

The (possible) positive consequences of the economic collapse precipitated by the pandemic

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The collapse of the economy was going to happen anyway. The irrational bull market in the NYSE was completely decoupled from the real economy. Besides, world debt had reached equally unmanageable heights. However, I think it's good that, instead of a pure financial crash that makes governments rush to save the banks, we have a wide-ranging economic collapse that forces governments to think more broadly about how to save businesses of all sorts and the vulnerable people without a proper safety net.

So, the collapse was necessary as a wake-up call for politicians and economists. And it comes when there is already an understanding of the need for stakeholder capitalism across a wide range of business and political leaders. This could be the end of austerity and of this long turning point. It could be the beginning of deployment shaped by seriously proactive governments tilting the playing field towards a Smart Green New Deal, and sustainable global development.

On top of that there might be three possible changes in behaviour that will improve environmental and social sustainability:

1. Employers will discover that part-time work from home can be fine. Business will also discover that remote meetings (as long as security is guaranteed) are just as good, so travel and commuting can be reduced. Both will help the environment and make life less hectic.
2. Global companies will understand that having everything made in China is very risky. For security of supply, globalisation will have to be redesigned by companies and governments to spread production with that in mind.
3. The huge number of people in precarious employment without any income at all, if they get ill (or old) reveals clearly the inadequacy of the current safety net and indicates the necessity of universal basic income and proper working conditions, while recognising the different nature of work in the information age.

This is a typical case of the Chinese character for crisis being the same as that for opportunity. Let us not waste it!

For the US in particular, the only advanced country without a free universal health service, the lesson is obvious. Let us hope they will learn it and act upon it.

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