

Navigating Covid-19 in a Small Open Economy

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**Ollscoil
Mhá Nuad**
Ollscoil na hÉireann
Má Nuad

Three Shocks

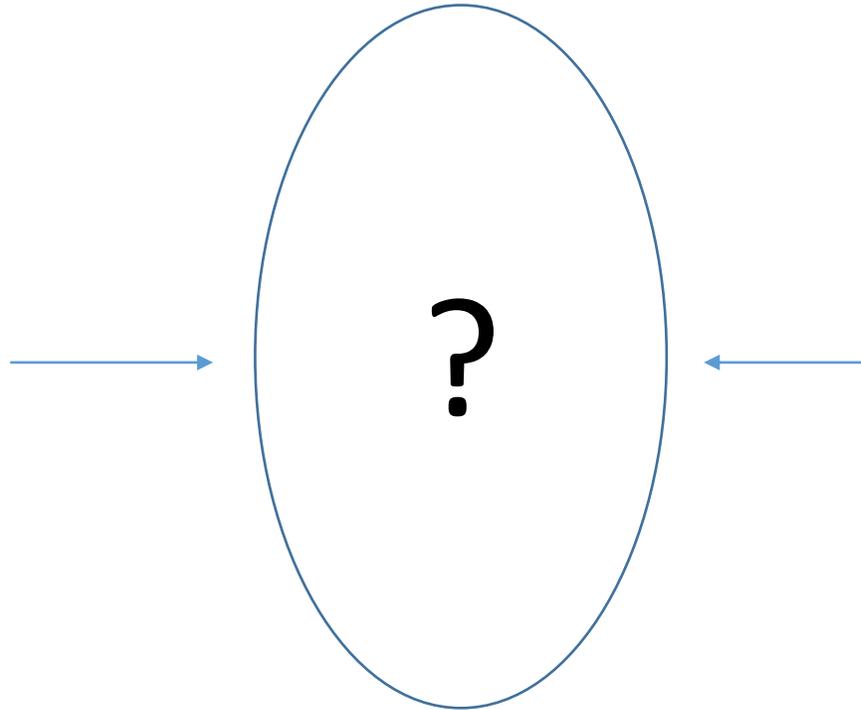
- Health
- Employment
- Time and Space
– Uncertainty
and Contraction

	2012Q2	2019Q4	TWSS	Current
Construction	81.9	148.3	-28.5	119.8
Wholesale and retail	272.3	303.5	-49.8	253.7
Transportation and storage	83.8	107.2	-12.9	94.3
Accommodation and food	124	179.8	-30.5	149.3
FIRE	100.4	115.8	-2.4	113.4
Admin services	75.5	113.4	-9.4	104
Total	1876.5	2350.6	-219.4	2131.2

What possible futures?

'Keynesian'

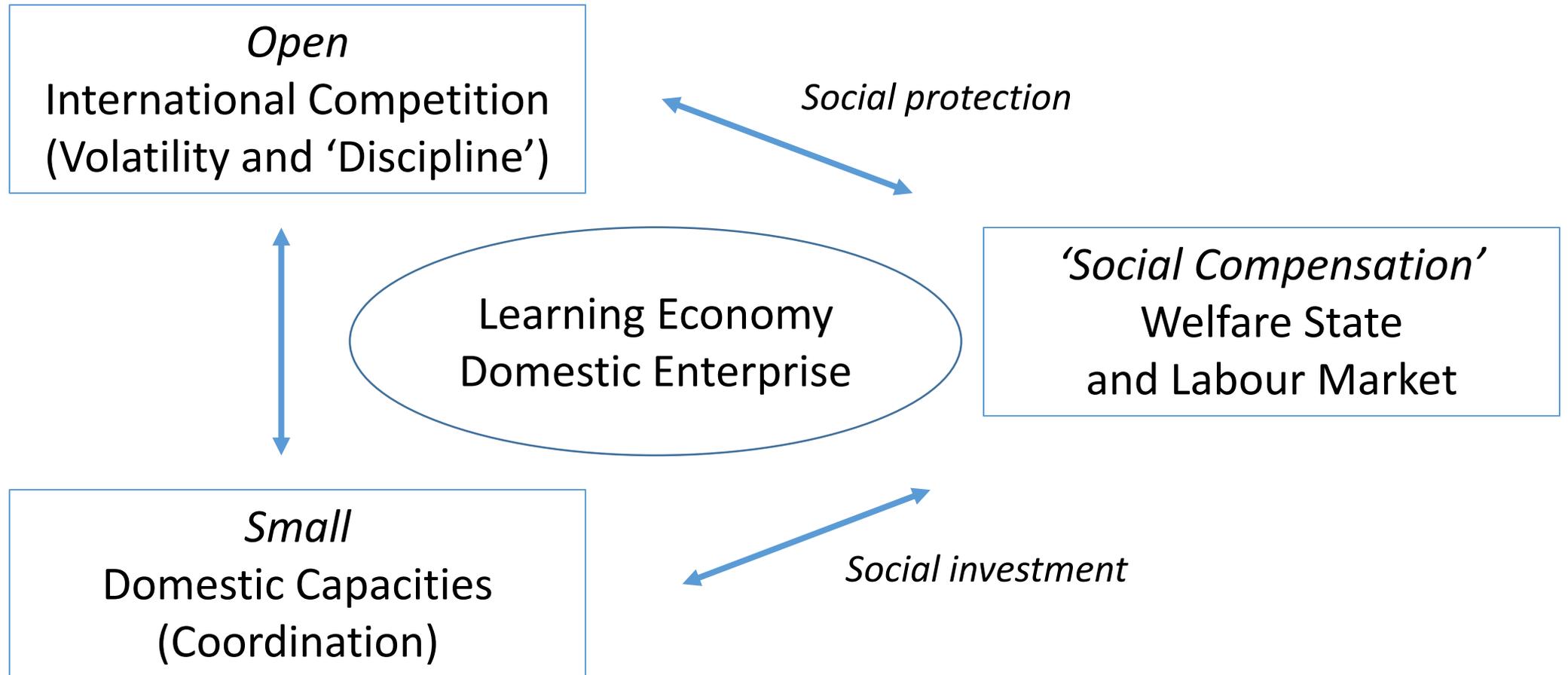
- 'Refloat' as some form of stimulus re-activates a mothballed economy
- Back to 2019?
- 2019 plus stronger public services?



'Ordoliberal'

- State debt and cuts
- A future made by the 'winners' (eg Big Tech, surveillance state)
- 'Tech solutionism' likely to fill the gap for public services

The 'Small Open Economy Model' (European Style)



Three Phases of the Public Health Emergency

- Crisis Management – ‘lockdown’
- Uncertainty – Test, Trace, Contact, Varying Restrictions
- Rebuilding towards a ‘New Normal’

Protection

Investment



Three 'Phases' of Socio-Economic Recovery

- Crisis Management
 - Measures: Social Protection, Optimising Capacity on the fly
 - Politics: Stability, Primacy of Expertise
- Uncertainty
 - Measures: The Opportunity for Learning and Transformation
 - Politics: Challenged on two fronts – public legitimacy and trust of tired institutions
- Rebuilding towards a 'New Normal'
 - Measures: Investment – socio-economic, crucial directional decisions
 - Politics: Parliamentary and potentially Civil Society, 'Social Contract'

The Crucial Phase of Learning and Reconstruction in Uncertainty

- A 'window' where the working of institutions has not settled in to old patterns and where the possibility of alternative arrangements remains clear
- Three kinds of opportunities in the face of crisis
 - Sectors that experienced significant reconfiguration in the crisis (eg healthcare, homelessness, childcare)
 - Sectors that have been 'paused' and require reconstruction (eg SMEs)
 - The time that has been given us on climate change
- The Mechanism
 - Detailed organisational learning – in firms, public organisations, sectors, multiple levels
 - The role of politics – drive and facilitate this learning and development; we have some history in this