



WIG

The Whitehall & Industry Group
connecting the sectors



'Economic Growth & Prosperity' Series Perspectives on the Economic Landscape after COVID-19

Expert Insight

We were joined by Ann Pettifor, Political Economist, Author and Director of Policy Research in Macroeconomics (PRIME), to discuss the economic landscape after COVID-19. Covering the good news and the bad, Ann touched on many points:

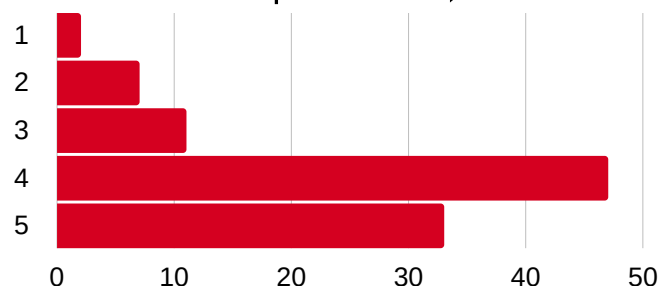


- There has been some good news underneath the pandemic: air quality increased while emissions declined; Heathrow's expansion was overruled, representing the first time the Paris Agreement has been enforced by law; consumer saving has increased as individuals look to the future with caution; 9 million Brits are now cycling; and UK monetary and fiscal policy are working in tandem for the first time in 10 years.
- However, a deep, global recession looms, with commentators across the spectrum wary of the bounceback suggested by some. It is vital that governments continue to plan for a harsh economic terrain.
- Across the world there is mass unemployment, and global 'gluts' have led to huge stocks of certain resources sat unmoving - such as diamonds, cocoa, and oil, which famously gained a negative value as global demand vanished.
- While trade flow and labour stopped, money flows never ceased. This liquidity enabled those with assets to become richer out of the pandemic, with American billionaires gaining over \$430bn in wealth.
- As the pandemic hit globally, capital left poor countries, ill-equipped to deal with the crisis. This strengthened the USD, thus increasing the cost of dollar-denominated imports such as oil, pharmaceuticals, and food. Countries already at a disadvantage, unable to obtain dollars (or only at inflated rates) became far worse off.
- In this sense we are seeing a crisis of the international financial system, which not only benefits certain countries, but speculators and the asset-rich therein. What is needed now is a rebuilding of the financial architecture as we saw with FDR's New Deal - this time prioritising the environment and the disadvantaged.

Cross-sector Opinion

Over 120 attendees from the breadth of our cross-sector membership listened in, we asked them:

On a scale of 1-5 (1 being not at all, 5 being extremely), how important do you think a transformation of the international financial architecture is to economic recovery around the world?



Our members' questions

Our members raised some challenging questions to be answered, some of the big issues raised included:

- Ensuring the environment and climate change remain central to a COVID-19 recovery
- Creating meaningful change within a financial system geared towards its architects
- The effects of the current crisis on the Euro and the current monetary system more broadly
- How COVID-19 differs to historical crises and whether we are better-equipped to tackle it

WIG members can listen to Ann's presentation [here](#)
To see our full programme of webinars, visit www.wig.co.uk