

# Dentons Flashpoint

## Daily Global Situation Report

September 27, 2021

# Global Situation Update: September 27, 2021

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## KEY TAKEAWAYS

Germany's  
Social Democrats  
beat Merkel's party.

COVAX plans to  
revamp vaccine  
distribution to  
prioritize countries with  
low vaccination rates.

Panic buying in  
England left  
90 percent of  
gas stations  
without fuel amid  
supply disruptions.

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## WHAT WE'RE WATCHING

The outcome of the general elections in Germany to vote in a new parliament and executive government remains uncertain. Many mail-in ballots that Germans have sent in since mid-August must still be counted. It is highly likely that the next government will be a three-party coalition for the first time since the 1950s. Coalition negotiations will be protracted, and a new government is unlikely to be in place before the end of 2021. Prolonged coalition negotiations will complicate policymaking in the months ahead, temporarily increasing political instability.

A three-party coalition government will most likely include parties with diverse policy outlooks and difficult political compromises will be necessary to form any government. The need for compromises among coalition partners will dilute their policy agendas and result in less decisive policymaking. The far-right Alternative for Germany (AfD) will not be included in any possible coalition.



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# Global

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**Globally, confirmed coronavirus cases topped 230.4 million with 4.7 million deaths; more than 5.8 billion vaccine doses have been administered.**

- **COVAX** is planning to overhaul the allocation methodology to ensure it takes into account the proportion of a country's population that has been vaccinated, including with shots bought directly from drugmakers, in order to rectify disparities of populous wealthy countries with high vaccination rates receiving more doses than poor countries with low vaccination rates and with fewer people and financial resources.
- Pfizer plans to submit data on the effects of its **COVID-19 vaccine on those aged five to 11** to the US FDA this week.
- The US, Japan, India and Australia will work to improve the security of **supply chains** for critical technologies such as clean energy and to ease a global semiconductor shortage.
- The COVID-19 pandemic **reduced life expectancy** in 2020 by the largest amount since World War Two, according to a study published on Monday by Oxford University, with the life expectancy of American men dropping by more than two years.

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# Markets & Business

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**Alphabet Inc's Waymo has started public test drives in the greater San Francisco area in California, giving rides in the robotaxis to anyone in the city.**

- **Intel Corp** broke ground on two new factories in Arizona as part of its plan to become a major manufacturer of chips for outside customers.
- Swedish electric car maker **Polestar** is nearing a deal to go public through a merger with blank-check firm **Gores Guggenheim Inc** at a valuation of \$20 billion including debt.
- Shares in **Evergrande's** electric vehicle unit tumbled in Hong Kong after the company dropped plans for a secondary listing on Shanghai's Star Market; bondholders remained in limbo after the indebted Chinese property developer missed a crucial payment last week.
- China's new ban on all **cryptocurrency trading and mining** has sent crypto exchanges and service providers scrambling to sever business ties with mainland Chinese clients.

# How do You Manage Cyber Risks?

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*Today, there are more risks for cybersecurity and a wider array of threat actors capable of doing damage to organizations due to rapid advances in technology. A single cyber breach risks dealing irrevocable harm to businesses and their critical assets.*

*Dentons offers business leaders a full complement of counseling and advice, regulatory and litigation services, analysis and intelligence products for cyber risk management that helps them thrive in complex operating environments, including:*

- ❖ organizational cyber risk assessment
- ❖ crisis management for cyber incidents
- ❖ privacy law and compromised data advice
- ❖ self-reporting, liaising with law enforcement following cyberattack
- ❖ ransomware attack guidance
- ❖ cybersecurity readiness and remediation
- ❖ cyberattack source and method identification

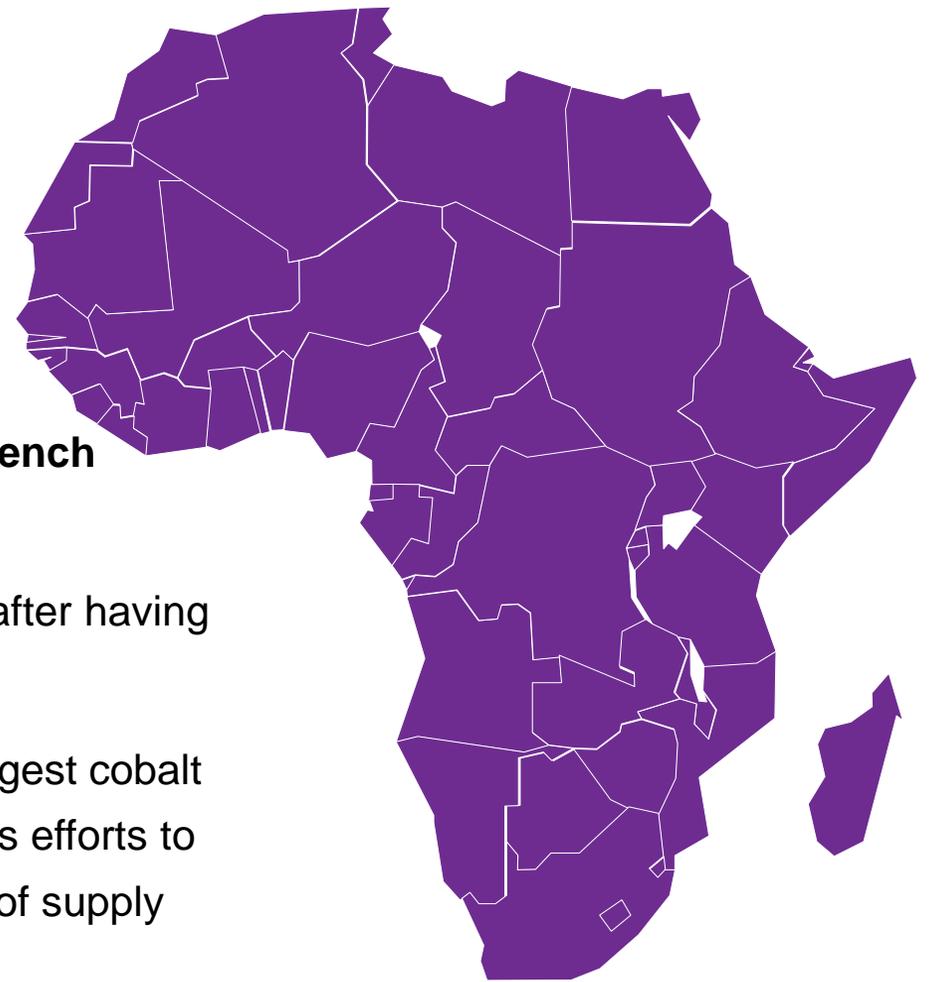
*All interaction with Dentons is attorney-client privileged*

*To learn more about the bespoke intelligence and risk services from Dentons, contact [Karl Hopkins](#).*

# Africa

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- Mali's year-old military junta is close to a deal to recruit the **Russian** private military contractors the Wagner Group, triggering opposition from France, which has said it was "*incompatible*" with a continued **French** presence in the West African state.
- **Algeria** may escalate its dispute with **Morocco** and take more steps after having cut off relations and closed airspace, a senior Algerian diplomat
- **Democratic Republic of Congo's** state cobalt buyer and China's biggest cobalt refiner are in talks to end a dispute over a mine at the heart of Congo's efforts to clean up its supply of the metal and reassure car and battery makers of supply reliability.
- **Mali** could push back presidential and legislative elections from late February to avoid their validity being contested, its prime minister handling a post-coup transition said.

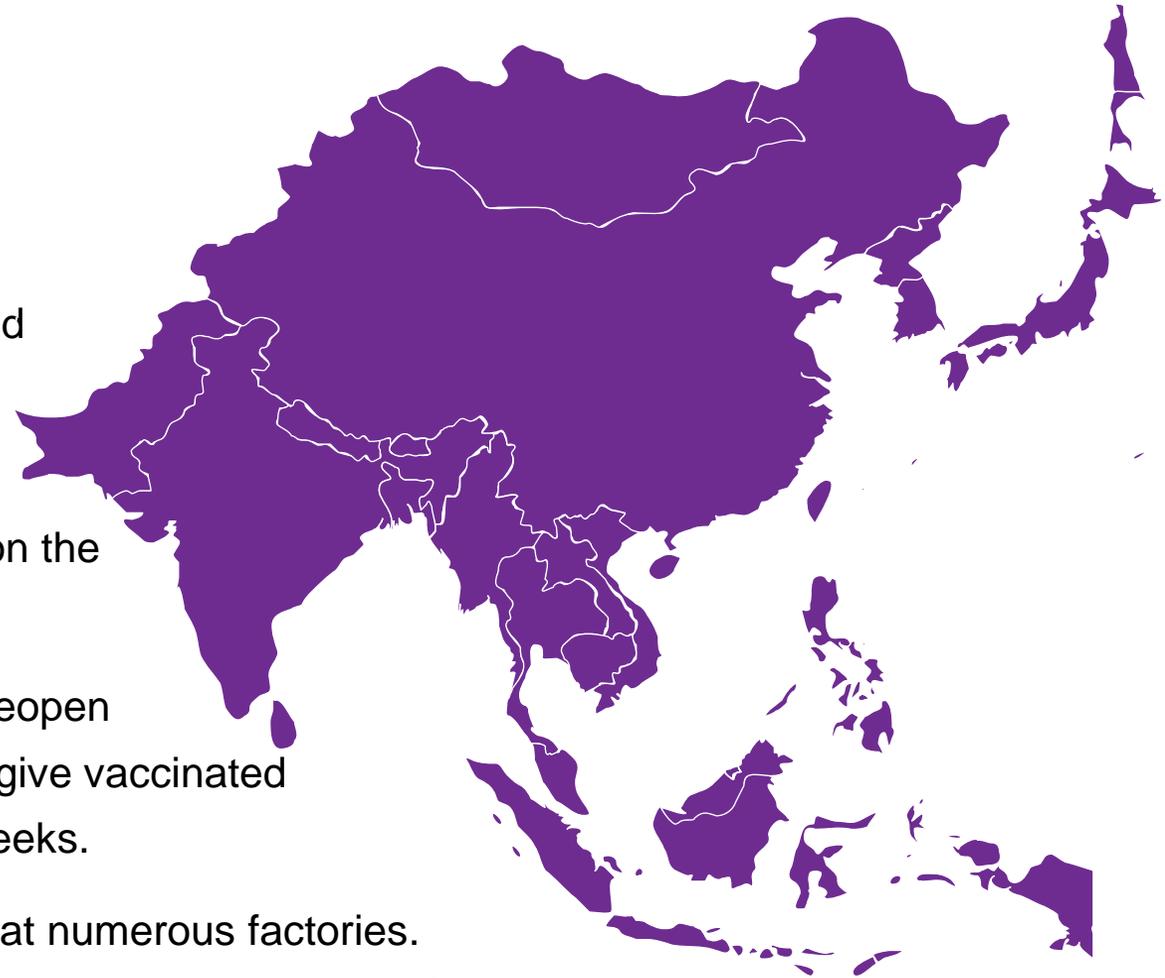


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# Asia

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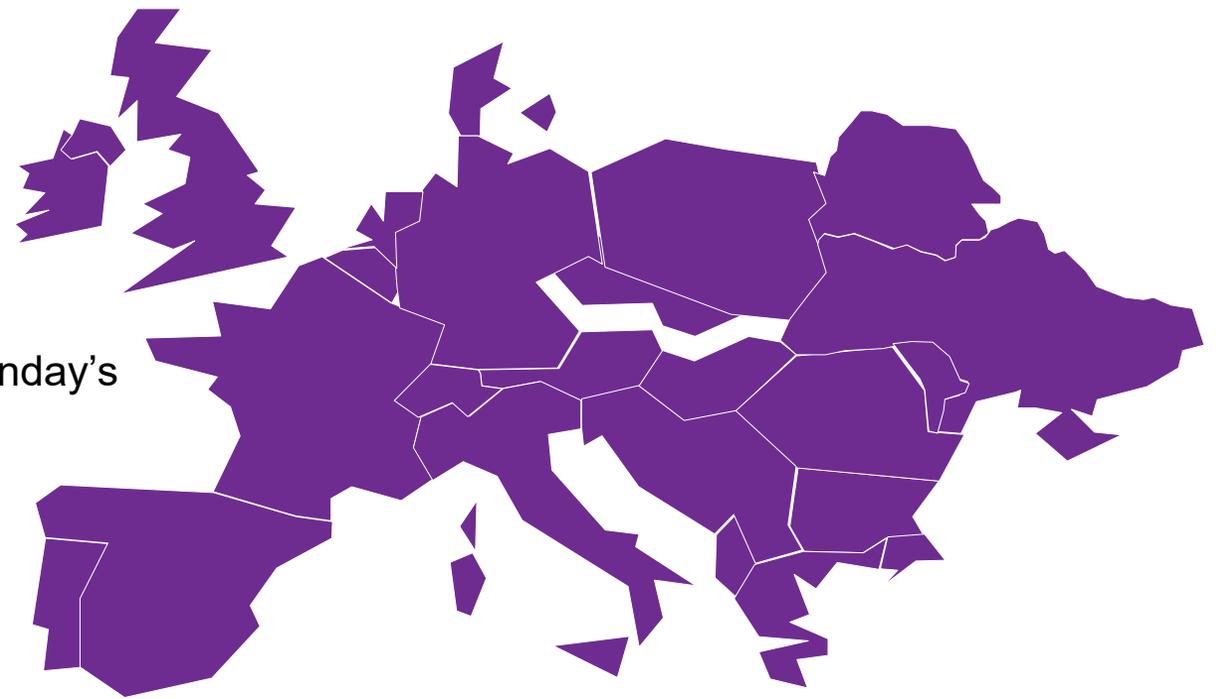
- **Sri Lanka** will cease building new coal-fired power plants and achieve net-zero carbon emissions by 2050.
- **Indian** farmers opposed to reforms they say threaten their livelihoods plan a nationwide strike today, a year after laws on the liberalization of the sector were introduced.
- **Australian** authorities announced plans today to gradually reopen locked-down Sydney, unveiling a two-tiered system that will give vaccinated citizens more freedoms than the unvaccinated for several weeks.
- Widening power shortages in **China** have halted production at numerous factories. Rationing has been implemented during peak hours in many parts of northeastern China since last week. China's power crunch, caused by tight coal supplies and toughening emissions standards. Analysts warn that the electricity squeeze could result in a cut to GDP growth of 0.1 to 0.15 of a percentage point in Q3 and Q4.



# Europe

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- **Germany's** Social Democrats are set to narrowly win Sunday's national election for the first time since 2005 and to end 16 years of conservative-led rule under Angela Merkel. Party leaders said they would seek to forge a three-way alliance with the Greens and the liberal Free Democrats.
- Up to 90 percent of **British** gas stations ran dry across major English cities today after panic buying deepened a supply chain crisis triggered by a shortage of truckers.
- Climate change protesters once again blocked London's busy M25 orbital motorway today, in defiance of a court injunction against the demonstrations that the **British** government had sought to prevent disruption.
- President Tayyip Erdogan said **Turkey** still intended to buy a second batch of S-400 missile defense systems from **Russia**, a move that could deepen a rift with Washington and trigger new **US** sanctions.



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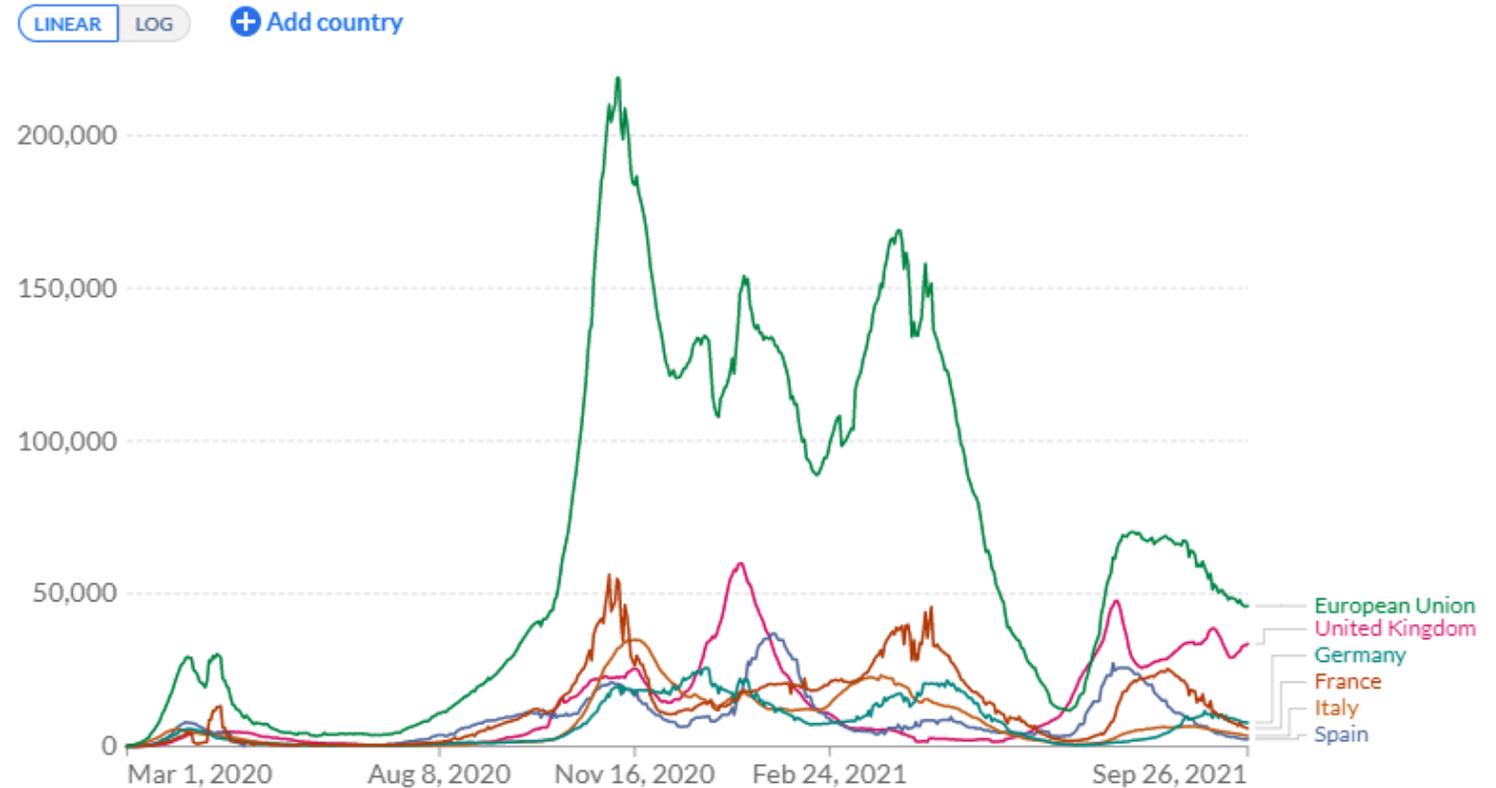
# Europe

Daily COVID-19 cases have declined across Europe, extending a trend that started at the beginning of the month, while in the UK infections are once again on the rise.

## Daily new confirmed COVID-19 cases

Shown is the rolling 7-day average. The number of confirmed cases is lower than the number of actual cases; the main reason for that is limited testing.

Our World in Data



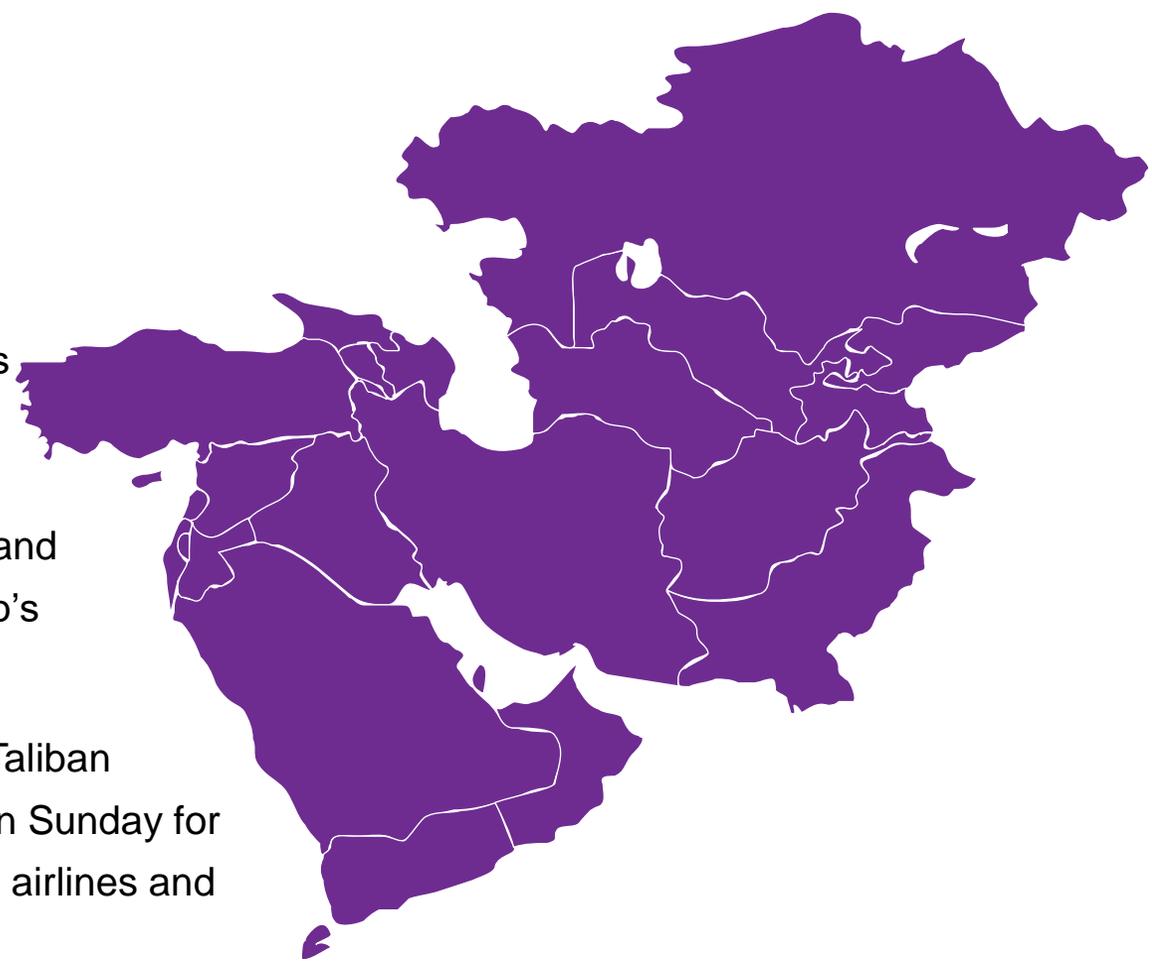
Source: Johns Hopkins University CSSE COVID-19 Data

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# Middle East

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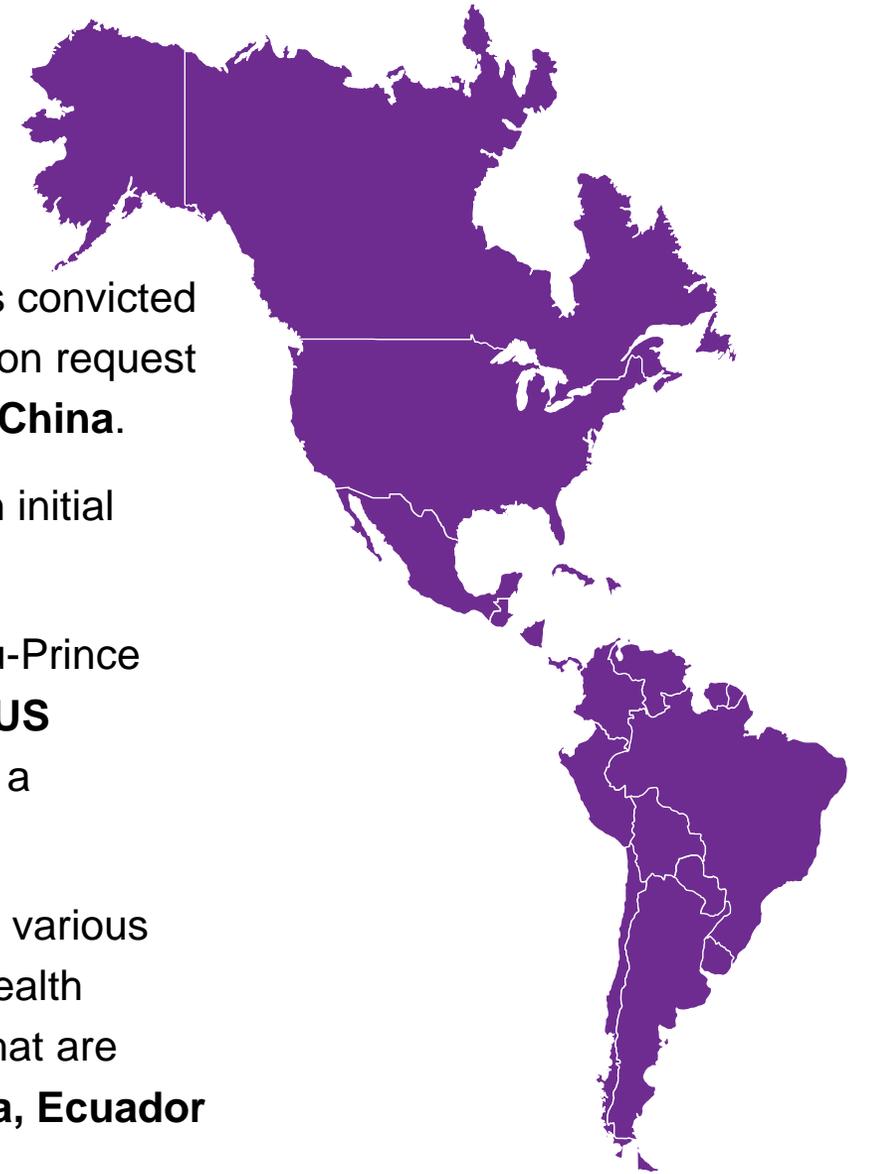
- Over the weekend, **Tunisians** protested against President Saied's seizure of power, calling on him to step down in the biggest show of public anger since his intervention. More than 100 prominent officials of Tunisia's Islamist Ennahda party, including lawmakers and former ministers, resigned on Saturday in protest at the leadership's performance.
- Both **Italy and Russia** announce that they will not recognize the Taliban government in **Afghanistan**. The Taliban government appealed on Sunday for international flights to be resumed, promising full cooperation with airlines and saying that problems at Kabul airport had been resolved.
- The IAEA reported that **Iran** has failed to fully honor the terms of a deal struck two weeks ago to allow the watchdog's inspectors to service monitoring equipment in the country. The **US** warned that Iran must grant the IAEA access to a workshop at the TESA Karaj complex to re-install cameras or face diplomatic action by the watchdog's Board of Governors.

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# Americas

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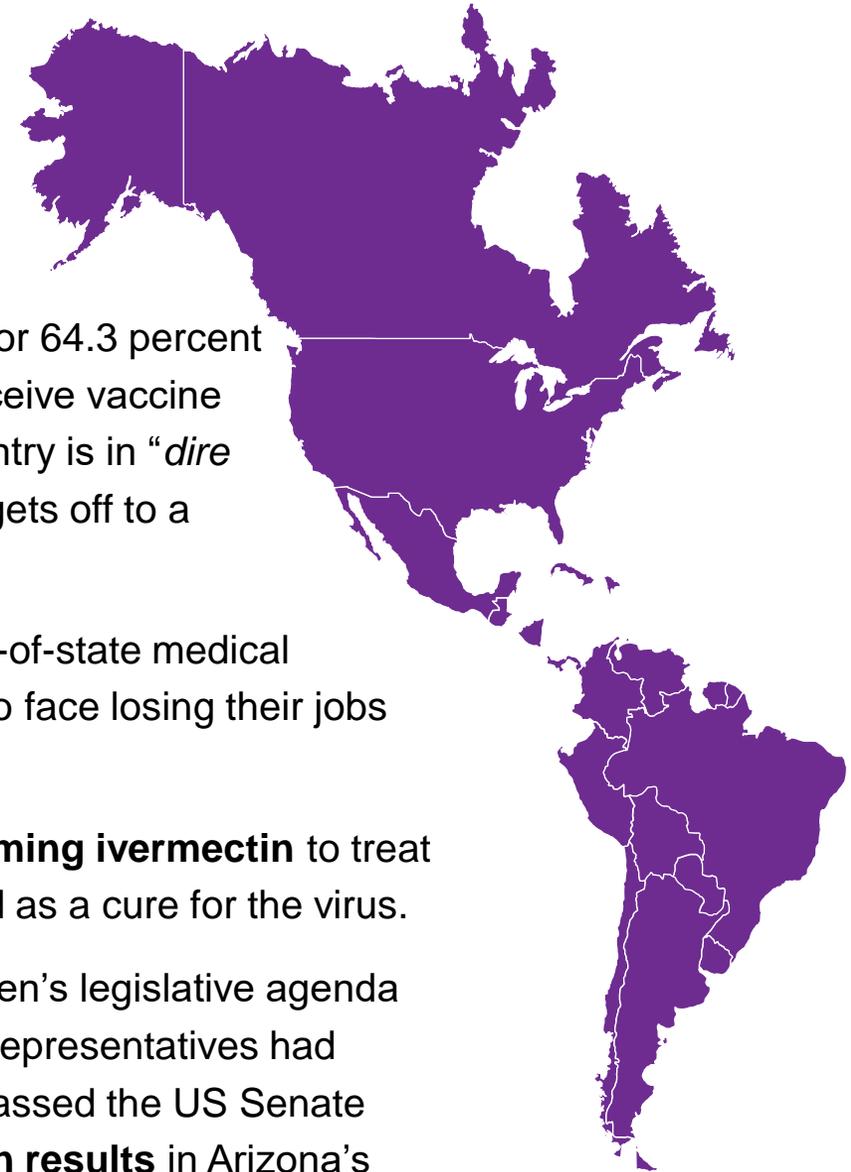
- In a high profile case of retaliation, China released two **Canadian** citizens convicted of espionage after **US** prosecutors dropped bank fraud case and extradition request against Huawei CFO Meng Wanzhou, enabling her to depart Canada for **China**.
- **Cuba** exported its COVID-19 Abdala vaccine for the first time, sending an initial shipment to **Vietnam** as part of a contract to supply five million doses
- **Mexico's** government said on Sunday that it will resume flights to Port-au-Prince starting next week for **Haitian** migrants who want to return home, as the **US** detained and forced hundreds of Haitian onto deportation flights, clearing a makeshift border camp.
- **El Salvador** will begin administering a third dose of COVID-19 vaccine to various groups including the elderly, health workers and people with underlying health conditions. El Salvador joins a growing group of Latin American nations that are giving booster shots to certain groups of at-risk people, including **Panama, Ecuador and Chile**.



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# Americas: US

- Across the nation, 213.5 million have received at least one dose of the **vaccine**; or 64.3 percent of the total population. President Biden urged Americans to “*wait their turn*” to receive vaccine **booster shots**. The CDC director said that **healthcare** in some parts of the country is in “*dire straits*” as the US battles high COVID-19 death rates and the booster campaign gets off to a confusing start.
- New York Governor Hochul is considering employing the National Guard and out-of-state medical workers to fill **hospital staffing shortages** with tens of thousands of workers who face losing their jobs for not meeting today’s deadline for mandated COVID-19 vaccination.
- The number of Americans suffering serious **adverse health effects after consuming ivermectin** to treat COVID-19 has more than doubled since the anti-parasitic drug was falsely touted as a cure for the virus.
- Democrats are scrambling to iron out their differences and salvage President Biden’s legislative agenda while staving off a **government shutdown**. The Democrat-controlled House of Representatives had been expected to vote today on Biden’s **\$1.2 trillion infrastructure bill**, which passed the US Senate earlier this year with bipartisan support. A **Republican-led review of the election results** in Arizona’s most populous country reaffirmed that Donald Trump lost the 2020 presidential election to Joe Biden.



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# Pandemic Trends in Education: Employer Initiatives and Public-School Losses

By Briana Boland

***The pandemic's disruptive impact within the school system and labor market is driving long-term changes in education across the United States. For adults, employer education initiatives are a rising option for financing higher ed and vocational studies, while for children, alternative schooling options, such as homeschooling, continue to grow in popularity.***

These broad trends have important implications for the flexibility of the US education system and the growing recognition of alternative education paths beyond the traditional schooling pipelines. However, shifting educational resources and responsibilities away from public institutions also risks entrenching societal inequalities, even as opportunities expand for people with access to private institutions, homeschool, or employer training.

## ***Employers Refocus on Education Initiatives***

As employers reinvigorate efforts to retain talent amid the “great resignation,” education initiatives have emerged as a key area of shifting corporate strategy. A growing number of companies now see education opportunities as a draw for prospective employees, a way to incentivize long-term loyalty to a firm, and a method to

training existing employees for the tailored needs of a specific enterprise. Earlier this month, Amazon announced a new initiative to cover 100 percent of college tuition costs and fees for 750,000 hourly employees at an array of education institutions across the country, as well as fund for high school diplomas, GEDs and ESL certificates. Amazon's move follows similar programs from Target and Walmart announced earlier in the summer, all of which were widely interpreted as a bid to attract frontline workers amid consistent labor shortages. In addition to attracting new hires and retaining existing ones, the expansion of free-college initiatives also allows major corporations to participate in the talent pipeline by steering employees towards degree programs that will develop skills that employers themselves seek. Before Walmart expanded its program in 2021, its previous college benefit launched in 2018

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# Pandemic Trends in Education: Employer Initiatives and Public-School Losses

provided for students to pursue degrees in business or supply chain management at a limited number of universities, creating a clear pathway for workers to develop skills but stay within the industry.

Professional services firms are similarly expanding employee training efforts amid shortages of key workers and skill sets. Bank of America, for example, is retraining its own employees at an internal “university” in an effort to boost its pool of technology workers. In 2018, Bank of America set up the training program to offer opportunities to learn coding and data analytics for employees across the company, from tellers to traders. In an interview with the Financial Times, Chief Operations and Technology Officer Cathy Bessant explained that the internal hiring mechanism allows the firm to be better insulated from labor market cycles. As the pandemic disrupted the labor market and increased demand for digital services, Bank of America hired thousands of new technology workers and increased the percentage of internal hires in Bessant’s division to over 80 percent, up from 39 percent before COVID-19.

## *Homeschooling, Private and Charter Schools Draw Students Away from Public Education*

Across the United States, the COVID-19 pandemic continues to drive a trend of students leaving traditional public schools for private institutions, charter schools, or homeschooling. According to a recent new report from the Bellwether Education Partners, over 2.5 million students have transitioned to homeschooling since the onset of the pandemic, doubling the total number of homeschooled kids across the country. This means that 5 million American children are now educated at home, accounting for 11 percent of US households. The trend is growing across different racial groups: 9.7 percent of white families, 12.1 percent of Hispanic families, 16.1 percent of Black families, and 8.8 percent of Asian families are homeschooling, per the study. Along with turning to homeschool, families across the US are increasingly choosing private education or charter schools: the Bellwether report puts the total number of students who have switched schools since the pandemic at 8.7 million, while recent

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# Pandemic Trends in Education: Employer Initiatives and Public-School Losses

analysis from the National Alliance for Public Charter Schools saw enrollment increase by 7.1 percent between the 2019-20 and 2020-21 school year, accounting for about 240,000 students.

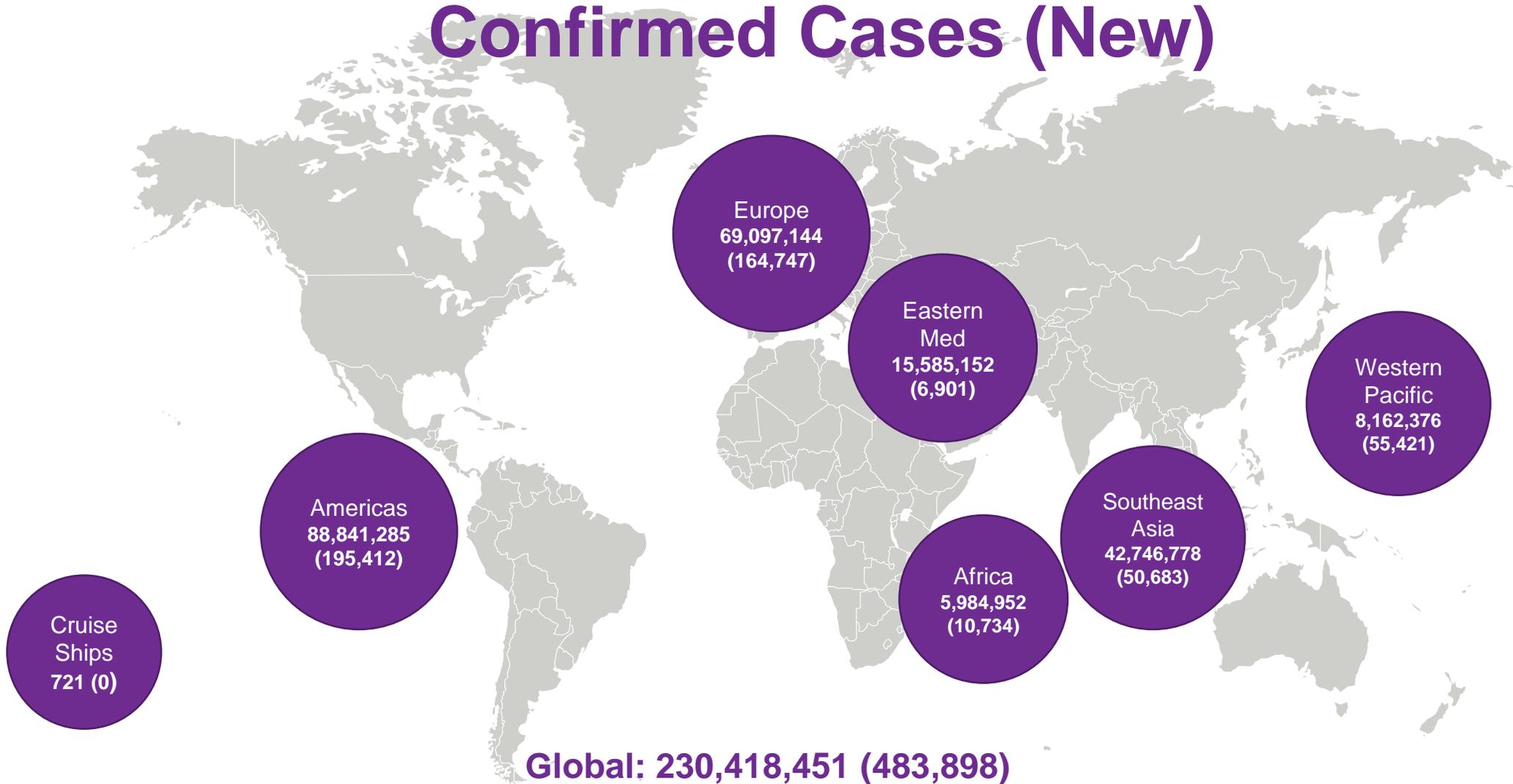
The shift away from traditional public schools has long term implications for the future prosperity of public education institutions, potentially worsening inequalities within US education system as resources are drawn away from public schools. With public schools facing another year of navigating mask mandates, vaccination requirements, staffing shortages, and in some cases, hybrid or remote learning, the trend of families choosing alternative types of schooling is likely to continue. Though exodus from the public school system threatens entrenching societal inequalities, the growth of alternative education options can also offer new opportunities for the youngest generation of Americans. Growing acceptance of diverse education backgrounds, from homeschooling to employer-funded vocational degrees, may open new pathways for people to pursue an education that is best suited for their specific needs, creating more flexibility in the education system as a whole – at least for those with access.

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# Coronavirus Condition Updates

As of 10:31 am CEST on September 27, 2021

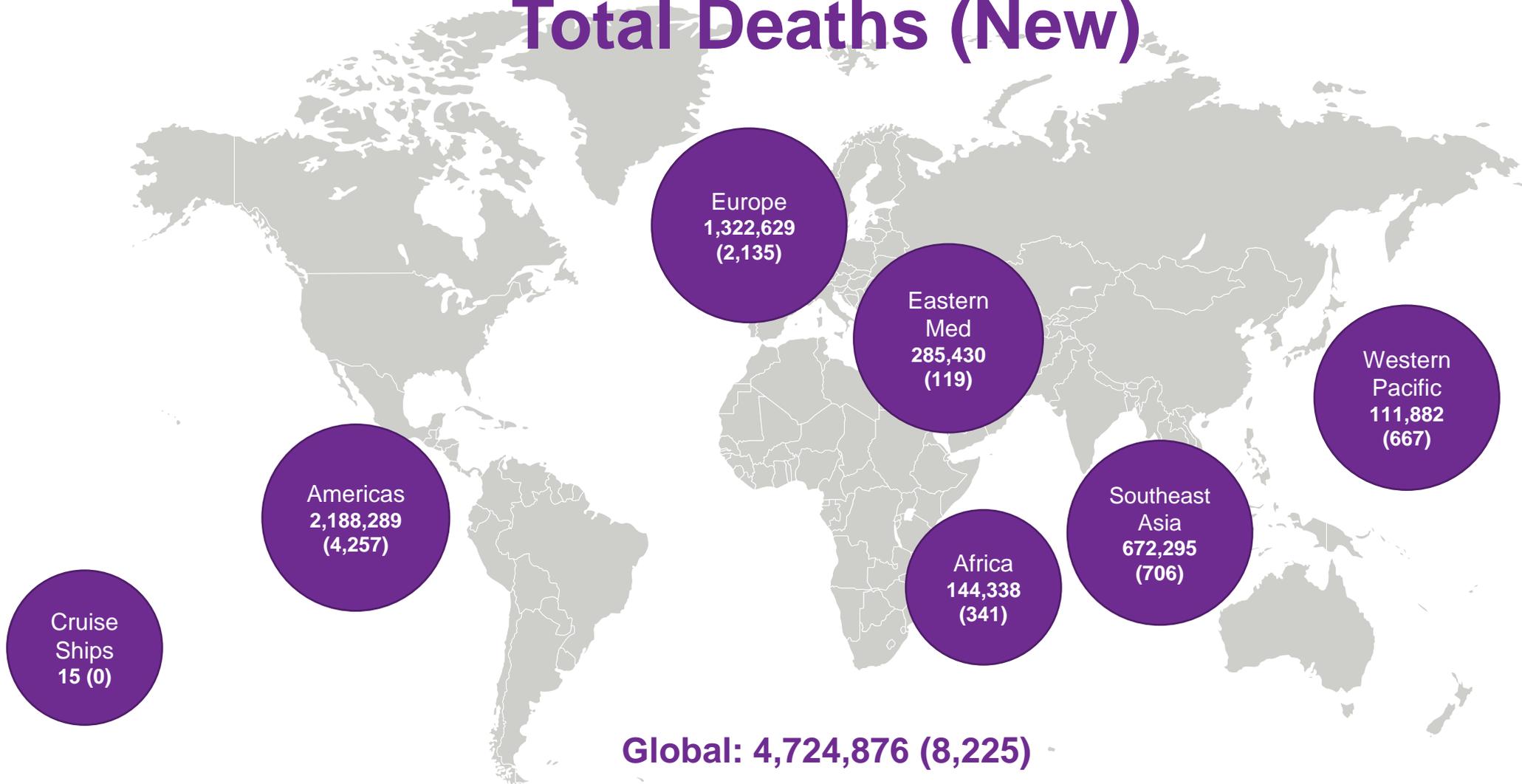
# Confirmed Cases (New)



Reflects data as of 10:31 am CEST on September 27, 2021.  
Data Source: World Health Organization

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# Total Deaths (New)



Reflects data as of 10:31 am CEST on September 27, 2021  
Data Source: World Health Organization

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# Contacts

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*This summary is based on reports sourced from among the 75 countries in which Dentons currently serves clients as well as from firms in other locations, some of which will formally join Dentons later in 2020. We are pleased to share this complimentary summary and contemporaneous assessment, with the caveat that developments are changing rapidly. This is not legal advice, and you should not act or refrain from acting based solely on its contents. We urge you to consult with counsel regarding your particular circumstances.*

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