

Book Review

Rescue: From Global Crisis to a Better World. Ian Goldin. Hodder & Stoughton, Sceptre, 2021, 336 pp.

This book was written when the crisis is still unfolding. The direction of the global economic crisis depends very much on how the COVID-19 pandemic fares. And that remains uncertain, as evidenced from what the world experienced in 2020. Just when everyone thought the pandemic is subsiding, it suddenly made a second wave and hit hard some countries, such as India and the United Kingdom (UK). Nonetheless, the author with his vast experiences dealing with development issues, was able to systematically organize the statistical data and available empirical evidence to establish his arguments, which depart from similar writings addressing the global crisis and the direction for the world economy.

Most authors argue for the resetting of the economy; going back to the time when the pandemic led economic crisis hit us. Common terms used by those authors include “bouncing back” and “business as usual”. Goldin however argues that these mindsets are disturbing even if it is building back better or bouncing forward as they suggest that humanity will remain on the same social and economic path. He instead opines that humanity currently rests on a system with shaky foundations; hence building back on the same foundations will only lead to future collapse.

His arguments were established from a broad perspective, weaving together elements from economics, politics and social dimensions. Accordingly, his explanations in the book were divided into three main segments, *Inequality: Overcoming Growing Divides*; *Intervention: From Hands Off to Hands On*; and *Cooperation: Why Working Together Brings Shared Opportunity*.

In the first segment, the author details how the pandemic led to growing inequalities and their consequences. He discusses how the pandemic deepened inequality between the rich and the poor; the challenges faced by the young and the old segments of the society; the sufferings of the poor; and the changing nature of work. The discussions include lucid accounts on how the pandemic registered its effect and possible solutions in the context of revamping the current structure in order to ensure a more

resilient society. The second segment deals with the type of government intervention to rescue the society and the economy from simply bouncing back on the same path. Drawing from contextual experience, Goldin suggests a stronger and competent government to coordinate the market rather than liberal democracies. The discussion on the role of intervention encompasses not only the business dimension but also the society's mental health and the sustainability of cities. The third section explores international coordination required to radically reform current social, economic and politics arrangements to rescue the world.

The strength of this book lies within its rich empirical studies and historical evidences that support the arguments. All arguments, particularly those that relate suggestions of radical reforms, are supported with carefully selected evidence. In particular, lessons learnt from World War II are highlighted to demonstrate that well-structured and targeted policy responses will allow the global society to graduate from this crisis to a better position. Emphasis is placed on policies designed with the objective to rescue the various segments of the society – the poor, the young, the elderly, the business society, the informal workers, and even the mentally ill suffering from the adverse impact of the pandemic. At the same time, an overhaul of the socio-economic structure of the society on which it rested on when the crisis hit, is proposed. In other words, given that society has to do things differently in order to rescue the economy, it suggests that the changes should be radical and comprehensive, rather than taking the easy way out without addressing the structural flaws.

The pandemic is the “rescue” to long standing structural economic and social issues. First, it exposes the weakness of the existing structure through the prevalence and severity of human sufferings. The pandemic has reversed the progress in poverty eradication by as much as seventy years. The crisis has affected the socially and economically disadvantaged more than others. This originates from the underlying income and gender inequality that are inherent in the economic and social structure. The poor were hit harder as they were engaged in work that cannot be done remotely. The women were the most to lose jobs due to discrimination and participation in industries that require direct contact. The immigrants and the poor were also hit hardest by the pandemic as they reside in congested areas and have no or restricted access to health services.

Second, it reveals the adverse long-term consequences of neo liberal economic policy. Free market and business friendly policy lead to less state in the society. Taxation has been reduced to the minimum, affecting government coffins. Emphasis on efficiency has led to the adoption of austerity measures, and that has exacerbated inequality and poverty in the society. When the crisis hit, the society has got no properly build social safety net for the poor to fall onto.

Third, it has, to a certain degree, shifted the direction of the policy, as stated by Goldin, the pandemic is already “altering the language of public policy and revealing a wider range of economic options”. Governments are willing to abandon the austerity stance, increase public expenditure, and offer various forms of assistance to households and businesses. Governments even manage to find their way to assist the society even when they are fiscally strained. The market-based institution, the International Monetary Funds (IMF) was also allowing funds for recovery purposes.

Fourth, this crisis has proven the mantra “there is no society”, does not hold. During the crisis, social solidarity is evidenced by the selfless decisions and efforts made by society members that go beyond economic motivations. It also causes people to clarify their priorities in life when economic activities came to a halt, and income and lives were lost. All these calls for a different economic framework that no longer relies on the notion of self-interest and rational calculations of monetary cost and benefits.

The society requires radical measures to address the shaky foundations. The issues were already explored and discussed prior to the crisis, but the crisis has provided the push to abandon certain policy and adapt those with give greater weight on people’s welfare relative to pure economic concern.

The book proposes solutions that clearly involve greater role of the state, such as aggressive public investments, guaranteed minimum income schemes, comprehensive safety nets and rigorous tax reforms. Capitalism should be harnessed to serve humanity and globalisation rules should be rewritten to ensure it benefits the masses. Policy prescriptions are already around for quite some time. For instance, recommended tax policies, such as inheritance tax and broadening tax based, has already been proposed by Piketty and Stiglitz. The call to relook at the austerity policy has also long been debated. The same goes to the issue of international cooperation in the case of carbon emissions. The concern is whether this crisis is really able to rescue the society in terms of providing and sustaining the willpower to

undertake the radical changes – moving away from neoliberalism, giving priority to welfare of the poor instead of the well-being of the rich.

The author's tone for the post-crisis is optimistic, citing lessons from World War II that brought radical reforms, leading to economic prosperity and pronounced increase in standards of living. Hence, he argues that this pandemic can lead to similar outcomes if policymakers are willing to implement radical structural changes. His optimism comes from the fact that citizens demonstrated solidarity during the current pandemic, and surveys indicated that people wanted to see some improvements in the society. Yet, he cautioned that for this crisis to really rescue humanity, the changes must be radical, otherwise, with the availability of vaccines and medication, the society could return to simply business as usual.

In conclusion, this book suggests that the crisis has to some extent provide the much-needed impetus to overhaul the fragile economic and social systems. It has rescued humanity from being trapped in the neoliberal economic policy that has led to increasing inequality and the deterioration of the quality of life for the socially and economically disadvantaged segments of the society. It has sparked government interests to change the current economic growth trajectory. It is therefore now up to the society to undertake the radical changes needed to rescue humanity from further calamity.

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