

South Africa's COVID-19 Lockdown Dilemma

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'Twas the night before Passover, and all through the nation, not a creature was stirring. Lockdown!

"You do not realize that it is better for you that one man die for the people than that the whole nation perish." John 11v50.

On 20th March 2020, when President Cyril Ramaposa imposed strict "lockdown" measures on South Africa, there were 1071 confirmed cases and 11 COVID-19 deaths. Three weeks later Momentum Securities noted:

*"After appearing briefly on the Financial Times' 30 country daily death tolls list, which shows the toll rising in most countries, SA has been removed. Maybe they don't believe the numbers; still relatively low at 1845 cases and 18 deaths."
(Momentum Securities, 2020).*

In the days preceding "lockdown" South Africa's infection rate, off a low base, had been doubling every three days and had been expected to reach 30 000 by late March, so 1845 cases was very low. 18 deaths, a trailing indicator, represented only 1% of cases, and was significantly lower than anticipated.

Several theories had been postulated (mostly on social media) as to why South Africa's infection rate was so low; the most likely being the rapid and severe measures imposed on the population by "lockdown". Other ideas ranged from the absurd ("COVID is not a disease for blacks, only rich whites who travel" (Makatile, 2020)) to the possibility that the BCG vaccine, mandatory for infants in South Africa, might inhibit transmission of the virus (Miller, et al., 2020).

The dilemma was that lockdown was rapidly killing the economy. Each additional day further burdened daily wage earners, drowned mining equipment, increased "lost days"¹, accumulated debt, reduced income to the fiscus – the list was long! But, was it even ethical to "price" a life? And, was that the issue? A false dichotomy? Afterall, lives were being lost both from COVID and from the economy – or lack thereof.

Paradigms and philosophies

Several philosophies were evident in the varying responses to the pandemic. In his *magnus opus* "A Theory of Justice" (Rawls, 1971), John Rawls, the

¹ In some industries (e.g. retail) customers who miss one day might purchase the next day. But, for other industries (e.g. hospitality) "lost days" can never be recovered.

Harvard philosopher, placed the assurance of basic necessities provided by the State as more important than equality. Rawlsian ideas, which fall short of the “sanctity of human life”, were influencing the response to the pandemic, as observed by the increase in the State’s assumed authority, driven by the expectation that the State must intervene to minimise individual suffering.

In contrast, libertarianism (manifest in US politics) champions the right of the individual above the State (Vossen, 2019). People should be allowed to make their own choices and not be coerced by the State – as evidenced by young people enjoying and advocating “Coronavirus Parties” (Palmer, 2020) and what of the anti-vaxxer brigade (Waldersee, 2020)?

John Stuart Mill’s utilitarian philosophy seeks to maximise the benefits to society – sacrifices must be made for the greater good (Vossen, 2019). This would be the view of Dan Patrick, Governor of Texas, who stated on Fox News: “70 year olds shouldn’t sacrifice the country” (Beckett, 2020)! In their recent paper, Bristol academics, using mathematical modelling, found their cost-efficiency metric was optimised with a 12-month lockdown(!) followed by vaccinations (which *might* exist) (Universtiy of Bristol, 2020). But, could moral problems ever be solved by cost-efficiency metrics?

In South Africa, Ubuntu, often translated as “I am because we are”, espouses a humanist world view (Wikipedia). We are all humans; social justice is rooted in society and we need to embrace (not literally!) one another to solve this problem. Evidence of this appeared in a BBC report (TVNZ News, 2020) which revealed a truce between rival drug gangs in the Cape Flats, who were cooperating to use their supply chains to swap “white powder” for groceries!

[Coronavirus pandemic – we got it wrong \(McArdle, 2020\)](#)

COVID-19 first appeared in early 2020 in Wuhan, China. Unfortunately, its threat was misjudged, initially by the Chinese, then the World Health Organisation and subsequently by most countries. “Globalisation”, once the elixir embraced by business schools as the alchemy of future growth and profits, had become the fuel of a pandemic spread by travel and social contact. By mid-April 2020 more than 1.5m people had contracted the virus and nearly 90 000 were dead (figures 1).

Initial prognostications were that COVID-19 was not much more dangerous than seasonal influenza, which in the US kills tens of thousands every year. An early article by the New York Times (Sheikh, Watkins, Wu, & Grondahl, 2020) plotted the infection rate against the mortality rate of several viruses (figure 2). However, hysteria soon followed with the publication of the Ferguson Report (Neil M Ferguson, 2020) which predicted between 250 000 and 510 000 UK deaths from the virus.

More recent data (Gillespie, 2020) indicated COVID-19 with an infection rate of about three (people per infected person) and a mortality rate of 3.4% (Pepper, 2020) - but very skewed by age (Begley, 2020). South Africa, along with most of Africa, was fortunate in having a young population with only 5.3% over the age of 65 (versus Italy at 23%) (Trading Economics, n.d.) although mitigated by high levels of tuberculosis and other co-morbidities. Seemingly South Africa was not following international trends.

Economic meltdown

The economic consequences of the response to COVID-19 were extraordinary; global economic growth was expected to drop by up to 6% in 2020, global trade by up to 32% and unemployment to levels not seen since 1930 (Jackson, Weiss, Schwartzberg, & Nelson, 2020). The International Labour Organisation estimated that more than 80% of the 3.3 billion global work force were already affected by full or partial closures (International Labour Organisation, 2020). America's economy was expected to shrink by a quarter (Tooze, 2020), and unemployment, already estimated at 13%, was expected to reach 30% by July (Wolfers, 2020).

Elsewhere in emerging markets, as many as 205 million (approximately 25% of the work force) Chinese migrant workers were estimated to be furloughed (Tang, 2020). Indian Prime Minister Narendra Modi's abrupt 21-day shutdown sent 471 million workers home, only 19% of whom had unemployment benefits and two-thirds with no formal employment contract (Tang, 2020).

The economic fallout from these immense human dramas defies calculation. We are left with the humdrum but no less remarkable statistic that this year, for the first time since reasonably reliable records of GDP began to be computed after World War II, the emerging market economies will contract. An entire model of global economic development has been brought skidding to a halt (Tooze, 2020).

Emerging economies like South Africa faced both health and financial disasters, each feeding off the other. Foreign investors, mitigating their own risk, were quick to withdraw capital, plunging into freefall exchange rates, share prices and liquidity (Economist, 2020). Over 90 countries had approached the International Monetary Fund, lender of last resort, to assist with funding of dollar-denominated debt commitments and other problems.

In a zombie world² still shackled by the 2008 Global Financial Crisis and with limited ammunition in terms of monetary and fiscal policy, the situation was dire. An Economist video "How bad will it be for the economy?" (Economist, 2020) made sobering watching. So too Jack Chapple's YouTube video "The

² In financial terms, "zombies" are companies that can merely service their debt, without the capacity for repayment, growth or investment.

worst economic collapse in history is starting now – be prepared” (Chapple, 2020).

The decision on the lockdown extension

A decision on extending the lockdown was urgent, and to its advocates, mostly older healthcare professionals, “a no-brainer”. Why take the risk of freeing the spread of the killer virus having already imposed lockdown? Indeed, some countries such as New Zealand, appeared intent on continuing lockdown until the virus was eliminated, arguing that this would also be the best outcome for the economy (Coates & Nolan, 2020).

However, economists were divided. A letter to the Australian Prime Minister and Cabinet, signed by 265 Australian economists, argued against prematurely loosening lockdown:

We recognise the measures taken to date have come at a cost to economic activity and jobs, but believe these are far outweighed by the lives saved and the avoided economic damage due to an unmitigated contagion. We believe strong fiscal measures are a much better way to offset these economic costs than prematurely loosening restrictions (Hamilton, Preston, Edmond, & Holden, 2020).

Henry Ergas (OECD economist, academic and columnist) gave the following riposte:

In the great class of sequiturs, its opening salvo is a non... It is true that the signatories propose a remedy for the hardship of those who have lost their jobs and for the small businesses that face ruin: “strong fiscal measures”, which, translated into plain English, means greater public spending. Yet the burden being imposed on future generations is already enormous. And since it cannot be wished away, isn’t it incumbent on governments to test whether it might be better to start easing restrictions instead? (Ergas & Pincus, 2020)

Several other criticisms to an extension could be anticipated. The lockdown had already been challenged for its harsh curtailment of civil liberties and its legality in terms of sections 36 and 37 of the South African constitution. The Free Market Foundation further argued that “essential needs” include income for individuals, and production for the country (Staden, 2020):

Economic loss is eternal: R350 billion or more is being lost forever. It can never be recovered. Compounded at 10%, the loss doubles every seven years. At 5%, it doubles every fourteen years. One of the hardest things to do during a fear-inducing pandemic, is retain perspective. Statistical analysis based on official estimates suggests that COVID-19 deaths, if, as predicted, two thirds of all people get infected, will be somewhere between 25,000 and 250,000. That range reflects the degree of uncertainty. Reduced deaths by other preventable causes could save more lives: 17,000 road, 63,000 tuberculosis and 43,000 murder deaths, for instance. (Louw, 2020)

South Africa was in limbo. The prohibition of alcohol, non-essential travel and social contact had already saved at least 20 000 lives (Friedman, 2020). State and private hospitals were eerily quiet; beds empty, doctors and nurses with leave cancelled but little to do, and theatres closed for all but emergency procedures.

In a country with immense inequality, how would the masses under the age of 65, already in poverty and now with their lives pulled apart by an imported disease of the wealthy, respond to further social and economic deprivation followed by bailouts for business?

Figures and Exhibits:

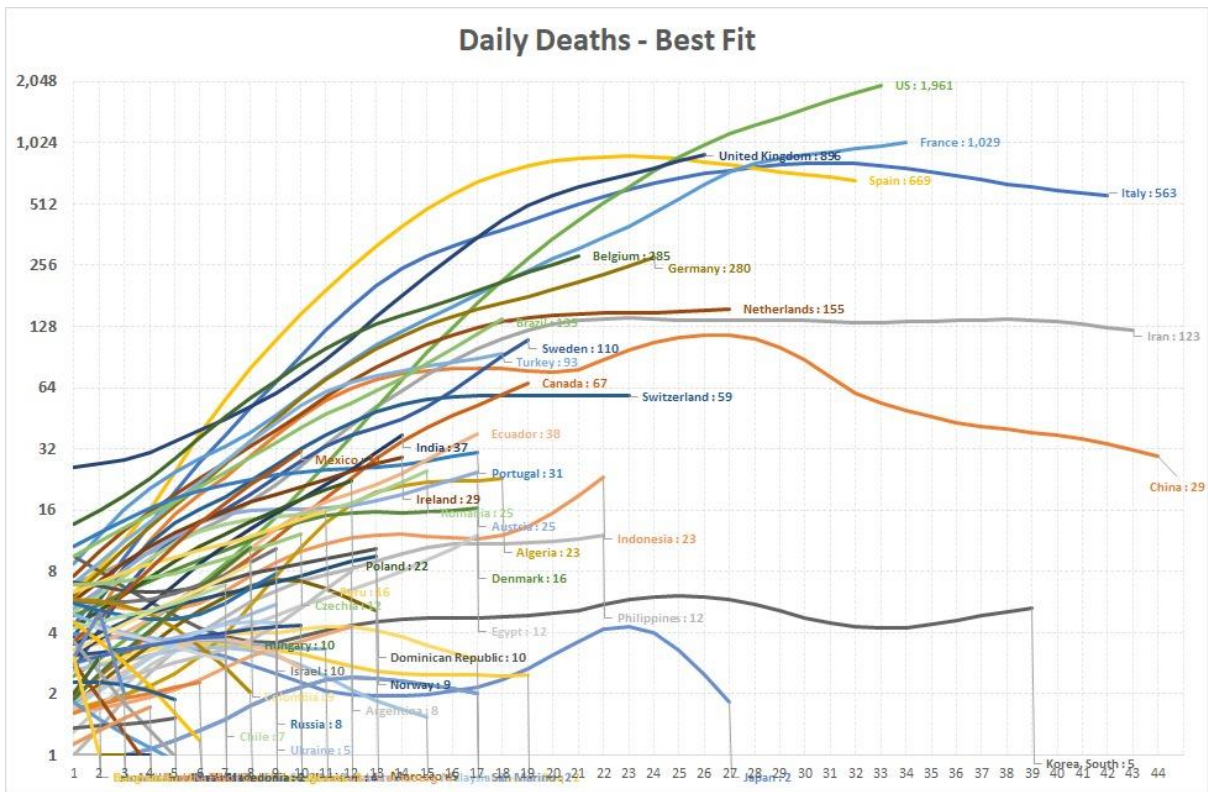


Figure 1: Daily deaths – Source: Chris Muller, 10th April 2020

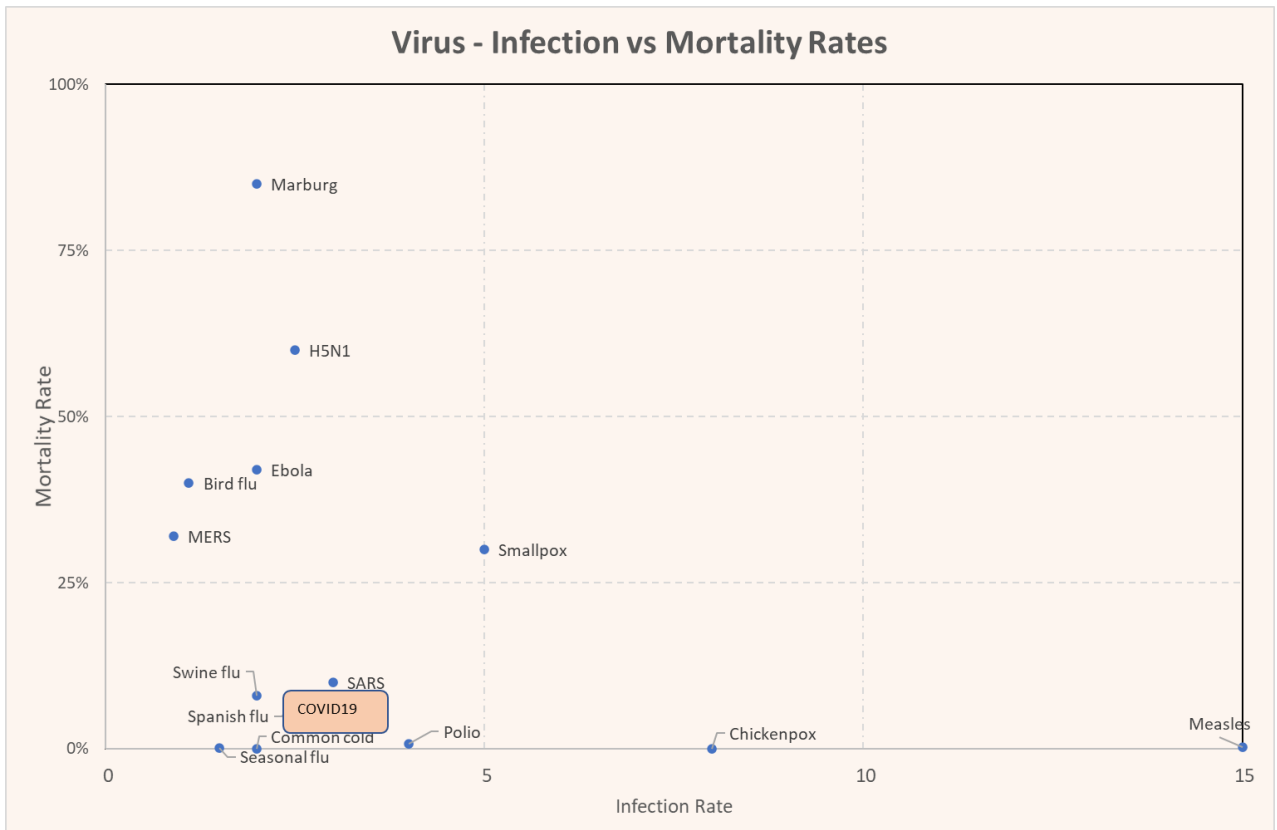


Figure 2: Viruses: Infection rate vs Mortality rate – Source of data: (Thomas-Rüddel, D., Winning, Dickmann, & al., 2020), (Wikipedia, n.d.)

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