

May 14, 2020

Seven Lessons for the Future

For the World After Covid-19

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The pandemic has already taught us that for a better world we cannot have the market as the backbone of the economy; we need a more inclusive politics; decentralised governance is essential; and we obviously need a more harmonious relationship with nature.

Reflecting on the experience thus far of the Covid-19 pandemic, I propose seven lessons we must learn for the world we need to build after it is over.

1. Markets Cannot Be the Primary Backbone

Ever since the late 20th century, the democratic world has largely been reorganised around a set of neoliberal beliefs that posit: (i) the self-organising capability of markets is more efficient than any form of centralised control; (ii) government embodies centralised control, making it inherently inefficient, and, therefore; (iii) the state must retreat into a minimal role that leaves as much as possible to markets. This logic is even extended to social goods such as health and education, and an earlier era of state responsibility for these goods is giving way to increasing reliance on the private sector. The state's primary obligation shifts from reducing uneven development by redistributing wealth to enhancing the global competitiveness of private enterprise.

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The pandemic has exposed some structural fault lines in these assumptions. Markets, because of their short-term orientation and poor accounting of externalised costs (such as environmental degradation and inequality), are poorly positioned to organise and allocate social goods. Moreover, markets orient towards efficiency rather than resilience and are therefore powerless when things go wrong at a systemic level. A healthcare infrastructure that aims to work at close to 90% efficiency (as any commercial enterprise would seek to do) contains insufficient resilience to deal with a substantive shift in healthcare needs, let alone a pandemic. The consequent helplessness of markets under current circumstances sees them desperately crying out for assistance from a state hitherto dismissed as inefficient.

This does not mean completely eschewing free markets. It is just that we need to reverse our priorities. In his classic text *The Great Transformation*, Karl Polanyi points out that while markets have existed since time immemorial, the subordination of society to markets is a relatively recent phenomenon that is not found before the Industrial Revolution. This privileging of markets has led to the construction of fictitious commodities, where the components of markets are treated as if that is all they are meant to be, ignoring their entanglement with social and ecological contexts that lie beyond the reach of markets.

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Land gets reduced to an asset, and its links in memory, culture and environment go unrecognised by the economy. Lives get reduced to labour, and if there is no demand for labour, lives go unrecognised. Polanyi argues that this fiction of markets leading society provokes a countermovement of social protectionism that begins to dominate politics, so the claim of efficient markets remains a myth that never existed in reality. Looking ahead, we may leverage the potential energy in free markets, but we must always contextualise them so that they are subordinate to society.

We have granted this privileged position to markets invoking Adam Smith's famous metaphor of 'the invisible hand', arguing that that they are efficient because of their capacity to self-organise. But this does not mean it is markets alone that have this capacity, and the

principles of self-organisation can also be effectively applied to social and political realms. The mechanisms we have needed to call on to deal with the pandemic shine light on what should be the primary backbone: (i) resilient localised infrastructures of care; (ii) high degrees of citizen engagement and participation; (iii) the foregrounding of expertise under conditions of high transparency and accountability; and (iv) the stewardship of the state where maximising public health and welfare is the primary concern. The states that have most effectively dealt with the pandemic while laying the grounds for a resilient future are the ones who have adopted these measures.

2. We Need an Inclusive Politics of Recognition

The pandemic has exposed another fault line in the failure by society to adequately recognise large sections of the population. These are the segment of people labelled as ‘the precariat’, a term that arose in the 1980s to describe those whose employment and incomes are insecure, who are dependent on daily earnings for their basic sustenance, who are not granted secure access to food, healthcare and education, and who are exposed to the greatest hardship when the economy slows down. Under neoliberalism, the precariat has been forming a larger and larger percentage of the population, especially in recent years. Their condition gets heightened in conditions like a pandemic, when their tales of hardship become visible as their collective volume becomes difficult to ignore.

The pandemic has shown that the precariat cannot be so easily disregarded behind ‘does-not-affect-me’ blinkers. Their manual labour is crucial to the continued operation of many businesses, public services and other sectors of work, so their presence cannot be eliminated. They often live in low-quality housing in conditions where it is difficult, if not impossible, to practice mitigating measures such as physical distancing or take sanitation precautions. This then affects the entire population given that a virus does not respect boundaries of class or geography.

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Two situations observed in India show how the elite are also affected by the failure to recognise the precariat:

- The Government of India imposed a nation-wide lockdown to control the spread of the coronavirus, but the system had neither the knowledge base nor the mindset to forecast the impact of this lockdown on wage labourers who had migrated to cities and other areas of greater prosperity and opportunity. Deprived of any social safety net where they worked, these workers had no choice but to immediately embark on long journeys to their villages where they could draw on support from local kinship structures. A lockdown meant to contain the virus by suppressing the movement of people undermined its efficacy by sparking a large-scale migration.
- Indian cities are managed by paradigms of urban planning and land markets that impose high values on all the land parcels delineated in a master plan. This sets up thresholds of affordability that disqualify half or more of the urban population who are without the means to officially locate themselves on a land-use plan. They are forced by the official paradigm of urban and economic planning to live outside it, consequently pushed into informal housing such as slums and unregulated layouts. There the insecurity of tenure forces them to continue living in low-quality built environments. Since they form a substantive percentage of the urban population, the spatial discontinuities that ensue prevent the efficient functioning of urban services such as electricity, water, and traffic.

A country is able to survive with low levels of citizen recognition through one or a combination of two strategies: (i) Use of autocratic structures of repression that do not permit the unrecognised (or the nonconformist) to have a voice and/or (ii) Offering consistently high rates of economic growth where the payoff, even if unequal or not immediate, is considered by all to be worthwhile.

Where only the first strategy is deployed, continuity is based on sustaining the current structures of power through tight control. History has shown that control over the long term is difficult to achieve, and once change gains a foothold, it rapidly destabilises the regime.

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When both strategies are deployed in conjunction, the pandemic has introduced vulnerability by upending the expectation of consistent economic growth, at least for the next few years. It will be interesting to see what happens in those countries where the structure provides economic freedom while constraining political freedom. The genie of economic freedom cannot be put back into the

bottle, and without the backing of economic growth, can a strategy of political repression survive on its own?

People may be forgiving of low levels of political recognition that are counterbalanced by high levels of economic recognition. When low GDP growth destabilises economic recognition, then marginalisation across the board is perceived, and dissatisfaction and dissent can erupt. For long-term resilience, society must achieve high degrees of recognition on all fronts.

In their book *The Spirit Level: Why Equality is Better for Everyone*, Kate Pickett and Richard Wilkinson show a strong correlation between high levels of inequality and poor scores on public health. This applies across rich and poor countries, occurring because inequality erodes social trust, increases anxiety and illness, and encourages excessive consumption. A quest for higher equality should not entail a communist mindset that seeks to reduce everyone to the same status, for there is sufficient evidence to prove that such a strategy is doomed to failure. As [Amartya Sen](#) and many other development economists have argued, policy should be driven by equality of rights and opportunity rather than equality of status. This will be possible only when governance is structured on an inclusive politics of recognition.

3. Local Government Is the Core

The pandemic has shown that feet on the ground and on-the-spot assessment are crucial in creating resilience. This is the only means by which the situation can be dealt with, whether it is in providing healthcare or in making the assessment to classify neighbourhoods by the extent of spread of infection in order to devise appropriate containment strategies. While aggregating data on a large scale is important for discerning wider patterns, the reliability of the data and the successful implementation of any response is only possible by a close linkage between governance and citizenry at a decentralised level. The [last mile problem](#) is not confined to communication networks, it also applies to government and can be resolved only by resilient localised systems.

Decentralised governance offers greater visibility of government, promotes higher degrees of citizen participation, and enables the greatest sensitivity to local nuances. A decentralised system would operate by the [principle of subsidiarity](#) that allocates subsidiary functions to central authority. Under this principle, the local level does the maximum possible, and what cannot be achieved at its scale is delegated to the next higher level, which also operates by the same principle. This model of bottom-up delegation must replace the top-down model that prevails in most countries.

4. Our Relationship with Nature Must Be Harmonious

[Kate Raworth](#) argues that our development model assumes an economy that must grow whether or not we thrive, whereas we need an economy that makes us thrive whether or not it grows. The problem occurs because we measure our economy narrowly by the visibility of financial and physical flows within it, rather than in broader terms of public welfare or ecological stability.

Raworth proposes the model of a doughnut as a visualisation of how we should measure our economy. A set of public welfare indicators form radial spokes in the doughnut, and each indicator is assessed on two counts: the inner ring of the doughnut that indicates a social foundation below which it must not fall and the outer ring that represents an ecological threshold it must not cross. It will be interesting to watch the city of Amsterdam and the results of [its recent decision to adopt this doughnut model for its post pandemic economy](#).

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While the methodological protocols by which such a model could be implemented require much more thought and research, the model is important. The inner ring of social foundations is tied to the politics of recognition mentioned above. And the outer ring of an ecological threshold is linked to many ecological crises that we must face. There is the spectre of climate change that looms over us, and many of our cities are plagued by levels of pollution that damage health and shorten lives.

But it is not just climate change and pollution that are of concern; the coronavirus is also a consequence of our problematic relationship with nature. Our economic model, in its quest for unending growth, catalyses support for certain business typologies such as mining, logging, and biases the economy of meat, dairy and agricultural products toward large-scale business. This promotes substantive intrusions into the natural world, deprives many species of their natural habitats, and enforces a closer proximity between humans and wild animals, consequently creating a fertile grounds for the propagation of zoonotic viruses.

Sars-CoV-2 is a zoonotic virus, and we have seen an increase in the rate of incidence of zoonotic viruses in the last few decades. It is well within the realm of possibilities that the pandemic that currently plagues us may never have occurred under an economic paradigm that was ecologically sustainable.

In a classic (yet largely neglected paper), written in 1966 and titled *The Economics of the Coming Spaceship Earth*, the economist/philosopher Kenneth E. Boulding argues that there are two kind of economics we can practice: cowboy economics and spaceship economics. Our current economic paradigm, in its expectation of continued growth, operates on the metaphor of the cowboy who assumes he is in a vast and unlimited plain, and looks to continually expand the frontiers of his homestead on that plain.

The other kind of economics uses the metaphor of a spaceship to illuminate how, within such a closed capsule, no astronaut can embark on any action without taking into account the impact of his/her action on fellow astronauts. Boulding argues that a planet is a relatively closed system of matter, energy and information, and our choice of economic paradigm must start with acknowledging this fact. An open system can rely on measuring its performance in terms of throughput, which is why we depend on a measure of GDP in assessing our economies. This fiction of an open system fails to comprehend the limits of the system and consequently dismisses the impact that inputs and outputs have.

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In our obsession with throughput, we make inadequate effort to differentiate between those inputs that are exhaustible and those that are renewable. And we fail to account for the feedback effects that outputs have on the system. In contrast, in a closed system we are acutely aware of the limits of the system. Both inputs and outputs are acknowledged as being constituents and must be evaluated in relation to the entire capital-stock that constitutes the system. The focus shifts from throughput to maintaining the quantity, quality and harmony of the capital-stock.

This necessarily means taking a far longer-term view than the current paradigm asks us to. Boulding admits this is challenging for it is difficult to answer the man who asks, “What has posterity ever done for me?”, and the conservationist tends to offer vague ethical responses that carry little weight in the situation. Boulding asks us to recognise that the welfare of individuals depends substantially on the extent to which they can identify with others. The most satisfactory individual identity is one that is anchored within a community, not just in space but also extending over time from the past into the future.

There is sufficient historical evidence that a society that loses its identity with posterity loses its positive image of the future, consequently losing a perspective within which present problems can be evaluated and tackled. Such a society soon falls apart. We have considerable self-interest in posterity and must therefore consider its ecological dimensions within our economic paradigm.

5. Local Business Must be the Foundation of Economic Policy

The vulnerability in depending on global supply chains is revealed during a pandemic. But this is far more than a matter of self-reliance. We currently have an economic paradigm that revolves around the ownership of capital. This in itself is problematic, for as [Thomas Piketty has demonstrated with depth of evidence](#), in a system that relies on capital, the rate of return on capital tends to be higher than the rate of economic growth. This benefits the owners of capital, making the system tend toward increasing levels of inequality.

|| Networks of local businesses are more tuned to the nuances of regional culture and ecology. They also circulate value within the community rather than sucking it out in the way global corporates tend to do.

Economic policy is consequently rigged in favour of big banks and large corporates with passive shareholders. Survival is harder for small and local businesses that provide goods and services in a sustainable way with a higher percentage of the population participating in the creation of economic value. The dominance of finance encourages marketing strategies that seduce the middle class into higher levels of debt, increasing vulnerability across the system. Finally, the focus on increasing capital value starts reaching a stage where the tail begins to wag the dog. Profits are ploughed into share buybacks or dividends rather than investment in productive renewal. Management performance is judged on short-term measures of profit, share value, and market share rather than long-term sustainability.

Networks of local businesses are more tuned to the nuances of regional culture and ecology. They also circulate value within the community rather than sucking it out in the way global corporates tend to do. This is not to say that large business must have no place in the system, but to argue that both politics and economics must operate on the principle of subsidiarity.

6. In Relationships, Quantity Time is Quality Time

Shifting now to the personal front: for those of us who have the luxury of a home we can be secure within and with the financial means to survive periods of lockdown, we suddenly find more time to spend at home than we have in the past. This gives us an opportunity to reflect on the displacement of valuable relationships from our life. There is also a growing incidence of people thinking of others they have not devoted time to and reaching out over phone or video chat in order to reconnect. And those who have the company of loved ones within the home have an opportunity to feel the value of intimacy and reflection in an abundance they have not known for a long time.

When there is the pressure on time, we feel that the few moments away from work that are possible must be evaluated by the intensity of pleasure they give us. We seek refuge in entertainment, restaurants, bars, and other experiences offering heightened pleasure. We situate our relationships within this quest for the adrenaline of pleasure, giving scant time to open-ended existence with others where no explicit purpose is foregrounded. But now, deprived of alternatives, we are spending that kind of time and discovering the power of serendipity.

|| The depth of our experience increases as we invest more time in it. This happens in our relationships with people as well as in relationships with the neighbourhoods we inhabit.

Imagine walking through a beautiful garden. We may acknowledge its beauty in our first walk through it, but when we repeatedly walk through the same garden we start to appreciate the nuance and detail we did not see in our first stroll, and we are awestruck by the way the garden changes across the seasons. The depth of our experience increases as we invest more time in it. This happens in our relationships with people as well as in relationships with the neighbourhoods we inhabit.

In Milan Kundera's philosophical novel *Slowness*, he speaks about our addiction to speed, our neglect of slowness, and cites a Czech proverb that talks about allowing for time to spend in gazing at God's windows. We must recognise that the people we live with and the places we inhabit are all forms of God's windows that would have evaded our perception if we had not invested in the quantities of slow time that gave us the opportunity to watch them with a gaze of wonder devoid of expectation or judgment.

7. The Priorities in Our Lives Must Begin Within Us

We have become embedded in a system where our priorities are predicated either on idiosyncratic personal whim or on external rationalisations. Subjective whim does not bind us as a society. And a faith in pervasive rationality blinds us to the manner in which private claims compete to define the public interest. We consequently get seduced by political rhetoric that disconnects us from the wisdom that our bodies inherently contain.

In the book *Walking on the Pastures of Wonder*, John O'Donohue, in a series of conversations with John Quinn, talks about this inner wisdom we all possess that is revealed in everyday acts. Even the act of speech, which we habitually and unthinkingly carry out on a routine basis, shows a creative capacity where, from out of the silence within, we coax sound and meaning. All of us exhibit this creative capacity in so many other daily acts: walking, dancing, singing, laughing, cooking, thinking. This creativity is so powerful we must dedicate effort toward acquiring the capability to harness it. When this rigour is absent, we fail to come to terms with our own inner wisdom, and our consequent existential anxiety persuades us to look elsewhere.

O'Donohue observes,

One of the sad things is that so many people are frightened by the wonder of their own presence. They are dying to tie themselves into a system, a role, an image or a predetermined identity that other people have actually settled for them.

|| Wisdom is an inner spirit that removes our existential anxieties by revealing our place in a world that is already enchanted with meaning.

Our reliance on externalities shifts our focus from wisdom to knowledge, and the reductivity of this shift deeply damages and destabilises our social and ecological fabric. This predicament is captured by Julio Ollala in his book *From Knowledge to Wisdom: Essays on the Crisis in Contemporary Learning*, in a passage which says:?

Knowledge has become another possession and therefore it has also become the object of greed. Wisdom, on the contrary cannot be a possession. It cannot be traded, regulated or registered. It cannot be owned by any individual, because it lives in a territory that is not solely human, it is shared with the gods. Wisdom is not what we know about the world, it is what the world discloses for us. If knowledge can live in greed, wisdom can only live in gratitude. If knowledge belongs to thought, wisdom belongs to the soul. If knowledge creates silos and divisions, wisdom integrates. If knowledge is knowing about it, wisdom is being it...Wisdom has a sense of timing and relevance that is mostly hidden to knowledge. Knowledge may deny meaning, wisdom is inseparable from it. Knowledge lives in the mental domain, wisdom also lives in soul and spirit.

Wisdom is an inner spirit that removes our existential anxieties by revealing our place in a world that is already enchanted with meaning. Our consciousness of it can never be adequately articulated in words or external rationalities. It can only be embodied by us, either in the bonds of affection and harmony we continually re-enact with others and our environment, or in the arts, songs, poetry and other metaphoric forms we breathe life into.

A political economy that has no recognition of inner wisdom will always distort us into false myths that do not resonate with our inner being. If we wish to form a society that is resilient, just, and fulfilling, the search must begin within.

This is a slightly revised version of an article that first appeared in [Medium.com](#).