

INVESTMENT AFTER THE PANDEMIC: SOME INITIAL REMARKS

REINHILDE VEUGELERS
KULEUVEN & BRUEGEL

ENRI VIRTUAL WORKSHOP

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EUROPEAN RECOVERY PLAN FOR POST-COVID

- COVID CRISIS IS DIFFERENT FROM PAST CRISES
 - TYPE OF THE SHOCK (CONTAGION & HEALTH EFFECT)
 - SIZE OF THE SHOCK
 - INTERNATIONAL SPAN
 - A DEMAND AND A SUPPLY SHOCK
- POST-PANDEMIC WILL BE DIFFERENT

IN NEED FOR MORE/DIFFERENT EU?

(WHEN) WILL WE GET OUT OF THE PANDEMIC & BE ABLE TO RESTART?

DO WE HAVE IN EUROPE THE DIAGNOSTICS, THERAPEUTICS & VACCINES STRATEGY
THAT IT TAKES TO ENSURE HERD IMMUNITY?

RESEARCH, DEVELOPMENT, MANUFACTURING AND DISTRIBUTION AT
LARGE SCALE

MAYBE NOT YET

[HTTPS://WWW.BRUEGEL.ORG/2020/04/COVID-19-VACCINES-STRATEGY/](https://www.bruegel.org/2020/04/covid-19-vaccines-strategy/)

A PROPOSAL FOR EU PUBLIC FUNDING TO
ENSURE A SUFFICIENT HIGH NUMBER OF VACCINES AVAILABLE TO ALL;

EUROPEAN RECOVERY PLAN FOR POST-COVID

SHORT-TERM INTENSIVE CARE

- DEMAND:
 - INCOME SUPPORT (EG KURZARBEIT);
 - BUT ALSO SINGLE MARKET (MOBILITY OF GOODS & SERVICES);
 - SINGLE E-COMMERCE MARKET
- SUPPLY:
 - EUROPEAN & GLOBAL VALUE CHAINS RESTORED: MOBILITY OF INTERMEDIATE GOODS & SERVICES: EU SINGLE MARKET & OPEN TRADE POLICY
 - ACCESS TO SCALED MARKETS : MOBILITY OF FINISHED GOODS & SERVICES: EU SINGLE MARKET & OPEN TRADE POLICY
 - ACCESS TO LABOUR/SKILLS: MOBILITY OF WORKERS: EU SINGLE MARKET & OPEN TRADE POLICY
 - ACCESS TO FINANCE: LARGE SCALE : MONETARY/FISCAL; EUROZONE; EU MFF, IMF, WB..

RECOVERY PLAN REQUIRES OPENING OF BORDERS (AT LEAST INTRA-EU), COORDINATION OF POLICIES INTRA-EU & GLOBALLY

EUROPEAN RECOVERY PLAN FOR POST-COVID

*MEDIUM TO LONG-TERM REBUILDING FOR A NEW POST-COVID
WORLD*

THE NEED FOR AN EU SCALE

- DESTRUCTION/BANKRUPTCY:

- MINIMIZE WITH STATE AID SUPPORT
- BUT AVOID KEEPING ZOMBIES ALIVE, PREVENTING CREATION

IN NEED OF EU COMP/STATE AID CONTROL: TO BE REVAMPED?

- A MORE RESILIENT RECOVERY: ADOPTION OF DIGITAL TECHNOLOGIES & BUSINESS MODELS WHICH ALLOW FOR MORE EFFICIENT, SOCIALLY DISTANCED INTERACTIONS:

IN NEED OF EU DIGITAL STRATEGY: TO BE REVAMPED?

- A MORE SUSTAINABLE RECOVERY, CLIMATE CHANGE CHALLENGE COMPATIBLE

IN NEED OF EU GREEN STRATEGY: TO BE REVAMPED?

MEDIUM TO LONG-TERM RESTORING: A NEW POST-COVID WORLD

THE INNOVATION ECO-SYSTEM AT WORK FOR CREATIVE DESTRUCTION THE NEED FOR AN EU SCALE

- SCIENCE FOR NEW DIGITAL, CLEAN AND HEALTH SERVICES & GOODS
 - SCIENCE FUNDING
 - ACCESS TO RESEARCH INFRASTRUCTURE AND INPUT MATERIAL
 - MOBILITY OF BRAINS
 - **EU MFF GRANTS: REVAMPED?**
 - **NB: IN MIX OF BOTTOM-UP & TOP DOWN; NB "MISSED" HEALTH IN MISSION ORIENTATION**
 - **OPEN EUROPEAN RESEARCH AREA**
- INNOVATIVE DIGITAL, CLEAN AND HEALTH SERVICES & GOODS
 - RESTORE ACCESS TO MARKETS & SKILLS
 - ACCESS TO CAPITAL FOR RISKY YOUNG ENTREPRENEURS
 - RISK CAPITAL, GRANTS... NOT LOAN GUARANTEES
 - **EIC, EIF; INVESTEU: REVAMPED?**

EUROPEAN RECOVERY PLAN FOR POST-COVID

THE NEED FOR AN EU SCALE

MEDIUM TO LONG-TERM RESTORING: A NEW POST-COVID WORLD

A FORTRESS EUROPE WITH AUTONOMY IN “STRATEGIC” SECTORS”?

- EUROPEAN CHAMPIONS THAT ENSURE SELF-SUFFICIENCY IN CRITICALLY STRATEGIC SECTORS
 - **A REVAMPED NEW INDUSTRIAL POLICY?**
- WILL AN OPEN, COMPETITIVE, LARGE SINGLE MARKET STILL BE THE BEST INDUSTRIAL POLICY?
- DO WE NEED MORE PROTECTIONISM TO PROTECT AGAINST DE-GLOBALIZATION?
 - **NB: STRATEGIC AUTONOMY DOES NOT REQUIRE CLOSING; PROTECTIONISM**
- STRATEGIC AUTONOMY, SECURITY OF SUPPLY IN CRITICAL SECTORS REQUIRES
 - VALUE CHAINS THAT HAVE MORE DIVERSIFIED SUPPLIERS (NOT MORE CLOSED);
 - TECHNOLOGIES THAT ALLOW MORE FLEXIBILITY TO ADAPT TO BOTTLENECKS;