

The asymptomatic politics of Covid-19: a global survey

*By: Sebastian Spio-Garbrah, with Lars Henriksson, (Kuala Lumpur), Alex Wark, (London), Dilara Kiceli, (Izmir);
B. Romero (Havana); Duncan Gellatly, (London); Michele Boaretto, (London); Yasmin Abdul Wahab (London); Aryaman Bhatnagar (New Delhi);
Gino Cavelli (Geneva); India Belgharbi (Paris); Jawad El Ghazouli (Casablanca); Patricia Neves (Lisbon); Samuel Sarkodie Kampeligi (Accra)*



China overtakes the US

While the world is rightly focused on the medical challenges posed by the Covid-19 pandemic, it is probably the asymptomatic socio-political repercussions of the pandemic that may yet prove long lasting. The largely chaotic and disorganized pandemic responses by many of the Western multicultural democracies, contrasted with the generally more competent handling of the outbreak in smaller monocultural nations, and in the authoritarian-leaning regimes of Asia and Africa, has exposed the apparent haplessness of many of the key Western political institutions. The pandemic has strengthened the central role of states, accelerated elite public support for 'universal basic income,' and pushed climate change and other popular global social agenda items to the side. The pandemic has also weakened opposition parties, rendered most opposition leaders incognito, and elevated non-orthodox expert voices to the fore, while the credibility of health bureaucrats has fallen. Covid-19 has also accelerated the emergence of China as the most consequential global economic actor. China's rise was predicted by experts to occur by 2030. It is now firmly upon us. China's economy is now larger than that of the USA. China's stronger fiscal balance sheet, monopolistic control of personal protective equipment (PPE's), and other medical devices and drugs, authoritarian enforcement of strict covid-19 quarantine, contact tracing and testing protocols, have all combined to virtually guarantee China's rise as the principal global economy.

Despite being the initial epicenter of the novel virus, China's economy has made a remarkable recovery, fueled by large monetary and fiscal stimulus. Public support in China for the government's measures are high, largely helped by being a 'high trust' society. However, China's political calendar is heating up, with an imminent annual rest and relaxation break for the ruling Communist Party elite in Beidahe, the colonial-era German-built resort, a few hours drive from Beijing. It is a place where the elite have a chance to discuss views and form a consensus ahead of the National People's Congress Standing Committee (NPCSC) scheduled meeting end of August. High on the agenda will be Hong Kong. The NPCSC is likely to overcome the Hong Kong's Legislative Council (LegCo) election, which is expected to take place on September 6, and has since been postponed. In the November 2019 district elections, pre-democracy won 17 out of 18 seats, and the opposition was expected to win even more political ground with the polls.

The Chinese government is likely to use the risk of Covid-19 as an excuse to postpone the election, which may trigger an adverse response from the US that have enacted the Hong Kong Human Rights Bill and other legislative measures. The risk is that the tit-for-that strategy between China and the US might accelerate during this period, coinciding with the period when investment professionals and decision-makers in the West are back from their annual vacations and tasked to update their views about asset allocations, foreign policies and health recommendations.

The chaotic, frenzied and often acrimonious response by the US – not just by President Trump, but also by the country's governors, mayors of key cities, and the Congress has helped to further accelerate the emergence of China onto the world stage as an economic super power. The lack of national coordination, inter-bureaucratic squabbling, deep political animus and incessant political warfare, tensions with local law enforcement following the explosion of the 'Black Lives Matter' protests has effectively stymied the US response. Unless an effective vaccine is deployed before Winter, there is a high likelihood of an even more deadly 3rd wave by Christmas.

Second wave of lockdowns likely to trigger social unrest

With signs of a second wave of the virus building globally, public scepticism about the virus has also increased. Many are simply not as concerned as they were in March. This loss of fear is somewhat rational, even if misguided, as over 62% of people who contracted the virus globally have officially recovered and the total death rate stands

at 3.8%. This dramatic change in public attitudes concerning the lethality of virus will make it virtually impossible for many major global metropolises or nation states to reimpose a lockdown. Any attempts to do so are very likely to trigger significant socio-political and economic upheaval, potentially tipping tight elections and possibly even brighten the beleaguered re-election prospects of embattled US President Donald Trump. The political, geopolitical and economic risks surrounding a forced second lockdown are significant.

World Health Organization neutered by US withdrawal

The World Health Organization (WHO) has battled on several fronts since the outbreak of Covid-19: guiding vaccine development and distribution, while avoiding gender, age and income inequalities, funding issues, defecting member states and concern through providing highly-sensitive health policy recommendations. After calling for the first lockdown, the US withdrew from the organization (along with their funds) – a big hit to the WHO’s budget. The US withdrawal seems to have neutered the organization. It has become clear that the WHO is now extremely wary of calling for further lockdowns or publishing any policy recommendations that require halting economic activity. The WHO has clearly not been exempt from the financial pressures caused by the pandemic, which is being reflected on their policy, or lack thereof.

Although having published a number of recommendations on how to do so, the WHO has been quite permissive of activity reactivation and has made it clear that a sustainable and healthy reopening is the ultimate goal over the control/elimination of the disease itself. When asked about the second wave of Covid-19 on June 22, Director-General Thedros Adhanom Ghebreyesus merely suggested – quite reluctantly – that people keep their distance, wear masks and wash their hands regularly. He also reiterated that any reopening’s should be highly cautious. The handling of the first lockdown and its consequences clearly underline a more-passive second wave response. The WHO has abstained from publicly calling for a second lockdown despite recent spikes in both infections and deaths.

Democratic regimes have fared worse on their Covid-19 responses

Covid-19	Deaths/1m pop	Deaths/1m pop - RANK	Regime Type	Total Population
Belgium	857	1st	federal parliamentary democracy under a constitutional monarchy	11,596,114
Peru	796	2nd	presidential republic	33,028,871
Andorra	686	3rd	parliamentary democracy (since March 1993) that retains its chiefs of state in the form of a co-principality; the two princes are the President of France and Bishop of Seu d'Urgell, Spain	77,281
Spain	612	4th	parliamentary constitutional monarchy	46,757,141
UK	609	5th	parliamentary constitutional monarchy; a Commonwealth realm	67,931,752
Italy	586	6th	parliamentary republic	60,450,148
Sweden	572	7th	parliamentary constitutional monarchy	10,107,314
Chile	546	8th	presidential republic	19,136,992

USA	523	9th	constitutional federal republic	331,251,064
Brazil	507	10th	federal presidential republic	212,751,912
France	466	11th	semi-presidential republic	65,292,241
Mexico	440	12th	federal presidential republic	129,103,148
Panama	409	13th	presidential republic	4,323,139
Netherlands	360	14th	parliamentary constitutional monarchy;	17,139,788
Ireland	359	15th	parliamentary republic	4,944,707
Bolivia	347	16th	presidential republic	11,692,810
Ecuador	343	17th	presidential republic	17,676,148
Colombia	296	18th	presidential republic	50,951,072
Armenia	276	19th	parliamentary democracy: note - constitutional changes adopted in December 2015 transformed the government to a parliamentary system	2,963,962
Canada	239	20th	federal parliamentary democracy (Parliament of Canada) under a constitutional monarchy; a Commonwealth realm; federal and state authorities and responsibilities regulated in constitution	37,784,053
Iran	233	21st	theocratic republic/ authoritarian	84,126,996
Switzerland	230	22nd	federal republic (formally a confederation)	8,662,679
Kyrgyzstan	229	23rd	parliamentary republic/ authoritarian leaning	6,537,422
Moldova	222	24th	parliamentary republic/ authoritarian leaning	4,032,728
South Africa	199	26th	parliamentary republic	59,401,996
Luxembourg	196	27th	constitutional monarchy	627,231
Portugal	174	29th	semi-presidential republic	10,192,784
Honduras	159	30th	presidential republic	9,924,011
Romania	156	31st	semi-presidential republic	19,220,536
Iraq	145	32nd	federal parliamentary republic/ authoritarian leaning	40,330,746
Bosnia and Herzegovina	144	34th	parliamentary republic	3,278,095
Dominican Republic	134	36th	presidential republic	10,861,618
Guatemala	132	37th	presidential republic	17,955,967
Argentina	126	38th	presidential republic	45,248,204
Montenegro	123	39th	parliamentary republic	628,076
Kuwait	117	40th	constitutional monarchy (emirate)	4,278,385
Oman	112	41st	absolute monarchy	5,122,006
Germany	111	42nd	federal parliamentary republic	83,818,561
Russia	107	43rd	semi-presidential federation/ authoritarian leaning	145,942,628
Denmark	107	44th	parliamentary constitutional monarchy	5,794,835
Bahrain	100	47th	constitutional monarchy	1,708,294
Saudi Arabia	98	50th	absolute monarchy	34,880,742
El Salvador	94	51st	presidential republic	6,490,406
Austria	81	52nd	federal parliamentary republic	9,012,979
Suriname	80	53rd	presidential republic	587,297
Albania	79	54th	parliamentary republic	2,877,385
Serbia	77	55th	parliamentary republic	8,732,708

Israel	74	56th	parliamentary democracy	9,197,590
Bulgaria	72	57th	parliamentary republic	6,941,433
Turkey	71	58th	presidential republic/ authoritarian leaning	84,453,113
Qatar	69	59th	absolute monarchy	2,807,805
Sao Tome and Principe	68	60th	semi-presidential republic	219,655
Kazakhstan	67	61st	presidential republic/ authoritarian leaning	18,804,802
Belarus	65	62nd	presidential republic in name, authoritarian dictatorship	9,448,916
Hungary	63	63rd	parliamentary republic/ authoritarian leaning	9,657,117
Cabo Verde	63	64th	parliamentary republic	556,746
Slovenia	62	65th	parliamentary republic	2,078,975
Eswatini	60	67th	absolute monarchy/ authoritarian	1,161,676
Finland	60	66th	parliamentary republic	5,541,839
Djibouti	60	68th	presidential republic/ authoritarian	989,779
Equatorial Guinea	59	69th	presidential republic/ authoritarian leaning	1,408,267
Costa Rica	58	70th	presidential republic	5,100,000
Poland	50	73rd	parliamentary republic	37,841,173
Azerbaijan	50	74th	presidential republic/ authoritarian leaning	10,150,738
Egypt	50	72nd	presidential republic/ authoritarian leaning	102,569,340
Norway	48	75th	parliamentary constitutional monarchy	5,426,627
Estonia	47	77th	parliamentary republic	1,326,651
Ukraine	47	76th	semi-presidential republic	43,698,717
Bahamas	46	78th	parliamentary democracy under a constitutional monarchy; a Commonwealth realm	393,718
Maldives	41	80th	presidential republic	541,709
Croatia	40	81st	parliamentary republic	4,101,888
Czechia	37	83rd	parliamentary republic	10,711,561
India	37	82nd	federal parliamentary republic	1,381,715,400
UAE	37	84th	federation of monarchies	9,905,343
Afghanistan	35	86th	presidential Islamic republic	39,033,459
Mauritania	34	88th	presidential republic	4,664,078
Antigua and Barbuda	31	91st	parliamentary democracy under a constitutional monarchy; a Commonwealth realm	98,032
Algeria	31	90th	presidential republic/ authoritarian leaning	43,947,742
Lithuania	30	92nd	semi-presidential republic	2,717,091
Iceland	29	94th	unitary parliamentary republic	341,526
Guyana	29	93rd	parliamentary republic	787,040
Pakistan	28	95th	federal parliamentary republic	221,413,234
Gambia	26	96th	presidential republic	2,424,616
Barbados	24	99th	parliamentary democracy under a constitutional monarchy; a Commonwealth realm	287,421
Philippines	24	98th	presidential republic/ authoritarian leaning	109,762,573
Gabon	23	100th	presidential republic	2,232,002
Greece	22	103rd	parliamentary republic	10,416,289
Indonesia	22	101st	presidential republic	273,887,342

Libya	22	104th	in transition/ authoritarian	6,882,906
Bangladesh	22	102nd	parliamentary republic/ authoritarian leaning	164,896,196
Malta	20	106th	parliamentary republic	441,695
Paraguay	19	107th	presidential republic	7,143,484
Nicaragua	19	108th	presidential republic	6,634,416
Morocco	18	110th	parliamentary constitutional monarchy/ authoritarian leaning	36,965,309
Sudan	18	109th	presidential republic/ authoritarian leaning	43,971,583
Yemen	18	111th	in transition	29,904,886
Latvia	17	114th	parliamentary republic	1,883,370
Cyprus	17	115th	Republic of Cyprus - presidential republic; "Turkish Republic of Northern Cyprus" (self-declared) - parliamentary republic with enhanced presidency	1,208,478
Guinea-Bissau	17	113th	semi-presidential republic	1,973,552
Haiti	17	112th	semi-presidential republic	11,419,901
Australia	16	116th	federal parliamentary democracy under a constitutional monarchy; a Commonwealth realm	25,536,945
Liberia	16	117th	presidential republic	5,071,875
Cameroon	15	118th	presidential republic/ authoritarian leaning	26,624,297
Lebanon	15	120th	parliamentary republic/ authoritarian leaning	6,821,389
Senegal	15	119th	presidential republic	16,795,974
Congo	14	123rd	presidential republic/ authoritarian leaning	5,534,228
Zambia	14	122nd	presidential republic	18,444,250
Namibia	14	124th	presidential republic	2,546,523
CAR	13	125th	presidential republic	4,840,049
Lesotho	12	126th	parliamentary constitutional monarchy	2,144,406
Uruguay	11	127th	presidential republic	3,475,284
Venezuela	10	128th	federal presidential republic/ authoritarian	28,425,308
Japan	9	129th	parliamentary constitutional monarchy	126,425,327
Sierra Leone	9	132nd	presidential republic	7,996,610
Zimbabwe	9	131st	presidential republic/ authoritarian	14,889,717
Kenya	9	130th	presidential republic	53,913,597
Trinidad and Tobago	8	136th	parliamentary republic	1,400,074
Belize	8	139th	parliamentary democracy (National Assembly) under a constitutional monarchy; a Commonwealth realm	398,509
Cuba	8	135th	communist state/ authoritarian	11,325,711
Mauritius	8	137th	parliamentary republic	1,272,042
Malawi	8	134th	presidential republic	19,188,389
Comoros	8	138th	federal presidential republic/ authoritarian	871,833
Tajikistan	7	142nd	presidential republic/ authoritarian leaning	9,563,336
Uzbekistan	7	140th	presidential republic; highly authoritarian	33,529,285
Ghana	7	141st	presidential republic	31,151,241
Slovakia	6	148th	parliamentary republic	5,459,987
S. Korea	6	144th	presidential republic	51,274,934
Madagascar	6	145th	semi-presidential republic	27,775,222
Mali	6	146th	semi-presidential republic	20,318,903

Somalia	6	147th	federal parliamentary republic	15,945,174
Nigeria	5	151st	federal presidential republic/ authoritarian leaning	206,746,317
Jamaica	5	156th	parliamentary democracy (Parliament) under a constitutional monarchy; a Commonwealth realm	2,962,830
Ethiopia	5	152nd	federal parliamentary republic/ authoritarian leaning	115,301,776
Tunisia	5	154th	parliamentary republic	11,834,177
Singapore	5	155th	parliamentary republic/ Limited freedoms	5,856,187
Chad	5	153rd	presidential republic/ authoritarian leaning	16,480,896
New Zealand	4	163rd	parliamentary democracy under a constitutional monarchy; a Commonwealth realm	5,002,100
Georgia	4	164th	semi-presidential republic	3,988,160
Nepal	4	158th	federal parliamentary republic	29,200,823
Guinea	4	161st	presidential republic	13,174,673
Malaysia	4	157th	federal parliamentary constitutional monarchy	32,417,702
Syria	4	160th	presidential republic; authoritarian	17,551,249
Burkina Faso	3	169th	presidential republic	20,970,571
Angola	3	167th	presidential republic/ authoritarian leaning	32,984,365
China	3	165th	communist party-led state/ authoritarian	1,439,323,776
Benin	3	170th	presidential republic/ authoritarian leaning	12,160,681
Togo	3	171st	presidential republic/ authoritarian leaning	8,301,898
DRC	3	166th	semi-presidential republic	89,876,913
Niger	3	168th	semi-presidential republic	24,305,520
Botswana	1	174th	parliamentary republic	2,357,375
Fiji	1	175th	parliamentary republic	897,272
Jordan	1	173rd	parliamentary constitutional monarchy/ authoritarian leaning	10,215,903
Thailand	0.8	176th	constitutional monarchy/ authoritarian leaning	69,822,666
Rwanda	0.6	178th	presidential republic/ authoritarian leaning	12,990,345
Mozambique	0.6	177th	presidential republic/ authoritarian leaning	31,357,980
Sri Lanka	0.5	179th	presidential republic/ authoritarian leaning	21,424,810
Tanzania	0.4	180th	presidential republic/ authoritarian leaning	59,933,056
Uganda	0.3	181st	presidential republic/ authoritarian leaning	45,907,511
Papua New Guinea	0.3	183rd	parliamentary democracy under a constitutional monarchy; a Commonwealth realm	8,967,646
Vietnam	0.2	184th	communist state/ authoritarian leaning	97,449,375
Myanmar	0.1	185th	parliamentary republic/ authoritarian leaning	54,456,339
Burundi	0.08	186th	presidential republic/ authoritarian leaning	11,931,934

Source: WHO – for Covid-19 Mortality; DaMina Advisors/ CIA for Regime Typology

Sweden's derided model gains traction

There is little chance of lockdown in Sweden as the country pursued a relative open policy (only partial/voluntary lockdown) during the first phase of Covid-19 – rendering it an outlier in terms of response among developed economies. In fact, it reflects how Sweden's political model, as enshrined in the constitution, prohibits 'ministerial

rule' and instead relies on expert views and recommendations from specialist agencies. The Swedish Public Health Agency pursued a strategy of protecting senior and/or vulnerable citizens and to slow down the spread of the virus to keep the healthcare system from becoming too strained. It was a strategy supported by the majority of people, evident by various surveys. Indeed, a seminal feature of Sweden is it, like China, is a 'high trust' society. According to the World Value Survey Sweden, has a trust level index of 63% (on par with China) compared with 38% in the US, 33% in India and 6% in Brazil. It is conceivable that there is a correlation between high/rising COVID-19 cases and trust levels. Sweden's light touch has helped to safeguard the economy, which has fared relatively better than EU peers, but also resulted in a higher number of cases and deaths.

New lockdown in Italy could topple government.

A new lockdown is not to be excluded. Even though the number of cases has been relatively stable over the last few weeks, six out of 20 regions have a rate of infection over one. Furthermore, Italy is dependent and well-connected to a number of neighbouring countries which have recently seen a significant spike in infections. As a result, Italy's health ministry has already stated that he will not hesitate to reinstate lockdown measures if the epidemiological trend in the country starts to resemble that of Catalunya. However, it is likely that there will be a significant pushback against a new lockdown. During the initial lockdown there seemed to be near-universal public and political support for the measures. Now though, the government and the opposition are now significantly divided on the issue. Major opposition figures have gone as far as pushing conspiracy theories.

Russia's mass vaccination campaign could be a game changer

A new lockdown is unlikely to be imposed. The early lifting of the lockdown has resulted in a spike of popularity for President Vladimir Putin, stalling a number of expected protests. A second lockdown is also unlikely to be economically sustainable. For instance, the measures adopted in March have resulted in the largest decrease in Russia's manufacturing output on record. The country's low fatality rate (possibly underreported) is also likely to be used as an excuse to avoid reinstating strict measures. Were major restrictions to be reinstated, the risk of pushback and even social upheaval is high. A third of Russian citizens reportedly do not believe in the existence of the virus at all or believe the threat to be heavily exaggerated. At the same time, the protests are likely to resume. Finally, historical and cultural factors could play a significant role, with the country's long history of political authoritarianism potentially feeding into widespread scepticism about the need for a second lockdown. If the recently announced covid-19 vaccine proves effective, the country's capital markets will see a dramatic boost in inflows.

UK response still chaotic, with opposition labor AWOL

The likelihood of a total nationwide lockdown in the UK is relatively limited in the short term, with cities, such as Leicester and Aberdeen having local lockdowns reinstated. Death rates have dropped significantly since July, after a lengthy period of plateauing at a rather high rate in relation to the population size. Infection rates are currently increasing slightly but are currently low in comparison to some countries in the region. These improvements mean that the attention has now shifted to those countries that we have declared 'safe to visit'. Travelers to

Spain, France and other destinations are now required to spend 14 days self-quarantine on their return to the UK.

The main opposition party (Labour), have emphasized that the government has not agreed to pay for sick pay for those unable to attend work. However, the party is strangely absent from the political battlefield on covid-19. Some flight and holiday companies have now cancelled all flights and package trips, offering a refund. Adherence to government initiatives has been reasonable but is waning. A further, full lockdown would likely see considerably less compliance. These effects would surely be compounded were the government to cease the financial support that was previously available to those forced not to work.

There is certainly a case to be made for Britons ignoring government stipulations were they to be imposed, but the UK does not have the same non-compliance issues present in the US. Similarly, unlike the US, there is no correlation between political affiliation and non-compliance with Covid-19 countermeasures.

Argentina's economic instability stymies covid-19 fiscal response

Argentina is scrambling to contain surging Covid-19 infections while confronting a recession and related impacts. Although the strict measures taken by the Argentine government have saved lives and succeeded in avoiding the collapse of healthcare services, the number of cases is constantly rising and the economy is deteriorating. Argentina closed its borders and entered a nationwide lockdown on March 20. Excluding the capital city of Buenos Aires and surrounding metropolitan districts, the rest of the country is moving towards a progressive reopening, lifting lockdown restrictions on approximately 75% of the population and allowing them to resume business and personal activities. During the last three months, public policies have been aimed at guaranteeing access to food, sustaining the income of the most vulnerable sectors and facilitating access to credit for companies and small businesses. Argentina is consistent with Latin America corporate credit indicators, which show a large drop due to the pandemic. Notably, the national government has maintained negotiations to restructure USD 65 billion in foreign debt, a fundamental step for an economy that has for three years been plagued by economic contraction, high inflation and unemployment, a currency crisis and rising poverty.

Chile's covid-19 response, one of the most effective

Chile has had one of Latin America's highest rates of testing, although the country is still under lockdown measures due to increasing rates of infection. After imposing selective quarantine measures and closing non-food retailers in March, the government ordered a mandatory total quarantine for the capital of Santiago in mid-May. Despite the growing fiscal deficit, the Chilean government presented one of the largest fiscal packages in the region, getting up to USD 17.1 billion in March and April 2020, mainly to support small and medium size companies, unemployed people and low-income families and at the same time increase financing to entrepreneurs.

Colombia focused on economic fallout of pandemic

The strong measures of confinement and social distancing in Colombia had particularly adverse impacts on the country's economy, resulting in a 20% GDP contraction in April. The Colombian government has taken additional action to counteract the overall economic burden of the pandemic, as well as to boost liquidity in the financial and foreign exchange rate markets. Colombia has unveiled around USD 3.7 billion in measures to counter the effects of the coronavirus outbreak, including the temporary reduction of pension contributions, cash transfers for the most vulnerable, tax deferrals, new credit lines for companies and financing support for SMEs. Companies in Colombia have been able to strengthen liquidity positions with loans as support from the Central Bank facilitated the availability of financial sector resources.

Cuba seeks foreign investors as pandemic bites

After initiating mass testing on May 12 with a new locally-developed computerized system instituted across hospitals and aggressive contact tracing, the number of cases has been kept under control. The Cuban government has been implementing a three stage reopening plan. At this point, with the exception of the capital city of Havana, which remains in phase one, the whole country is in phase three of recovery. Within this context, the Cuban government approved a comprehensive strategy in to face the effects of the ongoing economic crisis in the country, trying to eliminate obstacles in production chains and the overall economy while maintaining the concept of centralized planning. Notably, the government is signaling a bolder approach in economic policy while returning to a strategy that worked in the 1990s after the fall of the Soviet Union. The government also announced: more favorable regulations to imports and exports, the intention to further incentivize foreign direct investment, the partial deregulation of the state business sector and expansion of the private sector and multiple economic actors like self-employment, cooperatives and legalization of micro, small and medium size enterprises with different forms of management, including private and cooperative.

Venezuela lacks capacity to manage pandemic

Venezuela's Covid-19 outbreak has not been unmanageable, although the government is thought to be suppressing the official data on the number of infections. The country is currently under partial lockdown measures, with intermittent curfews and easing of some restrictions. The suspension of international flights into Venezuela and restrictions on circulation in certain areas has continued. National authorities have been pushing for a more aggressive application of sanitary measures in public spaces, while the central bank has been looking to mitigate economic impacts of Covid-19 by implementing new actions regarding monetary policy matters, intending to counteract the new limitations in the development of national economic activities by providing a wider space for productive credit.

Mexico covid-19 cases and deaths surge

Mexican authorities declared a lockdown for non-essential activities during April and May and continue to evaluate and implement different stages of reopening. Mexico is battling a major coronavirus outbreak, although the country has pursued less severe lockdown measures than other Latin American nations, performing poorly on testing in particular. Until this point Mexico has tested around five people for every 1000. On May 31, Mexico's

National Period of Healthy Distancing finished ahead of the June 1 reactivation of the economy, although the scheduled reopening of the US-Mexico border for non-essential travel was postponed until August 21. Most companies face a refinancing risk in the medium to long term, especially airlines, hotels, restaurants, non-food retail, construction firms and oil and gas activity. The closure of non-essential business since mid-March 2020 will result in a deep economic contraction in 2020, possibly extending to 2021. The downturn will be marked by rising unemployment, income loss and large bankruptcies of small businesses.

Brazil's Bolsonaro on thin political ice

The Covid-19 situation in Brazil remains critical. The country has the world's second highest Covid-19 death toll and although there was a drop in new cases in the bigger cities, such as Rio de Janeiro, Manaus and São Paulo, the number of new infections and deaths in smaller towns and on the countryside have exponentially increased which has meant that nearly all of Brazil's more than 5,600 cities have now reported Covid-19 cases.

Despite this unfavorable scenario and the criticism that the president has already previously received due to his adverse response to the crisis, Jair Bolsonaro has no plans thus far of reinforcing any lockdown measures or social distancing guidelines, with two states having already allowed schools to reopen and eight others and the capital having announced plans to do the same throughout the month of August and September.

The country's disagreements on how to handle the pandemic has (further) divided the society. While the majority of Brazilians approve of the government's confinement regulations that were put in place despite its impact on the economy, 30% of the population supports President Bolsonaro and his 'economy over health' approach which has caused a significant number of excess deaths. Ultimately, this division has aggravated the concern of anti-government protests and civil unrest, the prospects of a military intervention remain unlikely.

India yet to reach its covid-19 'peak'

India's Covid-19 cases crossed the one million mark in mid-July. As cases continue to rise, India is still weeks – if not months – away from the 'peak', lockdowns have already been re-imposed in parts of the country. However, unlike the past when the central government imposed a nationwide lockdown for almost three months (end March to June), a second lockdown has not been uniform throughout the country or even pan-India in nature.

The central government has deferred the responsibility for imposing further lockdowns on to the state governments. Consequently, a second lockdown has and will continue to vary from state to state, and even within states, in terms of intensity and duration, depending on local conditions and the severity of the situation.

Based on current trends, the lockdowns will follow multiple patterns, often simultaneously:

- (i) Complete state-wide lockdowns, including rural areas.
- (ii) Only districts and/ or cities that have shown a high number of cases.
- (iii) Only parts within a city – a 'containment zone'.

However, in all these cases, the lockdowns are likely to be shorter in duration and within states may even be staggered to reduce the economic fallout of such restrictions. The lockdowns are likely to be a few days a week to a week or 10 days in month at a time, and in extreme cases may even be extended up to a month.

However, even when no lockdown is imposed certain activities (educational institutions, restaurants, shopping malls, religious places, domestic travel) will remain restricted. The stop-start nature of India's lockdown approach will almost certainly prevent certain economic activities (such as manufacturing units, construction sector and travel) from fully resuming. There will be pressure from these sectors to relax the restrictions further as they look to recover from the economic impact unleashed by initial lockdown measures. By ensuring that lockdowns remain shorter in duration and/or localized to the hotspots, the state governments would seek to balance these economic drivers with the need to address the ongoing health crisis.

Kenya's heavy police enforcement of covid-19 protocols triggers backlash

Kenya's early decision to adopt strict lockdown measures ensured that the initial spread of Covid-19 was slow. Adherence to strict lockdown rules have largely prompted frustration on social media, rather than civil unrest in the streets. There has also not been a significant appetite from national political figures to politicize the virus and no major elections have been disrupted by countermeasures. However, Kenya has recorded public disorder indirectly from its response to Covid-19. Protests remain likely depending on how directives are enforced, which body of government is enforcing measures, and, looking ahead, their tangible economic impacts.

It is the police's enforcement of directives which has been the greatest driver of unrest in Kenya during the virus. Incidents of police brutality to enforce measures have incited protests, rather than the implementation of the measures themselves. This is likely to continue, with any perceived police brutality or alleged targeting of a particular community likely to prompt unrest. County governments have begun to impose their own directives, which have been more controversial than national directives. This has reignited local politicking between communities and consultation with political stakeholders has been required to avoid localized anti-county administration protests. Similarly, counties lack the relevant authorities to enforce their virus directives and significant discrepancies in measures between neighboring governments have added to confusion and frustration.

Since lockdown measures were eased in July, cases have increased significantly and there is an argument for a second lockdown. However, striking a balance with managing economic concerns is now key and safeguarding the economy has become part of the national political dialogue. Therefore, a return to lockdown would be highly controversial, with any tightening likely to encounter opposition going forward, especially if the virus is increasingly politicized at a national political level.

Ethiopia postpones elections by 1 year due to pandemic

Ethiopia's pre-emptive measures to control the spread of Covid-19 have kept the spread of the virus slow, with the response being widely viewed as a success so far. Most notably, Ethiopia's directives have revolved around a

public information campaign rather than a total lockdown. Safeguarding the economy has been key, with the Ethiopian government aware that public disorder is more likely to result from a significant economic downturn, rather than authoritarian virus countermeasures. As such, any future lockdown remains unlikely, with the Ethiopian government likely to rely on robust contact tracing and isolation measures instead.

The nature of Ethiopia's lockdown has been a sideshow to its political implications. The most significant implication of Covid-19 in Ethiopia has been the postponement of August's parliamentary, regional and municipal elections until 2021. There was already doubt over whether the elections would go ahead, with the virus proving legitimate context for a postponement. The constitutional issues have divided the opposition. Although there have not been any significant politically motivated protests in response to the lockdown, the potential for future unrest remains. For example, in the Tigray region, conducting elections against Prime Minister Abiy Ahmed's wishes remains a reasonable possibility, but any violent intervention to disrupt local government actions is highly unlikely. However, such political issues and the extent of the delay before elections pose a risk of major civil unrest. Large anti-government protests in Addis Ababa held in early July, in which over 160 were killed, were the result of the killing of a singer, rather than any explicit link to the public health situation. The killing and protest had an intra-ethnic dimension, serving as a reminder that the tense ethno-political situation remains, with the delay in the election likely to remain the key variable in the level of organized public disorder going forward.

Angola keeps March lockdown in place

Covid-19 restrictions remain in effect as of the end of August. Lockdown measures, which were enacted by the president on May 25, imposed a civic duty of home collection – with all citizens having been recommended to stay home and refrain from travelling on public unless necessary and unavoidable – and maintained the country's borders closed with the exception of humanitarian flights which have and will continue to be operated in order to repatriate all national citizens who have been retained in other countries. The entry and exit of Angola is subject to health control. More specifically, citizens travelling to Angola must test for Covid-19 72 hours before their departure date and present the test result at the time of check-in as well as quarantine once they arrive at the destination. With the number of Covid-19 cases rising in the last few weeks and the majority of these originating from the capital, Luanda has been back in lockdown since early July in an attempt to contain the virus from spreading to neighboring provinces. However, this measure did not keep the numbers from spreading – more than 11 provinces have now reported Covid-19 cases. Residents from Luanda have complained about the inefficiency of lockdown and suggest it should be discontinued as people want normality to resume.

Mozambique response a success so far

On August 4, President Filipe Nyusi declared a new state of emergency which will last for 30 days starting on August 8. The measures adopted will be the same ones that were put in place during the first state of emergency in April, including: restrictions regarding large gatherings, the mandatory use of face masks and the ban of events and open leisure spaces. However, despite this new state of emergency, Nyusi announced that economic activity will be gradually and cautiously re-established from August 18 onwards, starting with the reopening of universities and the resumption of religious services. A survey conducted by the Civil Society Forum for Childs

Rights in Mozambique concluded that the majority of adults and children oppose the reopening of schools due to the lack of safety and decent sanitation. So far, Mozambique has registered a total of just over 3,000 Covid-19 cases and 19 deaths caused by the virus. According to the president, despite the partial neglect and transgression of prevention measures by some citizens, which caused a rise in the country's Covid-19 infection rate, Mozambique's response to the pandemic has been deemed a success so far.

Morocco uses pandemic response to build stronger ties to sub-Saharan Africa

Since the beginning of the pandemic, Morocco has experienced two notable panics. The first panic occurred on the day authorities announced lockdown in March, causing significant panic-buying. The second panic occurred in July when authorities announced that the entire country had a few hours to travel for Eid al-Adha's religious festival: people rushed in a generalized panic creating accidents and traffic jams on an unprecedented scale.

In other key developments, the country also equipped itself with a cyber unit fighting fake news and regulating social media. Despite these incidents involving panic and disorganization, Morocco is willing to prove to foreign investors its industry is still strong. First, Morocco adapted its industrial units to produce face masks and other medical items massively for export and local use, and also to serve its African cooperation purposes as medical aid was sent massively to African countries. Morocco also launched a massive loan program for businesses to mitigate Covid-19 crisis effects. According to the king's last speech, Morocco is likely to reinforce its welfare capacities for the long term. This element makes it more likely that Morocco will also reinforce its fast-growing export-oriented industrial production capacity to finance such a plan. Regarding lockdown, Morocco's national strategy has been to confine specific zones or cities and avoid a national lockdown. Testing capacities seem to be more and more limited to vulnerable populations. Mass behavior is more relaxed, which may raise the number of infected individuals before vaccine distribution.

Egypt pandemic response has highlighted class tensions

Egypt has faced significant challenges with the ongoing Covid-19 crisis. The greater Cairo area counts around 20 million people, which is almost half of Egypt's urban population, and with a major lockdown unlikely to be enforceable. However, a durable total deconfinement may be observed in Egypt, as Egypt seems to bet on the vaccine solution. Egypt's death toll remains relatively low relative to the massive urban population. However, few Covid-19-related scandals have caused unrest on social media. The first scandal concerned the lack of personal protection provided to healthcare workers, while the alleged refusal to provide treatment to low income families also caused an outburst at existing strategies. Ultimately, a long confinement does not seem a realistic outcome and frustrations are growing. Activities may return to normal in late September with partial or short confinements likely to be introduced if cases rise again.

Nigeria and Ghana show contrasting styles on pandemic response

While in Nigeria President Muhammadu Buhari has largely stayed out of the limelight, in Ghana, President Nana Akufo-Addo has leveraged the pandemic response to re-orient socio-economic policy towards the poor and

vulnerable. While Nigeria has largely not systematically tested its population, Ghana a population of just 31 million has tested over 400,000 persons, while Nigeria, with a population in excess of 200 million has tested less than 400,000. While in both countries the focus on state responses has largely been to the political detriment of the opposition parties, in Nigeria support for the government response remains weak, while in Ghana, public support for the government has risen substantially since the outbreak of the pandemic.

South African pandemic response the most robust in Africa

The pandemic response in South Africa has probably been the most robust on the African continent. With tests per population nearly on par with China's averages, and stringent covid-19 protocols which even got a cabinet minister publicly disciplined for breaking them, President Cyril Ramaphosa has probably by his robust response achieved one of the best pandemic responses so far. With an HIV AIDS population of nearly 8 million persons, in a population of 60million, the number of deaths so far recorded at 12,400 is much much less than was initially forecasted given the imuno-comprised state of millions of South Africans living with HIV.

Contact DaMina for an in-depth Q&A briefing from our risk analysts:

Alex Wark,
Partner, Business Development
London, UK

+ 44 7779 656 878
+1 647 808 9671

Alex@daminaadvisors.com

DaMina Advisors is a global independent frontier markets political risk research, due diligence, M&A transactions consulting and strategic geopolitical risks advisory firm. DaMina Advisors is legally registered and has offices in Canada, the UK and Ghana. DaMina is headquartered in Toronto.

www.daminaadvisors.com

On Twitter  [@DaMina_Advisors](https://twitter.com/DaMina_Advisors)