

From the global financial crisis to the VIDOC 19 crisis :
To learn how to limit the sequences

Pascal Petit

CEPN Centre d'Economie de Paris Nord

Sorbonne Paris Nord University

In the space of a decade or so, we have experienced two global crises, one financial, the other health-related. Global in scale and capacity to reach almost every country quickly. While these crises may appear to be almost unrelated, their global nature seems to have implications for crisis exit, constituting the matrices for new global crises. In other words, the way in which the global financial crisis of 2008 was contained played a very direct role in the genesis of the global health crisis of 2020. Similarly, the treatment of the health crisis is likely to create the conditions in the short to medium term for a new global financial, health or environmental crisis.

- First of all (&1), we will begin by quickly reviewing the conditions of the global financial crisis and its treatment
- then (&2) will look at how post-2008 conditions have directly contributed to increasing the vulnerability of countries to pandemic risks.
- Finally, we will assess (&3) the risks that the various post-2020 scenarios present of creating the conditions for new global crises.
- The conclusions (&4) should help to define new objectives in the social compromises matching with the SDGs standards to try to exit the global sanitary crisis in ways reducing the re-occurrence and scale of global crises as much as possible.

1 The global financial crisis of 2008.

- 2008 global financial crisis as a Minsky moment.
- Bailing out to big to fail banks and firms
- Rises in public debts and ensuing stricter austerity policies
- Reregulation of banking : an going process to ensure financial stability
- ...though increases in shadow banking in times of globalized finance
- Strentgthening pressures on daily functioning of public services
- Towards financialized capitalisms

2 Implications for State missions: the case of health services.

- Missions of the States: education, health, defence , ...
- Through articulation of market, non market and domestic activities
- A tightening of management increasing the share of market activities, though pressing the costs
- Ending with a surprising incapacity to meet the challenge of the pandemic VIDOC19....;some kind of Minsky moment!
- Lack of capacity (tight management), lack of equipment (outsourced strategic productions)
- Still a pandemic threat strongly stressed around 2005! Leading to international accords and new institutions
- A problem of asymmetric « dual democracy »

3 On the way out of the health crisis

- Can the scale of the VIDOC crisis help to get out of the prevailing of financial logic?
- On the diversity of national social compromises (path dependancy issue: from the Philadelphia 1944 ILO conference to the Paris 2015 COP21 conference) .A variety rediscovered in the early 2000s
- Status of citizenship still much centered around the wage earner status , even if financialised capitalism, fueling income inequality has fragmented this status , creating second (and third, ...) class citizens
- Runing the risk of heavy social crisisforcing governments to act quickly back to the pre crisis situations ...which would increase the vulnerability to major « new » threats as climate change impacts
- Vital need to get out of the VIDOC 19 crisis with a proper reconstruction of citizenship, New division of activities could help, enriching citizenship and the mission services of the States

4 Which measures, which standards should be taken to create a citizenship that will lead to a sustainable world?

- Starting from the SDGs ...
- Towards social compromises that would enable citizens to contribute to the individual and collective actions implied in the SDGs
- Measures enabling citizens combining in non discriminating ways around various schemes of (basic) income distribution, free accesses to some services and goods, working time reductions, local uses of complementary monies,
- All of which would have to be accompanied by new political practices to balance this dual democracies ..;such as citizens conventions around key challenging issues ...as the above combinations of schemes enabling citizens to have time and resources to engage in different SDGs