



Crisis Viewpoint: Working on the Weakest Links

Understanding how to read and face the uncertainties brought on by the pandemic is a formidable challenge. On an individual level, it is so easy to get lost in the constant flux of the daily news, and there is ample time to keep looking deeper into every part of this story's impact. We have perhaps all grown numb hearing the word 'unprecedented' on such a frequent basis or fatigued from sweeping between the implications across the local, national, and global picture. There is no avoiding that the speed and magnitude of the changes in the health and economic situation are mind-boggling. This article's objective is to provide some perspective and some insights into the post-pandemic world.

In trying to find our feet in response to this shock, a comforting temptation is often to increase our feeling of certainty in our conclusions by gathering as much information as we possibly can. However, we must remember to set the compass that will guide us before we go looking for answers when confronted with a problem with such complex global impact and reach. Asking helpful questions is something that is in our control and will help in filtering through the deluge of information waiting for us at every ping of our smartphones.

Despite the temptation to bury one's head, the most striking numbers and indicators should not be ignored and dismissed. A chief example is the truly eye-watering US unemployment claims chart (See Chart 1 on page 4) sure to be mirrored by the pending release of updated Canadian numbers in May. Self-isolation has led to an acute crisis of demand. The demand for labour has plummeted with it, pushing up unemployment. Looking at the spike in this chart can feel like looking upwards from the foot of an imposing skyscraper -- but standing in the shadow of this single indicator is a poor vantage point for some of the questions that are key to understanding the contours of the crisis and its impact.

In an environment with damaged confidence and high uncertainty, areas of resilience and stability can still be found. Somewhat reassuringly, the current crisis is not a uniquely financial or banking crisis as we saw with the economic upheavals of 2008. The global economy was in decent shape prior to the pandemic suggesting that there are many reasons for it to recover. The unanswerable question is when. Staggering amounts of money are being poured into the economy. The intervention schemes deployed worldwide are all trying to prevent a more complex and comorbid crisis of both supply and demand from setting in, and to limit the damage from spreading further within the industries that have been most immediately put in jeopardy.

INTERESTING CONSEQUENCES OF THE PANDEMIC – IS THIS A RESET?

The extreme nature of the strains induced by the virus have pushed ideas on the sidelines of the discourse into mainstream debates. The world is willing to re-examine almost any model if it can provide a bulwark against uncertainty or a value proposition that holds renewed appeal in these changing conditions. The political dimension of this has seen ideas such as Universal Basic Income thrust from the edge of debates into the mainstream. Perhaps the adage for the moment is: 'the only rule is that it has to work'.



After the fragility of so many networks has been exposed under these stresses, we may see a premium placed on models that are more explicitly designed to hedge against disruptions. Companies relying on just in time supply chains or gig economy businesses relying on a virtually on-demand workforce, are a few examples outside of healthcare, that are vulnerable in abnormal environments. A big question we will have to ask is if we actually want to follow when we are asked, as citizens or investors, to explicitly go down the path of returning to 'the way it was before'. A naive return to the normal toolkit available when it is 'business as usual' feels deeply imprudent.

As a society, we have the opportunity to come out of this moment culturally expecting and collectively planning for long tail events in a more serious way. We all now have the collective experience of the same event affecting us personally for a prolonged duration. This collective experience is re-shaping thoughts on a variety of important fronts. Certain values are gaining hold in the psyche of many on Main Street that will directly impact government policy and corporate activity. We've all had occasion to be immersed in topics that deserve more attention. We see the plexiglass shields at the grocery store and the idea that companies must treat their workers properly is made real for us. We see the press conferences led by Theresa Tam, Patty Hajdu and Bonnie Henry and the idea that gender diversity matters is made real for us. We see marginalized communities being disproportionately affected by this virus and issues of poverty, seniors care and Indigenous rights are made real for us. And, we see small businesses shuttered and the benefit of supporting local businesses is made real for us.

CONCLUSION

One of the more heartening and instructive possibilities for approaching this challenge was an idea shared by Malcolm Gladwell in a recent Munk Dialogues event. Looking at studies of soccer and basketball team management, Gladwell posited that the best way to improve a team depended on the sport. Basketball teams, Gladwell recounted, could be most easily improved with star power and bringing in the most dominant individual possible. Soccer teams, however, were only as good as their weakest link and were most easily improved by shoring up their weakest player.

Consequently, what sport we think we are playing matters when we prepare for future crises. Gladwell asks us to consider what mentality we are bringing to the table, and if we want a solution that looks for a silver bullet or one that looks to strengthen our collective weaknesses in order to win. The virus has exposed that we are undoubtedly only as strong as our weakest links and will continue to be vulnerable where we remain least equipped to work together effectively. If a cooperative model is the right way of looking at the problem, then the effective solutions will be the ones that look at building up where we are collectively weakest and to facilitate partnership.

Seeing our family, our neighbourhood, and the world embrace sustained restrictions for the collective good is a heartening signal that we are getting over the shock and working together to effectively survive and thrive. This is a reassuring sign that our heads are in the right game and that we are playing to win collectively in this crisis of care. The world will see a renewed interest towards supporting the value of resiliency and increasing our capacity to deliver care of all kinds, during periods of normalcy and also when in crisis.



SOURCES / FURTHER READING & VIEWING

- ▶ [Munk Dialogues - The World After COVID-19 with Malcolm Gladwell](#)
- ▶ [Stephen S. Poloz on COVID-19: Bridging through the downturn, laying a foundation for recovery](#)
- ▶ [Edelman Trust Barometer \(pdf\)](#)
- ▶ Mona Chalabi - Data Visualizations [Link 1](#) [Link 2](#)
- ▶ [Financial Times - US jobless claims smash through record as lay-offs accelerate](#)
- ▶ [Financial Times - American jobless claims mount to 22m since shutdowns](#)
- ▶ [COVID-19 pandemic: A Crisis of Care](#)
- ▶ [Statista - COVID-19 in Canada](#)
- ▶ [Financial Post - Think Canada's job market is bad now? You ain't seen nothing yet](#)
- ▶ [Politico - Overton Window Explained](#)



CHART 1

