

## COVID-19 AND CHALLENGES TO ECONOMIC MODELS AND POLITICAL REGIMES

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### ABSTRACT

#### Keywords

Covid-19,  
Capitalism,  
Socialism,  
Democracy,  
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Economic Growth,  
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Crisis, South Asia,  
Lockdown 2020.

The Covid-19 pandemic has unfolded at a time when different countries with different economic & political structures were moving towards their already set challenging goals. The vast hit of the pandemic not only left major advanced economies unconscious of the solution but also obliterated the very pace of developing nations. The decisive parameter in dealing with the contagion has irrefutably been the different forms of economies and regimes. This essay is divided into three parts. In first, we thoroughly discuss the effect of the contagion on capitalistic and socialistic economies distinctly. In second, we estimate and analyze the effects of Lockdown 2020 on the South Asian Countries' economy and compare the Lockdown 2020 economic crisis with the Global Financial Crisis of 2008. Along the same lines, we also estimate, analyze, and discuss the current and future economic trends in South Asian countries during Lockdown 2020. Moreover, this essay also unfolds the preparedness and reaction of different economies and critically analyze the remedial measures such as bailout packages, taken by various developed and developing countries to minimize the economic toll due to covid-19 pandemic. However, in the third section, we critically evaluate the relationship between the Coronavirus and different regimes and the responses of different governances specifically, democratic, and authoritarian to the covid-19 pandemic.

## COVID-19 VE EKONOMİK MODELLERE VE SİYASİ REJİMLERE KARŞI ZORLUKLAR

### ÖZ

#### Anahtar Kelimeler

Covid-19,  
Kapitalizm,  
Sosyalizm,  
Demokrasi,  
Otoriterlik,  
Ekonomik Büyüme,  
Küresel Mali Kriz,  
Güney Asya  
Kilitlenme 2020.

Covid-19 salgını, farklı ekonomik ve siyasi yapılara sahip farklı ülkelerin zaten belirlenmiş zorlu hedeflerine doğru ilerlediği bir dönemde ortaya çıktı. Salgının büyük darbesi sadece büyük gelişmiş ekonomileri çözüm konusunda bilinçsiz bırakmakla kalmadı, aynı zamanda gelişmekte olan ülkelerin hızını da yok etti. Bulaşıcılıkla başa çıkmada belirleyici parametre, ekonomilerin ve rejimlerin farklı biçimleri olmuştur. Bu makale üç bölüme ayrılmıştır. İlk olarak, bulaşıcılığın kapitalist ve sosyalist ekonomiler üzerindeki etkisini açıkça tartışıyoruz. İkinci olarak, Lockdown 2020'nin Güney Asya Ülkeleri ekonomisi üzerindeki etkilerini tahmin ediyor ve analiz ediyor ve Lockdown 2020 ekonomik krizini 2008 Küresel Finansal Krizi ile karşılaştırıyoruz. Aynı hatlar boyunca, Lockdown 2020 sırasında Güney Asya ülkelerindeki mevcut ve gelecekteki ekonomik eğilimleri de tahmin ediyor, analiz ediyor ve tartışıyoruz. Dahası, bu makale aynı zamanda farklı ekonomilerin hazırlığını ve tepkisini ortaya çıkarmak ve covid-19 salgını nedeniyle ekonomik bedeli en aza indirmek için çeşitli gelişmiş ve gelişmekte olan ülkeler tarafından alınan kurtarma paketleri gibi iyileştirici önlemleri eleştirel bir şekilde analiz ediyor. Bununla birlikte, üçüncü bölümde, Koronavirüs ve farklı rejimler arasındaki ilişkiyi ve farklı yönetimlerin covid-19 salgınına özellikle, demokratik ve otoriter tepkilerini eleştirel olarak değerlendiriyoruz.

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## 1. INTRODUCTION

How did countries with different economies and political structures respond to Covid-19? What helped them to endure the cascading effect of the contagion?

If we look at the bigger picture then, the tryst with pandemic started with just one case of a novel coronavirus reported first in Wuhan, China. The contagion's massive outbreak, which could not be limited to just Wuhan, spread globally, resulting in 61,299,371 confirmed cases and around 1,439,784 deaths as that of November 28, 2020 (WHO, 2020). However, the origin story of this pandemic is still a moot concern and scientists across the globe still struggling to reach the root cause i.e., from which species it has passed on to human beings? In the absence of substantial proof and when ordinary masses are coming up only with hypotheses then, it will be portentous to only highlight the Coronavirus' challenges to the various Dynamics of the world. Also, if we look at the status quo of the pandemic, we will observe that every country did not get affected equally and this contagion has affected every possible country more or less than China itself- the place indigenous to Covid-19.

Our work deals with multiple subjects simultaneously which are social, economic and political therefore, we have split our work into three stages. In first, we regress the negative effects of contagion on different economies and from the pieces of evidence, we argue that the belief in capitalism has weakened during the pandemic and this is the reason why many countries are shifting towards inclusive strategies or courageously stating "socialistic measures" rather than what they had been propagating for decades. In the second stage, we have elucidated the challenges posed before economies and we have concluded by comparing this contagion with many other economic crises and have assumed that if we look at the post-pandemic aftermath from the lens of economic situations then, it will show us the familiar picture as that of nuclear catastrophe. The third stage of our analysis primarily focuses on the relationship between different regimes and pandemic, in which we include the dynamic measures and the speed and strength of authoritarian and democratic regimes. Besides, we have also highlighted how major democracies are using this contagion as a tool to double down the autocracy and gradually we conclude that why it is not either Authoritarianism or Democracy but a concoction of both which will help us sail through these unprecedented times.

## 2. MODEL OR THE APPROACH: A TUSSELE BETWEEN CAPITALISTIC & SOCIALISTIC MODEL.

The subjugation of Coronavirus' effect leads to the tussle between progressive and normative economic models which directly pose a threat to their structure.

China having an *alleged* socialist market economy did comparatively well during this pandemic. With the regulation of the economy in the form of a public-private partnership, China managed to arrange numerous hotels and other related services in the quick time interval for quarantining coronavirus affected patients. These factors helped China to fight such a crisis and set an example of how the pandemic could be managed, partially if not fully. This method handling of pandemic soon propagated to other Asian countries and reached western countries where the demand for free and quick treatment including other social securities, gained popularity. Contrary to the ideology which people in the west always believed in and propagated throughout their lives i.e., capitalism, *wanted their lives to be privatized but now they want their deaths to be socialized*. This defection of people from the capitalistic model to the socialistic model, scuffles people to be at which side?

The US government which always believed and propagated capitalism which promotes a life of security' and "a promised career" if one worked hard enough, got exposed by this pandemic. Weeks ago, before COVID-19 arrived in the US no one had thought that situations will escalate that quickly and everything including economy, life, livelihoods will go downhill, and that Americans will be rooting for methods adopted by smaller countries and their poor and rudimentary systems (which they previously called it) as ways of coping up? The people, who advocated Capitalism, now want their government to take control of the health sector and want their hospitals to be nationalized. Such demands were roused because of the losing credibility of corporations and private healthcare systems which feed on money and priorities profits over life. The bafflement from the hands of policymakers and corporations masquerading as experts led the Covid-19 turn into a pandemic or a complete disaster.

Moreover, when the licenses were given to profit-hungry big corporations for making health equipment like the PPE kits, the masks, and the ventilators, it was crystal clear that the treatment for COVID-19 is going to burden the masses. Corporations like General Motors and Victoria Secret got contracts to make ventilators and masks

respectively, exposing the mediocrity of politicians' foresightedness that often amalgamate corporate success with expertness. Covid-19 for sure is lethal but what makes it even more fatal, is the way it was handled and the previously existing broken healthcare systems. Those who are already suffering from diseases such as heart problems, asthma, weak lungs, or lower levels of immunity are more exposed to this virus and face a larger threat, which could have been avoided if there existed a universal health care system or an efficient and affordable health care system previously. So, if the population were relatively healthier than it is now, the fatality rate of Covid-19 could have been minimized. In simpler terms, more lives and livelihoods could have been saved. In view with the disaster capitalism, Covid-19 is a disaster if it arrives in a country which houses unhealthy, poverty-ridden, badly undernourished, with lower levels of social security etc. which explains that the existing system is more responsible for the death caused than the virus itself. Covid-19 has prodigiously exposed the unpreparedness of the capitalist system in handling a pandemic (Adams, 2020). Considering such situations, disaster capitalism as explained by (Klein, 2007) about how during economic crises certain individuals and interest groups from seemingly attractive policies which further worsen the prevailing economic inequality and sabotage civil rights and threaten democracy and social justice. The COVID-19 pandemic has seen such policies being formed by politicians across the world which undermines civil rights and abolishes regulations. Moreover, surveillance capitalism explains the game of data collection of a larger section of populations through various means and later uses it to study the behavioral pattern of that population at large and correlates it to consumer behavior which further serves the interests of neoliberal capitalism. During Covid-19 formation of various medical apps wherein an individual has to put up his personal details and his travel details, his health status, which were made mandatory by the governments to avail the daily course of public and private health and other services, have robbed an individual of his privacy, also the data collected could be used to by to study consumer behavior during a pandemic, which will further benefit big pharmaceutical companies etc. and will make them participate in the supply chain of the market, of which the particular individual has no clue about. Arogya Setu App in India, Hayat Eve Sığar in Turkey, NHS Covid-19 in UK and COVID-Warn-App in Germany are some official applications released by their governments even after facing the significant level of criticism for its privacy concerns and data protection effects (Cosgrove, Karter, Morrill, & McGinley, 2020).

The social democracy has suffered more from the failures of neo-liberalism, when left incompetent in providing suitable alternatives, the onus shifted towards the right which also could not deliver as promised. Just a few years ago socialism was a profane word almost all over the world but with the horrid repercussions of disaster capitalism, it now offers an alternative system with inclusive and sustainable future, it also gives a new start to the dull political and economic sphere by providing alternative answers to a horrendous pandemic and towering ecological blunders. Besides, it also promises healthy life and social security and priorities life over profits. (Faneli & Whiteside, 2020)

As they say, when a crisis prevails everyone is a socialist- even the Trump administration considered giving \$1200 to every adult citizen of America. Trillions of dollars will be given to bail out the citizens who lost their works and jobs as well as to bail out rich corporations- where the latter gets described as “enforced socialism for the rich” like that happened in the 2008 financial crisis when big banks got bailed out from taxpayers’ money. (Žižek, 2020)

The United States with its income support to adult citizens, is a silver lining in this turmoil situations but it still requires structural changes in its system where it can protect its citizens in future as well and provide them with social security and strengthen cuddler capitalism. Also, Europe has the opportunity to turn the pandemic into its people’s favor by maintaining the balance between innovation and social security for future years (Faneli & Whiteside, 2020)

Albert Einstein the modern-day greatest scientist- who was a socialist, regarded that “through the establishment of a socialist economy, accompanied by an educational system which would be oriented toward social goals” society’s ‘grave evils’ could be eliminated”. As we are in this pandemic suffering together, we must, therefore, rise together in a sustainable world through a natural concept of solidarity- i.e. socialism. In particular, Cuba with its impeccable track record in providing international solidarity actions during the crisis helped around 37 countries in their fight against the pandemic.

We never know when such pandemic arrives next in future and socialist health care system which places life above profits would help society survive better, since private hospitals with profit motives can’t grapple such pandemics, hence it is the need of the hour to rollback all such policies which see healthcare as a profit-oriented business,

and no matter if scholars contend that the nationalization of hospitals is an old-school concept but it is definitely proving to be a good move so far.

The exemplary socialistic move could be seen in Denmark, where to curb the economic burden of the masses, the government announced to “cover 75% of the salaries of employees paid on a monthly basis who would otherwise have been fired, with companies paying the remaining amount. For hourly workers covered by the agreement, the government will cover 90% of their wages” (Collington, 2020). For the same duration, the government of the UK “would pay grants covering up to 80% of the salary of workers if companies kept them on their payroll, rather than lay them off as the economy crashes”.

The socialistic measures adopted all over the world are definitely providing instant and interim relief to the people and these measures are getting recognition of the experts and economists all over the world, but the onus now lies on the strategies adopted by socialists to put forth socialism as an efficient alternative in front of capitalism, particularly in minds of the public. Now when the capitalist system is being perceived as a “brooder of pandemics”, spreading socialism into the mainstream is a pragmatic as well as can be a well-timed step. Muldoon, a British political expert predicted that “coronavirus might make socialists of us all. In fact, capitalists underscore that “the Covid-19 crisis is a chance to do capitalism differently” (Michael & Juan, 2020).

### 3. ECONOMIC AFTERMATHS

As the world is struggling with the coronavirus, the economic impact is mounting. The reason being is, non-availability of vaccines and remedies, and therefore, social distancing and lockdown are the only ways which are helping to *flatten the curve of increasing cases.*, not ignoring the fact that it has reached over 61.29 million confirmed cases and over 1.43 million deaths globally. When every country was grappling every day to achieve economic goals and to stand out at global level, little did they gave thought to a sudden pandemic like coronavirus, which has brought not only China’s economy but the entire global economy at halt. A particularly worrying feature of this pandemic is the misery suffered by human and economic devastation that will create havoc in developing economies where informal sectors comprise of one-third of the GDP and employ over 70% of the population. Also, after the warning statements by Organization for Economic Co-operation and Development issued on 23<sup>rd</sup> March 2020 which says “the shock from



this virus is bigger than that of financial crisis 2008-09”, economists are envisaging it as one of the worst economic recessions (BBC, 2020)

### 3 (a). COMPARISON OF COVID-19 LOCKDOWN WITH GLOBAL FINANCIAL CRISIS 2008 (GFC 2008)

The blow to the world economy due to pandemic or Lockdown 2020 was quicker and brutal when compared to the Global Financial Crisis (GFC) 2008. In 2008 GFC increased global unemployment by 22 million at the rate of 10.2% in October 2009 (BLS, 2012). However, amid the coronavirus pandemic, several countries were admonished by the health experts to close down every public place which includes- Shops, Malls, Schools, Colleges, Stadiums, Pubs, Bars, Gyms, Industrial Units, and Factories etc. to “flatten the curve” of the Covid-19. This stringent measure i.e., Lockdown meant the quarantining of millions of citizens inside their homes for months and closing down various businesses which ceased almost all socio-economic activities. "In 2008-09 we had a demand shock, and inventories build. This [current crisis] looks likely to have a bigger impact, partly because there is a lot of uncertainty still around and partly because it is both a demand and supply story," according to Philip Jones-Lux, energy market analyst at JBC Energy (DW, 2020).

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To substantiate the abovementioned contention, we have relied on tables attached below which shows the impact of the Global Financial Crisis and Covid-19 Lockdowns on Gross Domestic Product annual percent change. **Table 1** shows that Global real GDP as annual percent change due to GFC (2008) which fell to -2.17%, with almost every major country seeing negative GDP growth rate, except for two South Asian giants of the supply chain i.e., India and China which grew positively and hugely around at 5.6% and 8.3% respectively. **Table 2** shows that the Global real GDP as annual percent change due to Covid-19 Lockdowns 2020 saw huge fall due to supply chain disruptions and subdued consumption as well as investment demand, to -5.2%, with almost every country growing negatively except China which is growing positively but at a significantly marginal rate of 1% than it was projected before the pandemic arrived.

The difference, however, in both the cases is that, during GFC (2008) the supply chain giants viz a viz China and India were not affected by it and the supply chain remained significantly intact. Whereas according to the chart, the average growth of India and China together is -1.1%, which is highly significant and has broken global supply

chain, and the mounting uncertainties about the end of the pandemic, lowered the global consumer demand, globally people began to save and meanwhile, every penny that was saved, was being prevented from investing- causing a halt in the global economic activities which lead to a stagnant world economy for quite a long time. Hence, the global recession due to Lockdown 2020 is highly shocking and will take more years to recover as compared to GFC (2008).

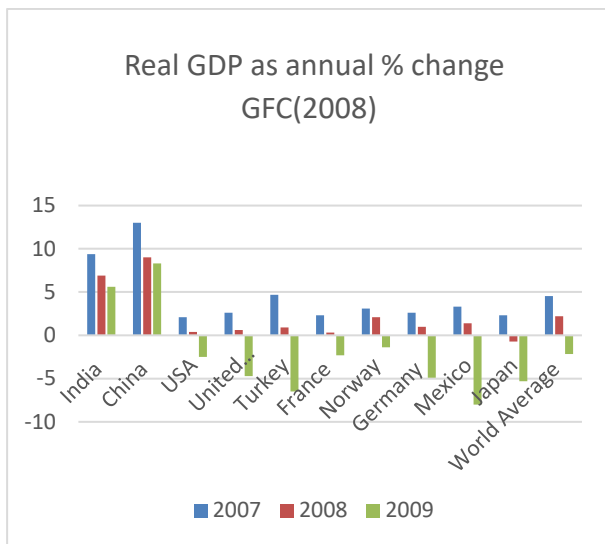


Table 1

(OECD, 2010)

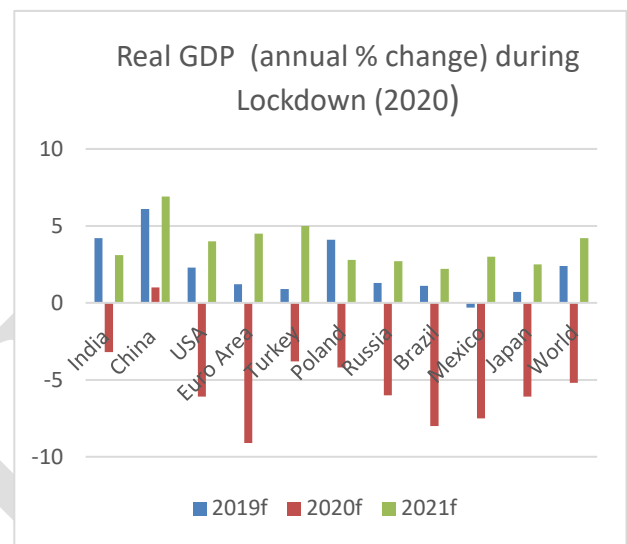


Table 2

(World Bank, 2020)

### 3 (b). Lockdown 2020 and Economic Status of South Asia.

South Asia, the Supply Chain capital of the world, was well affected by the pandemic lockdowns. GDP, Consumer Demand, government expenditures, and inflation rates etc. were all in tantrums. The table above clearly shows that South Asian countries are badly hit by the Lockdowns 2020 and the inappropriate handling of the Crises by the policymakers. The sudden disruptions in the supply chain and a huge fall in global trade worsened economic stats of these countries which were highly dependent on foreign trade.



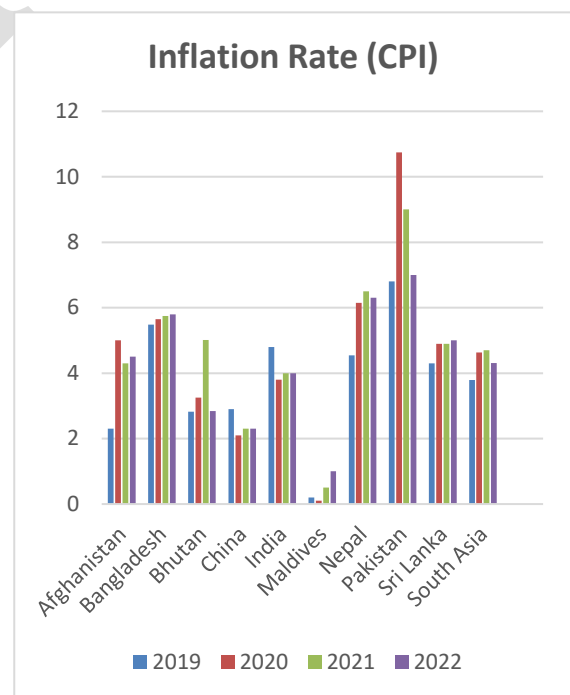
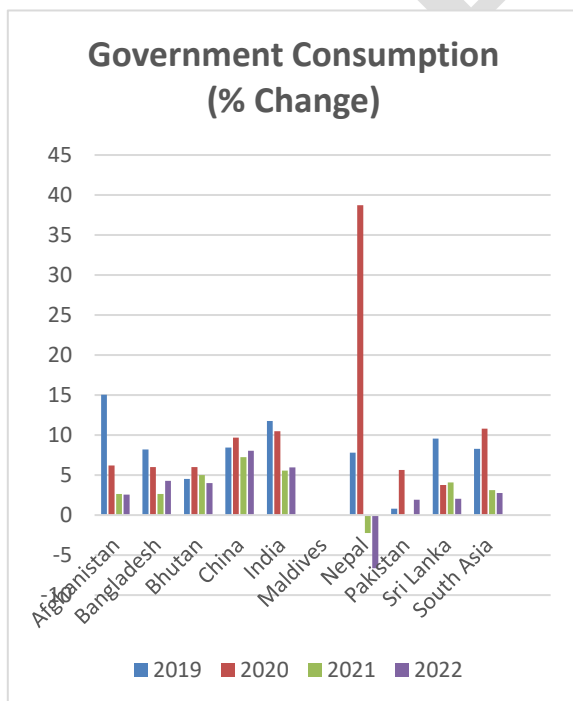
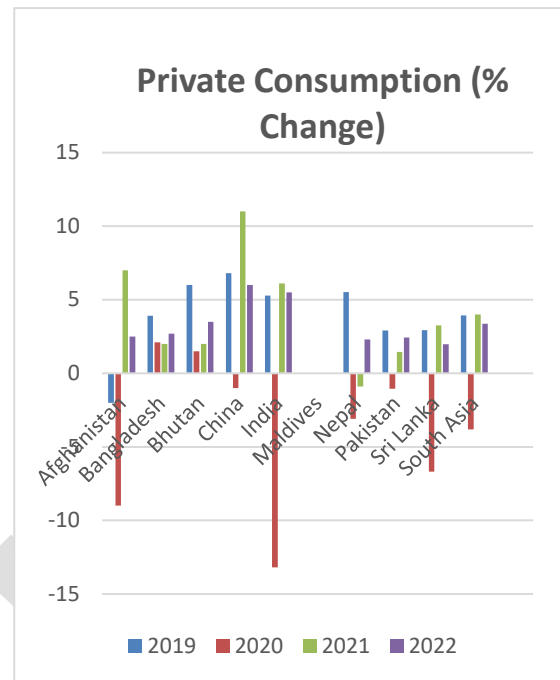
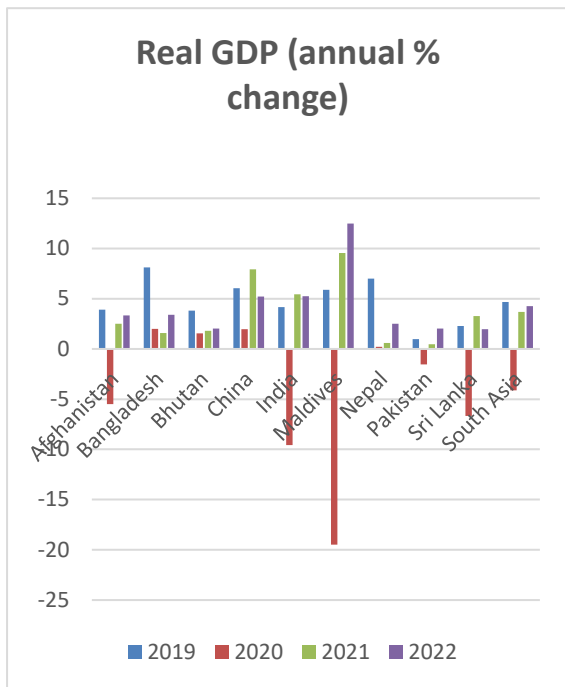


Table 3, 4 5 and 6 Source: (MPO, 2020)

**Table 3** shows that five out of nine countries which includes India as well, will see the GDP growth rate in negatives and South Asia as a whole will grow at -4.11% in the year 2020. India's GDP rate will go as below as -9.57% while of the Maldives which is mostly dependent on the tourism sector, the GDP rate is expected to come down to -19.47%, in the year 2020. The only positive in 2020 GDP growth rates of south Asian countries was that the global supply chain leader China which is to grow at 1.97%, was quick to respond to the pandemic (the latter part of this manuscript talks about the factors behind the same) and therefore could successfully restart the economic activities in a short period. In a nutshell, the future projections are considered positive overall.

**Table 4** shows one of the most important economic indicators of a developing country i.e., private consumption, which declined massively due to income shocks, job losses, and excessive savings due to lesser confidence in future economic conditions in the year 2020. In 2020 alone, the private consumption rate of South Asia declined to -3.8%. India, particularly, has had the steepest fall in the private consumption growth rate of -13.2% due to stringent countrywide lockdowns and permanent closing down of its informal sector which is over 90%. However, the future projections are positive.

Table 5 shows the government expenditure percent change, in south Asian countries which are 10.81% in 2020, was significantly high, as compared to the year 2019 when it was 8.26%. During lockdown 2020, Nepal was the highest jump in its government consumption from 7.8% in 2019 to 38.7% in 2020.

Table 6 shows the inflation rate. With supply shocks but at the same time lowering consumer demand due to income constraints and unavailability of goods and services, the rate of inflation was significantly affected due to pandemic in South Asian. Since the prices of goods increased to 4.6% in 2020 from 3.7% in 2019 in South Asian. But on a positive note, the inflation rate in key supply chain players like India and China got lowered from 4.8% and 2.9% in the year 2019 to 3.8% and 2.1% in the year 2020, respectively. This was due to excessive supply in both these countries.

### **3 (c) PANDEMIC, POLICY MAKERS AND PUNDITS**

In this catastrophic times, similarly severe financial and macroeconomic outcomes have emerged in the very short term and this is why it is important to know the ways

which reflect how coronavirus is sending economic ripples across many sectors and around the world? This is not just a health emergency but an aberration in economic and political systems as well. This pandemic is the amalgamation of so many "unforeseen circumstances" which has exposed our preparedness to overcome such disaster to a different level. Political leaders all around the world have been adamant in their approach in dealing with such a crisis and have abstained themselves from admonitory ideas of the experts which could have ameliorated the situation if not completely vanish it. American President Donald Trump and Brazilian President Jair Bolsonaro appeared very naïve and demurred in their remarks and approach towards handling the situation and Mr. Trump even refused to wear the mask until recently after Mr. Jair tested positive. The negligence at the governing level has been costing thousands of lives and billions of worth of economic properties- five years of economic growth in the US alone (Casselman, 2020) and hence, exacerbating the situation even more harshly.

This can be termed as the Great Deliberate Economic Ceases in the history of the economic world.

### **3 (d). PANDEMIC AND PACKAGES**

In a first, to give life to dying economy and to lift the consumer demand, officials must consider groundbreaking actions to provide direct income support to low paid workers while credit support and tax exemptions to small business owners. When the governments are coming up with unprecedented initiatives to keep things balanced not caring about the deficit it undergoes, it still simmers the hope of bringing the economy back to the square one, as soon as possible.

In a historic move, Trump administration announced \$2 trillion rescue package which was hailed as the largest bailout package in American history (BBC, 2020) and European Union leaders announced a total €750 billion COVID-19 recovery deal to collectively ameliorate the crises wherein, all 27 countries combined will borrow and spend around €250bn in loans and €500bn in grants respectively (The Economist, 2020) whereas the Indian government has announced 20 lakh crore INR (\$307.6 billion PPP) package to reduce the socio-economic shocks of the pandemic (The Economic Times, 2020). But the government should not exceed the limits of expectations, the way G-20 policymakers predicted 'V-shaped' recovery, with a direct fall and followed by a quick surge in growth, is the highly optimistic and vehemently speaking *absurd* thinking, and

"It's going to be more in the best of cases like a 'U' with a long trench in the bottom before it gets to the recovery period. We can avoid it looking like an 'L' if we take the right decisions today." remarked the head of the OECD, Mr. Gurria (Chan, 2020).

Now when the governments all across the world were launching humongous recovery package to save the economy in general and to maintain the consumption demand and supply chain in particular then a new study done by Atif Mian from Princeton University, Ludwig Straub from Harvard University and Amir Sufi from the University of Chicago has shown that these stimuli will deepen inequality. This is mainly because stimulus packages make economies more indebted because of the deficit these packages create in the economy. The study also showed that public, as well as private liability, the stimulus packages and low-interest rates, create, shifts income to big investors who possess the debt, which lowers demand and interest rates even sharply. Now to escape this trap the authors have suggested "less standard macroeconomic policies, such as those focused on redistribution or those reducing the structural sources of high inequality."

As they say, a crisis is the best time to overhaul a system and therefore there is a growing debate that well-protected labour markets, with established laws and by strengthening unions can give workforces a higher level of bargaining power without further worrying about the redistribution. Also, Covid-19 has allowed governments to put out new dawn for finance with higher-level innovation opportunities, cashless and digital economy, and low-cost financial intermediations. It is clear, that the current economic system is in tantrums and a more clear and sustainable system is on its way (The Economist, 2020)

#### **4. CHALLENGES TO POLITICAL FRAMEWORK**

Below we have evaluated the challenges faced by different political regimes all over the world.

##### **4(a). PANDEMIC MEETS REGIMES**

The contagion which has touched every possible country with different forms of the socio-political structure has challenged countries to set out a global perception by combating the virus effectively. The response of the states has varied in terms of speed and strength worldwide, about government's ideology, as Cas Mudde unequivocally wrote that the response to the contagion by the populist & non-populist countries is neither

same nor unitary (Mudde, 2020). But the responsiveness of the various governments has inevitably reignited the already heated debate of two contrasting forms of governance viz. Authoritarianism & Democracy. The reason behind it, is varying *modus operandi* of different types of governments at handling the crisis.

While it is comparatively easier to contemplate what characteristics bring a fruitful pandemic response, it is difficult to work out whether any specific policy is more authoritarian or democratic. For example, South Korea deployed extensive digital surveillance technologies (Jo, 2020) like it combined the monetary cards, CCTV, and GPS detection data of infected people, and then published the results to track down feasible contacts, feel undemocratic to the people in the West. Still, mass tracking and quarantine have felicitated some countries to avoid the incessant forced lockdowns and military patrols that make liberal countries feel as if their movement has been curtailed.

The rigorous actions undertaken by China in tackling pandemic are an undoubtedly strong case for authoritarianism and even WHO has termed its forceful lockdown as “perhaps the most ambitious, agile and aggressive disease containment in history” (Kuo, 2020). Considering China’s tough measures, the *Washington Post* reported under the headline “China’s coronavirus lockdown—brought to you by authoritarianism.” China has also managed to carry out privacy-intrusive measures like Contact tracing with less or no objection from the citizen’s side. On the other hand, such surveillances and data collection technologies have actively been scrutinized by people belonging to democratic nations. The pluralistic nature of democracy tends to make the policy process slow. Lack of transparency had unquestionably been a major drawback of the maneuver of the authoritarian regime and has indeed not delayed decisive measures to curb the spread. With the absence of checks and the lack of public discourse, the policy process can be implemented faster (Li, 2009). Also, China has a highly collectivist culture that made the enforcement of mobility restrictions easier with a rather obedient population, which further leads to the debate between collectivism & Individualism. Another complementary hypothesis is that some cultures compel people to be obedient than others, prompting them to follow more strict lockdown strategies. For example, several studies have corroborated the argument that people belonging to the west especially Europeans and their cultural progeny in North America and Australia stand out as being specifically individualistic and liberal while revealing less adherence, compliance, crew

loyalty (Frey, Chen, & Presidente, 2020). Individualistic countries seem to have a propulsive advantage encouraging higher economic development by rewarding with the social status award for non-compliance and innovation (Gorodnichenko & Roland, 2011), and bring out more patents for inventions (Gorodnichenko & Roland, 2017). The opposite side of an individualistic culture is that it makes collective behaviour gruelling (Gorodnichenko & Roland, 2015), such mounting as a coordinated action to a pandemic. The reason behind it could be the individualistic cultural characteristics which are related to negative attitudes towards government involvement (Pitlik & Rode, 2017). Though it is important to note that, to contain the spread of Covid-19, not only co-ordination as seen in the collectivist countries but also innovative and dynamic measures of individualistic ones, will be required. And to survive this pandemic, there is no doubt that various democracies have shifted from the individualistic model to rather a flexible model that promotes the emergence of a collectivist community.

#### **4 (b). DOUBLING DOWN THE AUTOCRACY**

The social distancing measures that have cut the spread of the contagion thus far are a threat to the liberal democratic norms of the contemporary world. In a nutshell, the control of citizens has been a key to control the disease. Apparently, the irony of this contagion is the very methods which liberal democracies are using to fight the virus are similar to the tactics that authoritarian leaders use to dominate their people. (Wang, 2020)

As this contagion brings the world to a doddering halt and concerned citizens demand action, leaders around the world are using demagoguery powers and grabbing virtually dictatorial authority with negligible hostility. (Gebrekidan, 2020) Globally, it is evident that many democratic, as well as authoritarian states, are taking advantage of the contagion to further obliterate “checks and balances” and gradually destroy the process of accountability thereby establishing their stature of power. For instance, in Hungary, a new law allows the prime minister to rule by decree incessantly, without any parliamentary watchdog. Similarly, in the Philippines, the parliament passed a new law which grants President Rodrigo Duterte almost unlimited emergency powers. Besides, in Cambodia, a new draft law for a national emergency would entrench the government with boundless access to martial control while substantially restricting citizens’ political rights. Similarly, under the guise of stopping misinformation about the COVID -19 and its spread,



various governments restricted treasured rights such as freedom of expression. Like the Chinese government who detained journalists on the ground for reporting about the outbreak. Similarly, in world's largest democracy i.e., INDIA, an FIR was filed against a journalist who reported the challenges faced by people in one of the villages of India's northern state Uttar Pradesh during unprecedented Covid-19 lockdowns. Evidently, leaders around the world have behaved more harshly and brought such legislation simply to expand the ambit of their power. The moot point, however, is, Will they ever relinquish them? As the historical evidence suggests that the Governments have never hesitated to go ultra vires during the times of any crisis, to expand the horizon of their executive powers and restrict individual rights and liberty. Ironically, these actions of any form of government are just the tip of an iceberg of autocracy. And during the pandemic, the citizens who belong to democratic nations feel as if they are staking freedom to protect themselves from the virus. The balance between guaranteed rights of the individual and mode of curbing the contagion is working as Quid Pro Quo i.e., something for something. Even if we assume that democratic nations are not completely heading towards authoritarianism, but a post-pandemic world could be less democratic than its previous version because the tools that have been temporarily used in the fight against a once-in-a-lifetime disease may become long-lasting. What worse is that the outlook for the human rights condition in authoritarian regimes is even more blurred. There is no doubt that this pandemic will eventually abate, but the governments' clever use of demagoguery language for expansion of power may be one of the pandemic's most durable after effect. (Roth, 2020).

## 5. CONCLUSION

The bad news is that the COVID-19 crisis is exacerbating the tussle between socialism and capitalism and the result could be if vehemently estimating, a decisive global shift towards the socialistic model in parts if not full and the good news is that we can utilize this current situation of a health crisis to build a more comprehensive and sustainable economy. The concern should not be to prolong or restrict government support but to shape it appropriately.

The lockdown 2020 has severely affected the different economies in the more or less same manner and the GDP, Private Consumption, Private and Government Investment, Inflation rates are all in tantrums in all parts of the world including South

Asian nations which house key players of the global supply chain. The comparison of Covid-19 crisis with Global Financial Crisis reveals that economic toll compiled with human death and miseries the pandemic brought with, makes it more gruesome and deadly and, therefore, the future economic trends are in bad shape and will take time to come back to what they were before the pandemic.

Also, amid this pandemic when the line of classifying government into various types has got blurred, every form of government has twinned with authoritarianism which has, therefore, aggravated democratic lapse & authoritarian consolidation. The important thing to note is that this contagion may not only restructure the important worldwide debate about the relative functioning of authoritarian and democratic governance but also doubts the very existence of progressive political ideologies and theories. And at this time, it is difficult to contemplate who is right and how? Because it will be too naive to conclude which political system will be more effective at handling the crisis. We have seen authoritarian regimes like Singapore, Vietnam who have done great so far and on the other hand like Iran who has done poorly. Talking about democracies, the countries who have done well so far are Taiwan and South Korea and others like Italy, India and the US who have not. The decisive component is not only type of regimes but also lessons learned from past health emergencies and a country's levels of financial capacity, etc. which play a crucial role in concluding the quality of responses so far. Apparently, when authoritarians have overshadowed major democracies across the globe with their innate abilities to take stringent measures which have therefore helped in curbing the spread of Covid-19, the concern to curb the spread is greater than the concern for a democratic recession because to survive this pandemic, we need to have a hybrid state and there is no doubt why democracies have shifted to a rather flexible model i.e., concoction of authoritarianism and democracy.

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