



Wilton Park

## Concept

### Diplomatic pathways for an economic paradigm shift post-COVID19

Wilton Park in partnership with E3G and IPPR

Location: Virtual, Wiston House

#### Summary

Wilton Park and partners will convene a series of dialogues to stimulate new ideas on meaningful economic reform and to identify diplomatic pathways for enacting reforms that aim to make the global economy more just, fair, and green.

As a side effect of the COVID19 crisis, the global economy is predicted to contract by up to 4.5%. Unlike many previous economic crises, this economic hardship is affecting people and societies globally as economic activity has been severely curtailed or halted altogether. However, this economic hiatus is a rare opportunity to institute reforms to the global economy to ensure that it serves everyone. Many experts are calling for a rethinking of economic issues such as growth, consumption, debt and financial architecture, systemic risk, innovation, sustainability and resilience. This will entail rethinking the metrics that policymakers use to measure success.

Many experts highlight the urgency of the issue, since the actions that policymakers take within the coming months have the propensity to shape the global economy for decades to come. There is an opportunity to ensure that today economic actions address the broader challenges facing society, including climate change, employment, inequality, debt, and poverty reduction. Tackling these challenges will ensure a more equitable, secure, green, and prosperous world for all.

In this moment of opportunity, this dialogue series aims to bring together international experts alongside key policymakers to discuss what a post-COVID19 political economy might look like, identifying examples of best practice in ensuring a greener, fair and just economy, as well as the international measures needed to foster them. It will aim to bring together many existing initiatives to identify the diplomatic pathways that would be needed (or could be taken) at multilateral and regional levels to achieve the implementation of ambitious and meaningful economic reform.

#### Context and Key policy issues

The Coronavirus pandemic is sending shockwaves through the global economy. Many countries have introduced life-saving public health measures and restrictions on everyday life that are restricting economic activity. To counter the economic impacts of such measures, many governments have implemented an initial phase of economic stimulus packages targeted at temporarily supporting those industries, businesses, and individuals most impacted.

Whilst the short-term economic impact of the current crisis is very apparent in the shuttering of businesses, increased corporate insolvencies and rising unemployment, the long-term impacts remain contested. Most experts agree that the global economy will be significantly affected by this crisis with projected growth rates for all major economies revised downwards. Government measures to protect the economy from damage in the short term will only be partially successful at shoring up the underlying economic structure, and at the

cost of considerably increase of debt loads. At the same time, the global and asynchronous nature of the pandemic means that this economic disruption is likely to be prolonged.

However, this economic crisis presents a rare opportunity for policymakers to rethink key economic principles including growth, consumption, debt and financial architecture, systemic risk, innovation, resilience, fairness, and sustainability, as well as a reevaluating of the metrics that policymakers use to measure economic success. Many experts, advocates, and academics are calling for this opportunity to be used to implement meaningful economic reform that makes the global economy fairer, more sustainable and greener.

This series of events will explore some of the issues facing the global economy, analysing the potential innovative and transformative reforms that could be taken and the diplomatic pathways necessary to achieve this ambition on an international scale. Each event will also explore instances of best practice in actioning economic reform, asking how these lessons can be used to restructure the global economy in a way that fosters strong, sustainable, balanced and inclusive economic growth. Initial sub-topics include:

- Sustainability
- Resilience
- Health
- Employment
- Inequality
- Trade
- Debt and financial architecture

## **Goal and objectives**

This initiative aims to contribute to economic thought, facilitate discussions, and identify potential diplomatic pathways to achieve implementation of a wide-ranging economic reform agenda.

Wilton Park and the partners will convene a series of virtual and in-person discussions, culminating in a summary report.

It seeks to be distinct from existing initiatives by exploring the diplomatic and other pathways that are needed to action meaningful economic reform in the context of the COVID-19 pandemic. By convening those involved in other major studies and initiatives the series will draw on their best practice and prepare recommendations for the international policy and diplomatic community.

## **Intended outcomes**

- Convene a cross-cutting group of experts on the global economy to design a roadmap for ensuring that the post-pandemic global economy is fairer, greener and more just.
- Inform UK and international policymakers on the cutting edge thinking of what the global economy will look like post-COVID19 and what steps will be needed to achieve this through diplomatic agreement
- Generate insights and advice for how countries, international organisations, the private sector and civil society can tackle some of the biggest issues facing the global economy
- Meeting outcomes will be captured in reports summarising the discussions, conclusions, policy recommendations, and actions, which will be widely circulated to interested parties and posted on Wilton Park and other websites.
- This initiative will aim to develop a roadmap for implementing meaningful economic reform, identifying best practice and the diplomatic pathways for implementation.

## **Who should participate**

- Government officials including from: finance ministries; environment ministries;

- trade ministries; foreign affairs ministries
- Representatives from global financial institutions including: The World Bank; The IMF; and regional development banks
- Representatives from NGOs and advocacy groups with an interest in themes throughout the series
- Academics and strategy experts including those involved in other reform initiatives
- The private sector, including institutional investors, financial services companies, and industry.

## Proposal

This initiative will aim to deliver a series of virtual and in-person convenings from October 2020 to May 2021, building on existing work to identify instances of best practice and ultimately generate a playbook for policymakers wishing to make meaningful reforms to the global economic system. It will be managed and informed by a partnership group who will identify participants, provide secretariat support between convenings, and deliver the written outputs of the initiative.

Headline discussions will be informed and supplemented by smaller working groups which will look in-depth at the identified sub-topics.

### October 2020:

- 13<sup>th</sup> October. Launch and scoping event: exploratory conversation looking at the scope of the project, objectives and proposed outputs. Exam questions: What are the opportunities for economic transformation? What reform issues should this initiative investigate and how should they be prioritised? What are the diplomatic pathways for actioning reform on the international stage? What would success look like?
- Identify sub-topic dialogues

### November 2020 – January 2021:

- Convene sub-topic dialogues: Exam questions: What would success economic reform on this area look like? What initiatives are looking into economic reform in each sub-topic area? What instances of best practice in economic reform can be identified? What would be the timeline for each reform idea?

### January 2021:

- Convene key stakeholders for wider economic reform dialogue exploring complementarity, rivalry, quick wins, and next steps of the project.

### February 2021 – April 2021:

- Smaller groups to identify diplomatic and other pathways for implementation. Exam questions: How to combine the reform agendas for each sub-topic into a single roadmap? What venues are there at the international level to push for the adoption of the economic reform outlined at the national and global levels?

### April/May 2021:

- In-person event to launch the roadmap for economic reform. Exam questions: what are the next stages in this process? Who can take this agenda forward? How to measure success?

## Format

The participatory format of these dialogues whether virtual or face to face, encompassing plenary sessions plus time spent in smaller breakout groups, will help generate fresh insights and analysis. It will be held on the basis of non-attributable discussion in a neutral environment designed to encourage an open and constructive exchange.

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