



## Economic growth versus Integral Human Development: Post Covid-19 Economics

Webinar



The Covid-19 pandemic has exacerbated the vulnerability of people's health, of public health structures, and of global socio-economic systems. These vulnerabilities are expected to increase further due to the escalating environmental crisis, with the poor paying the higher cost. The pandemic, and the crises connected to it, will shape the future of the global economy, particularly in three major aspects:

1. the relationship between *market and State* will be rebalanced in favour of the latter. Mass layoffs of workers, and the implementation of bailout packages to all sort of industries by most governments worldwide, are revealing this;
2. the tension between *hyper-globalization and national autonomy* will heighten. Nations need to recover agency without falling into nationalism; and world trade and global governance must find new ways of promoting multilateralism while respecting local initiatives;
3. the tendency to see material *economic growth* as an unlimited goal will be disputed. It must adapt to the current multiple crises (health, social, economic and ecological), and thus may need to scale down and/or measure differently.

Could Covid-19 be a catalyst for a fundamental reform of capitalism? And if so, how can this horrific pandemic give us the opportunity to promote an economy that serves the common good and respects our common home? To what extent can Pope Francis' economic vision, underpinned by Catholic Social Teaching (CST), help?

The Pontifical Academy of Social Science (PASS), alongside the Dicastery for Promoting Integral Human Development (DPIHD) will organise a seminar to explore these issues, in particular:

i) *New market-State relationship. Rethinking public-private partnerships:*

- Since we cannot rule out a return to an old-style *dirigisme*, it is appropriate to refer to the principle of subsidiarity – one of the CST pillars. What form should this principle take when translated into the post Covid-19 reality?
- Given that markets adapt to cultures (understood as predictable patterns of behaviour that organize systems of values) and in turn cultures inform markets, how can a new public-private approach foster a cooperative rather than competitive relationship among the two?
- De-solidarity is a pattern that is increasingly expanding inequalities and exclusions. Can a new public-private approach reverse this pattern?

ii) *Hyper or de-globalization? Promoting local markets with new multilateralism:*

During a pandemic of interconnected crises, there is no space for individualism. As Pope Francis has recently stressed: "To make individualism the guiding principle of society has proved illusory". Economically, individualism is manifested in different ways, one being protectionism. Today, many governments are imposing import-export restrictions on the supply of medical equipment, medicines and food. Moreover, national initiatives for the cure or vaccine may only benefit some. Yet, hyper-globalisation has still to prove its benefits for all. Can the promotion of a new understating of local and global markets, through the CST principles, reduce individualism and forge the common good?

iii) *Economic growth:*

The pandemic and its related crises require revisiting the understanding of material economic growth as the main and sole societal guiding principle. To respond to financial meltdowns, climate breakdown and COVID lockdowns, we must regenerate an economy that is sustainable, inclusive and innovative. How to promote such a growth that is based on the notion of integral ecology (*Laudato Si'*, 137 ss), caring for the health and dignity of every person, society and the planet?