Briefing Paper

Global Economy and Finance Programme
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Fiscal policy and the post-COVID-19 recovery

A roadmap for domestic policy and international coordination

Summary

- The collapse in economic activity caused by measures to curtail the spread of COVID-19 has rightly been met with a wave of debt-financed government spending. But with the arrival of vaccines promising a potential easing of the pandemic, policymakers must consider the evolution of their fiscal responses.
- The dilemma will be how soon to reduce support, and which policies to roll back first as economies recover. In theory, if support remains in place for too long, it could exacerbate long-term fiscal challenges or stoke inflationary pressures.
- However, this paper argues that such risks are relatively low, and that premature withdrawal of fiscal support poses the biggest danger to sustainable recovery. The key will be to normalize policy gradually, calibrating the withdrawal of emergency measures to the recovery in private sector demand.
- Policy during this phase will need to adapt from providing blanket assistance to focusing on sectors most affected by the pandemic. Public investment should be mobilized to provide a 'platform' for future economic modernization. The overriding principle should be to let markets guide most of this transition.
- International coordination will be critical to entrench the recovery at a global level, while avoiding trade imbalances and geo-economic tensions. Agreed principles on fiscal policy and economic renewal should inform the 2021 G7/G20 finance ministers' deliberations, with international institutions such as the IMF, OECD and WTO monitoring compliance and providing technical advice.

Neil Shearing

CHATHAM HOUSE

Introduction

The COVID-19 pandemic has led to a huge expansion in the size and scope of state involvement in public life. Around the world, governments have used emergency powers to lock down economies and curtail the movement of people to halt the spread of the virus. At the same time, policymakers have attempted to offset some of the resulting collapse in private sector economic activity by unleashing a massive wave of debt-financed government spending. Ronald Reagan quipped that 'government is not the solution to our problem, government *is* the problem'. Well not, it seems, during a pandemic.

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While the expansion of the state was a necessary response to the crisis, the rapid development of effective vaccines means it is possible that the spread of the virus may soon be contained in many countries. This raises a series of challenging questions for policymakers. Should the state step back as the crisis recedes? If so, how and when should governments begin to roll back their support? And to what extent is it necessary to coordinate these decisions across countries? This briefing paper outlines the economic and fiscal policy challenges that governments are likely to face, and proposes a five-point plan to help guide policymaking.

A bigger state

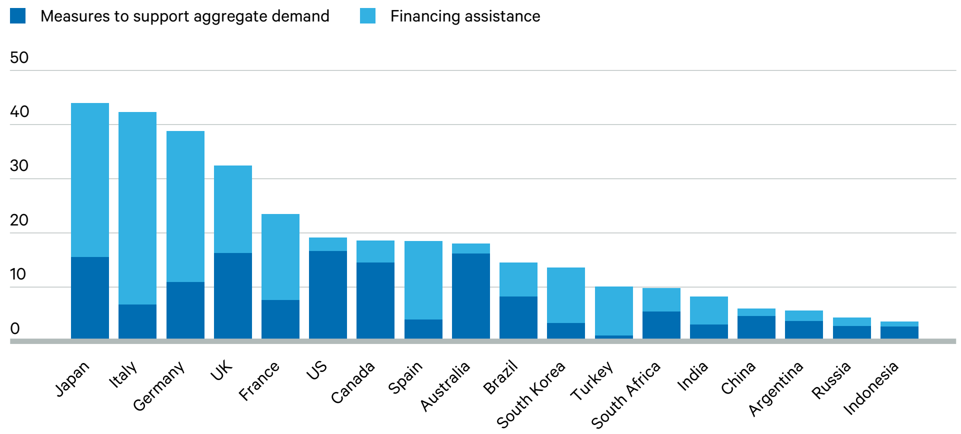
The response to the pandemic has seen the role of the state expand in several different ways. One is that governments in most countries – even liberal democracies – have assumed greater control over the everyday lives of their citizens. The use of emergency powers to limit the movement and activities of individuals has, until now, been restricted to times of war. The use of such measures to tackle the spread of the virus has fuelled a lively debate around whether the end justifies the means. This paper takes no position on this debate. Instead, it concentrates on the merits of policies that have focused more narrowly on supporting the economy – in particular, on the role of fiscal policy.

The scale of the fiscal response has been vast. According to the IMF, the pandemic has produced a combined fiscal response by the world's governments equivalent to 12 per cent of global GDP. To put this into context, the fiscal support provided in 2009 during the global financial crisis was equivalent to around 2 per cent of global GDP.

Distinguishing between different types of support

As with all matters related to fiscal policy, the headline numbers mask important details and differences. For a start, the size of packages has varied substantially across countries. The largest packages among major economies (in Japan, Italy, Germany and the UK) have consisted of fiscal support equivalent to over 30 or 40 per cent of GDP (see Figure 1). At the other end of the spectrum, some countries, including Russia and Indonesia, have announced packages worth 'only' 3–4 per cent of GDP. Timeframes also matter. In some countries, support has been front-loaded, while in others it has been spread out so that fiscal measures will be introduced over several years.

Figure 1. Discretionary fiscal response to the COVID-19 crisis (% of GDP), selected countries



Source: IMF (2021), 'Fiscal Monitor Database of Country Fiscal Measures in Response to the COVID-19 Pandemic', IMF Fiscal Affairs Department, January 2021, https://www.imf.org/en/Topics/imf-and-covid19/Fiscal-Policies-Database-in-Response-to-COVID-19 (accessed 4 Feb. 2021).

More fundamentally, it is important to distinguish between the different types of measures that have been implemented by governments. These measures can be split into two broad categories:

1. Measures to directly support aggregate demand, through either tax cuts or increased spending, including on job support programmes; and
2. Measures to provide financial assistance to companies, including through loans, guarantees or equity stakes.

Figure 1 also breaks down the support packages in major economies according to these two categories. One point that stands out is that, while the overall size of support has differed across countries, so too has the balance between the two types of measures.

In some countries, including the US and Canada, measures to support aggregate demand have constituted the largest share of support packages. In others, such as Italy and Germany, there has been greater emphasis on providing financial assistance to companies.

What's more, measures have been designed and implemented in different ways in different countries. This is particularly true of labour market policies. In Europe, there has been a much greater focus on protecting jobs through government-sponsored furlough or short-working schemes. The details vary, but in general these involve governments subsidizing the wages of workers for a period, thus keeping them on company payrolls and tied to jobs. This has the benefit of preserving job-specific skills among employees and, in so far as it helps keep otherwise viable firms afloat, avoids bankruptcies and deadweight costs. It also maintains a connection between workers and firms so that when demand does return, companies can ramp production back up much more quickly.

In contrast, the US support package has focused less on protecting jobs and more on helping individuals. Unemployment insurance coverage has been expanded, with payments enhanced by $600 a week between April and July 2020, and by $300 a week for three months from December 2020. Stimulus cheques worth $1,200 have also been sent to all households with annual incomes below $75,000, with another round worth $600 sent in December. At the time of writing, a third batch of cheques – perhaps worth up to $1,400 per recipient – is under discussion.[1]

Financial assistance to companies has also come in various forms. Governments have reduced business taxes or delayed deadlines for their payment. There has also been support through equity and debt finance. The former has been on a relatively small scale, generally confined to equity injections by governments into companies deemed 'strategically important'. Debt finance, in contrast, has played a much larger role. It has included direct and guaranteed lending by governments to private companies. These measures have helped keep afloat firms that have been hit hard by recession but otherwise have a viable post-COVID-19 future.

Yet the understandable push to provide a lifeline in the depths of a crisis means that debt financing has necessarily been a blunt instrument. It is likely that, in some instances, public funds will have been used to prolong the life of unviable firms, or will have inadvertently created 'zombie' companies that act as a drag on future investment and growth. Such schemes may have also been a target for fraudsters.

The nature of government-backed loans means that it is impossible to say at the time of their disbursement how much they will ultimately cost the exchequer. If the loans are repaid in full, then the ultimate fiscal costs will be negligible. In contrast, if companies fail to repay the loans, then a fiscal cost will crystallize – though in practice the banks that issue the loans may come under pressure to absorb some of the losses. The light blue bars in Figure 1 therefore represent the upper bound of the anticipated ultimate costs to governments. In practice, the final costs are likely to be much lower.

1 Politi, J. (2021), 'Biden to push $1.9tn stimulus for pandemic-battered US economy', *Financial Times*, 15 January 2021, https://www.ft.com/content/05e07e0d-1f2a-45da-bafb-367f4100c26a (accessed 3 Feb. 2021).

Future challenges

When thinking about future policy challenges, it is important for governments to distinguish between two issues. The first is the need for fiscal policy to support aggregate demand. How should governments time the withdrawal of such support as economies recover? What measures should be rolled back first? And what are the risks associated with withdrawing support too soon or too late?

The second issue relates to the role of fiscal policy – and the state more generally – in a post-pandemic world. Economies after COVID-19 are likely to look different. Some sectors will shrink and others will grow. Consumer and business preferences and behaviour will change. Governments must decide the extent to which this transition should be left to the market or guided by public policy.

These are a formidable set of challenges. An effective response will require fiscal policy to evolve as economies recover.

The immediate priority is to stay the course

The economic outlook has brightened significantly following the rapid development of successful vaccines. It is now possible to believe that the spread of the virus may soon be curtailed in many countries. Even so, over the next two to three years the priority should be for fiscal policy to support demand and entrench the economic recovery. Even before the pandemic struck, several major economies, particularly in Europe, were suffering from extremely weak growth and were on the brink of recession. The biggest danger is that governments withdraw support too early.

Calls to taper support immediately are rooted in two concerns. The first is that its sheer cost will precipitate a string of fiscal crises. Total public debt is on track to have risen to a post-Second World War high of almost 100 per cent of global GDP in 2020.[2] Debt ratios are likely to rise further in some, though not all, countries in 2021–22.

The second concern is that the huge amount of fiscal support provided in response to the pandemic means that a period of much higher inflation may lurk just around the corner. These concerns are interrelated. After all, faced with high and rising debt burdens, governments (and by extension the central banks that answer to them) may be more likely to tolerate – or even target – higher inflation to bring down debt ratios over time. Conversely, a rapid and uncontrolled rise in inflation would require central banks to raise interest rates, thus causing government borrowing costs to rise and public debt ratios to spiral.

The arithmetic that underpins the public debt-to-GDP ratio is governed by the delicate interplay between sovereign bond yields (r) and the rate of nominal GDP growth (g). When r is greater than g, countries need to run a primary budget surplus (i.e. after interest spending) to keep the public debt ratio stable. But when

2 IMF (2020), *Fiscal Monitor: Policies for the Recovery*, October 2020, https://www.imf.org/en/Publications/FM/Issues/2020/09/30/october-2020-fiscal-monitor (accessed 3 Feb. 2021).

r is lower than *g*, the need to run a primary surplus to achieve this goal disappears – moreover, the further *r* falls below *g*, the greater the ability of governments to run a primary *deficit* and still keep the debt ratio stable.

The key point here is that with interest rates kept low by ultra-loose monetary policy, bond yields are likely to stay below the rate of nominal GDP growth in most major economies over 2021–22. In these conditions, it is unlikely that public debt ratios will spiral out of control.

Of course, fiscal hawks can reasonably argue that bond markets are fickle and that a spike in borrowing costs is possible, particularly if investors become spooked by the prospect of never-ending fiscal largesse. This is true. But were this to happen, most governments could rely on central banks to contain upward pressure on yields. Among the major economies, central banks now hold anywhere from one-quarter (in the case of the US) to one-half (in the case of Japan) of outstanding government bonds. Central banks and governments will need to coordinate and communicate a plan for adding to (and subsequently managing) central bank holdings of government debt. But a key principle should be that this is done in a way that keeps yields below the rate of nominal GDP growth until economies return to full employment.

This should be possible because, turning to the second concern, the risk of a sustained rise in inflation over the next couple of years is also low. Admittedly, inflation is likely to accelerate in most economies in the second quarter of 2021 as the effects of last year's sharp fall in energy prices drop out, and as (in some cases) indirect tax cuts start to be reversed. But this will be a temporary effect that does not require a response by central banks.

The public sector must counter any weakness in private demand until the economic recovery is entrenched. A failure to do so would slow growth, cause greater long-term scarring, and thus magnify the scale of future fiscal challenges.

More fundamentally, while the restrictions on activity imposed to control the spread of the virus have reduced the supply potential of economies, this should ease as economies reopen. And while concerns are building that a rebound in demand fuelled by fiscal stimulus and the rundown of involuntary savings accumulated during lockdown will lead to a resurgence in inflation as restrictions on activity are lifted, the reality is that most major economies are facing a long road back to full employment. Indeed, the experience of Japan over the past two decades suggests that even when output gaps are closed, structural forces may still prevent inflation from picking up.[3] Inflation globally may yet make a comeback, but this is unlikely within the next couple of years.

3 Thieliant, M. (2020), 'Why did huge monetary stimulus not boost inflation?', Capital Economics, Japan Economics Focus, 23 June 2020, https://www.capitaleconomics.com/clients/publications/japan-economics/japan-economics-focus/why-did-huge-monetary-stimulus-not-boost-inflation (accessed 3 Feb. 2021).

Instead, the more immediate threat is the continued weakness of private sector demand. Spending by households and firms is likely to recover as restrictions on activity are lifted. But economic headwinds will remain. Some households will be forced to cut spending as job losses mount. Meanwhile, the uncertainty caused by the pandemic may lead to a higher level of precautionary saving by households and businesses.

In such circumstances, the public sector must counter any weakness in private demand until such time as the economic recovery is entrenched. Indeed, a failure to do so would be self-defeating, since it would slow growth, cause greater long-term scarring, and thus magnify the scale of future fiscal challenges.

As economies recover, fiscal policy must evolve

The upshot is that the immediate priority for governments should be to focus on keeping fiscal support in place. This is not, however, a licence for unending largesse. As economic recoveries progress, fiscal policy will need to adapt. In this respect, governments will face two major challenges.

The first will be to calibrate the withdrawal of public sector support so that it matches the recovery in private sector demand. Withdraw support too soon and the recovery will falter; withdraw it too late and – notwithstanding the caveats outlined above – the risk of a rise in inflation later in the decade will still increase to a greater or lesser extent.

The second challenge will be to decide how to stagger the withdrawal of support measures. Which should be scaled back first, and which should remain in place for longer? Behind this lies a much bigger issue. All economies now face a transition to a post-COVID-19 world; some sectors will shrink, but others will grow. In turn, governments will have to decide the extent to which this transition should be left to the market, and the extent to which it should be shaped by public policy.

A question of timing

The textbooks provide a clear answer to the question of when fiscal support should be withdrawn. The objective should be to keep economies at or close to full employment. To this end, fiscal support should start to be tapered once unemployment rates begin to fall, and should be withdrawn completely once economies return to their 'natural rate' of unemployment (that is to say, a level consistent with low and stable rates of wage and price inflation).

However, while such an approach makes sense in theory, it will be difficult to pull off in practice. For one thing, while the idea of a 'natural rate' of unemployment is helpful for conceptualizing the issue, for a variety of reasons it is almost impossible to observe. This leads to major problems when using it as an anchor for economic policy. (It's worth noting that for much of 2018 and 2019 the US economy was operating below the US Federal Reserve's estimate of the natural rate of unemployment without there being a significant rise in inflation.)[4]

4 Capital Economics (2019), 'Weakness of core inflation to prove persistent', US Chart Book, 22 May 2019, https://www.capitaleconomics.com/clients/publications/us-economics/us-chart-book/weakness-of-core-inflation-to-prove-persistent (accessed 3 Feb. 2021).

In addition, while labour market support measures by governments have helped to limit the economic damage caused by the pandemic, one consequence has been that conventional unemployment rates have become a less useful indicator of labour market 'slack'. This is because in many countries workers who have been furloughed or are working shortened hours are not counted as unemployed but are nonetheless underutilized. At the same time, the number of economically 'inactive' individuals has risen as a result of the pandemic, as more people have given up looking for work and have effectively dropped out of the labour market.

This may seem like an arcane issue best confined to academic debate between economists, but it has significant implications for policymaking. In the absence of a robust measure of spare economic capacity, there is a real risk that governments will struggle to calibrate the withdrawal of policy support as economies recover. Indeed, there are several examples from recent history of this happening. In the wake of the global financial crisis of 2008–09, several central banks, including the Bank of England, initially tied their forward guidance for monetary policy to movements in the unemployment rate. When unemployment subsequently fell but upward wage and price pressures failed to materialize, this approach was quietly dropped.

So how can governments avoid repeating the mistakes of the past? The starting point should be to accept that no single indicator can guide the withdrawal of policy support. Given the huge distortions caused by the pandemic – and the enormous structural change it has wrought – governments would be better advised to calibrate their policy support against a basket of hard and soft indicators. A preliminary (but not exhaustive) list should include:

- The unemployment rate;
- The underemployment rate;
- The employment-to-population ratio;
- Hours worked;
- Wage growth;
- Survey measures of labour market slack, such as difficulty in filling positions and vacancy rates; and
- Measures of output relative to trend, both at an aggregate level (e.g. output gaps) and, to the extent support is targeted, at a relevant sectoral level (e.g. restaurant bookings, hotel occupancy rates, air and rail travel, and so on).

Sequencing the rollback of support

The above approach should inform government decisions on the timing of withdrawal of policy support. But what about decisions on *which* measures to withdraw and in what order? Here policymakers should follow two broad principles.

First, rather than providing blanket support across the economy, governments should increasingly deliver targeted assistance. In this sense, the measures themselves shouldn't necessarily change, but – for as long as restrictions are required to contain the spread of the virus – their focus should shift to the firms and households most heavily affected by continued sectoral closures. Rather than trying to separate jobs that have 'viable' futures from those with 'unviable' ones, governments should limit support for jobs to those sectors explicitly affected by restrictions on activity. They should remove the support provided to other sectors, replacing this with help for displaced workers in the form of unemployment benefits and retraining programmes.

The second key principle should be that, while measures to support consumption can be withdrawn as labour markets improve, policies to support investment should be kept in place for longer. Investment not only stimulates demand and thus short-term growth, but by improving and expanding the capital stock it can also boost long-term growth. Moreover, with the notable exception of China, investment rates in major economies were already running at multi-decade lows on the eve of the pandemic. So while the pandemic is likely to spur investment in new sectors (e.g. digital technologies), the bigger risk in the near term is that the disruption from the crisis results in a lingering weakness in overall business investment. In such circumstances, and against a backdrop of low (and in many cases negative) real interest rates, research shows that public investment not only helps to offset weaker private investment, but can also stimulate it.[5]

Accordingly, fiscal policy will need to evolve through the post-pandemic recovery to a) focus support on the most heavily affected sectors; b) transition labour market programmes from supporting jobs to supporting workers; and c) ensure that public investment is the last pillar of short-term support to be withdrawn.

The role of the state in the post-COVID-19 transition

This brings us to the more fundamental question about the role that governments should play in influencing the structural transition of economies in the wake of COVID-19. While there is a strong case for heavy fiscal intervention during the acute phase of the crisis, a different principle should apply to policymaking over the long term.

For a start, it is impossible at any given point for policymakers to see what the future will look like. The pandemic is a good example of Keynes' principle of 'fundamental uncertainty': some things are simply unknowable. It is likely that many of the trends that were under way before COVID-19 – such as working from home and shopping online – will be accelerated by the pandemic. But in other areas, history suggests that activity and behaviour will return to something like normal once the spread of the virus is eventually suppressed.[6] Pubs, restaurants and theatres have existed through centuries of war, famine and disease – it's unlikely that demand for their services will be killed off by COVID-19. Yet at this stage it is difficult to say much more beyond these general points – and this cannot form the basis of a comprehensive industrial policy.

5 IMF (2020), *Fiscal Monitor: Policies for the Recovery.*
6 Dales, P. (2020), 'Will the coronavirus permanently change behaviours?', Capital Economics, UK Economics Focus, 23 June 2020, https://www.capitaleconomics.com/clients/publications/uk-economics/uk-economics-focus/will-the-coronavirus-permanently-change-behaviours (accessed 3 Feb. 2021).

The market may sometimes be flawed, but it remains the least flawed of the possible ways of allocating resources. In light of the huge uncertainty over the shape and structure of the post-COVID-19 economy, and given the frequent temptation of governments to take the path of least resistance and prop up dying industries for too long, the overriding principle should be to leave as much as possible of the post-pandemic transition to the market.

Instead, governments should concentrate their efforts on providing a platform to enable the transition to a modernized and resilient post-COVID-19 economy. It is beyond the scope of this paper to address in detail the specific policies that such a transition is likely to entail, not least because these will vary between countries, but in general policy should focus on three areas:

1. Investment in infrastructure, both physical (e.g. suburban rail) and digital (e.g. 5G telecommunications rollout) with an emphasis on 'green' initiatives.
2. Investment in human capital, including skills (to create an adaptable workforce) and measures to promote labour mobility (since new industries may not emerge in the same places as old ones).
3. Correcting market failures, such as monopolistic behaviour, that would otherwise slow the transition to a post-COVID-19 economy.

The need for coordination

Fiscal policy is conducted at a sovereign level and will necessarily be shaped by national needs and priorities. This paper has outlined a set of principles for all economies to follow, but the execution must come at a national level. That said, there is an important need to coordinate policies across countries. International financial institutions must play a central role in this process.

Global growth is, arithmetically, an aggregation of country-level growth. Accordingly, to the extent that the principles set out in this paper stand to benefit national growth and prosperity, they should also benefit global growth and prosperity. Simply securing widespread agreement on the principles outlined here would represent a significant step forward.

However, there is a deeper need for coordination on some aspects of policy. An important element of this relates to plans for the withdrawal of fiscal support. If countries withdraw support prematurely, the world will face a shortfall of demand and the global recovery from the economic downturn associated with COVID-19 will falter – with obvious implications for incomes, livelihoods and inequality. Conversely, as mentioned earlier, if policy support is left in place for too long, there is a risk that inflation will become a global problem later in the decade – with equally significant implications.

There is a separate but related risk that policy support could be withdrawn in an uncoordinated or haphazard manner, such that trade imbalances become a concern. Countries that understimulate their economies must rely on demand from the rest of the world and will tend to run current-account surpluses. Likewise, countries that overstimulate their economies will tend to run current-account deficits. While there is nothing inherently wrong with running either a current-account surplus or deficit, large imbalances, left unchecked, can threaten macroeconomic and financial stability. There are already ominous signs that the recovery has become unbalanced, with surpluses in China, Taiwan and Vietnam rising and the US's deficit widening. A key objective of policy coordination should be to narrow these global imbalances.

Coordination of policy at a global level is crucial to accelerating the recovery, and to preventing strategic rivalries and/or the spread of economic nationalism from threatening future prosperity.

More fundamentally, the global economy was already at a critical juncture before the pandemic. The twin props of technology and policy that had underpinned global integration following the end of the Cold War were starting to crumble. Globalization had peaked and was at risk of being rolled back. The US and China were 'decoupling' economically as political and trade tensions intruded on commercial relations. Joe Biden's assumption of the US presidency in early 2021 means that the tone of the debate is likely to soften; indeed, the G7 finance ministers' meeting on 12 February has already indicated that the US administration is likely to look more favourably on multilateral solutions to global problems. But the underlying structural issues will not go away.

The pandemic is likely to accelerate these trends, and there are several ways in which fiscal policy missteps could exacerbate geo-economic tensions. One would be if the recovery becomes unbalanced, with China's current-account surplus becoming a growing drain on global demand. This would provide fodder for economic nationalists, who could promote a rise in trade protection and a return to the 'beggar thy neighbour' policies that followed previous crises such as the Great Depression. Another way in which fiscal policy errors could undermine constructive global economic relations would be if policy became driven by goals in other areas, such as technology or national security. Coordination of policy at a global level is thus crucial, both to accelerating the recovery and to preventing strategic rivalries and/or the spread of economic nationalism from threatening future prosperity.

Implementation and delivery

The legacy of COVID-19 remains uncertain, but it is already clear that the world economy will look very different from the one that preceded the pandemic. This paper has outlined the economic and fiscal policy challenges that governments are likely to face. A five-point plan will help address these challenges. Policymakers should:

1. Maintain fiscal support for economies until recoveries are entrenched – and, by extension, resist calls to take immediate steps to tackle rising public debt burdens.

2. Withdraw support gradually once recoveries are entrenched, with the pace of such withdrawal calibrated to the recovery in private sector demand.

3. Adapt fiscal support throughout the recovery phase. In particular, move from providing blanket assistance across the economy to focusing on sectors most heavily affected by the pandemic. Public investment should be prioritized as the recovery builds momentum.

4. Allow the medium-term transition to a post-COVID-19 economy to be determined as much as possible by market forces. The role of government should be limited to providing a platform for the transition, through investment in physical and human capital and the correction of market failures.

5. Coordinate policy through international institutions, with a particular focus on ensuring that trade imbalances are not allowed to re-emerge.

Although the nature of fiscal policy requires that it be conducted at a sovereign level, it is important to secure widespread agreement on these principles among the world's major economies. To this end, the elements of this plan should be discussed by G7 and G20 finance ministers and central bank governors at their meetings this year.

In addition, the secretariats of the IMF, OECD and World Trade Organization (WTO) should be tasked with monitoring compliance and providing technical advice to governments. Among other things, this advice could cover:

- The hard and soft indicators that should form part of the 'dashboard' to help governments calibrate the withdrawal of policy support;
- The nature of the 'platform' that governments should provide to support transition to the post-COVID-19 world; and
- Any resulting areas where international coordination might be important.

One positive surprise of the 2020 shock has been the speed and aggression of the fiscal response to the economic challenges posed by the pandemic. In turn, that response has, quite reasonably, fuelled widespread concerns about how economies will manage the transition out of the current crisis to a new, post-COVID-19 state. The strategy outlined in this paper shows a pathway there.

About the author

Neil Shearing is an associate fellow with the Global Economy and Finance Programme at Chatham House. He is also the group chief economist at Capital Economics, a leading economic research company. At Capital Economics he heads a team of 70 economists spread across Europe, the Americas and Asia, and is responsible for driving the firm's research agenda as well as developing its products and relationships with clients. He is also a director of the company. Neil has 20 years' experience as a macroeconomist, built in both government and the financial sector. Prior to joining Capital Economics, he worked at HM Treasury as an economic adviser in various areas, including fiscal policy and global economics. He holds degrees in economics from the University of York and the University of London, and is a fellow of the Royal Society of Arts.

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The views expressed remain those of the author.

About this series

This briefing paper is part of a series being published by Chatham House's Global Economy and Finance Programme under the project 'Rebuilding International Economic Cooperation'. The recent election of Joe Biden as US president raises the prospect of a renewed push to find multilateral solutions to global economic problems, coordinated by the G7 and G20 in 2021 and beyond. But the mechanisms of the past won't simply snap back into place. The extent of common ground needs to be established; trust needs to be rebuilt; and technical solutions to problems found.

This project seeks to support that process by putting forward practical, collaborative, politically viable solutions to some of the economic challenges the world currently faces. The papers are authored by independent economic policy experts from the private sector, academia and think-tanks, often with a public policy background. Each paper addresses a specific problem, made more acute by the COVID-19 pandemic, where international economic cooperation can make a significant difference.

For further details, please see https://www.chathamhouse.org/about-us/our-departments/global-economy-and-finance-programme/rebuilding-international-economic-cooperation.

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The Royal Institute of International Affairs
Chatham House
10 St James's Square, London SW1Y 4LE
T +44 (0)20 7957 5700
contact@chathamhouse.org | chathamhouse.org

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