

**E**VERY ASPECT of human life, from health to the economic system, is affected by the Covid-19 pandemic. While the world has experienced widespread famines, wars, and plagues in the past, the sum of changes occasioned by Covid-19 is unprecedented because the impact has almost simultaneously reached all regions of the world. The present condition is also entirely different because of the globalised nature of the world economy. While the impact on a nation's economy can have a resounding effect on others, the impact of the pandemic on each nation individually has had a multi-fold effect on the global economy

gan, accounts for a significant market share in the production of optical fibre cable and related devices. The effects of the shutdown of production in the city reverberated in the international value chain even before the disease spread across the world.

The pandemic may not bring an end to GVCs or globalisation per se. Still, it nevertheless will provoke a rethinking of the modelling of the value chain, which will require hedging risk by distributing upstream suppliers and downstream distributors across different regions. Meanwhile, the national economies will also need to rethink alternatives to reduce their reliance on the GVCs, which may result in some diversification and reshoring and of the value chain.

The Covid-19 crisis has also made

care sector – sometimes ceding ground to the private sector – are finally coming to terms with its importance for societal development. Moreover, they would require less political capital to increase healthcare spending even after the virus has been eliminated. Such a scenario might transform the state of healthcare across the world.

Another distinction between the Covid-19 from other past crises is the existence of the internet. At a time of lockdown in most parts of the world, the internet has been the saving grace by ensuring a steady flow of information as well as making remote work possible. For governments and policymakers, it has been beneficial in anticipating risk, comparing solutions and coordination efforts. The prolonged lockdown has ac-

## Toward A New Global Order



at large. Therefore, no past crises are an adequate guide for predicting the post-pandemic economy today. Although, the post-pandemic economic thinking requires a fundamental change similar to the post-War adoption of John Maynard Keynes' general theory.

The pandemic is already having significant effects on the global economy through the disruption of the global value chains (GVCs). From research and development to the final product, different stages of production are dispersed across the world. The model has proved essential for economic growth, but also fragile during this crisis. For example, the city of Wuhan, from where the outbreak be-

us realise that markets cannot operate with the singular objective of profit maximisation at the cost of human life. The crisis has further highlighted the inter-dependence between the community and the market. The pandemic may force businesses to seriously consider the ideas of corporate governance and social responsibility as requirements for participation in the global industry.

The role of the government could be another front for change. Governments across the world that have reduced their budgetary focus on the crucial health-

customised people to learning online and remote work and got the experts contemplating the merits of continuing such a practice, given its cost-efficiency.

Overall, the pandemic has propelled a reimagination of the role of the state and the market. The society might come out of this catastrophe with some positive changes, but it may also set some negative practices in motion. The task at hand for nations would be to navigate these opportunities and challenges. All in all, this may herald the beginning of a new economic order. **BW**

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