

# Covid-19, Inequality and the 'Great Reset'

*By Herbert Jauch, published in The Namibian, 3 July 2020*

The coronavirus pandemic has exposed many of the fault lines in our social and economic structures both at the global and the national level. These fault lines became visible in several key areas, one of them being insufficient health care services due to budget cuts for public health care programmes. While the privatisation of health care may have resulted in quality services for the wealthy few, it ignored the needs of the poor. Another fault line is the absence of adequate and decent housing for all as the market-driven housing models did not recognise housing as a basic human right. Consequently, an ever-increasing number of people were unable to afford decent shelter and are forced to live in shacks.

A third fault line is the deepening crisis of poverty and unemployment which is affecting particularly black people and women. Systemic racism based on the refusal to deal with racist values, practices and structures has been exposed in many countries and police brutality directed at black people was merely the spark that lit the flame. Thus, the global Black Lives Matter (BLM) movement has found resonance with millions around the world who experience exploitation and discrimination on a daily basis. Activist-academics like Professor Angela Davies have long pointed to the link between race, class and gender.

Many other fault lines could be cited such as the need to achieve substantial levels of food self-sufficiency at national and regional level. They all show that the current world order is not only inherently unfair and discriminatory but also unsustainable. The ecological catastrophe, and the ongoing social and economic crises resulting in the marginalisation of millions mean that we should not even contemplate a return to the pre-covid normality.

This realisation seems to have bypassed many governments and certainly the upholders of the current global order such as Transnational Corporations, the International Monetary Fund (IMF) and the World Bank. However, even some of the mainstream economists such as the co-founder of the World Economic Forum, Klaus Schwab, had to admit that global capitalism has failed and thus he called for a 'Great Reset' of capitalism to avoid increasing inequality, ecological destruction and poverty. Schwab conceded that this will require the building of "entirely new foundations of our economic and social systems" (The Namibian, 5 June 2020).

## Voices of discontent

Globally, there is a growing realisation that democracy must be deepened and extended to all spheres of our lives, including the economic arena which for decades was controlled by a small, wealthy elite that has driven the process of globalisation to serve its own interests. As a result, global inequality has reached unprecedented levels. It is encouraging that inside Namibia, more voices of discontent are emerging as the plunder and abuse of our common resources (exemplified by 'fishrot', marine phosphate mining, the Zambezi tobacco plantation, the sale of farms for foreign billionaires etc.) have shown how the logic of global capitalism has taken hold of Namibia. It resulted in massive levels of unemployment and inequality long before the coronavirus arrived.

The covid pandemic merely made matters worse and the Namibian government made the containment of the coronavirus and the protection of lives its immediate priority. The

lockdown managed to contain infections for several months while the most effective social intervention during that time was the payment of an “Emergency Income Grant”. It was introduced due to the realisation that households cannot rely merely on wage labour for their survival and that they needed direct transfers. However, government was not (yet) willing to take this initiative further through the introduction of a Basic Income Grant (BIG).

Another important government intervention was the President’s Regulation 19 which was introduced to protect workers against dismissals and forced leave during the state of emergency. Employers frequently resort to unilateral retrenchments despite the provisions of the Labour Act which state that employers first have to explore alternatives to retrenchments with workers and their trade unions. Many employers seem to not even report retrenchments and it is telling that the Office of the Labour Commissioner has only recorded a fraction of the retrenchments that actually took place since the state of emergency was declared. Poor enforcement of labour laws, coupled with weakened trade unions and the inherent power imbalances between workers and their employers, have left most Namibian workers in despair. This was made worse by the recent High Court judgement declaring Regulation 19 unconstitutional. Without going into the details of the judgement here, it will certainly tilt the power imbalances further in favour of employers who will now feel emboldened to dismiss.

Thus far, the Namibian government has not presented a new and fundamentally different approach to economic and social development. Merely hoping that the pandemic will end at some point and that we will return to some form of “normality” without pro-actively making structural social and economic changes is simply not good enough. Namibia - like the rest of the world - truly needs a reset now and we should not be limited to looking at reforms within the existing system. Instead, we need to be brave enough to question its legitimacy and relevance as we take the first steps to develop a new post-covid Namibia and a new post-covid world. Nothing less will do.

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