

# COVID-19 CRISIS SILVER LINING

## *REBUILDING RESILIENT DIVERSE SOCIETIES*

Life changing incidents call for immediate crisis response, that's when survival actions solely focus on keeping the water below our nostrils during very difficult times. For sustainable long-term growth however just as important is determining current weaknesses and restructuring a more resilient society than before.

The novel COVID-19 virus has created pretty much a global socio-economic paralysis. Borders closing, international flights down to a trickle, cruise tours suspended indefinitely, major sports events, hotels, restaurants, clubs and bars are frozen, all except for the sale of basic food and medication. This economic and social collapse is now expected to last several more months until the rate of contagion has peaked and recovery begins.

Many countries in the Americas experiencing this crisis have pretty much brought their economic systems to a halt and are settling their citizens into a never-before restricted indoor minimal survival lifestyle. Accepting the reality of coming months, we are left with outlasting this social and economic downturn with high spirits, hopes and expectations that recovery will be gradual with an eventual *normality* in the distant future.

A critical question becomes do we simply want to get back to the way things were six months ago before this crisis or is this a good time to search for a much brighter future.

Crisis response tends to address the immediate needs for personal, government and organizational survival. In parallel on another level effective crisis management should analyze profoundly how to adapt the economic system with a goal of making it even more resilient to future incidents.

In one of the most stable economies in the Americas, frequently recognized for its economic success over the recent decades, more than 20% of its population still lives below or at poverty levels (with some form of government assistance) and the following 30% or so survives in the informal economy. Positively one can say less than one half the population is credited with most if not all the country's GDP. In another country the extreme case might be the three richest citizens credited for 10% of the GDP. In several others the service sector dominates the GDP with over 60%. Examples of imbalance are plentiful.

These scenarios have been developing for decades yet the COVID-19 crisis may have created what can be considered an ideal opportunity for leaders to step back, analyze and plan how best to *restructure* unsustainable economic systems.

Critical sustainable economic development factors to be analyzed may include:



- Markets -- Broaden economic ties across continents, politically as well as economically.
- Industries -- Incentivize internal development of new sectors: entrepreneurship, emerging technologies, environmental science, across the four corners of the country.

- Inclusion -- Invest in the productivity of the bottom half of the population for a more powerful local economic engine with all hands contributing to the GDP.
- Sourcing -- Upgrade supply chains with multiple sources both local and foreign.

While low hanging profitable sectors may attract more support leading to faster short-term growth, overdependence creates environments with weaknesses of single points of failure within the normal cycle of economic ups and downs. Investing in building complementary sectors, thus balancing the ratio of sector participation, adds resiliency which can better withstand inevitable downturns, natural or human caused.

Instead of simply riding out the COVID-19 crisis waiting for the return of *normality*, leaders of the Americas should take advantage of this down-time to analyze, restructure and begin to rebuild a much more inclusive and sustainable economic system with the resiliency to withstand many more crises.

Maybe one silver lining in the COVID-19 crisis is that it clearly exposed the need for creativity and foresight in executing strategic plans for adaptable economic systems to sustain long-term growth.



Recently when asked who is to blame one economist said, "In a democratic society *we the people* are to blame for placing too much expectation on our leaders."

Within the stormy clouds of every crisis there are rays of lights illuminating the road to a better future.

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