

COVID-19: An update since our last note

Living in and adapting to a fluid environment seems to be the new normal. This week’s note asks when life will go back to normal.

Life after lockdown – when will things return to normal?

It has been six months since the SARS-COV-2 virus (that causes COVID-19) first made its presence known. Since then, the virus has defied containment, spreading across the globe. Lockdowns and bans on social interaction have been introduced to slow the spread of the virus so that health facilities are not overwhelmed. In practice, this has meant curbing both economic and social activities. Many of the institutions of daily life – schools, churches, restaurants, concerts, and even hairdressers – were restricted for months, and restrictions have only recently begun to be eased. But after many months of having everyday freedoms restricted, people are wondering when life will return to normal.

Will COVID-19 become a feature of everyday life?

Resurging outbreaks across the globe show that the virus is difficult to eradicate. With hopes of containment effectively dashed, many are focusing on our ability to reach ‘herd immunity’, the point at which enough people have antibodies to the virus for new outbreaks to die out rather than replicate. Although estimates vary and there is some debate on the subject, epidemiologists often assume that 50% to 60% of the population would either need to have been infected with or vaccinated against the virus.

The world’s hopes are pinned on a vaccine

Vaccine trials, which normally take years, have been fast-tracked, with researchers aiming to shorten the time to deliver a viable product. Currently, up to 150 different vaccine candidates are being tested. Recently, AstraZeneca indicated they hope to start producing 2 billion doses of their vaccine by September/October this year, with the first doses earmarked for the USA and UK at the end of 2020, and the balance to be made available to poorer countries by early 2021. Distribution will be contingent on the outcome of a clinical trial in August. To beat the pandemic, the vaccine would have to be widely distributed, including to poor countries. Deciding who gets the vaccine first, is likely to present many ethical and moral dilemmas. Recently, we have even seen the rise of ‘vaccine nationalism’ as countries scramble to secure doses for their own citizens first. We would also have to overcome the resistance some people have towards vaccination programmes (anti-vaxxers) to ensure as many people as possible are vaccinated.

How long immunity lasts remains a key question

Although the hopes of the world are fixed on finding a vaccine, it is still far from clear to what extent we gain long-lasting immunity to COVID-19. A study in London found that 2% to 8.5% of people did not develop detectable antibodies to the disease, and there have also been reports of people contracting it twice. Thus there is a chance that, like the seasonal flu, COVID-19 may become a feature of our ‘new normal’, reoccurring at intervals and causing stop-start lockdowns over a longer period than hoped.

Social engagements could take a long time to return to normal

Despite our hope for a return to normal, and although scientific developments could surprise to the upside, it seems clear it may take as long as a year for many activities to return to pre-pandemic normal. Below is an excerpt from a poll conducted among over 500 epidemiologists and infectious disease experts in the USA and Canada. While there were some activities the majority see as resuming within the next few months, a substantial portion of those polled believe some activities will only return to normal in a year or more. More than 64% of respondents expect that it will be more than one year before we will attend sporting events, concerts or plays. And 6% of respondents believe we will never again greet people by shaking hands, and face masks will likely remain a feature of our lives for some time.

	Less than 3 months	3-12 months	+1 year	Never again
🍷👤 Attend a wedding or a funeral	17%	41%	42%	<1%
🤗👤 Hug or shake hands when greeting a friend	14%	39%	42%	6%
❤️👤 Go out with someone you don't know well	14%	42%	42%	2%
🏛️👤 Attend a church or other religious service	13%	43%	43%	2%
👤👤 Stop routinely wearing a face covering	7%	40%	52%	1%
🏆👤 Attend a sporting event, concert, or play	3%	32%	64%	1%

Source: Visual Capitalist.

The rise of the 90% economy

Where economies have reopened after lockdown, early signs are that they do not necessarily rebound to full productive capacity immediately. This has been dubbed ‘the 90% economy’, with substantial sectors of everyday life not returning to full capacity (public transport, air travel and tourism). The result is economic scarring and rising bankruptcies. A struggling corporate sector can dampen consumer confidence, setting off a spiral perpetuating economic woes. With the fourth industrial revolution also feeding into this trend, automation may increase as companies seek ways to increase productivity, impacting employment and consumer spending. Economic recovery could also be derailed by stop-start lockdowns until a vaccine becomes available. A World Economic Forum survey of risk managers recently ranked a prolonged recession of the global economy as the top risk, being cited by 68.6% of those polled.

Consumer behaviour could be altered for some time

Even after lockdowns are eased, the pandemic may leave a lasting impression on many people, and consumers may be slow to return to crowded places like shopping malls, or prefer dining in to eating out. A YouGov study reported the percentage of people who said they would avoid crowded places (as at 25 June): 73% of Chinese polled reported still avoiding crowded spaces, 76% in Italy and 69% in France.

Even in the USA, 63% of respondents reported avoiding crowded public spaces. Until a vaccine is found, or herd immunity is reached, fear will keep some people from resuming activities as in the past.

Some changes may never be undone

While ecommerce had been on a rise before the pandemic, the speed of adoption has been accelerated by the pandemic. Locally, payment gateway PayFast noted mobile payments increasing by 42% over the lockdown period. In addition, the pandemic has shown many companies that people can work successfully from home, and we can only expect digital technologies to evolve even more rapidly and continue improving. Already, several companies, including Twitter, have indicated staff can work from home indefinitely. This trend could have a deep impact on various sectors, including the real estate sector – not only in terms of rental income in crowded areas like Silicon Valley, but also by impacting the demand for office space.

‘Normal’ may not have been as great as we thought

A recent series of dialogues by the World Economic Forum has pointed out that the prevailing production system has not really been working equally for everyone. Over the past few decades, we have seen rising economic and social inequality across the globe, even as the impacts of climate change have become undeniable. Escalating social tensions and protests are only likely to increase if these issues are not addressed. They argue that we need to actively reconsider the kind of post-COVID-19 systems we want and redesign the ‘social contract’ (the entanglement of our economic, political and social systems) to ensure better outcomes for all, a process they call ‘The Great Reset’.

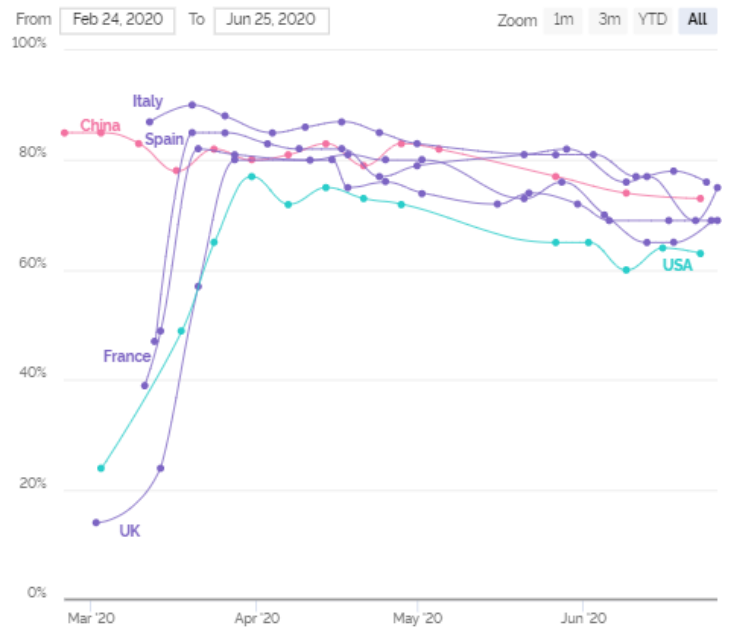
After COVID-19 – another pandemic?

At the end of June 2020, scientists published a paper stating that they had identified a new strain of swine flu that can infect humans and “has all the hallmarks of a candidate pandemic virus”. The current pandemic has widely been described as a ‘black swan’ and ‘unprecedented’, but it has long been argued that epidemics may become more frequent in the future due to globalisation, urbanisation and climate change. In the same World Economic Forum survey cited above, “another global outbreak of COVID-19 or [a] different infectious disease” was ranked as the 10th biggest risk, being cited by 30.8% of respondents.

While many of us are impatiently waiting for life to return to normal, the reality is that ‘normal’ may not look the same as it used to. The pandemic has disrupted some trends, while accelerating others. Much like Day Zero permanently altered many Capetonians’ perceptions of and attitudes towards water, the COVID-19 pandemic may leave a long-term impact on society. The pandemic has provided an opportunity to reconsider many aspects of everyday life, and to realise the true value of others many of us took for granted.

YouGov COVID-19 behaviour changes tracker: **Avoiding crowded public places**

% of people in each country who say they are: Avoiding crowded public places



Source: YouGov.

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