing supply chains are broken.

The US, the powerhouse of the global economy, is at a standstill.

Unemployment is projected to hit 20% in the second quarter and GDP is expected to shrink 5.9% this year.

If anything, it’s worse in Europe, where Germany, France and the UK are in deep recession. The eurozone will suffer a 7.5% drop this year, while UK output could dip by 6.5%. And emerging markets and low-income nations across Africa, Latin America and much of Asia are at especially high risk.

More positively, the recent monetary and fiscal policy responses from across the world have generated some hope of a rebound. Next year, says the IMF, expect a 5.8% bounce in global growth. But that’s a thumbs-down; nobody really knows.

The fact that governments in the developed world have been willing to make huge interventions to stimulate demand is an important signal of intent, while their central banks have also shown a willingness to intervene to keep the cost of borrowing low.

Already, the US has enacted four aid packages worth $2.7 trillion. The Federal Reserve alone has put together a $2.3 trillion rescue package for the economy. Arguably, it’s warranted: 26 million Americans have lost their jobs so far — and there is more pain to come.

Whether this will inoculate the country against its dangerously erratic leader, Donald Trump, is unclear.

**Warning for Africa’s economy**

Though Africa is the continent least scarred so far, it may end up the most damaged.

There are a number of reasons for this. First, emerging-market assets have been precipitously dumped, amid capital flight worse than that during the 2008 crisis. At the same time, commodity prices that have buoyed African economies for the past quarter century have collapsed. Mining operations have been mothballed.

Nigeria has been driven into deep recession by the oil-price crash, and is expected to contract by up to 7% this year. Angola has been battered as well.

And the tourism industry, a key part of the economies of countries such as Kenya, Botswana, Tanzania, Namibia and SA, has effectively shut down.

Because trade with China, Europe and the US has fallen off a cliff, the remittances from diaspora communities back to the continent have also declined dramatically.

It means, says the World Bank, that growth in Africa could fall 2.1%-5.3% this year — a plunge led by Nigeria, Angola and SA.

In part, this is because lockdowns have hit the continent particularly hard, since most Africans work and trade in informal markets.

Millions are now out of work — the AU estimates up to 20 million people may lose their jobs on the continent.

This suggests an unimaginable humanitarian tragedy. Already, there are signs of widespread hunger, and the World Bank has warned of a food security crisis.

The deeper danger is that social and political unrest will surely follow.

To mitigate this scenario, the World Bank, IMF and African Development Bank have pledged billions of dollars in emergency credit facilities to African countries, and called for bilateral debt relief too.

But the reality is, that will not be enough.

The IMF’s Georgieva estimates that emerging countries may need as much as $2.5 trillion in support. At the very least, African leaders say, they want a standstill on their debt repayments.

You can understand why: besides scaling up the countries’ health sectors, paying wages amid a tide of bankruptcies and relieving social distress and hunger, countries are also trying to protect the overall stability of their financial systems.

It’s a balancing act we see here at home, as Ramaphosa’s R500bn aid package is intended to alleviate the worst of the crisis in the short term.

But much will depend on how his plans are executed: given the grim experience of the past decade, can we expect those implementing the programme to ensure this money finds its way to the intended recipients? The early signs aren’t encouraging.
If the money doesn’t get to where it’s meant to, it’ll be doubly disappointing, given the cost to our economy of the package. To pay for the bailout, Ramaphosa has said he’ll tap loans from the IMF and other lenders. But at some point, the bill will become due.

Other African countries don’t have the options SA does. Instead, they’re being called upon to drain their treasuries to support the poor and unemployed at the very moment that their tax revenues have collapsed.

Ghanian finance minister Ken Ofori-Atta has said he’s green with envy at the “unthinkable stimulus packages” being announced by the developed nations. “Their generous tool kits are not available to us.”

Learning to live with a pandemic
There is also great uncertainty about the recovery, because it depends on the continued path of the virus, and medical advances that haven’t yet happened.

The hard truth is that there won’t be an end to the pandemic until a vaccine is developed — which could be well into 2021. Even in the most optimistic scenario, says a group from Oxford University, it’ll take another six months for a vaccine to emerge.

Even then, the virus may mutate and return, perhaps in a more virulent form. In the absence of a vaccine, existing therapies are being used. But even these haven’t been proven to help conclusively. Drugs such as remdesivir and hydroxychloroquine are still viewed with some scepticism and, generally, are only being used to treat the most severe cases.

Without a proven cure, efforts to move countries out of lockdowns have to be strategic, phased and targeted, accompanied by widespread testing and surveillance. And if there are further spikes, countries may have to go into lockdown — a situation no-one wants.

There’s no way to move forward without knowing where the enemy is — tracking the virus and isolating it. Luckily, SA has one of the world’s most innovative programmes, sending 28,000 health workers into communities for screening and testing.

Some of what we know about catastrophic viral pandemics is drawn from the experience of the 1918 Spanish flu, which killed upwards of 50-million people.

The flu came in three waves. The first, relatively mild version arrived in March 1918 and had run its course by the northern summer. The second, more virulent version struck in September 1918, and the third continued through 1919.

The second wave came to SA aboard two troopships which were returning from the Western Front of World War I, and had stopped in Freetown, Liberia, where the flu was raging. When the ships docked in Cape Town, the soldiers were quarantined, but not effectively, and it set off a wave of infections that ended with the deaths of 300,000 people — a stunning 6% of SA’s population.

Epidemiologists have long puzzled over why the diamond miners of Kimberley, almost a quarter of whom died of the flu, died at 35 times the rate of the gold miners on the Witwatersrand. Today, it is thought the miners on the Reef had developed some immunity from the first strain that had travelled up from Durban. Kimberley, which was more isolated, only ever experienced the far more lethal second wave.

The end of globalisation?
In seeking to find a culprit for the pandemic, we don’t need to look far: the globalised economy, the era of free and easy travel, and movement between countries.

It means the benefits of globalisation — the free movement of capital, ideas and trade that has driven the global economy since 1945 — is being reassessed. While some say the age of globalisation is over, that seems a premature assessment.

More likely is the scenario sketched by French President Emmanuel Macron, who sees the crisis as an “existential event for humanity” that will change the nature of globalisation and the structure of international capitalism.

Will countries turn themselves into fortresses surrounded by moats to keep out aliens and foreigners? Depending on the devastation to economies and the forces of populist nationalism unleashed by the pandemic, that could well be the outcome.

But it would be hard to see any real recovery in such a world. After all, it was a global trade war in the 1930s — spurred on by the US Congress’s Smoot-Hawley Tariff Act — that was one of the sparks for the Great Depression.

The more likely scenario is that this moment demands greater community between nations. What the coronavirus has taught us is that the existential threats of the 21st century, from the pandemic to climate change, threaten us all.

The qualities required to defeat this virus — scientific know-how, capable and responsible government, global solidarity and basic humanity — are what we need for prosperity in the years ahead.

And yet, instead of co-ordinated policy responses from governments around the world, we see a fracturing of international co-operation.

This is to throw out the baby with the bathwater. We shouldn’t forget that the last quarter-century of turbocharged globalisation lifted billions out of extreme poverty.

It’s true that the allure of globalisation had begun to fade even before Covid-19. Job losses among the middle and working class in the US and Europe, as well as the rise of the global super-rich, had sparked a wave of scepticism, leading to decreased global co-operation.

The US, which used to be the prime mover after 1945, has been missing in action, with Trump steering the country away from any constructive international role. He has rejected calls to create a global task force to deal with the pandemic and has cut funding to the World Health Organisation.

It has tarnished the US’s reputation abroad, even while, at home, his administration’s incompetence has cost many lives.

Trump has also rattled his sabre at China. Part of his re-election bid, it seems, relies on baiting China, worsening the ill-will generated by three years of trade wars.

If the US has abdicated its role, China will surely want to take its place. President Xi Jinping has long been a champion of globalisation.

That may be a bridge too far. To be the leader of a free world, one must also possess the magic ingredient of soft power. Few other nations have much admiration for China’s governance, given the protests in Hong Kong, the detention of thousands of Muslim Uighurs and its lack of transparency around the outbreak of Covid-19.

There’s also a lot of anger towards China right now. Nigeria’s former minister of education, Obiageli “Oby” Ezekwesili, has been outspoken in calling for the country to compensate Africa for failing to effectively manage the global catastrophe.

For Africa, the main lesson is, in the words of Ghana’s Ofori-Atta, that it is time to challenge the unbalanced nature of the global architecture.

The point is not to replace one overlord with another. Rather, it’s to imagine a world in which we all have a place at the table, and in which the two greatest powers can work together, and with the rest of us, for a common humanity.

If there’s an upside to the unprecedented uncertainty gripping the world right now, it’s that the economic fallout has opened up a new debate about the right sort of policy to have. It’s time to think creatively about what we can do and where we can take our country, continent and planet. It’s a time for new thinking, imagination and boldness.