How to tame 'wicked problems' like COVID-19

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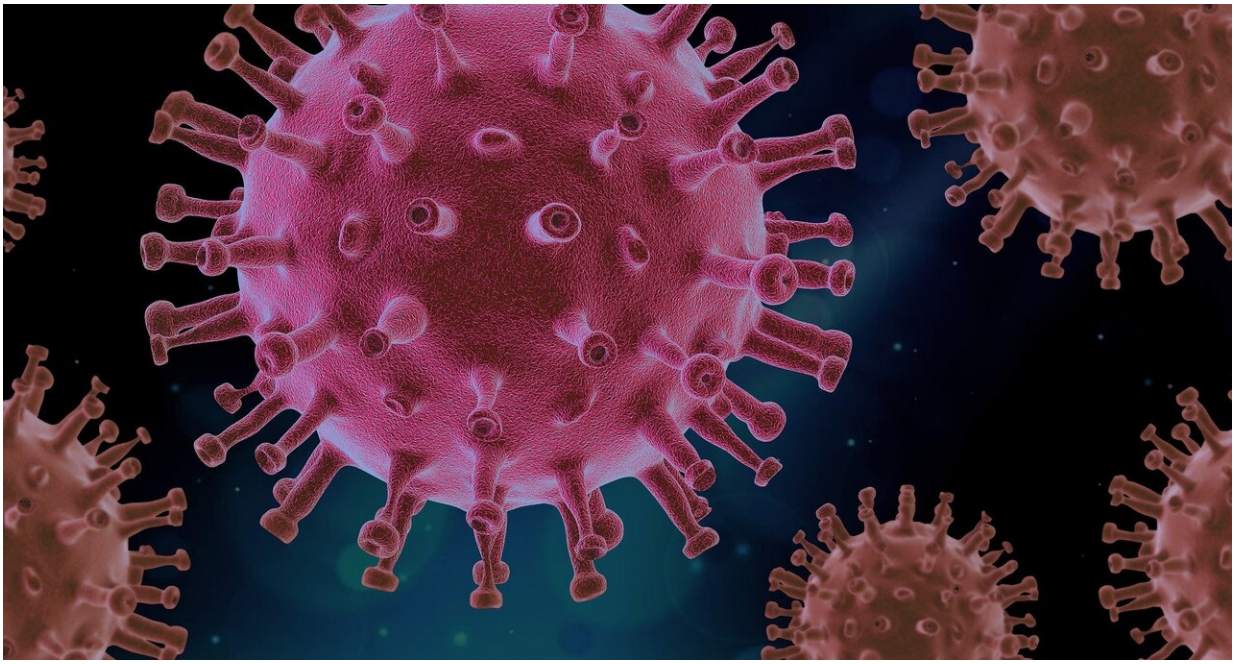

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It is easy to buy into the narrative that COVID-19 is one of the five horsemen of the apocalypse, if you read historian Ian Morris and his analysis of the rise and fall of human social development over the past 15,000 years.

Those less inclined to believe a historian might perhaps rather listen to a

reformed option trader-turned-statistician and writer extraordinaire, Nassim Nicholas Taleb, to see COVID-19 as a black or gray swan. Taleb's analogy refers to an unpredictable (black swan) or improbable (grey swan) high-impact event with significant long-term consequences that alter our existing world.

The critical optimists might simply see COVID-19 as an exogenous crisis, which according to a more East Asian perspective on crises, contains both danger and opportunity.

While pundits rush to claim the world will never be the same after COVID-19, it remains to be seen what lessons we actually learn from all this will, in the end, stick.

Perhaps governments around the world will finally start spending more on healthcare than on warfare. Maybe public health concerns will outweigh personal privacy issues. Producing locally might become a cornerstone industrial policy to ensure resilience of national markets and reshape global value chains, instead of merely a foreign trade policy grounded in economic nationalism and consumer ethnocentrism.

Could we return to the times where each one of us had a well-stocked pantry at home or a large fridge-freezer able to keep provisions for a fortnight? Maybe hipster urbanites unable to cook will consider moving to the suburbs or countryside to grow their own vegetables and work from home.

Will we learn to economise and put a tenth of our earnings in a sock for a rainy day, instead of living on credit in order to eat out several times a week? Perhaps universities will transform from large brick-and-mortar fountainheads of knowledge to a combination of agile online learning platforms and specialised research institutes.

Maybe an epidemiologist or a specialist doctor might even get paid somewhere near a pop superstar or a professional athlete.

Time will tell what lessons we have learned that stick.

Regardless of how we see COVID-19, it has shone a spotlight on the fragility of our institutions to serve citizens, the inefficiencies and pettiness among some political elites, the systemic risks in how our economies draw on their comparative advantages to create wealth, the inefficiencies in how our markets create and distribute value (equitably), the fragility of our just-in-time business models, the sources of competitiveness of our firms and the actual purpose of our super busy daily lives.

The challenge of black or gray swans does not lie so much in the inherent dangers of such events. Rather, it stems from our prediction-induced and optimization-obsessed myopia that has squeezed out any degree of freedom. The true danger of such events lies in our unpreparedness and inability to respond to them with institutions, systems and processes that are anti-fragile, not just agile. Adding a few more degrees of freedom is often a good start.

In his discussion of managing turbulence, the father of modern-day management, Peter Drucker, noted the greatest danger in times of turbulence is not the turbulence; it is to act with yesterday's logic.

So what kind of logic do we need for tomorrow? In a recent Financial Times op-ed, historian and philosopher Yuval Noah Harari made a case for greater global unity to fight COVID-19 and the rise of state surveillance it has caused. It echoed Albert Einstein's long-forgotten 1945 call for a united global government (albeit, in his case, discussing the avoidance of a nuclear apocalypse).

For example, many national governments have been advising their citizens to refrain from panic buying and herd behavior and to trust the system. Often these very governments have acted in a surprisingly atomistic and uncoordinated manner within the global community, giving out a sense of "every nation for itself" and leaving behind those on the margins (for example, developing nations, the global poor, migrant workers and even overseas students).

Tackling "wicked problems"—complex and unsolvable social problems at the nexus of society and policy with no optimal solutions and unclear criteria—that have been exacerbated or exposed by COVID-19 requires stronger collective action, a higher degree of social agency and, above all, a shared sense of humanity.

As Harari has pointed out, COVID-19 is a global humanitarian problem too big for any single country to tackle alone. The same applies to its economic consequences, which cannot be addressed with 'helicopter money' within specific nations. It will require global coordinated effort, a clear strategic vision of the world after COVID-19, inclusive global leadership and likely some kind of coordinated type of a Marshall Plan by the leading global superpowers.

This is the type of tomorrow-thinking that can turn danger into opportunity but it will require stronger collaboration within the global community.

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