

WITHER URBAN ECONOMY?

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The average decline in Gross Domestic Product (GDP) for the six months since the onset of the covid-19 pandemic has been 12 percent for the 60 countries for which data are available now. Of course, this average hides many interesting variations. For instance, for India which is an important emerging economy from the developing world, the GDP declined 24 percent which is double the average fall. On the other hand, China has started recovering. However, if we assume this trend of 12 percent decline to be a good estimate for the average decline of output in the world economy, there can be no doubt it being an unprecedented recessionary phase. It is well-established by now that majority of the world output takes place in urban or peri-urban areas and that is why the world has been fast turning urban. That way the economic decline is essentially an urban decline, with agriculture being affected the least. It is no surprise also that the environmental crisis that preceded the pandemic is also a great crisis by the city, of the city and for the city.

What has the world been thinking about it? The United Nations have declared pandemic to be the wages of the environmental degradation on the planet. The urban dwellers have muffled themselves with masks. Many downtowns have turned into ghost towns. Energy-hungry non-green huge buildings and complexes that were much in demand before the pandemic have become objects of fear as the disease strikes much harsher in confined environments. While the hospitality, transport, travel, tour, entertainment services are worst hit, the housing sector is not picking much despite fiscal and monetary efforts. The service sector is trying to regain consumer confidence through all sort of confidence-building measures. For instance, the airlines are trying to make it safer in the air than it is on the ground. There are interesting stories of new towns and housing projects that address the concerns of life and livelihood in the pandemic situation.

Will it sort itself out or is there any need for rethinking of the entire trajectory of industrial-urban route to development? Well, people have forgotten similar panic that gripped urban centres following, for instance, the plague epidemics starting about seven centuries back and the 'Spanish flu' pandemic a century back. The towns were deserted much more prominently then compared to now but life returned when the disease subsided. However, one of the remarkable things is the rise in the virulence and ferocity of epidemics and pandemics despite the immense growth of science and technology.

The greatest tragedy is that the GDP figures have historically hidden the social costs of production that are reflected in the trash-mountains, gas-chamber like smog, the food and water chains getting poisoned and the fear of extinction. How can we turn this crisis into an opportunity to reflect and reform the course of urbanisation, is an important question not only to the fate of world economy but that of the planet earth.