

A lesson from history

“At the time, there were no effective drugs or vaccines to treat this killer flu strain. Citizens were ordered to wear masks, schools, theaters, and businesses were shuttered and bodies piled up in makeshift morgues”.

This historical account described the environment in 1918. While only time will tell how COVID-19 will be remembered, certain parallels between the two epidemics are evident. COVID-19 has seriously impacted the world. As governments reacted schizophrenically and activity levels reduced, economies seized up. Society as a whole has been searching for the right path forward.

Juxtaposed against many similarities, there are also important differences on the occasion of this pandemic. During the Spanish flu of 1918, panic and fear did not permeate the world even though it is estimated that 500 million people contracted the virus and 50 million lost their lives; news did not travel as rapidly back then and remained far more censored. In stark contrast to this occasion, sitting US President Woodrow Wilson never uttered a word about the pandemic even though he himself contracted the virus.

Christopher Reeve, who acted as Superman, famously said: “A hero is an ordinary person who finds the strength to persevere and endure in spite of overwhelming obstacles.” Much like in past pandemics, we have seen many heroes in our daily lives during COVID-19, ranging from doctors to delivery agents. The last time Cambridge University shuttered its doors for an academic year was during the plague of 1665. This resulted in a young Isaac Newton “social distancing” in his country cottage. In just 18 sequestered months, he invented calculus, discovered gravity and thereby wrote the fundamental tenets of classical physics.

With the benefit of hindsight, we now know that the period after the Spanish flu was generally a positive one. That pandemic directly contributed towards the cessation of hostilities thereby setting the stage for a decade of incredible innovation-led industrial activity, infrastructure creation and economic expansion; namely the *Roaring '20s*. US GDP grew 42% in that decade with huge surges in automobile production, railroad expansions and many related activities... human nature is fundamentally wired to innovate, persevere and endure.

The COVID-19 pandemic has caused an acceleration of the inevitable

Undeniably, the world has changed. As a result of this pandemic, our lexicon has expanded with terms like “social distancing”, “lockdown” and even “covidiot” becoming commonplace while having a rather less fortunate effect on sales of Corona beer!

In years past, “work from home” was a euphemism for “take the day off”. Not anymore. Given technology changes in the past decade, it was perhaps inevitable that working from home (or indeed, from anywhere) was viable. Productivity levels in many industries have surged with reduced time spent chatting at the watercooler, let alone driving or flying long distances for one hour meetings.

Similarly, interactions between governments, businesses and consumers tended to be physical in nature – with in-person meetings or physical documents necessary to transact. In India, it was not legally permitted to dial into Board meetings until this year, and huge categories of items could not be legally sold or served online (including degree granting education, medicines and alcohol). Unsurprisingly, India, like many other parts of the world, has leapfrogged to a completely virtual model almost overnight with laws swiftly overhauled, and all government interfaces and payments becoming digital. The implications for commercial real estate, retail, education and many other categories are tremendous.

In retrospect, all of these changes would have happened eventually, but human inertia was strong. With one fell swoop, the pandemic has accelerated changes that were inevitable.

The Indian perspective

In 1918, India was the worst affected nation with about 17 million deaths, representing 5% of India’s population and one third of global fatalities. This time, the government’s swift actions and prompt communication have largely avoided a human catastrophe. As of July 31st, India, with one sixth of the world’s population, accounts for approximately 36,000 deaths, a fraction of the global count of about 673,000.

Contrary to the norm in Federal systems, the Central and State governments have coordinated well across political lines, and public messaging has largely been clear and concise. In a credit to the citizenry, there has been minimal social unrest. While data is not entirely reliable, reports point to a 40% drop in murders and a 70% drop in rape cases – the direction is encouraging.

Certain changes like a greater focus on the environment, improved hygiene, increased efficiency and a move towards digitization were inevitable yet weren't happening quickly enough. The pandemic has resulted in increased consumption of sanitary products and services, standardization and premiumization of food products, the adoption of home delivery, online banking and virtual delivery of education and telemedicine.

The Indian government has been quick to encourage domestic manufacturing to increase self-reliance (the 'Aatmanirbhar Bharat' mission), encourage digitization and embrace apps, websites, and databases to interact with the population. The government, the judiciary, the education system and corporations have moved online overnight; some of these virtual activities weren't legally permitted just months ago!

Numerous opportunities have been created to boost productivity levels by harnessing technology, accelerating the inevitable. Many businesses have reacted at speed. The most notable example is perhaps Reliance Industries which has morphed, seemingly overnight, from a petrochemical company into an internet giant with leading international investors infusing \$20 billion in a month of lockdowns, entirely via Zoom meetings. Bolstered by the capital raised, Reliance immediately launched a conferencing app called JioMeet!