

# THE SPECTRE OF A POST-COVID-19 WORLD

Relevant for: Developmental Issues | Topic: Health & Sanitation and related issues

As [COVID-19](#) spreads exponentially across the world, and the [figures of those testing positive as also the numbers of deaths](#) keep increasing in near-geometrical progression, profound uncertainty and extreme volatility are wreaking havoc of a kind seldom encountered previously. It might, hence, be wise to start thinking of what next, if at least to try and handle a situation created by the most serious pandemic in recent centuries.

The problem with the [novel coronavirus](#) is that with the exception of China, which battled another coronavirus epidemic in 2003 — the Severe Acute Respiratory Syndrome (SARS) epidemic — there is little available for most nations on which to base their assessment of what next. What is known is that China's growth rate has further plummeted, even as it was confronting an economic slowdown which had been in the works for some time. The consequences for the global economy of China ceasing to be the world's biggest exporter of manufactured goods are considerable, and with no country in a position to replace it, this development will precipitate a further economic downturn internationally.

It is not the intention here to minimise the human costs of the tragedy that has unfolded, and which is still unfolding, consequent on COVID-19. If China was the worst affected nation initially, [the United States](#), Spain, Germany and Italy have since eclipsed China. Many other countries are today facing a serious plight, and few, if any, remedies are as yet available even as the human costs keep mounting. Still, it is important to think of what lies ahead.

The COVID-19 pandemic could not have come at a more difficult time. The world was already having to contend with an uncertain economic environment, with industries in turn facing newer challenges such as having to adjust to a shift from cost efficiencies to innovation and breakthrough improvements. Added to this were: a global slowdown, increasing political and policy uncertainties, alterations in social behaviour, new environmental norms, etc. Newly emerging economies, such as India, were even more affected by all this, than some of the older established ones.

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At one point, India was estimated to be among the 15 most affected economies by the COVID-19 epidemic, but as the pandemic has raged unchecked, all bets are off. An early estimate by the Asian Development Bank, soon after the epidemic was declared, was that it would cost the Indian economy \$29.9 billion. A recent industry estimate pegs the cost of the lockdown at around \$120 billion or 4% of India's GDP. The Confederation of Indian Industry (CII) had at one point warned that the COVID-19 impact, and the existing stress in the financial sector, meant that India would require up to six months even after the entire course of the COVID-19 epidemic is over to restore normalcy and business continuity.

India has, no doubt, acted with speed in the wake of the pandemic and declared a lockdown early on. Prime Minister Narendra Modi declared the pandemic as a serious global crisis, and in the course of two national broadcasts in mid-March, announced a series of steps such as a one day 'peoples curfew' (on March 22) 'social distancing', the setting up of a COVID-19 Taskforce under the Finance Minister to come up with measures to mitigate the economic hardship engendered by the pandemic, and finally a three-week-long lockdown. Several precautionary measures based on guidelines in vogue elsewhere in the world for preventing pandemics of this kind, have also been introduced including 'home isolation', 'home quarantine', etc.

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The prognosis as to what lies ahead is indeed bleak. On the economic plane, according to most experts, a global recession seems inevitable. Uncertainty, panic and lockdown policies are expected to cause demand worldwide to decline in a precipitous way. This will inevitably lead to a vicious downward cycle, where companies close down, resulting in more lay-offs and a further drop in consumption. A precipitous decline in GDP would follow. To compensate for this loss, massive inflows of government funds would be needed, but most governments, India included, might find it difficult to find adequate resources for this purpose. Equally important, if not more so, is that such massive inflows of funds (if they are to be effective) should be here and now, and not later, by which time the situation may well have spiralled out of control. Global coordination was a must in the extant situation.

COVID-19 is, in turn, expected to bring about major changes in the global order. Some of these changes have, no doubt, been in the making for some time, but would get accelerated. As of now, though the U.S. is no longer the global power that it once was, it is hardly in retreat. It is, without doubt, increasingly disinclined to act as the world's gendarme, as instanced by its retreat from Afghanistan after a dubious accord with the Afghan Taliban, but this was not the end of the road as far as U.S. power was concerned.

Post COVID-19, however, and given that the U.S. is among the countries badly affected by this pandemic, together with existing uncertainties affecting its financial markets, the U.S. can be expected to step back even further — from one of assertion to neutrality in global affairs.

Already, U.S. command of the global commons has weakened. Meantime, China and Russia have strengthened their relationship, and improved their asymmetric capabilities. The challenge from China is becoming more obvious by the day — measured by purchasing power parity, the U.S. is not the largest economy in the world as of now. Even more daunting from a U.S. standpoint, and also representing a sea-change from the recent past, Russia has become far more economically and politically stable and an important power broker in West Asia. These shifts cannot but, and are likely to, have a direct impact on the liberal international order. It could, in turn, give a boost to authoritarian regimes and authoritarian trends.

Moving away from the political and economic consequences of COVID-19 are other concerns arising from an extended lockdown, social distancing and isolation. Psychologists are even talking of an 'epidemic of despair' arising from a fear of unknown causes, resulting in serious anxiety and mental problems. Extended isolation, according to psychologists, can trigger a different kind of pandemic even leading to possible suicidal tendencies, fits of anger, depression, alcoholism and eccentric behavioural patterns.

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Another fallout from the current epidemic might well be the extent to which inequality in incomes impact segments of the population, facing a common malaise. Countries lacking a comprehensive nationwide health system would find this an even more difficult situation to handle. Meantime, as the economy weakens, accompanied by job losses, those without high levels of skills would fall further behind.

This is evident to some extent already given recent reports of mass migration across the Indian landmass. Out of work migrant labour, unable to find new jobs since they lack the necessary skills, are attempting to return to their normal habitat, bringing in their wake untold suffering and, perhaps even the spread of the virus. This has all the makings of a huge human tragedy. Existing curbs on their movement would further exacerbate the problem, and could even lead to

a major law and order situation.

One possible, and unexpected, aspect of the COVID-19 epidemic could be the thrust it could provide to 'digital authoritarianism'. China's authoritarian methods seem to have helped it to contain the spread of the virus — at least for the time being. Somewhat similar tactics are being employed by some other countries as well. In turn, leaders across many nations may find China's methods, and the embracing of technology to refashion authoritarianism for the modern age irresistible, and a standard to be adapted, even if they profess to be democratic. The rise of digital autocracies could lead to digital repression, and in the age of AI-powered surveillance, create a capacity for predictive control, or what is often referred to as 'social management'.

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