

# Covid-19 has shown that following the same road will lead the world over a precipice

By [Ian Goldin](#)

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Despite the tragic deaths, suffering and sadness that it has caused, the pandemic could go down in history as the event that [rescued humanity](#). It has created a once-in-a-generation opportunity to reset our lives and societies onto a sustainable path. Global [surveys and protests](#) have demonstrated the appetite for fresh thinking and a desire not to return to the pre-pandemic world.



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The devastating consequences of Covid-19 have led to a deepening recognition that business as usual is highly destabilising and the source of our darkest fears. It has shattered the mental mirrors that have prevented us from breaking from the past and embracing new horizons.

In ["Rescue: From Global Crisis to a Better World"](#) I show how the coronavirus rupture has demonstrated that citizens are prepared to change their behaviour when required to do so. And that governments are able to break out of their economic straitjackets.

My work on globalisation and development has led me to believe that while flows across national borders – trade, people, finance, medicines, and most importantly ideas – are a very good thing, they also can lead to growing risk and inequality unless properly managed. What I think of as the [Butterfly Defect](#) of globalisation has created a new form of systemic risk. It was the source of the global spread of the 2008 financial crisis, is evident in escalating climate change and inequality, and has now overwhelmed us with the Covid-19 pandemic.

I have been predicting that a global pandemic was likely and would inevitably lead to [an economic meltdown](#). The only question is why more effort hasn't been put into managing this underbelly of globalisation and the reluctance to depart from the business as usual. [My book](#) shows why we urgently need to.

Old excuses for inaction are no longer credible. The task now is to turn the reactive response to the health and economic emergencies into a proactive set of policies and actions to create an inclusive and sustainable world of shared prosperity. Before the pandemic this may have seemed unattainable, even idealistic. Changes that would have taken a decade or more to emerge have taken place almost overnight.

## Into sharp relief

Among the positive changes have been a deeper recognition of the importance of nature, the role of essential workers, the contributions of science and experts, and having supportive family, friends and colleagues.

But the pandemic has also exacerbated health and economic inequalities within countries and between them, devastating the lives and livelihoods of many and greatly increasing isolation and mental illness. A world that functions online is more atomised and may lead to a hardening of social and political silos. Unless the negative consequences of the pandemic are urgently addressed, they will cast a long, dark shadow.

The idea that there is no such thing as society, only selfish individuals, can now be relegated to the dustbin of history. We have witnessed an outpouring of solidarity, not least of the young for the old and of essential workers for others. The young sacrificed their social lives, education and jobs and took on enormous debts to help the elderly get through Covid-19. Essential workers placed themselves at daily risk to staff our care homes and hospitals and ensure that food was delivered, rubbish collected and that lights stayed on. Many sacrificed [their own health for others](#).

The intolerable costs of austerity and a culture that celebrated individualism and undermined the state has been starkly revealed.

The world wars forever changed global politics and economics; the economist [John Maynard Keynes](#) argued that [it was necessary](#) to "snatch from the exigencies of war positive social improvements".

The pandemic too will change everything, from personal priorities to global power. It marks the end of the neoliberal era of individualism and its primacy of markets and prices, and heralds a swing of the political pendulum back to state intervention.

As [Nobel Laureate economist Angus Deaton](#) has [argued](#), "we now face a set of challenges which we cannot duck" which threaten the fabric of society, providing a "once-in-a-generation opportunity to tackle the disadvantages faced by many that this pandemic has so devastatingly exposed".

## More, not less, global co-operation

Globalisation has caused universal health and economic emergencies. And yet, to address it we need more globalisation, not less. We cannot stop a global pandemic without more global politics.

Nor can we stop climate change or any of the other great threats by political deglobalisation.

Economic deglobalisation would condemn to continuing poverty the billions of people in the world who are yet to benefit from the jobs, ideas and opportunities that globalisation brings. It would mean that citizens of poor countries would not have access to the international vaccines, solar power panels, investment, exports, tourism and ideas that are urgently needed to

rebuild countries and create a future of shared prosperity.

If isolating ourselves and stopping globalisation could insulate us from risk it may be a price worth paying. But far from reducing risk, it will only increase it. What we need is better managed and more regulated and coordinated global flows, so the benefits of connectivity can be shared and the risks stopped.

The greatest threat to our lives has historically come from internal or external conflicts. Now the threat comes from forces that are beyond the control of any one country and which require international cooperation, rather than assertions of supremacy. It is in every country's self-interest to cooperate to contain global threats. Similarly, it is in each of our own self-interest to contribute to the creation of more cohesive and stable societies.

Covid-19 has tested us. By passing the test we will have proved we can also conquer climate and other threats.

## How to avoid the precipice

Nothing should be taken for granted. The virus is not only changing our possibilities and actions, but also the way we think, our dreams and our imaginations. Every crisis creates an opportunity, and it behoves us to explore the silver linings. By highlighting the significance of systemic risks, the pandemic has raised awareness of other threats, including those posed by future pandemics and climate change, and has given us the means to rescue our lives and the future.

Covid-19 has caused the biggest development setback of our lifetimes, [reversing 70 years of progress](#). Low- and middle-income countries suffered negative growth for the first time [since the 1950s](#)

Many more people will [have died of starvation and poverty-related causes](#) than from the direct health impact of Covid-19 .

The pandemic [has resulted](#) in as many as an additional 150-million people falling into extreme poverty, and acute hunger doubling from 130-million people in 2019 to 260-million in 2020. In many poor countries education and health systems have collapsed and government safety nets are threadbare, where they exist at all.

It is business as usual which allowed the world to be overwhelmed by Covid-19. The pandemic has revealed and exacerbated inequalities within countries and between them.

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### Read more:

[Covid-19: how rising inequalities unfolded and why we cannot afford to ignore it](#)

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It forcefully demonstrates why bouncing back or forward along the same road we are on is leading us over a precipice. Without systemic change we are all condemned to a more unequal and unstable future. Covid-19 has generated the potential to create a fairer and more inclusive world.

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