

A DIFFERENT CURVE: MAKING SENSE OF PUBLIC AFFAIRS IN THE POST-CORONA NEW NORMAL

Published on April 28, 2020 08:14 AM



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The French called it revanchisme. The word originated in the 1870s after the Franco-Prussian War and stands for vengeance occurring after a lost war or a political defeat. Back then, it referred to the bereavement of Alsace-Lorraine by Bismarck and his allies. Chances are that such an urge for getting back at the enemy will determine the new equilibrium between businesses, citizens and the public sector, following the current sway of the SARS-CoV-2 virus on the political, administrative and socio-economic structures of our country.

This may or may not happen in disguise. As a consequence, the interests of companies and their employees will have to be advanced in a significantly different framework set by governments and other authorities. The debate about who will have to carry the greatest burden in the years to come is already ongoing. Finding sustainable solutions to the major policy challenges ahead will be even tougher than before due to the profoundly disturbed relationship between the economy and the State – not that they were getting along very well before.

As a matter of fact, things started to go south when the neo-liberal take on economics, defined in 1938 at the Lippmann Colloquium in Paris, gradually conquered the civilized world after the fall of communism. It led to a feverishly worshipped and, at the same time, deeply despised globalization, providing nations with unparalleled prosperity. In its wake, the boundless urge for growth cultivated an inconvenient brood. Inequality kept on rising, along with the temperature of our climate and, more recently, the adverse effects of pandemics. All of that based on an economic theory. A framework so simple that virtually anyone can understand it and, for that reason, all the more persistent and difficult to contradict.

Seemingly unstoppable, neo-liberalism also knew increasing success in the public sector. The application of its principles to government bureaucracies, and ultimately to policymaking itself, yielded efficiency gains as well as downward pressure on budgets. Meanwhile, the cry for leaner, centralized government structures got louder and louder. Much too lean, some of us stubbornly persisted in saying. All this time, suspicion of capitalism lingered on. Because we might as well face it: private sector people and their counterparts from the public sector rarely hit it off. The uncomfortable feeling of not belonging to the same kind of breed is almost intuitive. It is because their game is fundamentally different. The former need profit to thrive, and the latter are constantly trying to build on legitimacy. Which is why clashes are inevitable, and advocacy proved to be essential for appeasement and progress.

In our country, the last time this continuous confrontation resulted in more than merely irritation and whining was in September 2008, when a group of bankers begged the government, of whom they so often and so happily made fun, to save them. Clearly, neo-liberal theory proved not to be infallible. For the banks, being saved came at a cost. For the government, it meant crisis but *money time* as well.

Moreover, policymakers usually have excellent memory, and interestingly so, in this crisis today the financial sector is ordered to carry its share of the burden. This time it is *payback time*. Only when everything goes back to normal will it become clear in what way and for whom. At that point, authorities will want to regain the lost ground while at the same time making new demands.

In the short run, policymaking will be faster and more profound than before. For businesses, this will be vital. After all, major reforms break down old and tough resistances, but they also entail corresponding risks for companies to end up on the wrong side of the deal. As far as multinational companies are concerned, much remains to be done in order to avoid this. They will have to find new ways to balance their global choices with local needs. In any case, the one-size-fits-all lobbying plans prepared by foreign headquarters, carelessly rolled out in relevant markets, will have to be tailored to local realities. To overcome the increased suspicion, they will have to establish a better connection with policymakers, much more transparent and solid than before. To achieve this, companies will have to tell far better stories and understand that their audience is the only relevant judge. As neoliberal narratives are clearly waning, we are direly in need of a new plot to applaud.