

New Zealand businesses, media call for lifting of lockdown measures

By John Braddock
18 April 2020

On April 14, nearly three weeks into a month-long nationwide lockdown to combat COVID-19, the New Zealand Treasury painted a dire picture of the country's economic prospects.

The announcement preceded the International Monetary Fund forecast that the world economy is entering its worst slump since the 1930s Great Depression and that the loss of output will “dwarf” that which flowed from the 2008 global financial crisis.

Treasury's modelling predicted a surge in NZ's unemployment to 13 percent, even if COVID-19 infections are contained and the nation's lockdown is eased after four weeks, beginning on April 23. Attempting to browbeat workers into accepting a prompt return to work, it forecast a massive increase in unemployment to 26 percent and a fall in GDP of 23 percent if the strictest shutdown level remains in place for six months.

The unemployment rate, currently just over 4 percent, is expected to be higher in the June quarter than the 6.7 percent reached during the 2008 crisis. In the latest onslaught, the NZME media group revealed last week it had cut 200 jobs, while the owner of restaurant franchise operator Burger King was placed in receivership and mobile phone operator 2Degrees announced it would cut its staff of 1,200 by 10 percent.

Following the Treasury's report, Finance Minister Grant Robinson ratcheted up the government's fiscal stimulus package above the \$NZ20 billion already pledged. He told *BusinessNZ* that small enterprises will get a \$3 billion boost through tax breaks.

As of Friday, authorities had reported eight new cases of coronavirus in the previous 24 hours, bringing the total to 1,409, with two more deaths, for a total of 11.

Like governments around the world, the priority of Prime Minister Jacinda Ardern's Labour-led coalition

has been to prop up the wealth of the super-rich and big businesses, with billions in corporate bailouts at the expense of working people. Even as the pandemic continues to rage internationally, campaigns are underway for workers to return to work in order to shore up profits.

Sections of NZ's business elite and the media are already braying for the lockdown to be ended, and demanding that working people risk their lives and health to defend the capitalist economy. Taking their cue from US President Donald Trump, prominent media commentators have begun calculating the “cost” of saving lives versus the measures they deem necessary to restart the economy.

Even before the first hints that the number of new COVID-19 cases was beginning to decline, a drumbeat was initiated calling for more shops and businesses to reopen. Under the headline “Kill or Cure?” the *Sunday Star Times* demanded to know on its April 5 front page: “When will this end, and could the solution be worse than the disease?”

The next day, TV3 breakfast host Duncan Garner told viewers: “Businesses are screaming for a signal we are returning to work soon.” Heather du Plessis-Allan on Newstalk ZB declared: “I'm starting to feel desperate for businesses who have been told they're not allowed to operate during this lockdown.”

Broadcaster Mike Hosking said on April 17: “Basically, we have lost a month economically.” The lockdown had “failed” and “Australia's numbers are equal if not better than ours,” he declared.

Some of the commentary bordered on the fascistic, identifying cohorts of people whose lives could be sacrificed. Commentator Matthew Hooton wrote in the *New Zealand Herald* on April 4: “It may be repulsive to express it explicitly, but a protracted suppression

strategy would materially and perhaps permanently damage the lives of the two million New Zealanders under the age of 30 to briefly maintain the life expectancy of some thousands of people in their 80s.”

Speaking on Radio NZ on April 14, Hooton criticised “more extreme elements in the public health community” who are advocating some form of lockdown for six months or longer. Former National Party Finance Minister Steven Joyce told Newstalk ZB it was a “pie in the sky” fantasy to suggest COVID-19 could be eliminated, and said that staying in lockdown would cause “irreparable financial damage” to businesses.

Health experts have warned, however, that the government does not yet have sufficient scientific information on which to base a decision. Otago University epidemiologist David Skegg told a parliamentary committee the government would be playing “Russian roulette” with people’s lives if it exited the lockdown without ramping up its contact-tracing work.

Epidemiologist Michael Baker, who is on the Health Ministry’s COVID-19 technical advisory group, said some of the data he needed to see to be confident of reducing to alert level 3 may not yet exist. He told Radio NZ that he had been asking the Health Ministry for weeks for key data about border control, contact tracing and testing but had not received it, nor had the advisory subgroup he was on with four other epidemiologists.

Baker previously predicted a “long, drawn-out battle with the virus” as waves of the pandemic hit separate countries at different times. “Anyone who says it will be over by Christmas hasn’t thought about it enough,” he said.

In contrast to the growing back-to-work agitation, a survey released last week found that almost two-thirds of people would accept an extension of the lockdown beyond April 22.

Research NZ asked if they would be willing to remain in lockdown for at least another two weeks beyond when it is due to finish. Sixty percent agreed they would, 14 percent disagreed, and 26 percent didn’t know. This was despite many respondents’ fears about losing jobs and paying mortgages and rents.

Despite this, and the continuing emergence of new cases of COVID-19, government leaders have begun

preparing the way to drop the current lockdown from alert level 4 to level 3. While still restrictive, a level 3 lockdown would enable many businesses to begin operating again. Significantly, schools will reopen, raising concerns among teachers and parents that they could once again become centres for the spread of the virus.

Prime Minister Ardern is set to announce on Monday whether the lockdown will end.

Deputy Prime Minister Winston Peters, from the right-wing populist NZ First Party, declared on April 16 that the country is “likely” to come out of lockdown next week, meaning “a whole lot” of businesses could immediately reopen if they met guidelines. Peters also criticised the World Health Organisation for not declaring the pandemic earlier and claimed it did not act fast enough, in line with recent statements by US President Donald Trump.

The author also recommends:

Media glorifies New Zealand government’s pro-business response to the pandemic
[14 April 2020]

New Zealand government says unemployment will hit “double digits”
[9 April 2020]

To contact the WSWs and the
Socialist Equality Party visit:

<http://www.wsws.org>