

Opinion **Coronavirus**

Covid-19 is resetting the way we talk about the economy

The twin crises of climate change and the pandemic provide an opportunity to transform thinking

WENDY CARLIN



Wendy Carlin says that like the Depression, the pandemic will change how people discuss their livelihoods and futures © FT montage

Wendy Carlin 2 HOURS AGO

This article is a part of [a series](#) in which the Financial Times asks leading commentators and policymakers what to expect from a post-Covid-19 future

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Like the Depression and the second world war, the Covid-19 pandemic will change how we talk about the economy and public policy. This will be true not only in seminars and policy think-tanks but also in the vernacular with which people discuss their livelihoods and futures.

One result will be a leftward shift on the one-dimensional government-versus-markets continuum of policy alternatives. A more fundamental consequence would be a rethinking of that anachronistic dichotomy to include approaches drawing on values beyond compliance with government and individual gain.

There are precedents for this scale of change. After the Depression, US president Franklin D Roosevelt stated that “[heedless self-interest is . . . bad economics](#)” and that “[freedom from want](#)” was one of four goals shaping policy. Ideas that were controversial a decade earlier — that economies left to themselves can wreak havoc on people’s lives and that governments can advance the public good — became commonplace.

But as the memories of that era faded, along with the social solidarity and confidence in collective action it had fostered, another idea took over, summed up by British prime minister Margaret Thatcher, “There is no such thing as society”, and those slogans of the era: “You get what you pay for” and, “Government is just another special interest group.”

The way we talk about the economy limits the political rhetoric that shapes public policy. We now have another opportunity for a fundamental shift in the vernacular. Covid-19 along with climate change could be the driving forces of our age to transform economic thinking, policy and the choices people make.

The battle to control the narrative is already under way. But snapshots of the unfolding pandemic explain why the struggle need not rehearse the government-versus-market battle. As of April 20, [more than 500,000](#) South Koreans have been tested for the virus, a level that would have been impossible to enforce on a recalcitrant citizenry. In the UK, the health secretary asked on March 24 for 250,000 volunteers to assist the National Health Service. Recruitment was temporarily halted five days later so that the [initial 750,000 applications](#) could be processed.

The narrative that emerges after the pandemic will have to embrace three truths. First, there is no way that government, however organised and professional, can address such challenges without a civic-minded citizenry that trusts public health advice and is committed to the rule of law.

Second, people facing great risk and cost have acted with extraordinary generosity and trust. The model of the economic actor as amoral and self-centred will finally need to be updated.

Another snapshot is cause for alarm: attacks on people of [Asian descent are mounting](#). A third truth must be faced: people may care about others in negative as well as positive ways. This frightening upsurge of xenophobia is a warning.

The economic pandemic of the 1930s (massive unemployment and insecurity) was beaten by new rules of the game that delivered immediate benefits. Unemployment insurance, a larger role for government spending and, in many countries, trade union engagement in wage-setting and new technology all resonated with the analytics and the ethics of a new understanding of the economy. For decades, the shared prosperity of the “golden age of capitalism” made this idea difficult to dislodge.

We may now see a similar symbiosis between a new way of thinking about the economy and new policies and institutions to tackle climate change and guard against future pandemics. A first step will be to reject the fiction that a liveable future can be driven solely by self-interest. We need to cultivate and empower the civic virtues that underpin many successes in battling Covid-19.

Open societies are understandably reluctant to favour certain values over others. But we are coming to realise that we have little choice. We face ethical conundrums daily — from grading students who are learning remotely with differential patchy internet connections, to triaging access to ventilators. Compliance with lockdown regulations will fray as they unfairly penalise those who are unable to work from home and are required to expose themselves either to infection or loss of their livelihood.

The result has been to make ethical considerations unavoidable, especially those of fairness and solidarity among strangers — values as relevant to the climate crisis as to pandemics. If we embrace the intrusion of moral language into our daily conversations, however uncomfortable, it will enrich our economic vernacular and aid both private and public decision-making as we prepare for a sustainable future.