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Global quarantine IV

Macron reconsiders the value of public goods. In Ecuador and South Africa, the Covid-19 pandemic hits the most vulnerable

Read our first part of 'Global Quarantine' with perspectives from Russia, Vietnam and Argentina; and the second part with perspectives from Singapore, Bulgaria and Colombia; and the third part with perspectives from Brazil, Palestine and Benin.

Read this article in German.

France

Even though the scale of the Corona crisis in France, with some 90,000 infected people and 8,000 deaths at the beginning of April, has not yet reached the same extent as in Italy or Spain, France is still one of the most affected countries in Europe. The situation is particularly dramatic in the regions of 'Grand Est', which includes Alsace, and Ile-de-France, most notably Paris. In these places, because the capacity for intensive care is already exhausted, patients must be transferred to other regions or neighbouring countries (including Germany).

In the face of this emergency, the French government has ordered a number of measures to enforce the principle of 'social distance' and thereby limit the spread of the virus. For example, an extensive curfew ('*confinement*') was imposed on the population, which allowed people to leave their homes only for necessities of life. In a televised speech on 16 March, which was viewed by 35 million people, President Macron portrayed France as being 'at war' and called for 'national unity' in the face of this 'public health war'.

So far, the opposition has not ignored this appeal. The leader of the Socialist Party, Olivier Faure, not only explicitly shares Macron's talk about a 'public health war'; he even calls for a kind of 'war economy' in order to requisition national manufacturing facilities for the production of urgently required goods such as respirators and protective masks. All of

the left-wing parties are advocating even stricter curfews. The left-wing populist France Insoumise for example is demanding that, as in Italy and Spain, all non-essential economic activities be suspended. Prime Minister Édouard Philippe (still) opposes this, as this would 'disorganise the nation'.

The social partners should also be involved in 'national unity'. By making the above announcement, the government is trying to ease smouldering conflicts by refraining from ongoing reform projects such as the controversial pension reform. The social partners will be consulted more closely. But the impression remains – at least among the unions – that this does not mean the end of Macron's 'social dirigism'. The government unilaterally decreed various exemptions in the form of an 'emergency law' that interferes with the applicable labour law. This includes the possibility of increasing the weekly working hours in key sectors (transport, telecommunications, food industry, energy) to as much as 60 hours.

In view of the enormous effects of the pandemic emerging on the country's economy, it is imperative that the social partners be involved in crisis management. The national statistical office INSEE estimates that currently about a third of the employees are working either remotely or with reduced working hours and only one third of the working force is following a normal schedule. The economy is operating at only around 65 per cent of its capacity. While the agricultural sector is short of 240,000 workers – particularly because of the loss of seasonal workers from other European countries – the automotive industry, which has largely ceased production, is complaining of a 72 per cent drop in sales in March. Consumer demand has dropped by 35 per cent. Each month of the '*confinement*' is expected to cost 3 per cent of national economic output.

Given these dramatic effects on the economy and employment, the government has launched massive support programmes similar to those in other European countries. These range from direct assistance to the self-employed and companies in need, such as tax deferrals and social contributions, and the option of later payment of rents, electricity, water bills, etc., along with loan guarantees of €300bn for companies with liquidity problems, as well as a solidarity fund for small businesses and the self-employed. However, companies that benefit from state aid should then be prohibited from paying dividends this year. Nationalisations have not been ruled out in the event that the crisis worsens. Minister for the Economy Bruno Le Maire is said to have already compiled a still confidential list of strategically important companies that may be supported by state capital participation.

Inspired by Germany's experience, France also adopted a short-time working arrangement ('activité partielle'), which Labour Minister Muriel Pénicaud has praised as the regulation with the greatest protection in Europe. Short-time workers will receive 84 per cent of their net salary, and individuals earning up to the minimum wage are even eligible for their full salary. In turn, companies that utilise short-time work will be reimbursed the entire amount for wages and salaries up to a ceiling of four and a half minimum wages (around €4,800). At the beginning of April, 400,000 companies applied for short-time work for 4 million employees.

Macron's appeal to 'national unity' and his efforts to make the public understand the need for restrictions were initially dismissed. In the first polls, most of the prescribed measures were generally approved and a majority indicated they were satisfied with the government's response to the crisis. However, this picture has changed considerably in just a short time. Since then, pessimism has spread regarding the costs of the crisis, the way it has developed and criticism of government action. The number of those who believe the government's response is inadequate has increased by 10 points from 46 to 56 per cent in just over a week; the proportion of those who think that measures such as 'social distancing' are insufficient has increased from 43 to 58 per cent; and 79 per cent think the government acted too late. The criticism focuses in particular on the inadequate provision of protective masks, ventilators, and tests. Currently, only around 100,000 tests can be carried out per week – significantly fewer than in Germany.

The experience of precarity in the healthcare system is already having a very strong impact on the future expectations of the French. According to a survey by the newspaper *Libération*, a good two thirds of the respondents would like market mechanisms to weaken in the future; 85 per cent oppose a further weakening of social security; and 84 per cent want crucial production chains to be relocated to France or the EU. Emmanuel Macron quickly picked up on this mood. In response to the Covid-19 crisis, he calls for nothing less than 'a reconstruction of national and European sovereignty'.

Thomas Manz, FES France

Ecuador

In Ecuador, the corona crisis has hit an overwhelmed the government, deep social conflicts, and a state that has taken austerity to extremes. Compared to the rest of Latin America, Ecuador has the highest number of projected Covid-19 fatalities (180 confirmed cases as of 6 April). The

country is already at its limit, although the outbreak is still at the beginning.

Ecuador initially reacted quickly. In the region, the country was one of the first to close schools, to massively restrict people's freedom of movement three days later, and soon afterward to impose a strict curfew that can only be interrupted until 2pm to buy food and medicine. However, these measures were not carefully considered and introduced by a state acting in a coherent manner, but rather demanded by power-wielding 'lone warriors' and implemented in a hurry by an uncoordinated government.

The existence of the indigenous population in rural areas and in the Amazon, comprising at least 40 per cent of the population there, some of whom do not speak Spanish, has not been taken into account. The measures are not being communicated in the Kichwa and Shuar languages.

Meanwhile, the health minister resigned at the beginning of the crisis because she was unable to manage the financially starved public health sector in this situation. Instead of negotiating with the creditors, as many have called for, and obtaining a moratorium on the repayment of foreign debt to make funds available to both the health and social sectors in the corona crisis, the debt was serviced on time.

A few days later, however, the issue of suspending next year's presidential election for cost reasons became an issue. It is less the economic factors that are playing a role, but rather the fear on the part of the ruling elites of a renewed increase in Correism, the Citizen Revolution Movement. As much as the government is divisive in many ways, it is united in its loathing of previous president Rafael Correa. Correa is likewise controversial among the population. But his reign is associated with functioning public services and a responsible state – a situation that many people are currently wishing for.

While the representatives of the political elites are busy enhancing their images, a large part of the population has completely different concerns. About 70 per cent of the workforce is employed in the informal sector. For them, going into social isolation for several weeks is not an option. This emergency situation is particularly shocking in Guayaquil, as it reveals the ignorance of the elites. Guayaquil is Ecuador's largest city, a capital of both business and social inequality. The majority of the known Covid-19 infections and deaths have been recorded here. The population who cannot stay in their corrugated iron houses at over 35°C and who have to take care of their daily income will be degraded as being

undisciplined and irresponsible if they do not comply with the curfew.

The city and the surrounding province were quickly placed under military control and completely sealed off. However, this did not lead to more order. Since there is great uncertainty regarding the actual number of cases and fear is widespread due to the lack of information, private funeral homes have decided not to collect any more bodies. The employees are afraid of becoming infected with the virus in cases where Covid-19 remained undetected. Because of the lack of public morgues and funeral services, the corpses remain in houses for several days or are sometimes disposed of on the street. Comprehensive privatisation measures combined with government failures result in this undignified way of dealing with death.

The inhumane treatment of underprivileged people is by no means limited to Guayaquil. In addition to its oil, the Ecuadorian economy lives off of agricultural exports. A large proportion of the bananas in German supermarkets are produced on Ecuadorian plantations. This sweet fruit is grown under the bitterest of conditions. Even during the corona crisis, work is being carried out on the plantations, where no safety measures against infection are taken. On the contrary, the planes that spray the plantations with pesticides – which attack the lungs, among other things – continue to fly their rounds during working hours despite the increased risk, dosing both the workers and the banana plants.

The social protests in October, which paralysed the country for almost two weeks, were an expression of the resistance to the increasing social inequality and the lack of participation of large sections of the population in the political process. The social conflicts are continuing to worsen in the current situation. If the government takes so little account of the living situation of the majority of the population when making its decisions about the Corona crisis, opposition and resistance are to be expected – in whatever form they will take in the time of Covid-19.

Kathrin Meissner, FES Ecuador

South Africa

The first official Covid-19 case in South Africa, in early March, was a 38-year-old family man who had been on vacation in Italy. The number of infections is now up around 1,600. Cyril Ramaphosa, President and Chairman of the governing ANC party, addressed the people early on with decisive speeches. A nationwide curfew has been in force since 26 March, initially for 21 days.

The government is also sending over 10,000 personnel to assist in rural areas, in order to test and get a representative picture of the spread. It wants to avoid the mistakes that have been observed in parts of Europe and in the US. A number of freedoms guaranteed by the constitution are currently being severely curtailed, public life is at a standstill and the economy, which has already collapsed, will definitely plunge into a long-lasting recession.

Because of the horror stories coming out of the US and Europe, large segments of the population are aware of what the virus can do. Therefore, unions, businesses, churches and other religious group, as well as large parts of the opposition currently support Cyril Ramaphosa's determined action. This act of solidarity is needed to maintain health and especially to keep the social consequences of the pandemic in South Africa under control. But only a few South Africans can really adjust to the economic consequences of the strict curfew. The fear of social unrest hovers over the rainbow nation like a sword of Damocles.

South Africa is one of the political and economic heavyweights on the African continent. However, given the socio-economic structure and the long-standing economic crises, the measures against the coronavirus will pose immense and sometimes life-threatening challenges for the majority of the almost 60 million inhabitants: in South Africa, social inequality is the highest in the world. The health system, if it is accessible to people at all, is already at the breaking point, with a continuously high rate of HIV and tuberculosis cases. An unchecked outbreak of the Covid-19 virus would have terrible consequences.

The virus threatens to drag the vast majority of the population into the maelstrom of poverty, lack of prospects and even worse inequality. South Africa has a national debt of over 65 per cent, the economy is caught in recession and many state-owned companies are heavily indebted. The rating agency Moody's downgraded South Africa's credit rating to 'junk level' at the end of March.

Accordingly, when the curfew was announced, the president asked the international community and especially the private sector for financial support and appealed to everyone for the sake of cohesion. The international community needs to support South Africa; Germany in particular can play a major role here. The German-South African Binational Commission (BNK) met virtually the week before the countrywide curfew. In 2020, this biennial government consultation also included the social partners of both sides for the first time. Agreements have been made to tackle youth unemployment (which is well over 50 per cent in South Africa), develop the vocational education and training

system, and deal with a 'just transition', with a particular focus on energy issues. Germany can support the fight against youth unemployment in particular through targeted investments.

For Cyril Ramaphosa, the curfew, economic support programs and appeals to the private sector are just the beginning of a long and extremely rocky road. In addition to maintaining public order, his greatest challenge will be to bring together the entire nation behind him.

Almost one out of four South Africans lives below the absolute poverty line and malnutrition is a particularly big problem for children, with the numbers having risen even before the Covid-19 crisis. This currently seems to be the government's greatest fear: as soon as the virus hits the so-called 'townships' and extremely densely populated areas and spreads in an uncontrolled manner there, a curfew will no longer help or will be very difficult to enforce. The social and ultimately political consequences could be devastating.

Addressing this is a central concern of the government, and the broad agreement so far has shown that democratically legitimate government action in South Africa is possible in times of crisis compared to other countries on the continent. From the outset, the press was classified as 'essential' and thus actively supported the possibility of reporting, even when critical of the government. Setting a good example provides a litmus test for the general handling of the virus and its social consequences on the continent.

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