



The COVID-19 & Socio-Economic Development of Pakistan from the Perspective of Distributive Justice

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Abstract:

The COVID-19 pandemic's global impact exposed the vulnerabilities of the neoliberal economic model, particularly in developing nations like Pakistan. This paper investigates how the pandemic exacerbated existing inequalities in Pakistan, focusing on how the limitations of neoliberalism were laid bare. Through a critical analysis of the reports from international organizations, academic journals, and news articles, the research explores the severe impact of COVID-19 on Pakistan. Stringent lockdowns led to massive job losses, especially in the informal sector with weak social safety nets. This resulted in a significant decline in socio-economic development and pushed millions back into poverty. The crisis highlighted the stark disparities in healthcare access and economic resilience between developed and developing regions. In response to these limitations, the paper argues for a shift away from unfettered globalization and explores the concept of "relative autarky" as a potential framework. This model would empower states to regulate markets and prioritize social welfare while maintaining international cooperation. Ultimately, the paper concludes that the pandemic necessitates a critical reevaluation of economic models. By adopting frameworks that prioritize distributive justice and international collaboration, Pakistan and other developing nations can build a more equitable and resilient future.

Key Words: Pakistan, COVID-19, pandemic, socio-economic development, distributive justice, lockdown, unemployment, poverty

INTRODUCTION

The COVID-19 pandemic disrupted international development and growth, exposing the vulnerabilities of the dominant neoliberal economic model. This model, focused on deregulation and free markets, struggled during the global health crisis. Developed countries prioritized protecting their own economies, leading to shortages of essential supplies and limited assistance for developing nations. This focus on national interests exacerbated pre-existing global inequalities. Lockdowns and economic recessions disproportionately impacted developing countries with weak

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social safety nets, pushing millions back into poverty. These events highlighted the stark disparities in healthcare and economic resilience between developed and developing regions.

Pakistan, like many developing countries, entered the pandemic with a large, vulnerable informal workforce lacking robust social protections. Stringent lockdowns led to massive job losses across various sectors, particularly those reliant on in-person interaction. Daily wage earners, piece-rate workers, and migrant laborers were hit especially hard. With limited access to government aid, they struggled to compensate for lost income. The pandemic underscored the precarious nature of employment in Pakistan, where a significant portion of the workforce lacks access to healthcare, paid sick leave, and unemployment benefits.

This paper examines the socio-economic impact of COVID-19 on Pakistan from the perspective of distributive justice. The central question is: how did the pandemic expose the limitations of the neoliberal economic model, and what alternative frameworks can be adopted to achieve greater equity and national resilience in a post-pandemic world? The COVID-19 crisis necessitates a critical reevaluation of economic models. We need a shift towards a system that prioritizes social justice and strengthens national resilience. The concept of "relative autarky" offers a potential framework. It proposes a middle ground between protectionism and neoliberalism, empowering states to regulate markets and prioritize social welfare while maintaining international cooperation. However, the success of such a model depends on international collaboration and a commitment to distributive justice. Developed nations must move beyond self-interest and work towards a more equitable global order through increased development funding, debt relief, and ensuring universal access to healthcare and essential supplies. By examining Pakistan as a case study, this paper aims to explore these issues and propose a path forward for a more just and resilient future.

LITERATURE REVIEW

The COVID-19 pandemic ripped through the globalized world, exposing the vulnerabilities of the dominant neoliberal economic model. This model, characterized by deregulation and an emphasis on free markets, struggled to cope with the crisis. Developed countries prioritized protecting their own economies, leading to shortages of essential supplies and limited assistance for developing nations (Human Rights Watch (HRW), 2020). Lockdowns and economic recessions disproportionately impacted developing countries with weak social safety nets. Millions were pushed back into poverty, highlighting the stark disparities in healthcare capacity and economic resilience between developed and developing regions (International Labor Organization (ILO), 2021; Mahler, 2020; World Health Organization (WHO), 2020).

Pakistan, like many developing countries, entered the pandemic with a large informal workforce lacking robust social protections. Lockdowns led to massive job losses across various sectors, particularly those reliant on in-person interaction (Pakistan Worker's Federation (PWF), 2020). Daily wage earners, piece-rate workers, and migrant laborers were hit especially hard, with limited access to government aid to compensate for lost income (International Labour Organization (ILO), 2020). The pandemic underscored the precarious nature of employment in Pakistan, where workers often lack access to healthcare, paid sick leave, and unemployment benefits (Pakistan Worker's Federation (PWF), 2020).

The economic repercussions of COVID-19 in Pakistan were severe. The pandemic's impact on exports, foreign investment, and domestic trade pushed the country to the brink of economic collapse in 2020 (Shahzad & Peshimam, 2021). The International Monetary Fund (IMF) and World Bank projected a significant decline in Pakistan's GDP growth rate (Shahzad & Peshimam, 2021). Large-scale manufacturing suffered negative growth, and major agricultural crops like cotton faced production decline (Pakistan Worker's Federation (PWF), 2020).

The pandemic exposed the limitations of unfettered globalization and ignited calls for a new economic model that prioritizes social justice and national self-reliance. The concept of "relative autarky" proposes a middle ground between protectionism and neoliberalism. This system would empower states to regulate market forces and prioritize social welfare while maintaining international cooperation (Caron, 2021). Achieving this balance requires international collaboration on issues like debt relief, increased development funding, and universal health coverage (Oxfam, 2020; United Nations Human Rights Council (UNHRC), 2020).

By and large, the COVID-19 pandemic has laid bare the deep inequalities within and between nations. Pakistan, like many developing countries, has witnessed a significant setback in its socio-economic development due to the pandemic. The crisis necessitates a shift towards a more equitable economic model that fosters social justice and strengthens national resilience. The concept of relative autarky offers a potential framework for achieving this balance, but its success hinges on international collaboration and a commitment to upholding the principles of distributive justice.

RESEARCH METHODOLOGY

The paper utilizes a literature review methodology. The paper draws information from various secondary sources including reports from international organizations (World Health Organization, International Labor Organization, World Bank), news articles, academic journals, and government websites (e.g., Pakistan Worker's Federation). Further analyze the information gathered from these sources to identify trends and connections between COVID-19, economic decline, and unequal distribution of resources in Pakistan. It has been discussed how pre-existing inequalities were exacerbated by the pandemic and how the crisis exposed the limitations of the neoliberal economic model.

This type of research is useful for getting a broad overview of a topic and understanding the current state of knowledge in a particular field.

THE COVID-19 & DILEMMA OF NEOLIBERALISM

The effects of Covid-19 have been manifest in numerous ways through multinationals' competition, fear of the virus being used as a cover for human rights abuses, and international organizational reluctance when it comes to supporting regions where health and public services are in state of stress and scarce to combat such circumstances, this has been most notable for regions, which are conflicts (Human Rights Watch (HRW), 2020).

The situation is worsening by the ways in which governments, international regimes, have sought to protect vested interests at the expense of debilitating global poverty and inequality. The manipulations of global supplies of COVID-19 relief medicines/drugs by developed countries are

perhaps the most dreadful example of doubts in what was a consensus of neoliberals on global interdependence. The neoliberal economy of privilege can be witnessed easily from what has been happening to the poorest of Least Developed Countries by selective policies of international regimes. Shortages of Food caused by the global mismanagement and climate change, and conflicts driven in Syria, Libya, Ukraine, and Yemen, have been met through Covid-19 time that, in particular, affects marginalized groups.

Covid-19 Impact on Global Inequality & Poverty

It is unfortunate that the epidemiological mutation of COVID-19 virus seems to be going against the Global South, where the virus can be most adversely affecting (Government of United Kingdom, 2020-a, 2-4). The UNs' World Economic Situation and Prospects as of Mid-2020 report commented on the challenges that the Covid-19 is creating regarding global poverty and inequality and it paints a stark picture.

The Covid-19 has unleashed an unprecedented health and economic crisis. The closing of national borders enforced by governments and lockdowns have paralyzed trade and economic activities across the globe, indeed, the most challenging social concern that has arisen out of the crisis has been that the Covid-19 has acted as a catalyst for the class struggle even within the Global North this divide taking place. One key fact from the United Kingdom's Office of National Statistics is brutal, people suffering socioeconomic deprivation are twice as likely to die of pandemic (Government of United Kingdom, 2020b).

Governments' measures of selectively shielding and protecting wealthier sections of society, while ignoring those who cannot afford basic necessities, will have significant consequences globally. This approach risks reversing years of hard-won development progress and jeopardizing the UN Sustainable Development Goals (SDGs), particularly SDG 1 (ending poverty) and SDG 10 (reducing inequality). As noted by Sumner et al. (2020, 8), COVID-19's potential impact poses a real challenge to ending poverty by 2030. They warn of potential increases in both the relative and absolute number of poor people, representing the first such rise since 1990 and potentially reversing a decade of poverty reduction efforts. In regions like the Middle East, North Africa, and Sub-Saharan Africa, the adverse effects could push poverty levels back to where they were 30 years ago.

The UN's response to Covid-19 includes calls for additional funds to aid fragile regions struggling under the pandemic's shadow. Nine countries, including Pakistan, have been added to the UN's list of the fifty most vulnerable nations in urgent need (Sumner, Hoy, & Ortiz-Juarez, 2020). An analysis by the UNU-WIDER estimates a staggering increase in extreme poverty due to Covid-19, with projections of an additional 400 to 580 million people facing hardship (Sumner, Hoy, & Ortiz-Juarez, 2020, 2). The potential consequences, including a global economic recession and collapse of social safety nets, are unprecedented. Highlighting the gravity of the situation, UN Secretary-General Antonio Guterres urged governments to unite in their response. In a July 8th, 2020 address, Guterres (2020) stated, "Inequality defines our time...The lives and expectations of millions of people are largely determined by their circumstances at birth." He emphasized that rising income and wealth disparity is just one facet of a much larger issue, with factors like gender, race, and disability also impacting life opportunities.

The World Bank, generally not famous for its sensitivities on inequality, has also been alarmed by the chain of events. While analyzing of the impact of the Covid-19 few economists believe that the effects of Covid-19 are sobering in every sense: with the new forecasts, global poverty the share of the world's population living on less than 1.90 dollar per day is projected to increase from 632 million people to 665 million people or from 8.2% cent in 2019 to 8.6% in 2020 (Mahler, 2020). At a careful estimate, another 23 million people may need emergency humanitarian support. Those regions will be hardest hit that have been historically subject to colonialism, economic volatility, and the systemic exploitation. Many countries are largely grouped within Asia and sub-Saharan Africa. Another point which must be noted here are the effects of the breakdown in public policy in many countries and few governments could simply no longer guarantee any kind of public health provision.

The WHO estimated, the Covid-19 could take up to 2 years to reach its span, taking many millions of lives on its journey. The WHO office of African region portrays a more difficult scenario, where 83000 to 90,000 people could die of COVID-19 and 29 million to 44 million could get infected in the first year of the Covid-19. (World Health Organization (WHO), 2020) The situation is compounded by the numbers that there are on average only nine intensive care units per 1 million people in the Africa (World Health Organization (WHO), 2020). In countries like India, Nepal, Iran, Brazil, the health systems have been choked and the care system largely revolves around family and community. The lack of capacity for public health, mortality rate and services are only the start of a challenge and it could spasm into socioeconomic entropy.

Lockdown & Economic Impacts

With nearly half the world's population under various lockdown restrictions, the impact of Covid-19 is a slow-burning phenomenon affecting countries at different paces (International Labour Organization (ILO), 2021, 2). Lockdowns and the resulting global depression have put immense strain on economies. Protectionist policies and political unrest fueled by poor economic indicators further exacerbate poverty and inequality. The International Labour Organization (ILO) reports staggering job losses in 2020, with a global total of 114 million positions disappearing compared to 2019. Women and young workers were disproportionately impacted, experiencing employment losses of 5% and 8.7% respectively, compared to men and older workers (ILO, 2021, 2).

The patterns of lockdowns with labor movement restricted and food markets closed have been most devastating for those who rely on these two basic necessities. It could result in hunger and intercommunity friction due to the supply shortages and resource competition. James Thurlow of the International Food Policy Research Institute, described the situation in these words: "Poor and rural households are also suffering substantial losses, and for them, even a small drop in income can have detrimental and lasting effects ... Tighter restrictions on urban markets, for example, could shift more of the burden onto poor consumers and smallholder farmers" (Thurlow, 2020, 1). Moreover, ILO stressed that in response, "the global working poor should be factored in as highly susceptible to the economic impact of the Covid-19 and this should be a central consideration in international strategies for COVID-19 mitigation" (International Labour Organization (ILO), 2020, p. 5).

Across the globe, unskilled, casual, informal labor and those who are in precarious jobs, particularly migrant labor and women, mostly layoffs from jobs. Migrants are proved easy scapegoats to target blame, victimized for the Covid-19 and driven out from host countries. The United Nations Office on Drugs and Crime (UNODC) revealed in its 2020 report that anti-trafficking services unable to operate and the flow of people has not only continued unabated but has increased (United Nations Office on Drugs and Crime (UNODC), 2020).

The COVID-19 pandemic represents an unprecedented challenge, particularly for developing nations in the Global South. Unregulated market forces further complicate the situation. For instance, the United States' purchase of a significant portion of the global supply of Remdesivir, a drug used to treat COVID-19 symptoms, highlights how some governments prioritize their own needs over global cooperation ("U.S. defends restrictions," 2021). This approach extends to vaccine production, with the US State Department defending restrictions on exporting vaccine raw materials to India during their healthcare system's collapse.

Meanwhile, organizations like Médecins Sans Frontières (MSF) warn against the dangers of a monopoly-based pharmaceutical system (MSF, 2020). They argue that the current system prioritizes profit over public health needs, allowing pharmaceutical companies to control who gets access to life-saving medicines through patents and control over production and supply chains. When demand outpaces supply, these companies can dictate access based on who can afford to pay the highest price, rather than directing resources based on public health needs.

The COVID-19 pandemic exposes gaping inequalities and threatens millions of lives globally. Unregulated market forces and government actions prioritizing national interests over global cooperation exacerbate these disparities. The United States' purchase of a significant portion of Remdesivir and restrictions on vaccine raw material exports are prime examples ("U.S. defends restrictions," 2021).

Médecins Sans Frontières (MSF) warns that the current, monopoly-based pharmaceutical system prioritizes profits over public health needs. This system allows pharmaceutical companies to control access to life-saving medicines, often directing resources based on who can afford the highest price, rather than public health needs (MSF, 2020). Losing this battle over production, procurement, and supply could cost millions of lives globally.

The stark differences in mortality rates between those with access to healthcare and the most vulnerable expose the socioeconomic divides amplified by COVID-19 (Neate, 2020; Riley, 2020). The responsibility for addressing these inequalities falls largely on the shoulders of political leaders who must prioritize good governance. The United Nations Human Rights Council (UNHRC) highlights how government inaction has exacerbated existing power imbalances (UNHRC, 2020, p. 9). Shockingly skewed illness and mortality rates reveal racial and class divides, with healthcare systems in wealthy nations proving inadequate for some populations. Discrimination based on race, gender, religion, and class further restricts access to basic necessities and technology, ultimately leading to vastly different outcomes for different groups. The pandemic has also laid bare the stark disparities between developed and developing nations.

There are four ways by which this pandemic is increasing inequality and class struggle in a society. First, in lockdowns higher-paid workers are working from home while lower-paid/blue-collar

workers do not have this alternative. Second, as compare to higher-paid workers, lower-paid/blue-collar workers are more exposing to infected environment. Third, lower-paid/blue-collar workers' share is more in the sectors that have affected by frequent lockdowns such as hotels, restaurants and tourism industry. Fourth, the covid-19 is increasing inequality and poverty as developed world can afford to bail out their industry but third world does not have the capacity to do so. This overstretched class struggle can give birth to a chaos in society which can easily transform into political unrest globally.

COVID-19 IMPLICATION FOR WORKING CLASS IN PAKISTAN

The International Labour Organization (ILO) in its 'World Social Protection Report 2017-19' reveals "only 29 per cent of the global population has access to any effective social protection⁴ programs and about four billion poor and vulnerable people are left unprotected" (International Labour Organization (ILO), 2017). Conditions in Pakistan are similar, about 80% of the labor force is not registered with any social protection institution of the government; it means that State has no data of these workers (Ahmad, 2020). As of June 29, 2021 - the country has nearly 956,392 confirmed Covid-19 cases of which 22,254 have passed away. (Worldometers, 2021). Due to Covid-19 lockdown Country's economy hit hard, commercial activities, service sector, education, tourism, transport, hospitality, almost all industry are still coping with the challenge posed by Covid-19. The great victim of this pandemic is labor class. The Government is of the view that over 21,000 Pakistani expatriates in the Gulf-States have so far lost their jobs amid the Covid-19 outbreak (Shabbir, 2020). An estimated number of affected worker layoffs are as under;

	Sectors Estimated	Lay Offs (in Million)
1	Agriculture	5.6
2	Manufacturing	2.0
3	Accommodation /Food	1.17
4	Accommodation /Food	1.17
5	Construction	4.17
6	Mining & Quarrying	1.0
7	Wholesale	6.0
8	Transport and communication	1.95
9	Daily Wagers	20.27
10	Workers	12.16
11	Paid workers	5.6
12	Family Apprentices	0.3
	Total	61.39

Source: (Pakistan Worker's Federation (PWF), 2020, p. 3)

In Pakistan labour situation is getting worse by each passing day. Though Government provided some relief to underprivileged class by using data of 'Ehsas' and 'Benzir Income Support Program'

⁴ According to Asian Development Bank (ADB), "Social protection is defined as the set of policies and programs designed to reduce poverty and vulnerability by promoting efficient labor markets, diminishing people's exposure to risks, and enhancing their capacity to protect themselves against hazards and interruption/loss of income."

(BISP). It distributed cash among vulnerable population. To lift the economy, the Government has announced incentives for the industry and opened the construction sector. However, the biggest problem is those 80 percent unregistered labor work force, which remained unable to receive social protection during pandemic. To estimate the scale of layoff from jobs, Pakistan Worker's Federation (PWF) has conducted a survey. Their findings are as under: (Pakistan Worker's Federation (PWF), 2020, pp. 4-5).

- Around 10,000 Power Loom Workers have lost their jobs alone in Faisalabad.
- In Sindh, Lakra coal mines closed 10,000 workers from KP stuck these due to non-availability of transport.
- A big number of Emigrant workers lost their jobs and stuck in Middle East due to non-availability of funds & flights.
- Brick kiln workers of Faisalabad lodged their protest on non-payment of minimum wages by kilns' owners.
- Several hotels and restaurants sent their staff on forced unpaid leaves.
- In Baluchistan, 30 percent mine have lost their jobs.
- Retails market are closed due to lockdown and their employees have been sent on unpaid leaves.
- Transporters, drivers, conductors and their helpers have nothing to do due to countrywide lockdowns.

Covid-19 not only poses a medical emergency, but it also becoming a labor market emergency as many workers are losing their jobs. The most vulnerable are piece-rate and daily wage workers. The International Labor Organization projected that the labor and economic crisis created by the COVID-19 Covid-19 increased global unemployment to more than 33 percent in 2020" (International Labour organization (ILO), 2021).

Forecasting in Economic Terms

Pakistan's economy narrowly escaped default in 2020. The IMF estimated the country's growth rate for 2020-21 at 1.5%, while the World Bank projected a lower expansion of 1.3% – both figures significantly below the government's target of 4.8% for the 2021/2022 financial year (Shahzad & Peshimam, 2021). Pakistan's large-scale manufacturing sector is experiencing negative growth. The country's major crop, cotton, is likely to see a significant production decline, and domestic trade is in recession. Consequently, the economy was ill-prepared to handle a crisis of the scale of COVID-19. There is a high risk of further decline in economic indicators, which would increase the vulnerability of ordinary people.

According to the Pakistan Worker's Federation (PWF, 2020), conditions in developed country markets are already negatively impacting exports. The stock market remains under pressure, partly due to the withdrawal of portfolio funds by foreign investors. News reports indicate widespread closures of large, medium, and small industries and commercial enterprises across various sectors, further heightening risk perceptions. The large-scale and ongoing outflow of "hot money" invested in government short-term treasury bills has already significantly contributed to a noticeable decline in foreign exchange reserves and an almost 7% depreciation of the Rupee's value.

According to World Bank data, 20 million, approximately 10%, of Pakistan are senior citizens, aged 50 years and above. Pakistan has a workforce of 65 million, of which more than 4 million, 6%, are unemployed. The service industry's share of total employment is close to 40%. According to the

2018 Labor force survey, 1.18 million workers are engaged in the food and lodging industry. The number of people working in the education sector is 2.5 million, while the storage and transportation sector alone employs 3.5 million (Pakistan Worker's Federation (PWF), 2020, 7).

Labour Market Shocks Created by Covid-19

Frequent lockdowns are causing a decline in the number of employed people. This lack of social protection further weakens the quality of employment. COVID-19 disproportionately impacts already vulnerable groups, including the elderly, women, people with disabilities, and self-employed workers, due to its combined effects on supply and demand. Small and medium-sized enterprises (SMEs) are particularly affected, with most companies in Pakistan being micro-enterprises employing less than ten workers. These companies will struggle to comply with complex regulations (PWF, 2020).

The private non-agricultural sector employs 29 million workers, with 25 million working in businesses with fewer than five employees. Data shows that only 14.6 million of the 25.7 million wage workers are monthly earners. The remaining 11 million are daily wage (5 million), weekly wage (4 million), and piece-rate workers (1.8 million). Lockdowns caused many of these workers to lose their jobs. Estimates suggest a minimum 2 million increase in unemployment (20% of the casual workforce). These figures are likely conservative as they exclude gig workers and the self-employed (PWF, 2020, 8).

The PWF (2020, 8) also noted that these estimates don't account for much of the manufacturing sector, which will be severely impacted by foreign order cancellations. Job losses could exceed 2 million. Unemployed workers typically resort to self-employment or relocation. However, lockdowns and curfews limited these options. Over 56% of Pakistan's total employment is vulnerable employment (a combination of self-employed and contributing family workers). Vulnerable workers often lack formal work arrangements, leading to poor working conditions, inadequate social security, and limited representation by unions (PWF, 2020, 10). Vulnerable employment is generally characterized by low wages, low productivity, difficult working conditions, and job insecurity. Furthermore, youth unemployment rates (15-24 years old) have always been higher than the general rate and are expected to rise further due to COVID-19 lockdowns (PWF, 2020, 10).

Rising unemployment leads to a significant increase in poverty. Official figures, though dated from 2016, indicate 24.3% of the population living below the national poverty line. The current situation particularly threatens the elderly, those with pre-existing health conditions, female workers (teachers, caregivers, travel and tourism workers), people with disabilities, and self-employed workers like street vendors and gig workers on digital platforms (Pakistan Worker's Federation (PWF), 2020, 11).

The coronavirus pandemic has highlighted critical workplace issues. These include access to healthcare, paid sick leave, job security during illness, unemployment benefits, and safe workplaces with free protective equipment.

With 65 million workers and the rest of the Pakistani population living under lockdown restrictions due to COVID-19, most formal and informal sector workers are out of work. Exceptions include

healthcare workers, public and emergency service personnel, media workers, garment industry workers, agricultural workers, food and retail sector employees, and those in household waste recycling. These essential workers continue to function, keeping society operational despite significant exposure risks (PWF, 2020, 11).

In most functioning workplaces, social distancing and personal protective equipment (PPE) measures are insufficient or absent. Workers are acutely aware that most transmission occurs in workplaces like production facilities, hospitals, and care homes, as well as in public-facing jobs. It's crucial to note that a large majority of the working population during COVID-19 lack comprehensive legal protection if exposed to a work-related biological agent disease. This poses a tremendous risk to workers, their families, and their communities (PWF, 2020, 11).

The human cost of COVID-19 is huge, but its true scale is still uncertain. Socio-economic inequalities have had implications for not only for countries within, but worldwide. Many LDCs are facing severe economic contractions in their income levels and growth rate due to Covid-19. However, the real challenges posed by this pandemic are go beyond economic spheres.

Relative Autarky: Middle Ground Between Protectionism and Neoliberalism

Today the world is not only facing a health crisis, but also a financial and economic crisis, perhaps, biggest in the history of capitalism. "An approximation of the magnitude of this crisis, it took 30 trimesters for the global GDP to return to the level it had before the 2008 crisis: a financial earthquake that led at the time to a contraction of the world's GDP by 0.1%. The IMF has estimated that the coronavirus crisis will lead to a contraction of the global GDP by 3% in 2020" (Caron, 2021, 37).

It is hard for individual states to be able to restart their respective economies by their own indigenous measures as millions of people will end up losing their source of income. In this dire situation humanity finds itself in demands concerted, targeted and humane interventions, a kind of interventions that have not been witnessed on a global scale since the end of WW-II. Oxfam appeals for the need for international action 'a plan for all' (Oxfam, 2020, 1; United Nations Human Rights Council (UNHRC), 2020, 19) Disciplining markets and market forces with an underlying rights-based humanitarian model is need of the time. A grand emergency rescue package is needed which includes cancellation of debt repayments, commitment of trillions of dollars for development, universal human rights being enforced at global level, and health and social protection in place for all. This mitigation package could define a roadmap for dealing with the scale of the crisis. However, poverty and inequality remains a default political position and many will suffer because of it unless the mindset of those who are in power will change.

Neoliberal economy is based on the principle of absolute competition between companies and firms who aim to maximize their profits as high as possible through different ways and means, mainly the outsourcing of production to countries/places where salaries and cost of business are low. This made economies to be more vulnerable to uncontrollable flows that gave birth to economic crises in the past. Unfortunately, at time of recession national governments could do very little because states have lost their control over market flows/forces. At one side, the neoliberal philosophy of free trade is probably coming to an end because of these reasons. Indeed, what can one expect from a system that has left countless companies, businesses and individuals on the verge of collapse?

Today stock markets are falling like have never been seen since 1929. And on the other hand protectionist policies and frequent lockdowns have put the entire planet at a standstill. Famous Francis Fukuyama proclaimed in 1989 that history is not over; it is rather progressing in series of events dominated by specific stages/phases that are initially boosted by their triumphs before they become victims or their greed.

There is need to find a middle ground between protectionism and the uncontrollable neoliberalism and this study label this concept as 'relative autarky'. The spread of Covid-19 can be a creative destruction that raises many questions about the functioning of neoliberal economic model. This opportunity created by this Corona virus could ensure greater political control over the market forces and it can provide new theoretical basis for the supra-regional level, where states can come together and achieve this middle ground i.e. 'relative autarky'. By definition, relative autarky is a kind of system which gives states strong mechanisms to have political control over the movements of goods, capital and services.

Today, world is witnessing the demise of unregulated globalization. World need a better alternative to it, a system that will not leave people at the mercy of every crises. Perhaps Karl Polanyi was right, when he said in 1944, that the anarchic evolution of globalization that we have been viewing is a digression from economic regulation (Polanyi, 1944). A better alternative to the globalization is a system that will prevent states from being the victims of free market. A system that can create closed markets that can limit external vulnerabilities thoroughly.

CONCLUSION

The COVID-19 pandemic has undoubtedly exposed vulnerabilities in the current globalized system. Unequal access to resources, profiteering by some corporations, and a lack of international coordination have exacerbated the crisis. This has led some to call for a retreat from globalization, advocating for strong political control and relative autarky (self-sufficiency).

However, complete autarky is unlikely to be a viable solution in today's interconnected world. Globalization fosters international trade, collaboration in research and development, and cultural exchange. These factors can all contribute to economic growth, innovation, and a better standard of living.

A more promising approach might be to reform globalization, striking a balance between economic openness and national interests. This could involve:

- Strengthening international institutions to ensure fair trade practices, address global challenges like pandemics, and promote cooperation.
- Governments taking a more active role in regulating markets and ensuring social safety nets for their citizens.
- Promoting responsible corporate practices that prioritize social good alongside profit.

In essence, the pandemic offers an opportunity to create a more equitable and resilient globalized system. This would involve greater international cooperation, stronger national regulations, and a focus on shared prosperity.

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