

## Could the Covid-19 pandemic be a portal to a Viable Society and Economy?

Mark H Burton<sup>1</sup>

Much has already been written about the prospects for the future of economic, social and ecological justice as a result of the experience of the Covid-19 coronavirus pandemic. There is a danger in launching forth with analysis, scenarios and proposals when there are still many uncertainties and the full picture is still unfolding. However, given that the reality that we have to understand if we want a better world has shifted in some ways, then it is necessary to take up the challenge of making sense of things and suggesting some ways forward<sup>2</sup>.

To suggest a way forward we need to understand the short and long term dynamics.

The pandemic is a catalyst, or accelerator for systemic processes already under way. A capitalist system requires continued expansive accumulation for its survival<sup>3</sup>. This system is challenged by its internal contradictions, a key one of which is the long term fall in the average rate of profit, and by external constraints, a key one being the rising cost of energy and materials extraction. But capitalism is highly adaptive, it's a survivor, and it resolves these problem by continuing to expand ruthlessly, opening up new markets, and new sources of resources, and by reducing the cost of labour by exploiting new labour markets and increasing productivity through technological innovation. It also puts in place a series of countervailing measures, or "fixes" such as the renewed cycle of financialisation, privatisation of common goods and assaults on labour, of the neoliberal period.

The treadmill of expansion destroys more and more of the ecosystem and commodifies more and more of life. The fixes lead to economic instability and toxic inequality. Together, these external limits and internal contradictions mean that it is a system whose days are numbered. We don't know what will come next and it will be a big struggle to prevent its collapse causing untold harm and misery, and even the collapse of our societies. But that struggle is also worth being part of because there could, just maybe, be a different kind of ending, one that, despite everything mean a better way of life: a prosperous descent to a simpler way<sup>4</sup>.

---

1 [mark.burton@poptel.org](mailto:mark.burton@poptel.org)

For rights notice see Endnote.

2 This piece has been developed from remarks made in the debate organised by the Manchester alternative media outlet, The Meteor, on 14 May ,2020. I am grateful to The Meteor and Conrad Bower for the invitation to take part, and to the other participants, particularly for their insights. You can watch a recording of the event at <https://www.themeteor.org/2020/05/16/the-covid-19-crisis-offers-opportunities-to-create-a-better-world-can-we-seize-them/>

3 I explore this in relation to the money system and the limits to growth here: <https://steadystatemanchester.net/2018/02/23/we-need-to-end-growth-dependency-but-how/> Marx laid down the foundations for this understanding, which was extended globally by thinkers including Lenin, Rosa Luxemburg, Samir Amin and Enrique Dussel, among others.

4 Odum, H. T. O. and E. C., & Odum, E. C. (2001). *A prosperous way down: Principles and policies*. Univ. Press of Colorado.

Trainer, T., & Alexander, S. (2019). *The simpler way: Envisioning a sustainable society in an age of limits*.

## The new recession

The pandemic, itself a result of the interaction of previously separated species and ecosystems<sup>5</sup>, has led to a sudden drop in consumption and the material flows, from extraction to pollution, associated with it. This is a global phenomenon, not just a national one.

Recovery from that shock will be slow: even mainstream analysts such as the US Federal Reserve, Goldman Sachs and the World Trade Organisation<sup>6</sup> point to an L-shaped recovery taking years. Even before the pandemic, economic activity in much of the world was slowing down<sup>7</sup>. The impact of measures to limit the impact of the pandemic (lockdowns and other restriction) mean a slowing of production globally with many firms, often indebted already, likely to go out of business.

## The impact on city regions

All the sources of income for city economies are threatened. Cities like Manchester have relied on capturing income from sectors like (mostly speculative) construction, aviation, retail and logistics, and private motoring.

A range of other businesses, cafés, restaurants, leisure resources, car parks...., depend on the expenditure made possible by those sectors.

We have already seen vast cuts in central government funding to local government and its substitution by retained business rates (scheduled to increase from 50% to 75% with a parallel cut in government grant)<sup>8</sup>. So councils themselves, increasingly yoked to the business sector, will be highly threatened by this new recession. Given the enormous financial injections from central government to mitigate the economic impacts, it seems likely that there will, despite protestations to the contrary, be a new hurricane of austerity in an attempt to reduce the government debt.

Pensions are largely paid by stock market dividends, now propped up by massive QE yet in some cases cut (Shell, the biggest investment of the Greater Manchester Pension Fund) or even withdrawn (Lloyds Bank group). For local government this could also mean a problem to come since for the large local government pension funds, it is the councils that would have to make up any shortfall.

All this casts into jeopardy the model of inward investment to generate economic activity (despite the return to the investor of profits and rents), some of it to be captured locally and some (if we are lucky or believe the rhetoric) to trickle-down. New investment injections and the volume of transactions in the economy will both be hit hard so there will be little to capture and recirculate.

---

*Real World Economic Review*, 87, 247–260.

5 <https://www.scientificamerican.com/article/destroyed-habitat-creates-the-perfect-conditions-for-coronavirus-to-emerge/>

<https://www.dw.com/en/coronavirus-pandemic-linked-to-destruction-of-wildlife-and-worlds-ecosystems/a-53078480>

6 Cited by Michael Roberts <https://thenextrecession.wordpress.com/2020/05/17/profitability-investment-and-the-pandemic/> and <https://thenextrecession.wordpress.com/2020/04/13/the-post-pandemic-slump/>

7 <https://thenextrecession.wordpress.com/2020/03/15/it-was-the-virus-that-did-it/>

8 <https://www.ifs.org.uk/uploads/The-outlook-for-councils-funding-is-austerity-over.pdf>

## So what now? Bootstrapping the Viable Society

The opportunity, the exit, is to use the relatively resilient sectors, elements of the Foundational Economy (FE)<sup>9</sup>, supported by key place-based organisations and basic population provisioning, as the key to transform the city-region and make it less vulnerable to the ecosystem shock events that are likely to hit us with increasing frequency, particularly if the present system continues. This approach builds on the Community Wealth Building Approach (CWB)<sup>10</sup> which is gaining ground in the UK and beyond.

Key elements will be,

- A polycentric spatial model, where most resources and facilities people need are available within easy reach (cf. the 20 minute neighbourhood model)<sup>11</sup>. A move in this direction, hesitatingly emerging into the mainstream<sup>12</sup>, seems almost inevitable anyway given the constraints on workplace, leisure resource and public transport occupancy due to the need to maintain physical distance between people to reduce viral transmission<sup>13</sup>. The increase in home working in many neighbourhoods during the crisis is likely to continue in some form, exposing the need for home-working business, support and networking spaces. There is likely to be an appetite for this given the experience of reduced car usage and increased active travel, including record bicycle sales during crisis.
- Prioritisation of the sectors responsible for most emissions - via a set of sector-specific "green deals" (covering, for example, domestic warmth; logistics of provisioning, focussing first on final mile deliveries; consumer durables and repair; food; community energy – See Appendix). This must be offered in ways that show it to be both realistic and fair for people working in those sectors.
- Establishment of transformational partnerships with industry and public - quasi public actors - e.g. 1) A warmth offer (see appendix) combining housing

---

9 <https://foundationaleconomy.com/introduction/>

10 <https://cles.org.uk/what-is-community-wealth-building/>

Both the Foundational Economy group and CLES, promoters of the FE and CWB respectively, have become significantly greener in orientation since we initially reviewed their work in search for an alternative portfolio of policy ideas. <https://steadystatemanchester.files.wordpress.com/2016/11/so-what-would-you-do-v2-0.pdf>

11 <https://steadystatemanchester.net/2020/03/12/imagining-an-alternative-future-for-greater-manchester/>  
[https://steadystatemanchester.net/2019/11/20/the-future-is-20-minutes-away-20-minute-neighbourhoods/#\\_blank](https://steadystatemanchester.net/2019/11/20/the-future-is-20-minutes-away-20-minute-neighbourhoods/#_blank)

12 See the draft local plan objectives here, although they are negated by other priorities in the document, including the airport as "growth hub": [https://web.archive.org/web/20200517171622/https://manchester-consult.objective.co.uk/events/35233/5581804\\_accessible.pdf](https://web.archive.org/web/20200517171622/https://manchester-consult.objective.co.uk/events/35233/5581804_accessible.pdf)

13 More radical variants are also possible, and arguably, highly relevant to the high risk of societal collapse. For example, see Samuel Alexander's work, e.g. <https://theconversation.com/the-suburbs-are-the-spiritual-home-of-overconsumption-but-they-also-hold-the-key-to-a-better-future-108496>

insulation, boiler replacement, sale of a temperature guarantee rather than energy alone, would link councils, social housing providers, energy companies, builders and insulation specialists. Or 2) Local manufacture of PPE and other health equipment, which would link NHS and social care providers, local firms already producing such materials, and other firms that could re-purpose their plant for such products.

- Creation of alternative community-based economic development and nurturance initiatives, for both organisations and citizens. An example could be linking small local traders to neighbourhood residents' groups in a variant of the circles of support idea. They would work together on survival plans for valued local businesses that face financial difficulties, identifying shared priorities and business strategies and potentially helping with capital in return for a shift to a co-ownership or mutual model<sup>14</sup>.
- Community / regional / green / mutual financial institutions. This is a well developed idea but so far with little development so far in this part of the country despite the local legacy of the co-operative movement and the existence of adoptable models, already implemented elsewhere in the country<sup>15</sup>. A wider institutional network<sup>16</sup> could also evolve, particularly in response to future economic and financial shocks.
- Blended formal / informal and cooperative social care<sup>17</sup> - e.g. alternatives building on established alternative models like Local Area Coordination<sup>18</sup>, Circles of Support<sup>19</sup> and Housing First<sup>20</sup>. Local mutual aid groups have burgeoned during the crisis<sup>21</sup>, filling the gaps and supplementing what civil society, the public sector and local authorities were able to do. In many places these groups will have strengthened people's sense of belonging and community spirit, opening the way for greater participation across the board.

---

14 I am grateful to Carolyn Kagan, Chair of Chorlton Voice and a Steady State Manchester collective member for this idea.

15 For example, the Bank in Box model <http://www.bankinthebox.co.uk/>

16 Likely to be critical to the success of separate financial and quasi-financial innovations: <https://steadystatemanchester.net/2018/05/01/the-viable-economy-and-viable-finance/>

17 Coote, A. (2014). *People, planet, power: Towards a new social settlement*. New Economics Foundation. [http://b.3cdn.net/nefoundation/eafb0135c69d8a9152\\_yum6bt9zh.pdf](http://b.3cdn.net/nefoundation/eafb0135c69d8a9152_yum6bt9zh.pdf)

18 <https://lacnetwork.org/local-area-coordination/>

19 <http://helensandersonassociates.co.uk/about/hsa-foundation/community-circles/>  
[http://eprints.lse.ac.uk/65651/1/Perkins\\_Circles%20of%20support%20and%20personalisation%20.pdf](http://eprints.lse.ac.uk/65651/1/Perkins_Circles%20of%20support%20and%20personalisation%20.pdf)

20 <https://www.homeless.org.uk/facts/our-research/housing-first-in-england-evaluation-of-nine-services>

21 <https://www.themetor.org/2020/05/06/beyond-charity-greater-manchesters-mutual-aid-response-to-coronavirus/>

These options begin to restructure the economy away from rent-seeking footloose capital, favouring instead right-sized profits, commitment to place and non-capitalist entrepreneurial forms<sup>22</sup>.

None of this will happen without concerted citizen action. There are three spheres for this. 1) The sphere of UK national politics is likely to be rather infertile ground for the next 4-5 years given the Tory landslide. However, there will be a need for a largely defensive politics of resistance since the ruling class is highly likely to use the crisis as an opportunity to entrench its power to exploit and dominate<sup>23</sup>. 2) At a regional level and council level, there are more opportunities to open up new approaches. The new metropolitan mayors and their administrations have shown some appetite for the refocussing and strengthening, while greening, regional economies. This has been thoroughly compromised, however, by the persistent adherence to orthodox boosterism and agglomeration economics (where bigger is better), predicated on economic growth<sup>24</sup>. The task here is to encourage the more localist, ecological and people-focussed tendency and to campaign against continuing business as usual. This applies to local councils as well as the regional level. 3) There is, however, a real danger in over-emphasising the formal structures of political representation. Yet most of the economy and social life exists and is governed outside of the formal political system. That is also a clue to where the levers for transformation are. Citizens, working collectively, can create new economic vehicles and forms, constructing in their patches, the foundations for the Viable Economy and Society<sup>25</sup>. We can use their collective power as consumers to force shifts in the economic structures, essentially withdrawing our consent to the destructive forms and structures, the something like the “crash on demand” suggested by the permacultural thinker, David Holmgren<sup>26</sup>.

Ultimately this steers us towards a resilient model of stewardship and sufficiency - living better with less - and a relative de-linking from the globalised capitalist economic system, its circuits of accumulation, its vulnerable supply chains and its ecological depredation. A Viable Economy ... and Society<sup>27</sup>.

---

22 On this concept see Robin Blackburn (1991) *Fin de Siècle: Socialism after the Crash*. *New Left Review* 1/185 Jan/Feb 1991

23 A point made strongly by both Christine Berry and Neil McInroy in their contributions to the Meteor debate.

24 The same observations apply to the devolved national administrations in Scotland and Wales, and in some ways to Northern Ireland.

25 What we call “prefigurative action”.

26 <https://holmgren.com.au/crash-demand/>

27 See Steady State Manchester (2020) *The Viable Economy ... and Society* <https://steadystatemanchester.net/2020/02/14/the-viable-economy-and-society/>

## Appendix: Sectoral Green Deals

Sectoral Green Deals would aim to do three things:

- 1) Significantly reduce material and energy use while maintaining provisioning of human needs and reasonable wants.
- 2) Ensure<sup>28</sup> the livelihoods of a significant number of local people and their families.
- 3) Largely use locally available capital and revenue while increasing the potential for citizen participation, mutuality and democratic governance.

Together such deals could help transform the relationship between economic activity, society and the ecosystem.

### Possible examples:

#### **1) A warmth offer.**

This could be done very pragmatically but adequate to the scale of the challenge, through the establishment of a partnership between one or more energy utility companies, housing providers, councils, specialist heating firms, insulation retrofit providers and experts on domestic heat conservation and emission reduction. The partnership would establish a domestic "heat and light offer". Contracts would be to maintain space heating in a finite number of rooms at the level of say 18.5 deg C, for X hours in the winter months. This would be done a) in the conventional way, by supply of energy, and b) by supply of firstly insulation refits, going for the low hanging fruit first. That would mean the energy company supplied less energy, so saving on its wholesale costs and ultimately releasing money back into the carbon reduction scheme. c) with this, there needs to be a rolling programme of boiler replacement - starting with the most inefficient and going straight to non-gas alternatives (air source heat pumps and electric heating). The scheme would need investment, and a clear financial model/vehicle probably in the form of a rotating loan fund, recharged by a share of energy savings and possibly a levy on asset price increases. It could be multiply primed by say energy company investments, grant funding and local investment, particularly from the Pension Fund.

#### **2) Restructuring final mile deliveries**

This would involve investment in cargo bikes / cargo e-bikes and more local storage. Delivery runs would be combined, reducing costs for distributors and reducing traffic in neighbourhoods. It could be developed by bringing together currently precariously

---

<sup>28</sup> Or at least contribute to them.

employed “gig” delivery workers, local shops, already used by the big firms for “click and collect” and safe-place arrangements, milk delivery firms which already have fleets of low emission delivery vehicles and which have been expanding their operations due to concerns over disposable packaging, supermarket domination, and so on. The result would be a super-local distribution service the first choice of households and distributors. Were there moves to de-privatise mail deliveries, this could be a suitable .... vehicle.

### **3) *Consumer durables***

This could involve the establishment of a chain of repair shops, backed by technical and engineering expertise, 3D printing and the use of procurement power to increase the availability of repairable items, for example those like the modular fairphone. Local government involvement would be via its responsibilities for domestic waste collection, being incentivised to reduce waste, including difficult to recycle electronic waste, and able to vary the contract with its contractors beyond recycling and incineration to include salvage, repurposing and repair. It would be essential to work with the growing number of repair cafés, men-in-sheds and similar ventures with a view to upskilling citizens in basic and intermediate repair and repurposing, which would be a strategy for both waste-reduction and economic resilience.

### **4) *Food***

A green deal on food would establish a network of urban market gardens and orchards, using untilled domestic and public land. Some could be on a temporary basis, and other plots made available by the public sector on a long lease basis. Mowing would be reduced. The emphasis would be on high value vegetable and salad crops with some fruit but with the option of rapidly increasing the production of staples, for example if food supply chains were threatened. There could be links to retailers with a buy local preference or section and this could be fostered with a “buy local” campaign. There would be multiple benefits in terms of health, resilience, emissions and waste reduction, and livelihoods.

### **5) *Local food waste and biomass management***

Not all food waste would be eliminated. At present, where it is collected it goes to large composting sites. This material, together with selected biomass (e.g. lawn and hedge clippings, weeds) could be managed locally on a block or street basis via small scale biogas digesters. A by-product is nutrient rich fertilising sludge for gardens. Since such biogas is almost carbon-neutral, it could be used as a supplementary fuel, for example for selected vehicles or domestic cooking. This would reduce the load on

the electricity grid as steps are taken to replace the use of natural gas. It would also reduce the need for heavy lorries to collect materials from suburban neighbourhoods.

All these examples would need detailed appraisal and business cases constructed before they could be implemented. They would require investment in the building of delivery organisations, whether cooperatives, collectives or firms with the ability to bring together the multiple stakeholders involved. They are offered here to indicate what sector-specific green deals could look like. Readers are sure to have other, and no doubt better ideas.

#### Endnote

Some rights reserved. Licensed under a [Creative Commons Attribution-NonCommercial-ShareAlike 4.0 International License](https://creativecommons.org/licenses/by-nc-sa/4.0/).