

THE POST-COVID-19 FUTURE

On line seminars - 5th and 9th February 2021

Introduction – Enrico Wolleb

Today and Tuesday on line seminars replace our traditional seminars in Poggio 2020 which had to be cancelled last year in the hope that we can at least hold a seminar on site later this year 2021.

I warmly welcome our friends and colleagues and look forward to hearing your vision of the future, your analysis on the subjects of the seminars. Today we can take advantage of having around the table many different regions of the world: India, the European Union, North and South America, the Middle East, China and South EastAsia. I feel proud that we are all still here and on the go.

To understand the impact of the Pandemic and of the other changes, how your region was affected by it, how quickly the authorities reacted and what policy stance they adopted, it is extremely important to put together a coherent view.

Clearly, many changes occurred independently while some were accelerated by the pandemic, the economic and social crisis, the level of inequality, the undermining of many institutional pillars of the past decade. All these aspects are too vast and far reaching to be dealt with in the depth that they deserve during the seminar, however we can start work on them.

To approach the analysis of these changes we need a method, the first issue is whether we are faced with a change of paradigm, which seems to me fundamental if we are to explain the present to imagine the future.

This involves modifying our vision of the society and the economy that will emerge in next decades, changing rules and perspectives, abandoning past certainties and scientific boundaries, and being open to whatever outcomes emerge from an open approach.

A first question driven by the pandemic is: “do we freeze our individual, social and economic life” until the virus has disappeared (assuming that we will more or less resume our past individual and social habits (after mass vaccination and efficient

recovery measures) and will we go back to “business as before”? Or will we seek a “new normal?” in an active and creative way, in which we adapt to many other fundamental changes? What are the consequences for the individual, society and the government of trying to steer the process and to give sense to the ongoing changes?

The seminars cover 4 interrelated themes and here I suggest some more specific questions which are relevant to these themes and can help to shape a still unclear idea of the future.

- 1) To what extent will the crisis of globalization affect the geographical allocation of production and the patterns of trade?
- 2) What kind of policy intervention can deal with the rise of public debt? Will it bring a financial crisis?
- 3) Has the pandemic altered the balance of economic power in favour of China as a result of its swifter and more efficient reaction with the lockdown, and with its recovery measures more oriented to new investments both public and private, rather than to income subsidies?
- 4) The crisis of multilateralism, which has been a pillar of the past growth patterns, generated some form of accommodating (China and PVS) or pragmatic bilateralism (EU) and a conflicting unilateralism (USA); which more efficient alternative, if any, can support a more stable growth and climate cooperation?
- 5) The pandemic has exacerbated a longstanding trend of increasing inequalities in income, jobs, gender and geographical, within countries and between countries and regions of the world. Will those inequalities undermine the present social and political systems which were already shaky? Can the recovery policies generate any response in wealthy countries? And how about poorer countries?
- 6) What role can the State take on at central and local levels? On the one hand states intervened through central governments at differing speeds to tackle the emergency and counteract the inefficiencies and inequalities generated by private health systems and heavily financed multinationals to find and produce a vaccine.
- 7) However, the longer the crisis lasts, the more we feel the difficulty of states in keeping up with a changing world and their inability to organize a fast, non-bureaucratic, creative and open response to a constantly fluid situation in the health, social and economic contexts.

- 8) The State (and the underlying institutional organization) seems more able to maintain the “status quo”, expecting to restore the past order in the spheres above, and is not reacting with sufficient speed and flexibility to the permanent changes that are occurring.
- 9) To address the permanent changes due to the Pandemic, how can we grant individual and social creativity the space to adapt and actively forge a “new normal”? And which new institutional order and policies are necessary to do so? When the debate on what will the new normal consist of be put at the center of the political debate by states and institutions?
- 10) What changes and which policies are needed to reform the organization of the State and political governance?
- 11) The pandemic has given birth to two opposing developments; on the one hand a reversal of the previous policy stance on debt management, austerity and, therefore, budgetary and fiscal policy; on the other hand, perpetuation of slow and inefficient mechanisms of decision making, reinforced by cumbersome and overcharged operational mechanisms yet many new policy areas (health, migration) where the UE does not have strong competence progressively rely on EU initiatives
- 12) The RRF priorities raise the question of whether an effective common environmental and social policy is feasible and if it can help to restore growth and employment in a relatively short term. Is NextGenerationEU simply a political slogan, as too often experienced, or is there an opening for epochal change?