

A path to global social and economic resilience

Aleksandr V. Gevorkyan,¹ Preety Gadhoke,² Tracey Freiberg³

“Resilience is the capability to anticipate risk, limit impact, and bounce back rapidly through survival, adaptability, evolution, and growth in the face of turbulent change.”

-- Community & Regional Resilience Institute, 2013

Abstract

It is too soon to discuss a post-COVID-19 future and, yet, there is a need to raise a discussion on global social and economic resilience. The pandemic crisis has centralized the academic and policy discourse around the value of human life and the role of the state as integral to sustainable development. Initial steps require a self-critical assessment of the complex symbiosis of the economic, social, and health realms of the modern capitalist system. Preservation and continuation of basic individual freedoms, economic sustainability, and safeguarding public health call for a proactive and pragmatic state with a globally coordinated interdisciplinary response. This essay argues that by proactively addressing determinants of health, economic development, and social stability, we can compassionately address the critical dimensions of human wellbeing resolving the current and safeguarding against the future crises.

A challenge to global resiliency

It is too soon to discuss any definitive scenario of a post-COVID-19 future. However, two points are clear. First, the immediate impacts of the 2020 pandemic on individual countries have unveiled deeply embedded structural vulnerabilities in each case and failures across social, economic, environmental, political, cultural, and health systems of modern global society more broadly. Second, the subsequent transformation of the global socio-economic structure has centralized the discourse around the value of human life and the role of the state as an integral guarantor to sustainable development.

From disruption of domestic and international travel, deepening social crises, and on to massive output losses, the COVID-19 crisis is set to upend institutional frameworks of the past, wreaking havoc on economic systems and, broadly, social resilience. Resisting such violent deconstruction of established frameworks, here, *resilience* can be defined as, “an attribute (e.g., ability, capacity), a process, or an outcome associated with successful adaptation to, and recovery from, adversity” (Berkes and Ross, 2013). But does modern society need a violent event to emerge as humane and resilient?

¹ Tobin College of Business, St. John's University, gevorkya@stjohns.edu [corresponding author]

² College of Pharmacy & Health Sciences, St. John's University, gadhokep@stjohns.edu

³ PhD Candidate, Milano School of Policy, Management, and Environment, The New School; Visiting Professor, Tobin College of Business, St. John's University; freit300@newschool.edu

The global crisis of capitalism

There is hardly any comparable period in capitalist history adequately capturing the unique threats to society's resilience today (Gevorkyan, 2020). As the IMF expects global economic growth to decline 4.9% for 2020 with unclear future recovery and the largest economy, the USA, is suffering through a 32.9% annualized output drop in the second half of the year, the present crisis sets the global economy on to a shaky foundation.

Today, there are no bright spots in controlling the pandemic, even if a country may have shown some initial successes only to fall into lockdown again (e.g. China, EU, Vietnam, etc) or impose long-lasting restrictions on the basic social functions. Added to the health and social dimensions is the fact that modern global capitalist economy is founded upon a tightly-stitched complex network of global value chains. Those, in turn have come under pressure parallel to the rise of economic protectionism and the interruption of international trade, risking "deglobalization." On balance, COVID-19 has unveiled the failures of the global socio-economic system in its inability to prevent the spread of the pandemic.

Macroeconomic technicalities aside, the global community is now facing profound shifts in not only world economic order, but also emergent crises, both human made and natural disasters, that threaten society's longevity. Previously prevalent long-term social disparities and inequities (e.g. Piketty, 2014) are at risk of widening, revealing deeper-rooted social inadequacies among nations and within each country -- resulting in a global crisis of capitalism.

Evolution of people-conscious policies

Distributional policies aside, one aspect of socio-economic resilience may be traced in evolution of people-conscious policies in a capitalist firm setting. Historically, as profit-maximizing firms struggled for market shares, while competing for increasingly skilled workers, a global movement surfaced to provide fair and comparable working conditions, protecting workers and making workplaces more resilient.

One such initiative is care leave: a group of policies that offer time off to provide care for a family member or for self-care (Freiberg, 2019). In 1883, Germany enacted one of the first modern care policies (maternity leave) as part of the enactment of social insurance (Kammerman, 2000). The uptake on maternity leave subsequently spanned the (industrialized) globe and by the early 2000s, most EU member countries and several member countries of the Asian Development Bank exceeded the 14 weeks suggested by the ILO in 1999, with some countries offering multiple years leave (Rodgers et al, 1998).

Care leave is not only addressed by governments; many large companies already utilized maternity leave policies in the 1960s and 1970s in response to gender discrimination and disability laws. Generally, longer absences from the labor market result in wider earnings gaps, most often for women, but the positive health outcomes among women and children under 18 years of age make large scale adoption of care leave desirable (Olivetti and Petrongolo, 2017; Burtle and Bezruchka, 2016).

Employment benefits, including health insurance, paid sick leave, and parental leave, can positively impact the health of the workforce (HP, 2020). In the United States, 70% of civilian

workers and 67% of private industry workers had access to health insurance, while 89% of state and local government employees had access in 2017 (BLS, 2017). More broadly, employers have continued to invest in employee-friendly policies in recent years such as firm-paid child-care assistance, gym memberships, catered lunches, and family support, on top of health and pension plans (SHRM, 2020). Although generous benefits packages in select sectors help employers compete for the top talent, millions of workers became unemployed within a few short weeks during the COVID-19 crisis, effectively losing access to essential benefits.

Broader social policies, such as the United Nations' (UN) Sustainable Development Goals (SDGs), which address decent work and economic growth, are in jeopardy given the gaps in access to worker-friendly policies. It is evident that as workers are forced to choose between their paycheck and their health, as is the case with many low-income occupations, the entire community's well-being suffers.

Health and global development

COVID-19 has also reinforced the axiom that health is a necessity for achieving global sustainable development. Low-income households already face a triple-burden of infectious diseases, non-communicable chronic diseases, and malnutrition: the confluence of which increases health disparities, including premature deaths (Gadhoke and Brenton, 2017). As this discussion suggests, in addition to the state or corporate non-waged goods provisions, public health outcomes are influenced by the places a child is born, grows up, attends school, goes to work, lives in a home, worships, and interacts with others -- commonly referred to as social determinants of health (SDOH). This makes economic growth, health, and medical services integral determinants of sustainable development and, ultimately, of community resilience.

From the landmark trial, the Whitehall Study of British civil servants, social epidemiologist, Sir Michael Marmot informed an understanding of the *social gradient of health*, the phenomenon that describes a steep inverse relationship between income inequality and health for a range of diseases. This *gradient* indicates: people who are the poorest, most disadvantaged are at the greatest risk of preventable diseases, suffering, and premature death and live shorter lives, compared to those who are advantaged (IHE, 2014). Known as the "health gap," evidence of the magnitude differs by countries' economic development and can change over time as a result of changes in socio-cultural, political-economic, and environmental conditions (Marmot, 2015).

Primary health care—essential for human development from birth to adulthood, while fostering a healthy workforce and sustainable development—can be provided through public and private funding and is a necessity to cover prevention, treatment, and management of diseases and chronic conditions. Therefore, having health interventions, beyond the baseline provided by employment benefits, would aid in empowering workers to be in good health.

The way forward...

There will be no lessons learned from the present crisis, unless the interconnectedness between the push for economic growth and the problem of broader sustainable development, with associated fairness in access to healthcare services, become generally accepted in academic and policy environments. As corporate bankruptcies multiply and unemployment surges, millions of workers across industries are increasingly disadvantaged as benefits expire and steady paychecks

disappear. The severity of the current economic and health crisis has been exacerbated by a risk of weakening structures of community resilience, including informal safety-nets, against such shocks.

Building social resilience necessitates a focus on both assets and needs of communities, reinforcing social networks, engagement, and empowerment of individuals as integral members. Attempts to integrate concepts of social responsibility as a target in addition to profit maximization in corporate behavior, may be too recent and timid to take a solid hold as a new business model. It is equally unclear if the metamorphoses of the contemporary capitalist system can double as sufficient conduits for strengthening global social resilience.

In a crisis such as this, is there a need for a stronger institutional actor in ensuring fairness, preventing social and economic devastation, while still providing opportunities for decentralized profit-maximization?

As COVID-19 might lead to a transformed social system, to build a new global resilience, it behooves us now to argue for a well-coordinated multi-sectoral and multi-actor solution with strongest public-private cooperation. The social gradient of health has clear implications for the types of required interdisciplinary actions. Now is the time to focus on pragmatic constructive approaches. In doing so, we can narrow economic and health disparities. The shift is not easy but is a necessary cultural shift to fully embrace a human-centered development approach for the future.

Collectively, these problems bring up broader challenges to sustainable development and institutional change, inevitably shaping new structural resilience in turbulent times and laying the foundation for what comes after.

References

1. Berkes, F. and Ross, H. 2013. Community Resilience: Toward an Integrated Approach. *Society & Natural Resources*, 26(1): 5-20.
2. Bureau of Labor Statistics. (BLS). 2017. News Release, 2017. Available from: https://www.bls.gov/news.release/archives/ebs2_07212017.pdf
3. Community & Regional Resilience Institute. (CARRI). 2013. Building resilience in America's communities: Observations and implications of the CRS pilots (A CARRI report). Oak Ridge, TN: Author. Retrieved from <http://www.resilientus.org/wp-content/uploads/2013/05/CRSFinal-Report.pdf>
4. Freiberg, T. 2019. Effects of Care Leave and Family Social Policy: Spotlight on the United States. *American Journal of Economics and Sociology*, 78(4): 1009-1037.
5. Gadhoke P, and B. Brenton. 2017. Food insecurity and health disparity synergisms: Reframing the praxic of anthropology and public health for displaced populations in the United States. Michele L. Companion and Miriam S. Chaiken (Eds.). In *Responses to disasters and climate change: Understanding vulnerability and fostering resilience*, pp. 129-138. Boca Raton, FL: CRC Press.

6. Gevorkyan, A.V. 2020. We need to adapt past experience to the present situation, Financial Times, April 21, 2020. Available online: <https://www.ft.com/content/ab05b430-82f1-11ea-b555-37a289098206>
7. Institute of Health Equity. (IHE). 2014. Social Gradient. <http://www.instituteofhealthequity.org/in-the-news/articles-by-the-institute-team-/social-gradient>
8. Kamerman, S.B. 2000. Early Childhood Education and Care: An Overview of Developments in the OECD countries. *International Journal of Educational Research*. 33(1): 2000.
9. Healthy People 2020. (HP). 2020. Employment. <https://www.healthypeople.gov/2020/topics-objectives/topic/social-determinants-health/interventions-resources/employment>
10. Marmot, M. 2015. *The Health Gap. The Challenge of an Unequal World*. New York, NY: Bloomsbury Publishing.
11. Olivetti, C. and B. Petrongolo. 2017. The Economic Consequences of Family Policies: Lessons from a Century of Legislation in High-Income Countries. *Journal of Economic Perspectives*, 31(1): 205–230.
12. Piketty, T. 2014. *Capital in the Twenty-First Century*. Cambridge, MA: Belknap Press.
13. Rodgers, Y., Nataraj, S. and J. Zveglic. 1998. Protecting Female Workers in Industrializing Countries. *International Review of Comparative Public Policy*, 10: 197–221.
14. Society for Human Resource Management. (SHRM). 2020. *2019 Employee Benefits Survey*. Available online <https://www.shrm.org/hr-today/trends-and-forecasting/research-and-surveys/Pages/default.aspx>