

Post-Covid-19, Agriculture & Politics

“Vir Covid-19, lê weet voorkanttoe”

13 May 2020

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NETWERK24

AKTUEEL

Covid-19: Die waarde van 'n krisis

Deur: Theo Venter
17 April 2020, 06:45

Daar is min ander situasies wat mense stimuleer om planne te maak soos diepgaande krisisse waarvan die Covid-19-pandemie 'n perfekte voorbeeld is, skryf Theo Venter.



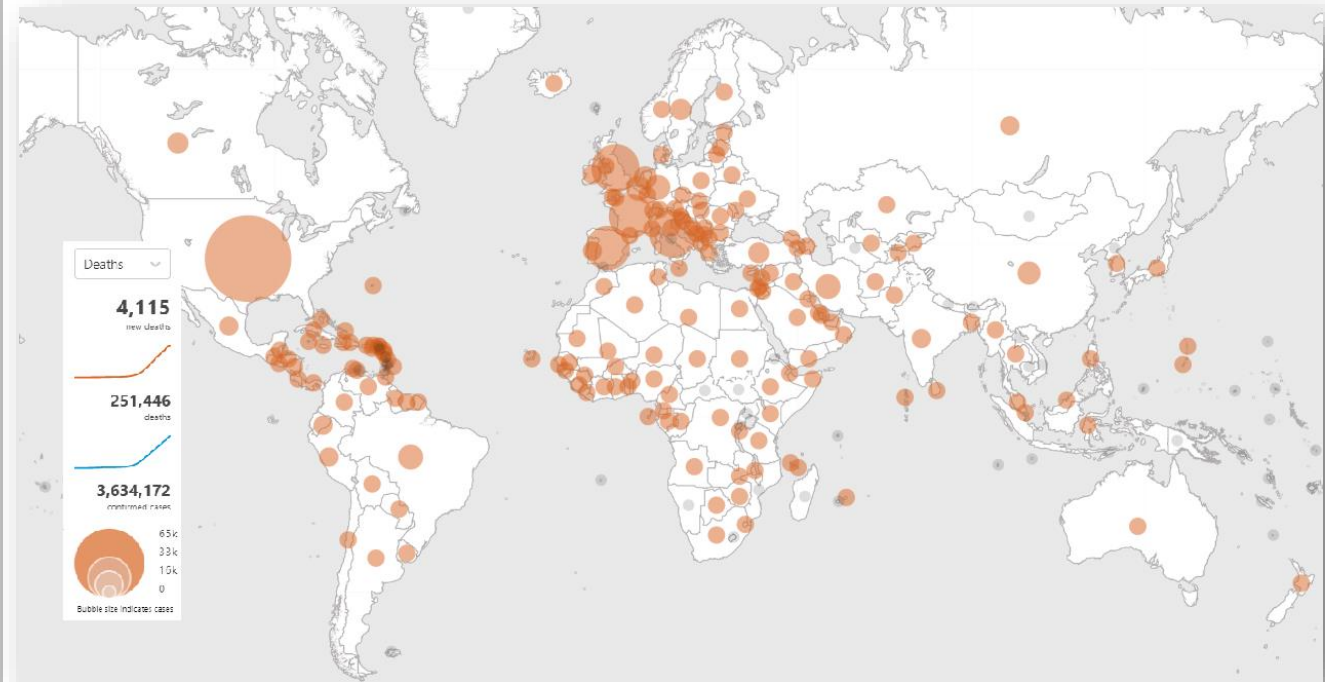
Die nuwe wêreld van Covid-19. Dr. Zweli Mkhize (middel), minister van gesondheid, by 'n nuuskonferensie. Foto: AP

Daar is geen twyfel nie dat die Covid-19-krisis 'n wêreldwye pandemie en ekonomiese krisis is.

Context

1. The pre-Covid global environment.
2. Covid-19 as a VUCA situation.
3. Socio-political challenges.
4. What to expect of a post-Covid world.
5. Socio-economic and agricultural impact.
6. Sensemaking.

Covid-19 Pandemic: Spread of the SARS-CoV-2 Virus



Global distribution May 2020

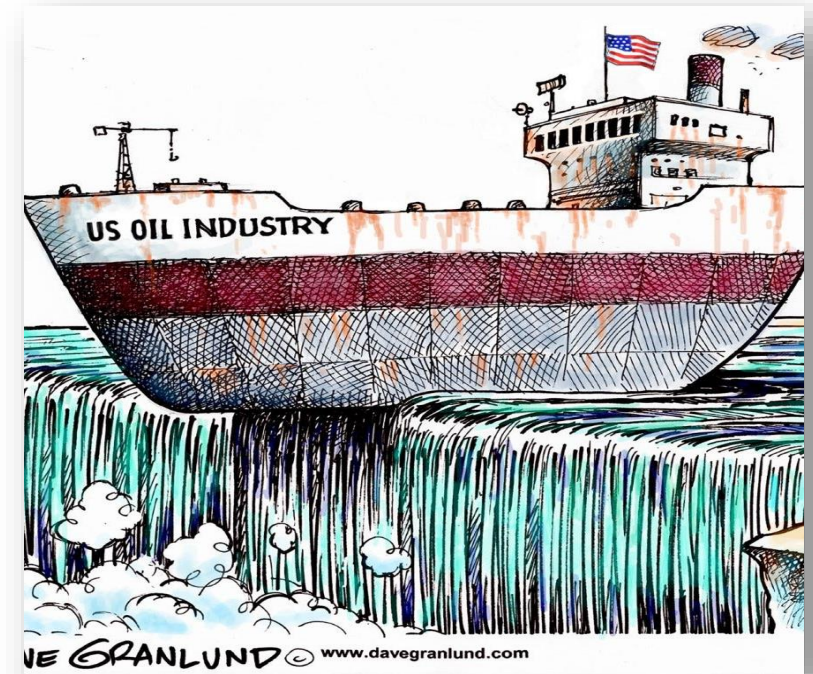


The Anatomy of a Crisis

- Covid-19 emerged in China (Wuhan). Chinese government tried to keep it under wraps for too long.
- Spread already started in December 2019 in January 2020.
- Global response very slow – then enormous – very emotional and anxious.
- Oil Market volatility. Price war between Russia and Saudi Arabia.
- Oil Glut due to global economic standstill.
- Threats of a temporary global recession similar to the Great Depression.
- Major question is how to start what has stopped. Expect huge spike in economic activity towards end of 2020.
- Covid-19 hit 212 countries and territories. Membership of UN currently at 193 countries.
- South Africa already in economic distress when Covid-19 emerged.



Global trade and Covid-19



Oil glut due to Covid-19



GESONDHEID



Helfte van SA het net kosgeld vir 'n paar weke

Deur Pieter Malan | 26 April 2020 00:08 | **Rapport**



* Die opskrif van hierdie berig is verander en inligting is bygewerk sedert dit aanvanklik gepubliseer is.

Die regering se gedetailleerde plan om Suid-Afrikaners in vyf fases terug te stuur werk toe, het Saterdag kritiek uit alle oorde gekry omdat dit te kompleks is en te min doen om 'n dodelik siek ekonomie te red.

Steun vir inperking daal skerp

Op 23 Maart het die president 'n inperking van drie weke aangekondig vanaf 27 Maart tot 16 April.

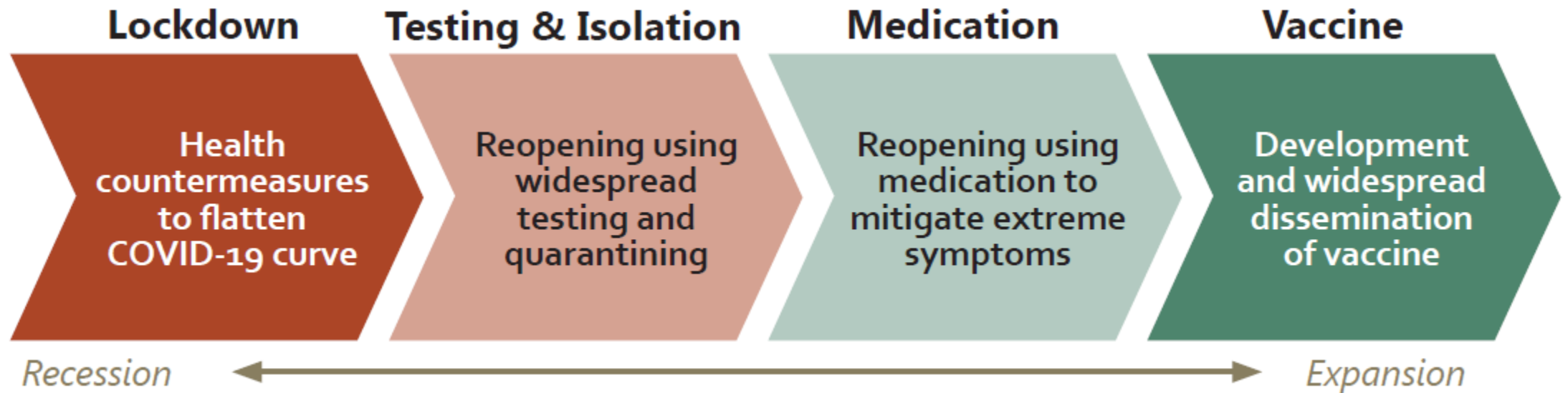


Reaction to the Crisis

1. Prediction of Doom and Gloom and Prophets of Doom have a field day!
2. Predictions of Civil War! Conspiracy theories.
3. Worries about civil liberties and violence from SANDF and SAPS.
4. Social Media, fake news and social unrest.
5. Global economic decline predicted.
6. Political battles in the ANC. Can Ramaphosa survive this crisis?

Public Health and the Economy

Phases and impact



Global Risk Assessment in a pre-Covid-19 world early 2020

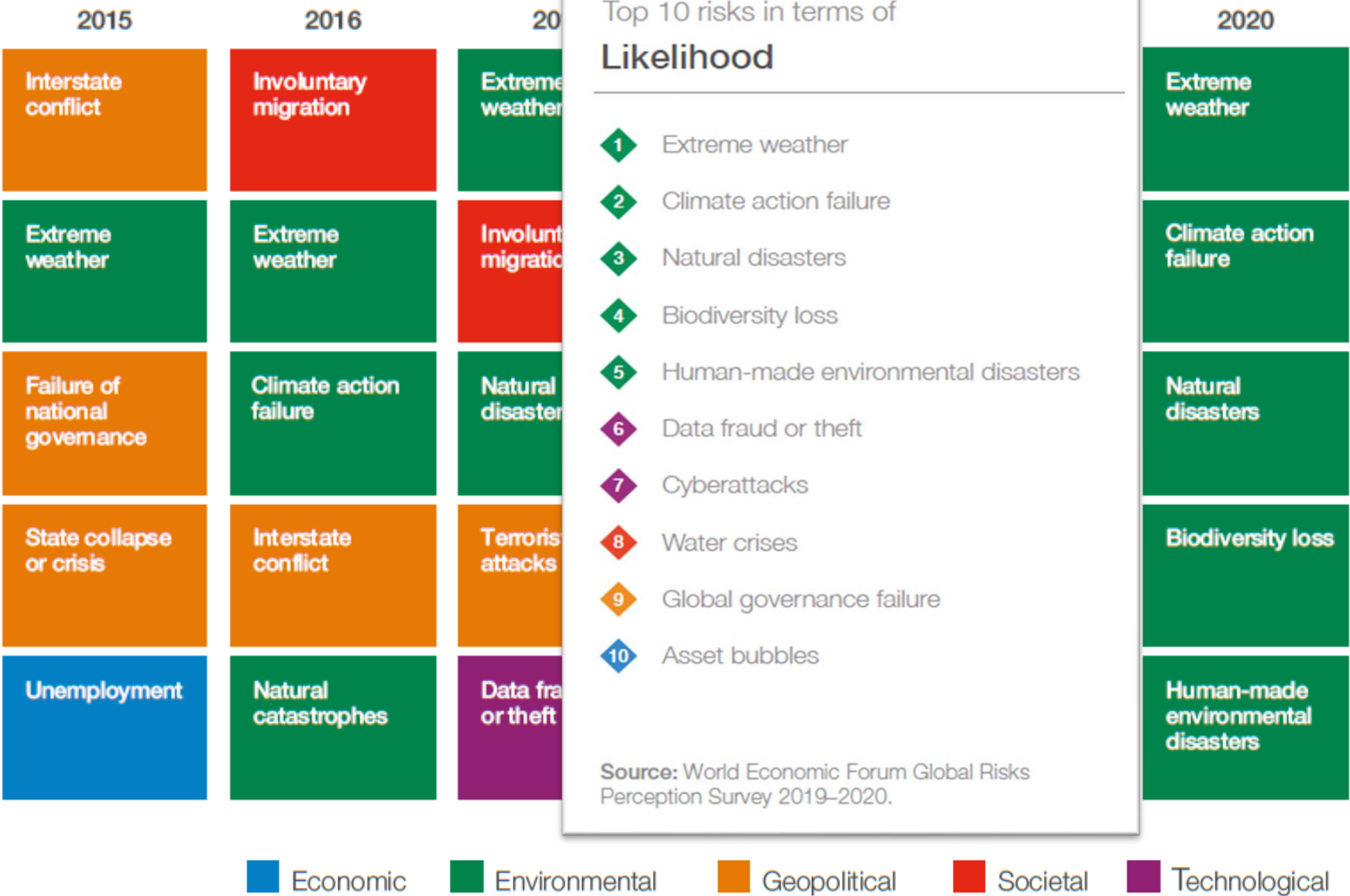
*Just how quick a situation can totally
change – a black swan event.*

Global Risks: Possible Likelihood

2015	2016	2017	2018	2019	2020
Interstate conflict	Involuntary migration	Extreme weather	Extreme weather	Extreme weather	Extreme weather
Extreme weather	Extreme weather	Involuntary migration	Natural disasters	Climate action failure	Climate action failure
Failure of national governance	Climate action failure	Natural disasters	Cyberattacks	Natural disasters	Natural disasters
State collapse or crisis	Interstate conflict	Terrorist attacks	Data fraud or theft	Data fraud or theft	Biodiversity loss
Unemployment	Natural catastrophes	Data fraud or theft	Climate action failure	Cyberattacks	Human-made environmental disasters

■ Economic
 ■ Environmental
 ■ Geopolitical
 ■ Societal
 ■ Technological

Global Risks: Possible Likelihood



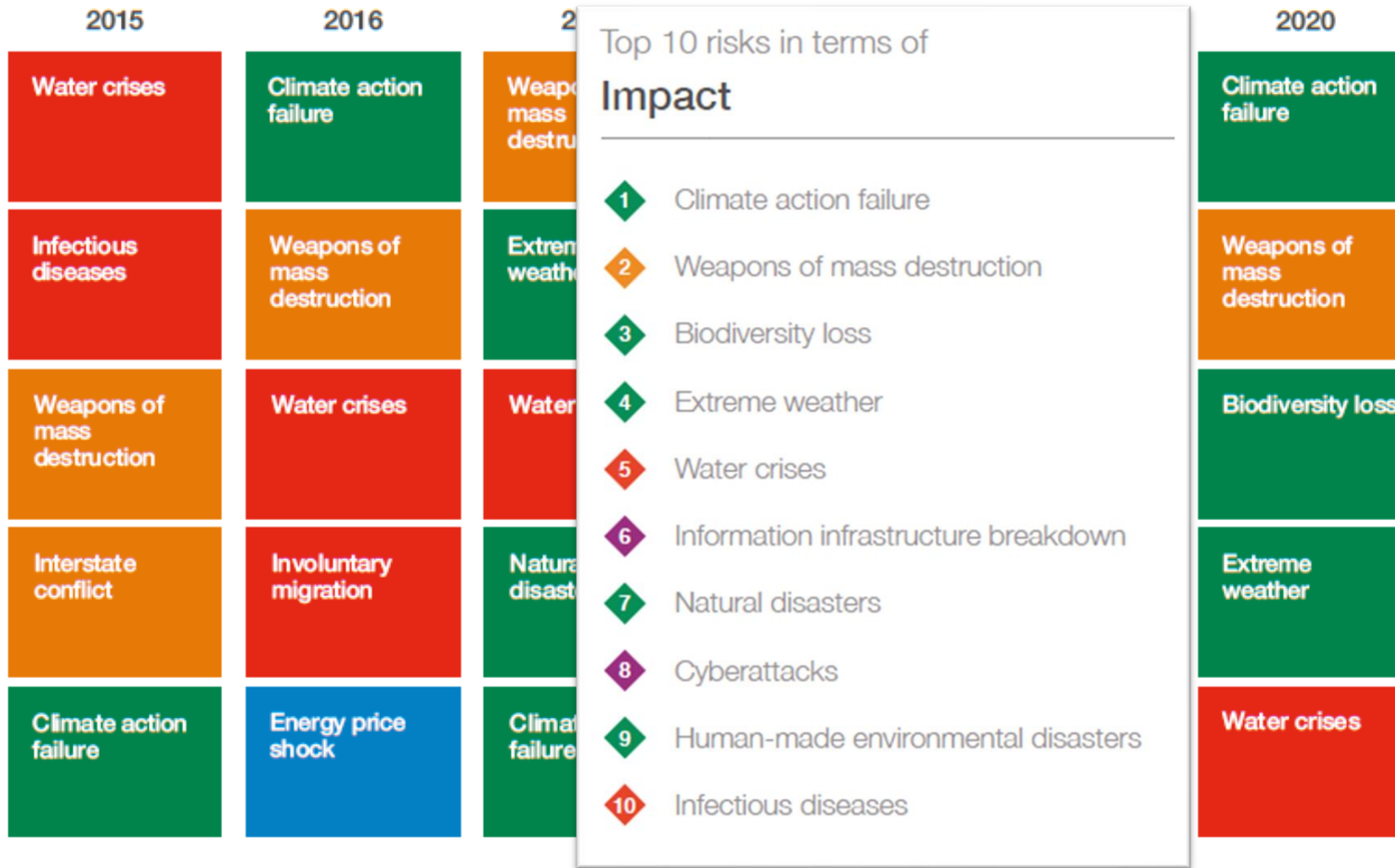
- Risks focussed primarily on climate change.
- Some concerns about the ICT environment.
- Social issues such as availability of water were noticed.
- Global governance and politics much lower risk.
- The economy that dominated 5 years ago only came in at the 10th priority.

Global Risks: Possible Impact

2015	2016	2017	2018	2019	2020
Water crises	Climate action failure	Weapons of mass destruction	Weapons of mass destruction	Weapons of mass destruction	Climate action failure
Infectious diseases	Weapons of mass destruction	Extreme weather	Extreme weather	Climate action failure	Weapons of mass destruction
Weapons of mass destruction	Water crises	Water crises	Natural disasters	Extreme weather	Biodiversity loss
Interstate conflict	Involuntary migration	Natural disasters	Climate action failure	Water crises	Extreme weather
Climate action failure	Energy price shock	Climate action failure	Water crises	Natural disasters	Water crises

■ Economic ■ Environmental ■ Geopolitical ■ Societal ■ Technological

Global Risks: Possible Impact



■ Economic
 ■ Environmental
 ■ Geopolitical
 ■ Societal
 ■ Technological

- Impact of global risks also focussed primarily on climate change.
- Impact of politics primarily focussed on conflict situations in Middle East.
- Social issues such as availability of water were indicated.
- Economy not among the top 10 issues, but infectious diseases were identified.

Covid-19 presents us with a classic VUCA situation



Volatile

We live in a world that is constantly changing, becoming more unstable each day, where changes big and small are becoming more unpredictable, more dynamic and faster and faster. As events unfold in unexpected ways it is becoming very difficult to determine cause and effect.



Uncertainty

It is becoming more difficult to anticipate events or predict how they will unfold. Historical forecasts and past experiences are losing their relevance and are rarely applicable as a basis for prediction. Very difficult to plan for investment, development and growth as it becomes increasingly uncertain where things are heading.



Complexity

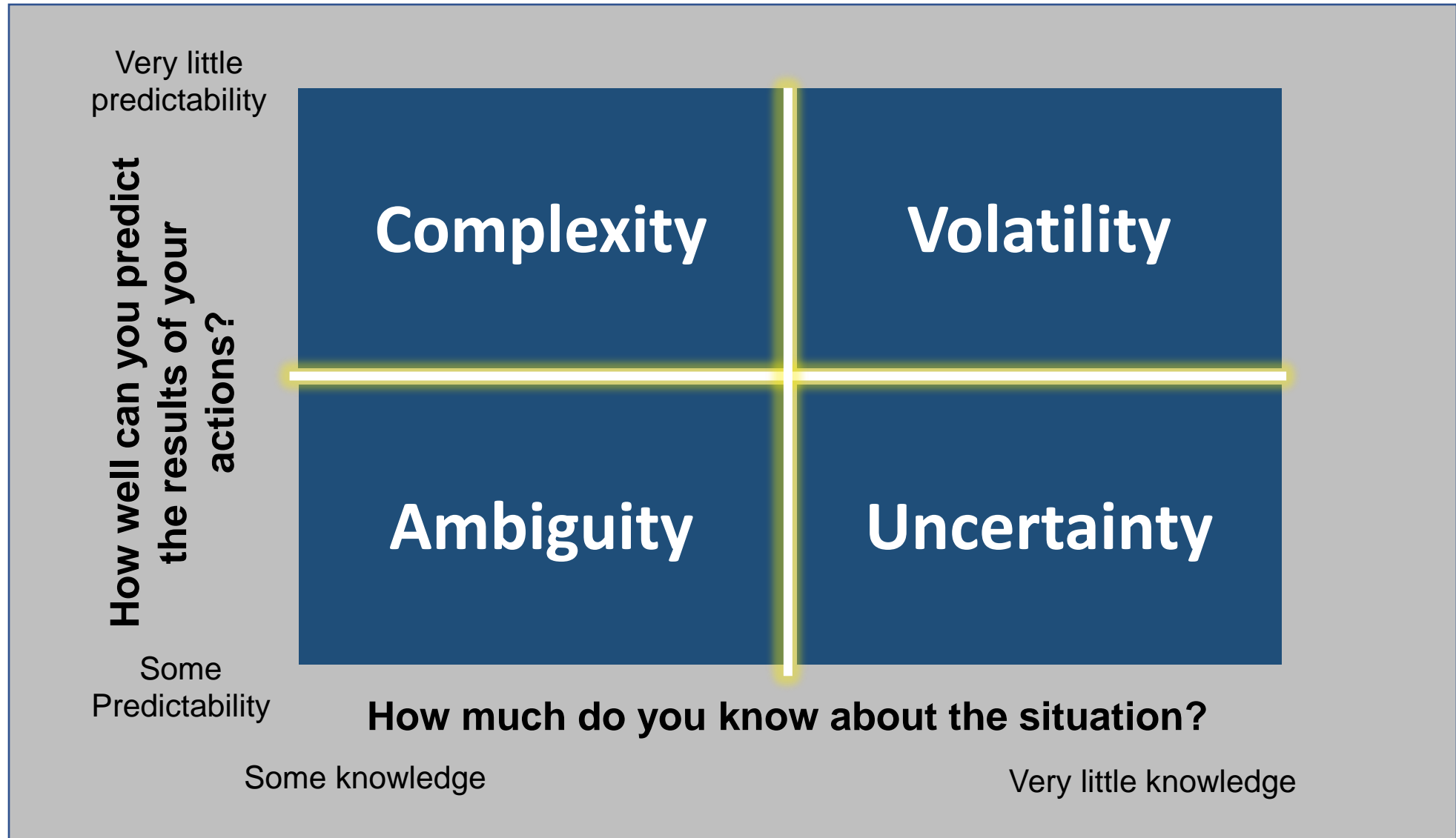
Our modern world is more complex than ever and problems and their repercussions are more multi-layered and harder to understand. The different layers intermingle, making it impossible to get an overview of how things are related. A wicked world emerge where fake news flourish and making extremely difficult to choose the right path.



Ambiguity

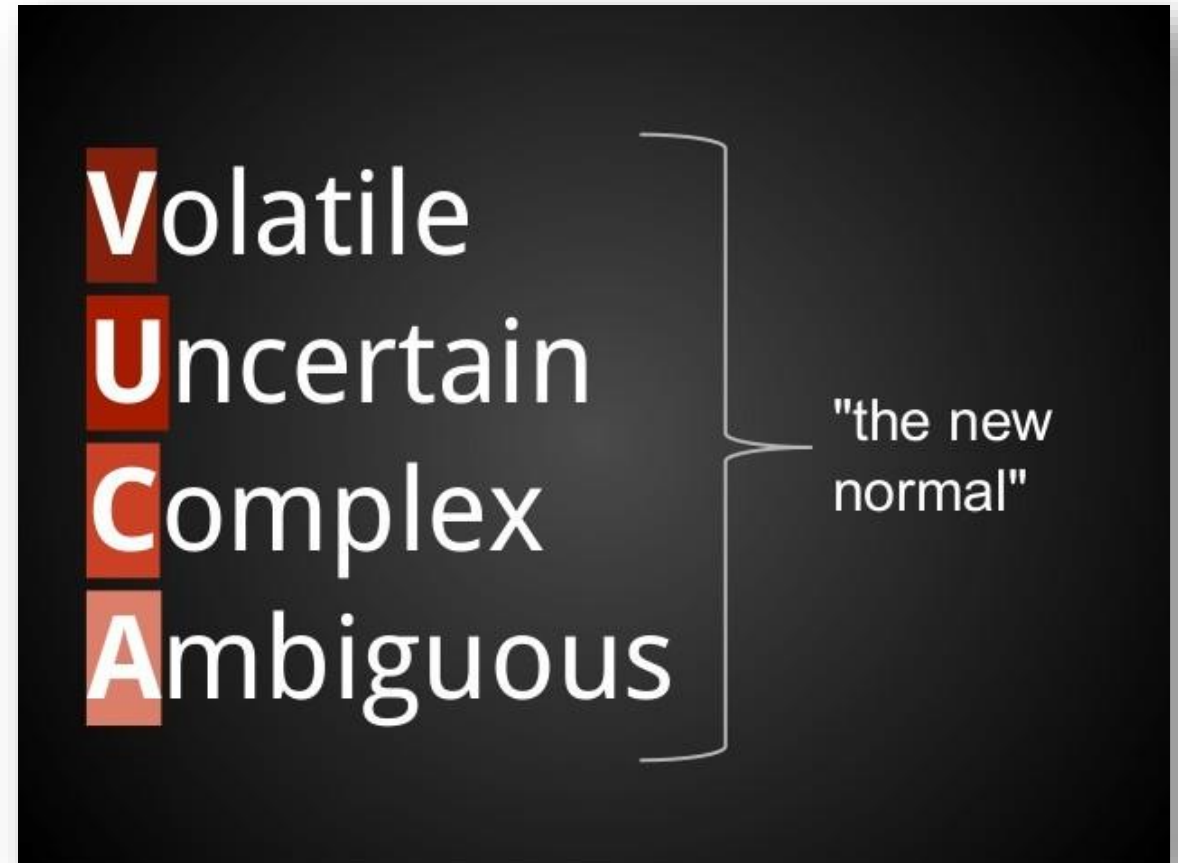
“Best practice” and dogma’s have been relegated to yesterday. It is rare for things to be precisely clear or determinable. No black and white – grey is becoming the new normal. Things are both contradictory and paradoxical, challenging our personal value systems to the core. Decisions require courage, awareness and willingness to make mistakes.

The VUCA Matrix



Some VUCA attributes

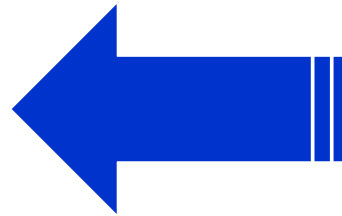
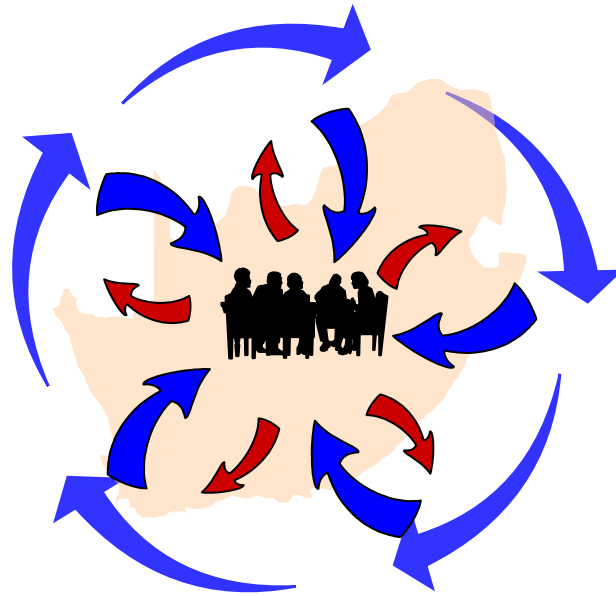
1. VUCA can be used as an excuse to do nothing.
2. Attacking VUCA as a singular thing will not work, because each element in VUCA is unique and requires different interventions.
3. Volatility requires risk analysis and may be very expensive.
4. Uncertainty requires serious boundary spanning collaboration and mindset change.
5. Complexity: the structure should mirror the environment it is operating in.
6. Ambiguity requires a cultural shift towards risk and disciplined experimentation.
7. Do not fight VUCA, you must make VUCA your friend!



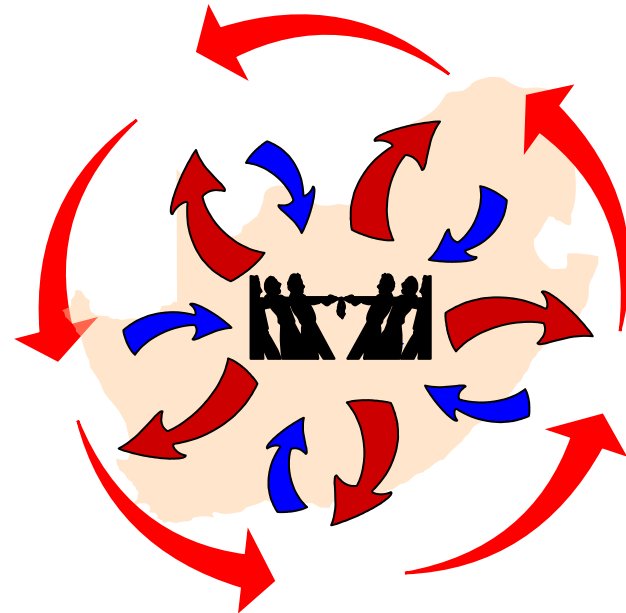
The socio-political challenges for South-Africa during Covid-19

The Virtuous and Vicious Cycles

The focus of the Ramaphosa Presidency



Push-back from within the ANC



Virtuous Cycle
Centripetal forces dominate
("Seeking the centre")

Vicious Cycle
Centrifugal forces dominate
("Moving away from the centre")

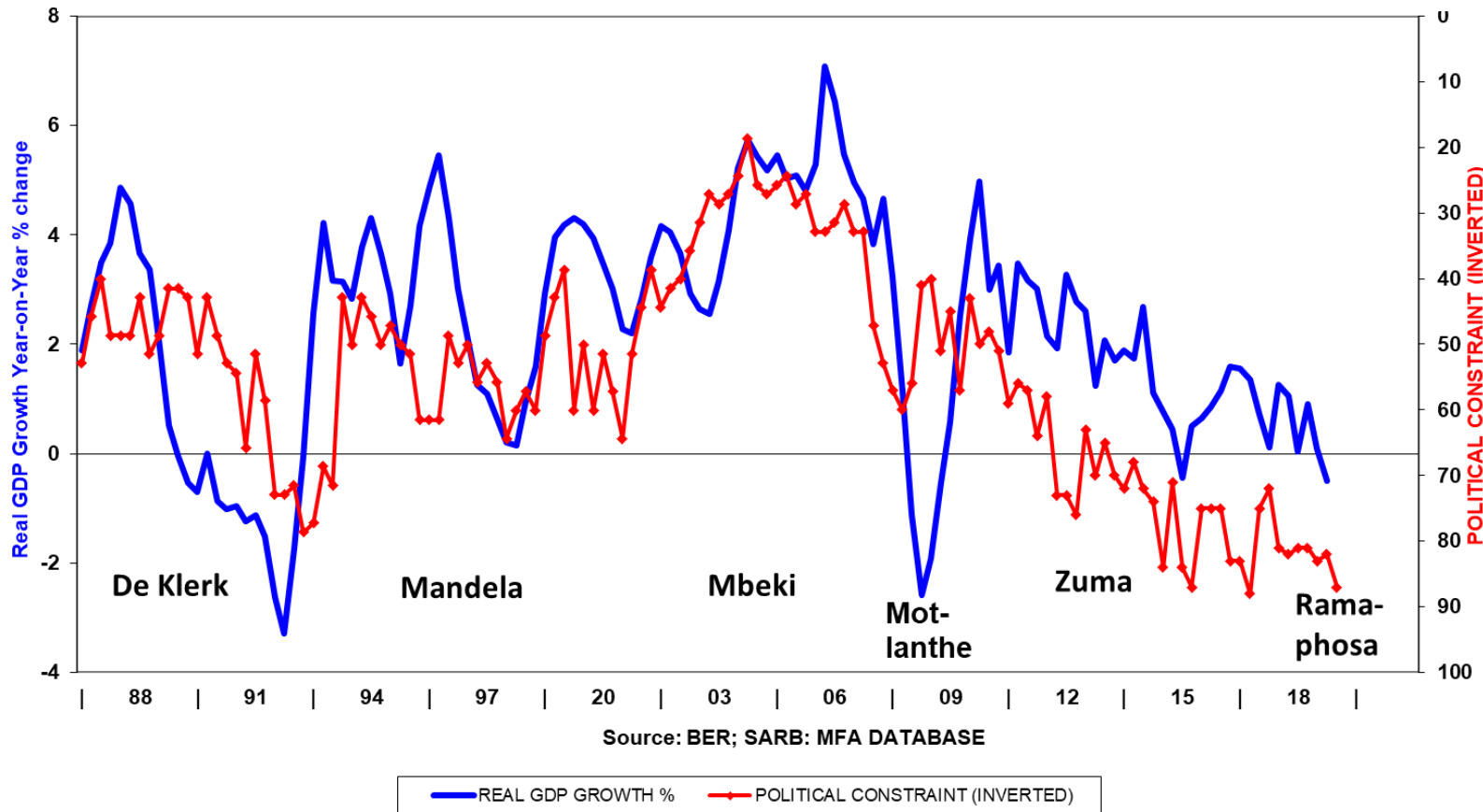
The Ramaphosa presidency (blue) is build on the following:

- To get the economy going through several policies and projects.
- To end corruption and to strengthen the legal system.
- To reactivate the NDP as a national project.
- To undo the legacy of the Zuma years of state capture.
- To develop a capable state.

Opposition to Ramaphosa not really from opposition parties, but primarily from within the ANC (red):

- Undermine his policies.
- Continue corrupt activities.
- Factionalism in the ANC.
- Exploit Covid 19 crisis.

GDP Growth and the Political Climate*



The % change in GDP (blue graph) shows the following:

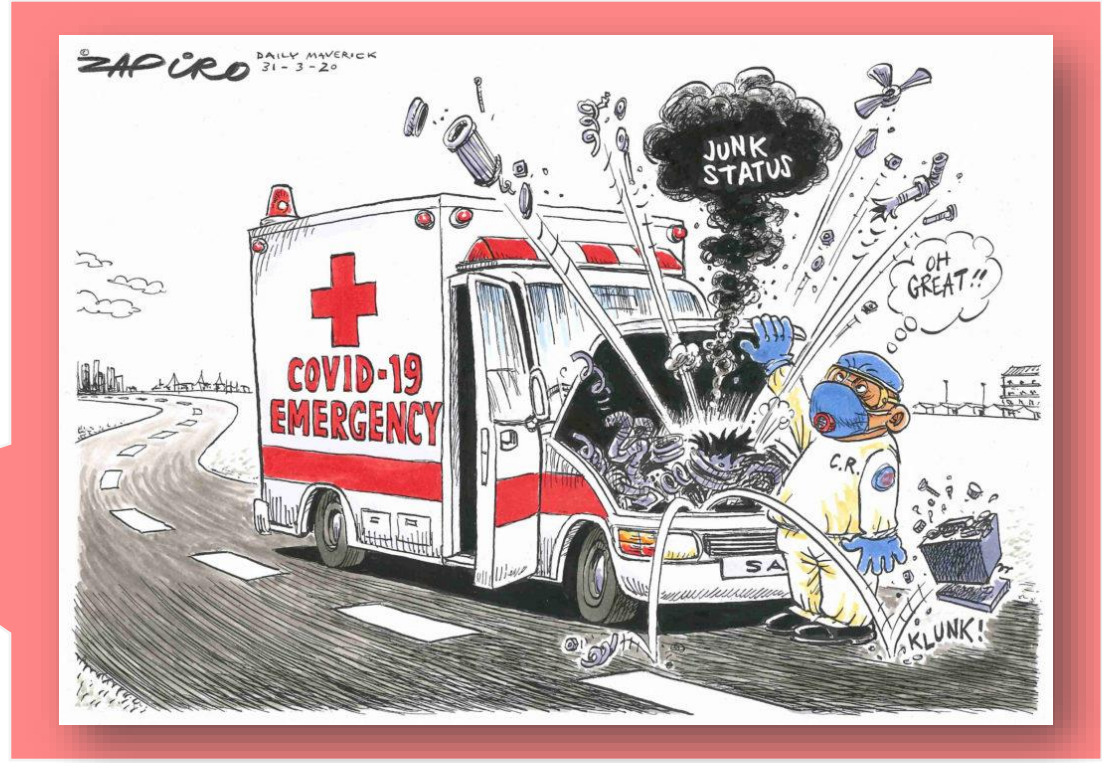
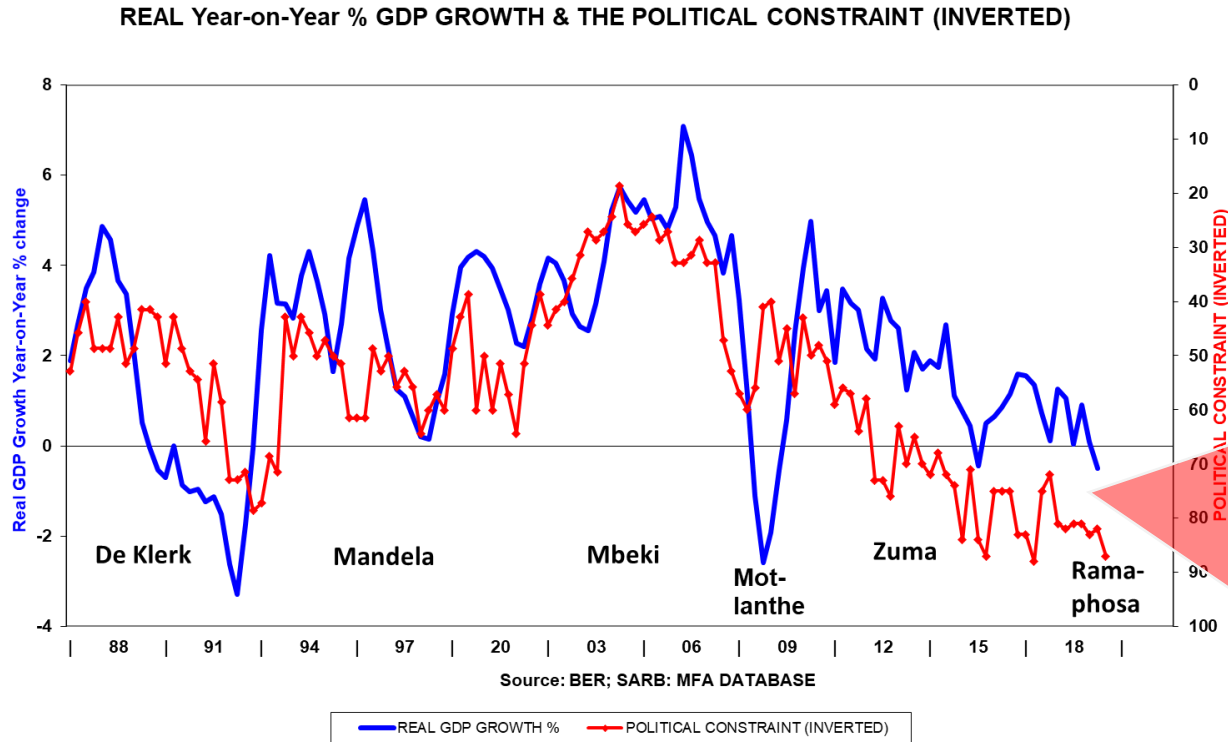
- Economy grows on average at 3,5% until 2010 and then the decline starts
- RSA got through the 2008-2009 Global Banking crisis well.
- The Nene crisis in 2015 was a severe shock on the system
- The nine lost years of Jacob Zuma 2009 to 2018 clearly visible.
- Ramaphosa has a hard time energizing the economy since 2018.

Political climate (red graph) shows:

- Positive when the economy grows.
- Negative when the economy in decline.
- The Zuma years dominate by state capture constitute longest period of negative political climate since 1987.

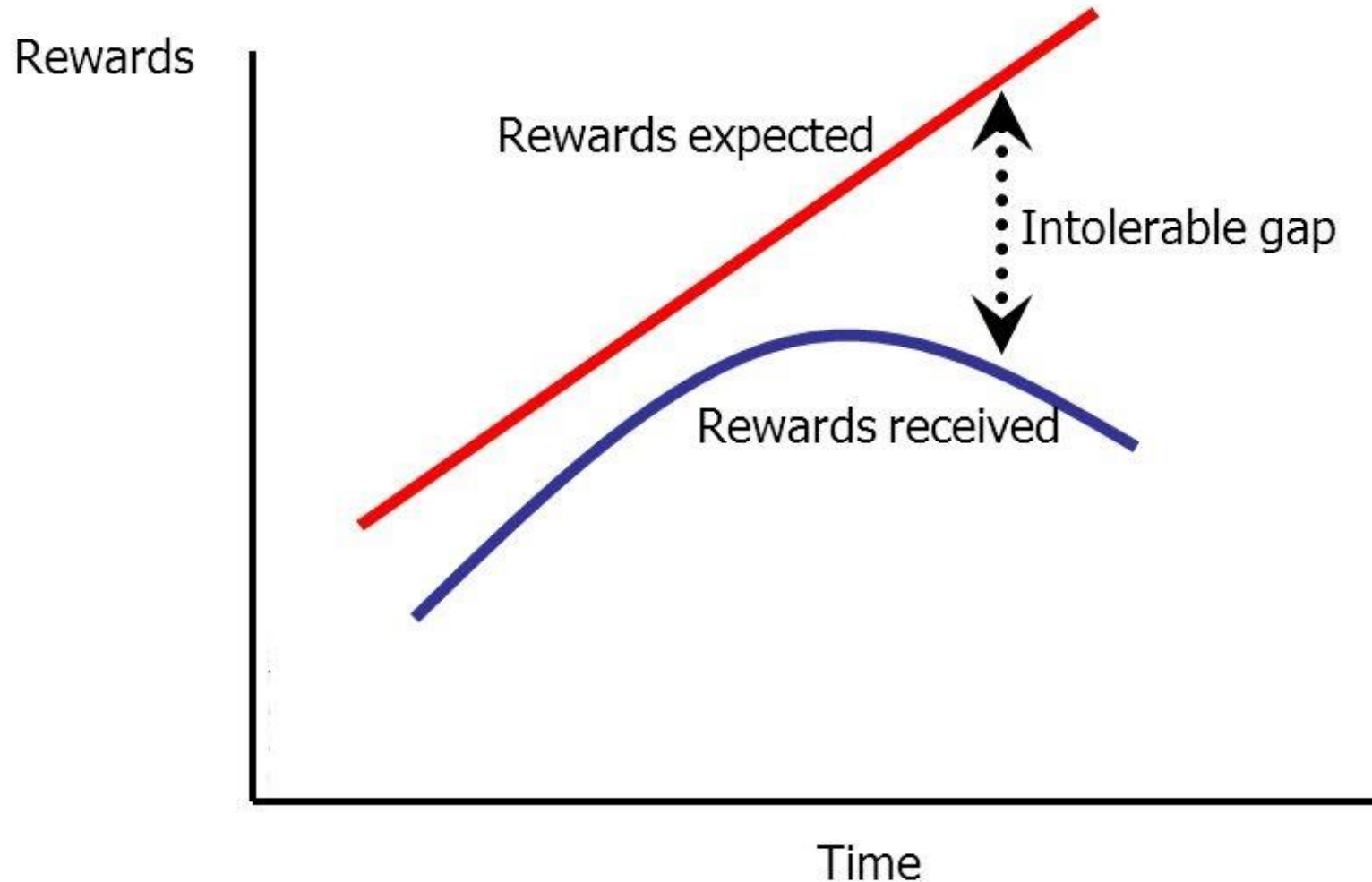
* Real year-on-year % GDP growth and the political constraint as measured by the BER (US) from 1987 -2020

GDP Growth and the Political Climate*



* Real year-on-year % GDP growth and the political constraint as measured by the BER (US) from 1987 -2020

Relative Deprivation: The real South African Challenge



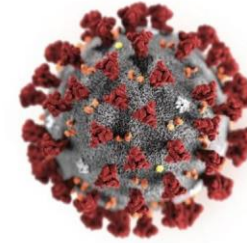
1. Relative Deprivation describes a situation where people are caught in a poverty trap.
2. Their situation does not improve over time, in relative and in real terms it actually weakens.
3. If the gap between what they think they should have and what they really have or experience, becomes to large, they have nothing to lose.
4. Service delivery boycotts, marches and destruction of property, schools and other services are an indication of this condition.
5. This situation is exploited by populist political parties and groups.

To manage a lockdown

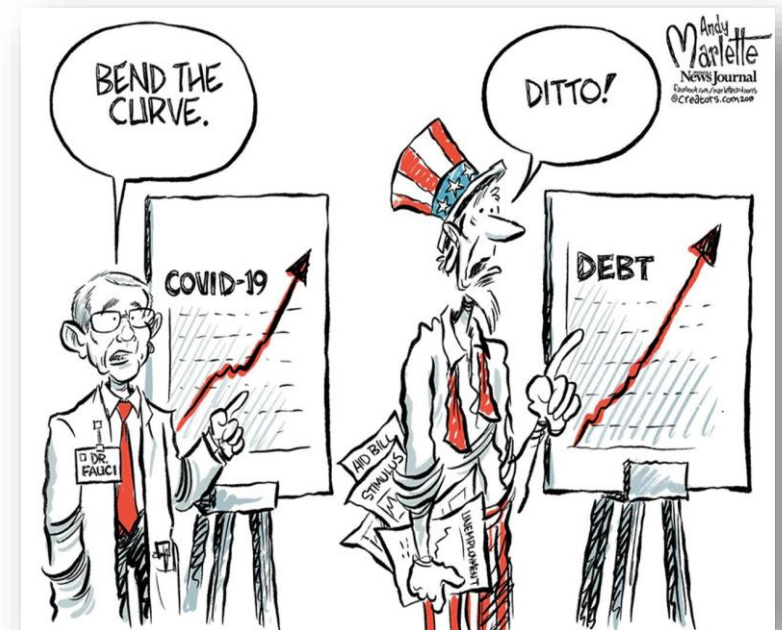
International experience during lockdowns are that the success is based on five key principals:

- Access to water;
- Access to food;
- Provision of basic sanitation services;
- Availability of affordable electricity, and
- Law and order.

Unless these services are provided in coordination, or the lack of these services, social unrest in vulnerable communities may be expected, which places the political, economic and social systems under huge stress.



Virus: SARS-CoV-2
Disease: COVID-19
Popular name: Corona virus

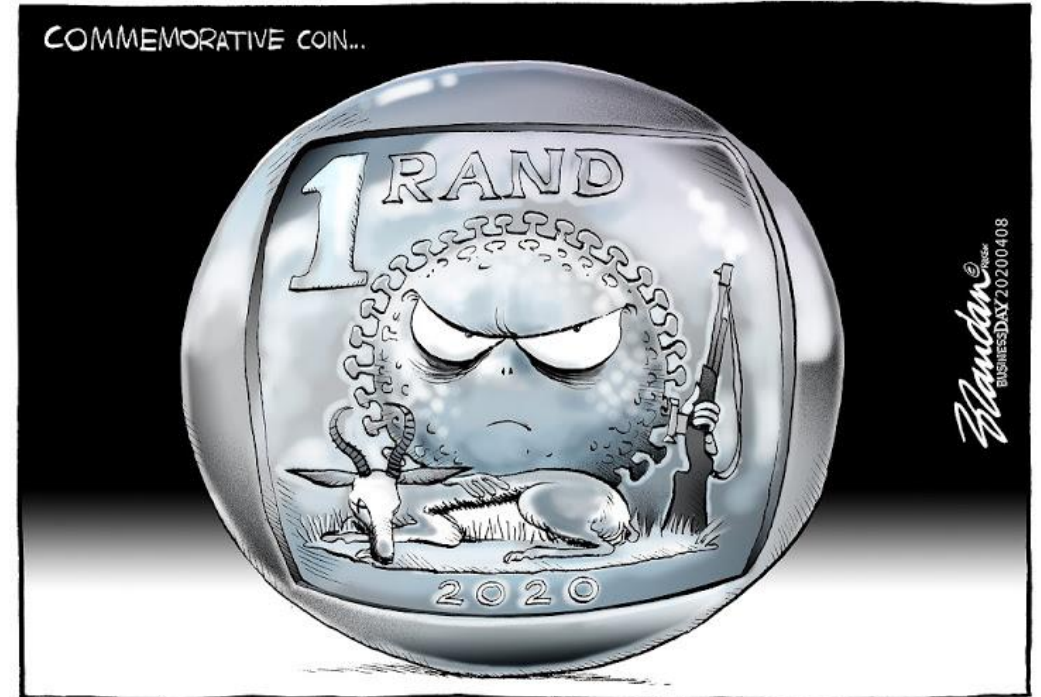


To balance medical intervention and economic survival.

What can we expect of a post-Covid world-19?

What can we expect in the Post-Covid world? (i)

1. Generally speaking, things will return to a position more relaxed than lockdown, but never to the same situation as before.
2. This has been a global “reset” in many ways with economic, trade and security consequences.
3. The role of China, second largest economy and representing 26% of global output, will be part of this reset.
4. Global economic slow-down and an expected V-shaped rebound afterwards.
5. Vulnerable economies and emerging economies will have a hard time managing Covid-related debt, unemployment and societal pressure.

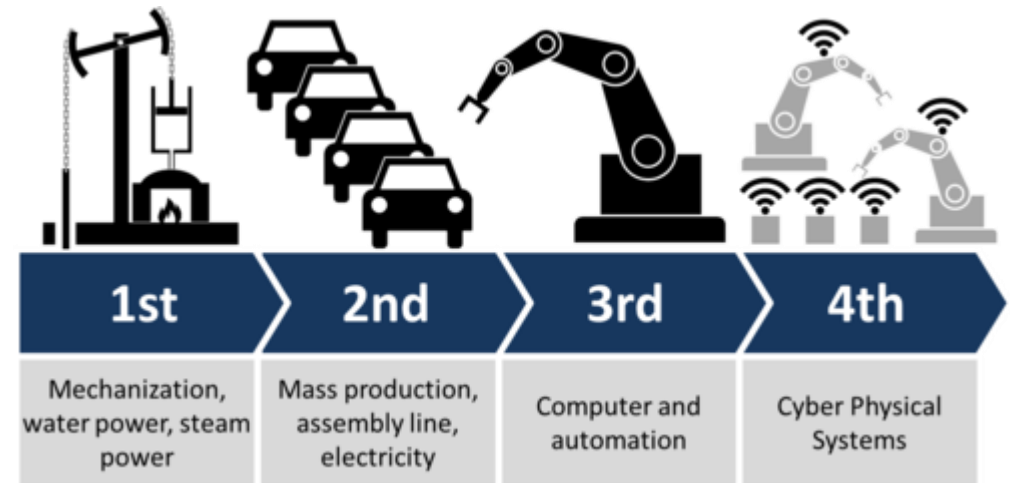


What can we expect in the Post-Covid world? (ii)

6. There will be a higher premium on 4IR and IT infrastructure.

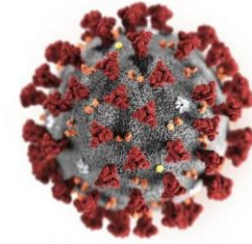
Emerging trends boosted by Covid-19 are:

- Web conferencing such as Zoom/GoToMeeting is now part of the new normal.
- Online shopping to increase.
- Digital and contactless payments, NFC (Near field communication).
- Remote work and WFH (Work from home).
- Distance learning – 191 countries are implementing it.
- Telehealth.
- Online entertainment.
- Digital supply chain.
- Robotics and drones.
- 5G and ICT.



What can we expect in the Post-Covid world? (iii)

7. WFH (Work from home) is part of the new normal. It will impact on the property market and how organization/firms see their workplace.
8. Education will change with distance education being institutionalised rather than just an add on or special service.
9. Huge rethink of the primary agricultural sector, the importance of food security and with more focus on mechanization and smart agriculture.
10. Public transport will have to be re-designed, especially high concentration public systems.
11. The airline industry will change fundamentally. Social distancing and passenger capacity are on opposing sides.



Air transport in crisis due to the mobility and infectiousness of the Corona virus.

What can we expect in the Post-Covid world? (iv)

12. Social distancing is here to stay. To wear a mask is part of the new sanitised normal.
13. National health systems will be reviewed and strengthened.
14. National disaster management systems will be reviewed and reformed.
15. There will be political consequences in many systems globally. The blame game will be part of the post-Covid situation. 2021 may just become a very interesting year where Brexit will become a forgotten issue!



Impact of Covid-19 on Agriculture

Advice by the FAO on Agriculture during Covid 19 (i)



Food and Agriculture Organization
of the United Nations

1. Countries should meet the immediate food needs of their vulnerable populations.
 2. Countries should boost their social protection programmes
 3. Countries should gain efficiencies and try to reduce trade-related costs
- Food demand in poorer countries is more linked to income, and, here, loss of income-earning opportunities could impact on consumption.
 - Fear of contagion can translate in reduced visits to food markets. Increased e-commerce deliveries and a rise in eating at home.
 - Lockdowns might affect agricultural production and trade. For instance, many countries are implementing higher controls on cargo vessels, with the risk of jeopardizing shipping activities and with a particular risk to perishable goods, like fresh fruits and vegetables, fish and fish products.
 - Measures affecting the free movement of people, such as seasonal workers, might have an impact on food production, thus affecting market prices globally.
 - Measures to guarantee acceptable health standards in food factories, may slow down production.

Advice by the FAO on Agriculture during Covid 19 (ii)



Food and Agriculture Organization
of the United Nations

To avoid disruptions to the food supply chain and food production, FAO is urging all countries to:

- Keep international trade open and take measures that protect their food supply chain;
- Focus on the needs of the most vulnerable, and scale up social protection programmes including cash transfers;
- Keep their domestic food supply value chains alive and functioning;
- Taking all necessary precautions, seeds and planting materials must continue to flow to smallholders; animal feed to livestock breeders; and aquaculture inputs to fish farmers.
- Agricultural supply chains should be kept alive by any means compatible with health safety concerns.
- Maintain agricultural activities.

Impact on Agriculture

- i. New global awareness of food security as a real issue during disaster periods and crisis.
- ii. Food production will be further enhanced by smart farming, 4IR, mechanization and robotics including drones.
- iii. Fertilizers will play a bigger role, but within a world that is more climate orientated and water sensitive.
- iv. Important political issues in South Africa such as land reform will take a temporary back seat, but will manifest themselves over time.
- v. This is an opportunity for agriculture in general to demonstrate their ability to feed the nation in crisis.
- vi. Agriculture should work with government in a constructive way, leading from behind. Avoid direct confrontation, but stay principled on the interest of agriculture and its people.
- vii. The term “Food Security” has developed new meaning through Covid-19.



Some local initiatives stimulated by Covid-19

CFAM/NWU and Business Chamber food initiative*

This infographic is to update all our donors and stakeholders on the progress of the food project in Potchefstroom during the Covid-19 Lockdown period.

Through this project we aim to provide an affordable high quality ready-to-eat meal to families in need within our community. This project is a joint venture between businesses in Potch, the JB Marks Municipality, the North-West University, the Potchefstroom church leaders and various donors.

Disaster Relief

01/05/2020
R1 PROVIDE A MEAL FOR 1 PERSON

MEAL FACTS
 Locally grown maize blended with micro-nutrients, selected rice powder. Extrusion process delivers instant ready-to-eat meal.
ONLY ADD WATER OR MILK!
 50 grams mixed with water or milk = 1 meal

45.7 TON PRODUCED


45.7 TON REACHED 5 000 HOUSEHOLDS IN POTCH COMMUNITY


914 000 MEALS DISTRIBUTED


DONATION COUNTER
R 1 071 800 AMOUNT RECEIVED
R 914 000 AMOUNT MANUFACTURED


LOCKDOWN COUNTER
 W1 W2 W3 W4 W5


DONATE NOW
 Bank: Nedbank
 Account name: Potch Tlokwe Sakekamer Projekte
 Account number: 1201663342
 Account type: Current / Cheque
 Branch Code: 198765
 Reference: "Dis relief" + Initials / Surname / Company
FUNDS ADMINSTRATED BY POTCHEFSTROOM CHAMBER OF COMMERCE

CONTACT US
 Info@potch-tlokwe.co.za
 Jonathan Baron: 084 506 3706
 Johan Janse van Rensburg: 082 450 0451
 www.potch-sakekamer.co.za

Weekly infographic



CFAM Production facility


Whole Grain White Maize Instant Vanilla Porridge

Ingredients: Whole Grain White Maize, Sugar, Salt, Flavouring, Vitamins and Minerals.

Allergens: Manufactured in a facility that produces soya, wheat and milk products.

Mixing instructions: For every 50g of instant porridge, add 200ml of water or milk.

NOT FOR SALE
5kg



Food content



HIV Orphans in Harrismith



4000kg skimmed milk donated by Nestlé

NWU LEI MET VOEDINGSPROJEK

Tonne kos gemaak vir behoeftiges

Skenkings na Vrystaat uitgebrei

Andrea Kösel
 Die grootste krisis nou is nie 'n ete' teen die Covid-19-virus nie, maar kos.

Volg Beeld_Nuus
 25 Twitter.com

Die grootste krisis nou is nie 'n ete' teen die Covid-19-virus nie, maar kos. So as Theo Venter, politieke ontleider en diens aan die Noordwes-Universiteit (NWU), is betrokke by 'n projek by die universiteit se Potchefstroom-kampus waarin 14 ton verrykte meel vervaardig word. "Mense werk nie en as jy nie werk ma, het jy nie geld om kos te koop nie," se Venter. Hy is die koördinerende deur die universiteit se departement van menselike tegniese wetenskappe vervaardig in samewerking met CFAM Technologies. "By die analise in Potchefstroom is 'n uitersamajin, 'n Mens gooi melk, pastiermelk, suiker, vitamien en minerale voeg moet word om daarvan 'n ete te maak. Die Rooners, die munisipaliteit van Tlokwe, boere en ander individue het inspraak en geld en melies geskenk. "Aanvanklik was die projek altes in Potchefstroom gesentreer maar dit het nou uit soos bekostig gestaan," se Venter. Tot dusver is sowat 14,1 ton van die meel vervaardig, waarvan 13,2 ton aan meer as 2 600 huishoudings uitgedeel is. Dit kan ongeskied word in meer as 265 000 maaltye. Venter se die projek is reeds uitgebrei na Dewetsdorp in die Vrystaat. "Daar is 'n baie aktye..."

batie vinnig geld bymekaar gemaak met behulp van die OVK. Ons het Donderdag 1 000 kg van die mengsel vir hulde gebring." Dit is ongeveer 20 000 etes wat versprei gaan word in die gemeenskap. Venter se hy is bekommerd oor die regering se voedselvoorsieningsprogramme. "Ek weet nie of hulle werklik die omvang van die probleem betyde raakgesien het nie." Hy se daar is verskeie faktore wat 'n gesamenlik stelsel maak. Dit is onder meer water, voedsel, goeie sanitasie en elektrisiteit. "Dan kan jy die wet toepas soos wat die regering beoog om te doen. Maar as een van die faktore nie funksioneer nie, kry jy die tipiese dierstelsel wat ons in elke dorp geskry het."

ALGEMEEN

Dewetsdorp se boere help 'honger-monster' beveg

Deur Marietjie Gericke | 28 April 2020 09:08

Boere van Dewetsdorp Landbou het in die Covid-19-inperkings tyd aan 200 arm gesinne elk 100 etes geskenk.

Die etes kom van verrykte meel in 'n 5 kg-sak en is 'n produk van die Noordwes-Universiteit (NWU).

Hansie Swanepoel, 'n boer van Dewetsdorp Landbou, se loswerkers of dagwerkers van boere in dié omgewing het in die inperkings tyd begin sukkel omdat daar nie draadspan- of stukwerk was nie.

Boere van Dewetsdorp Landbou deel 5kg g-sakke verrykte meel, genoeg vir 100 etes elk, aan sowat 200 verarmde gesinne van deelydse plaaswerkers in die omgewing uit. Links is een van die koördineerders, Hansie Swanepoel. Foto: Verskaf

Article published on Netwerk24 as well as in Volksblad 20 April 2020

* Theo Venter from the NWU Business School one of founding members of this initiative

CFAM/NWU and Business Chamber food initiative (Innovation)*

Biggest issue in Covid-19 not the availability of food but the logistics. CFAM engineers created a food dispenser that can be taken to the people and provide electronic coupons to get food.



From delivery by hand and through complicated networks



Producing a Food ATM where people can obtain food in close proximity to where they live.



To containerised dispenser with cutting edge software



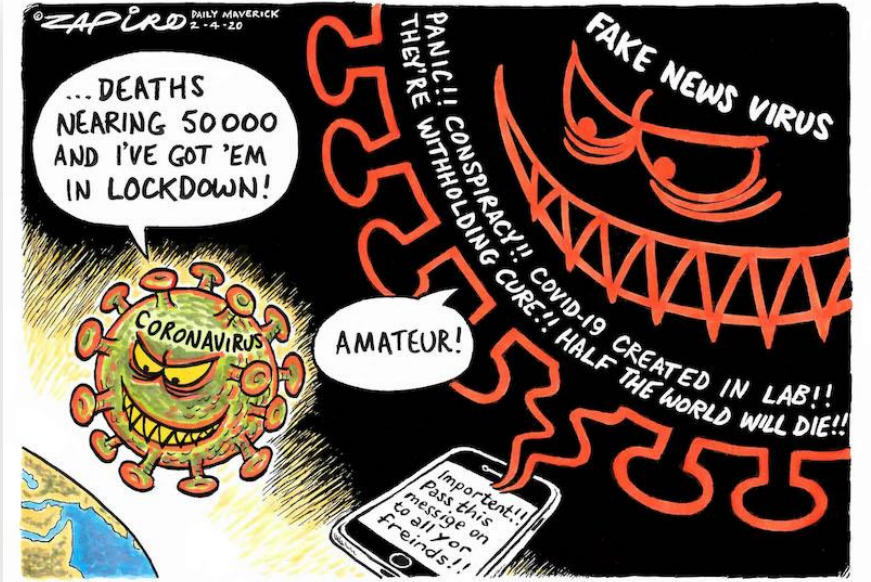
A screenshot of a social media post and a news article. The top part shows a tweet from Waldimar Pelser (@w...) about a 'kitsbank' (food bank) that provides flour. Below the tweet is a news article from Rapport titled 'Kitsbank vir gaar pap mos nêr die ding' (Food bank for flour is not the thing). The article mentions that a group of engineers from the University of North West (NWU) has developed a 'pap-OTM' (flour-ATM) to help with food distribution during the coronavirus pandemic. The article also mentions that the group has a patent for their invention.

* Theo Venter from the NWU Business School one of founding members of this initiative responsible for media and liaison.

Socio-Political and Economic impact of Covid-19

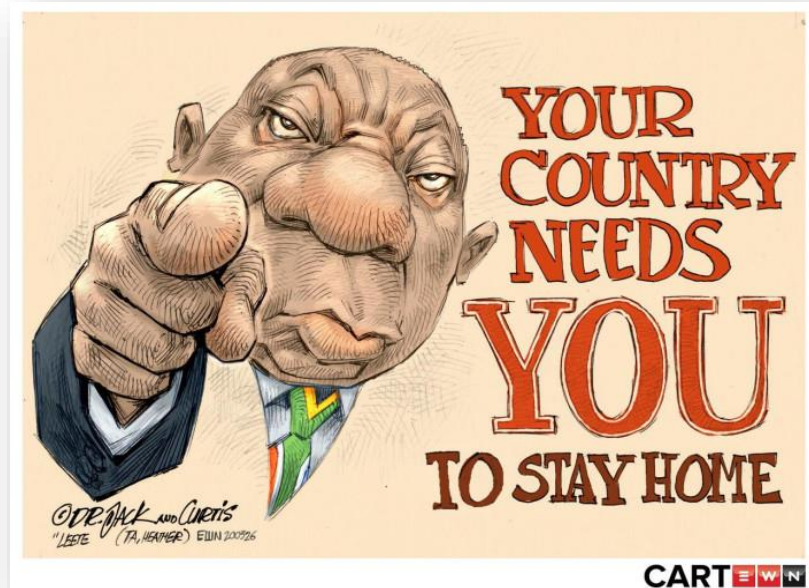
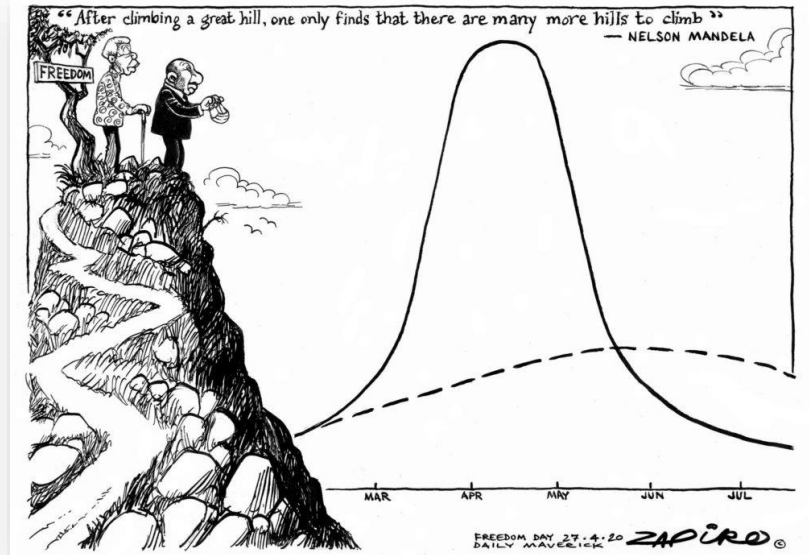
Potential political fall-out in South Africa?

1. SA moved early on the Covid-19 pandemic and went into lockdown on 27 March 2020. The Covid curve has been relatively flat with hot spots in KZN, WC, FS and EC.
2. Early start always begs the question of a sustainable duration. South Africa not known for a culture of civil obedience like Sweden.
3. Economy already serious trouble and downgraded to below investment grade when lockdown started. Government announced R500bn support package and established a Solidarity Fund.
4. Economy to contract by -16%, loss of tax revenue by -30% and jobs lost between 2 – 7 million.
5. It is clear that the ANC as government (Cabinet / Union Buildings) is in control rather than the ANC as political party (Luthuli House).
6. Role of trade unions has declined during Covid-19.



Potential political fall-out in South Africa?

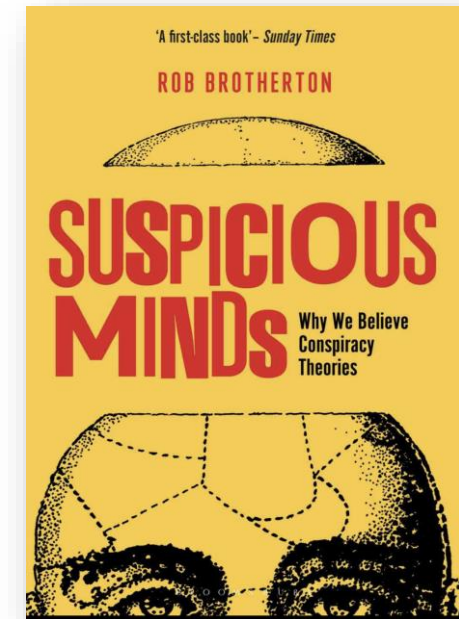
7. Emergency declare in terms of Disaster Management Act and not Article 37 of the Constitution. Both have positives and negatives and it may yet be challenged in the Constitutional Court.
8. Post-Covid situation will have a huge impact on State Owned Enterprises due to huge government debt.
9. Lockdown downgraded from level 5 to Level 4 on 1 May 2020 and further differentiated downgrades expected per province. To Level 3 on 1 June 2020.
10. Covid-19 has huge risks for President Ramaphosa as leader of the ANC. He will survive 2020 without the NGC happening.
11. Covid-19 came as a political blow to the anti-Ramaphosa faction, because it provides him wide discretion and media focus. EFF almost disappeared because of little media relevance in this pandemic.
12. Next challenge will be local government during Covid-19. An additional R20bn allocated to LG during the pandemic. National local elections in Apr/May 2021.



How do we make sense out of the VUCA world of Covid-19?

How to manage a VUCA environment?

1. Innovate and shape the future.
2. Execution speed and agility. Minor mistakes far outstrip doing nothing.
3. Stay clear of ideologies and dogma – search for flexible and pragmatic solutions. Reframe your thinking.
4. Watch out for easy answers such as fake news and conspiracy theories. Test with credible sources and research.
5. Define your Anchors – What is important to you.
6. Search for Simplicity – Not to be drowned by complexity. But watch out for over-simplification.
7. Encourage collaboration - nobody can do it alone.
8. Keep on Learning. Do your research. Read. The world is changing.
9. Invest in Resilience – the ability to bounce back.





Vision

Paint a future you want as a compass and for orientation in order to confer meaning and spark motivation – and to forge internal and external identity and effectiveness.



Understanding

Understand interconnectedness and make it transparent. Reflect on context. Think and plan meta-strategically. Covert anxiety and resistance into productive energy.



Clarity

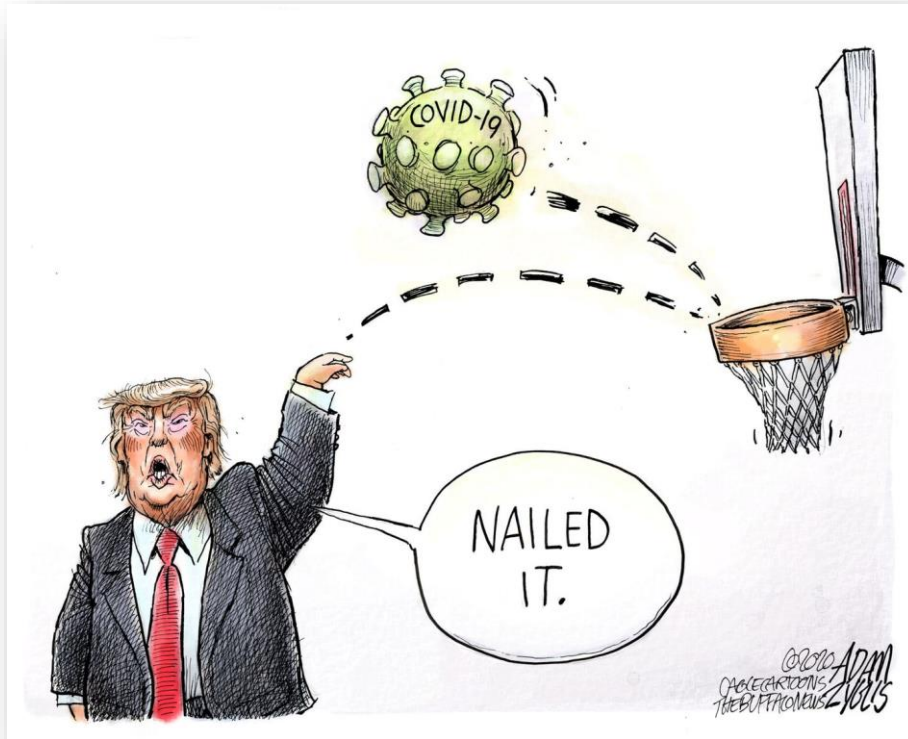
Simplicity. Focus on what counts and what it is really about. Trust, transparency, connections and processes. Apply energy where it will be most effective.



Adaptability/ Agility

Flexibility. Agility. Scrutinise hierarchical management structures. Promote a culture for making decisions and accounting for mistakes. Interact transparently with objections and facilitate innovation and build up resilience.

Thanks for your kind attention!



The politicians favorite....declaring victory too soon!

