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**23 juli 2020**

My big message is to really warn against any desire to go back to normal, it is hard to resist going back to normal.

I have 4 children, they are all in the house, and I would love to kick them out and make them go back to normal so that they be back in school, but also be able to do fun things that kids do over the summer.

The problem is that normality in terms of how we have structured our modern capitalist system is what actually got us this crisis, it's also got us the financial crisis – that was not long ago - and it's also what got us the climate crisis.

So, in some ways we are living right now through these multiple crises an economic crisis, and by that I mean that so many countries in the world have still not recovered not just the rate of growth since the financial crisis 2007-2008, but a real kind of re-direction of the kind of growth that we need, to have the kind of growth that does not bring us from crisis to crisis.

Just in January we were not clapping health workers: we were clapping in a metaphorical way the fire fighters in California and Australia, then there were the floods in Venice: these are all symptoms of Global Warming, which as Greta Thunberg tells us just listen to the scientists.... We know what the problem is, we know what the solution is, let's act together.

And then Covid occurred – this massive health pandemic – which in some ways is the biggest change in my life style - I am 52 – a real awakening of what does normality look like - or is this a real opportunity to get serious about restructuring capitalism to get us the results we need – to live a prosperous life, with inclusive growth economy, sustainable growth.

This is a period where governments put so much in to the system – literally billions and trillions globally to get us out of this crisis – that if we don't take advantage and structure these remedies in a proper way, we just kind of put bandage to the system just to kind of set up the next problem.

What might it look like to really take advantage and not let this crisis go to waste, in terms of redesigning some fundamental principles of our economy, and especially, not so much the state, but Public-Private Partnerships to be more purpose driven – to have a common purpose. What is the common good – what is the **common good lens** on this crisis in terms of how public, private, and third sector come together to restructure things.

1.

First: What is the problem? Normality is not good, we should not go back to normal. We have serious dysfunctions in how almost every actor in our system is currently working. In terms of the financial sector, we basically have financialized finance – most of global finance today goes back to the financial sector. So think of broadly: Finance, Insurance and Real Estate - the acronym is FIRE. How do we *restructure finance* to go back into the “Real Economy”. But also what will it finance in the “Real Economy”. How

can we make sure that finance is being thrown at the most important problems of our time: the climate issue, health, but also the digital divide (which I think is more and more relevant today especially as so many children globally, not just in Europe, are at home, not being educated, and in those parts of the world where there is difficult access to the internet there is a huge number of kids who are not educated because of the digital divide). So how do we restructure finance not just to be thrown back into the real estate but into the big global problems.

2.

We know that there is a huge problem in how corporate governance is structured globally. A big trend is that we have increasingly short term, quarterly return focused business, and in that sense business itself has financialized; focused on gusting stock prices with activities like share buy-backs, which just in the last 10 years has reached over 3 trillion dollars globally, which is huge. In the pharmaceutical sector, the energy sector and the IT sector, you have some companies spending more on dividend pay out and share buy backs than on what they spend on some key activities like their R&D. In some sectors it is even more that their total net income, so they are dipping into their capital reserves. And this has not changed.

3.

We have huge inequality. In many countries wages have stagnated or fallen behind productivity. This is why we have a financialized economy. In many countries workers have had to take out debt – loans – in order just to stay in place, to retain their living standard, because their wages have not been increasing. So there is a link between financialization and inequality.

4.

We have a State structure in many countries which in terms of the public sector does not really have much capacity. I am not thinking of money – in some countries the State does not have money - but even when the State does have money like in Europe – in many countries the State has been hollowed out in terms of capacity, in terms of really dynamic capabilities. The State is not “the best place to work” if you are a top graduate from university. Because we have convinced ourselves *this lie* that the role of the public sector is just to fix market failures. You actually have to wait for something to go wrong before the State comes in. So this notion that “State is just patching things up, fixing market failures”, has also determined the kind of capabilities and knowledge we think the State needs. And the answer is: not much. If you are just fixing markets failures, if you are just enabling, pushing paper around, administering, regulating, or “de-risking the really cool risk takers and business” you don’t really need that much knowledge, you basically just need just a good administration, you do not need the dynamic capabilities that top managers go to study in business schools. Think of the courses that are taught in business schools, they have these really sexy titles, like strategic management, decision sciences, organisational behaviour. And they warn you in business schools, they say be careful, because if your company becomes too big, too inertial, like a dinosaur, it’s gonna fail, so there’s these wonderful text books called ‘rejuvenating the mature corporation’ which is all about how companies have to resist becoming too bureaucratic, too slow, not flexible. And we don’t have that same kind of attitude in the State. So (...) the question is do we have good bureaucracies, are they dynamic, flexible, creative, risk taking bureaucracies, or are they boring, linear, static and hollowed out. And I think we

have the latter.

5.

The fifth problem, in terms of why 'normal' is not good: is about climate change: we managed to put the health of people and planet at massive risk, the 2019 intergovernmental panel of Climate Change IPCC, argue that we have 10 years left until climate breakdown is completely irreversible. But also, just in 2019, subsidies to fossil fuel companies were estimated still at 20 billion dollars a year in the US, and an enormous 55 billion dollars a year in Europe. So we are definitely not moving quickly enough ... and there are still many structures that simply have not changed. That is my big warning. This is why we should do everything we can to **resist going back to normal**. Normal sucks. Normal is not good.

Then the question is: what do we do? Because we are also living through a massive health pandemic, it has put our health services on their knees, yes, some countries are getting over it (..): how do we make sure we just pause, and do a re-set? Here are some big highlights, things that have to be banged on in front of us otherwise we're gonna really screw this up.

First: **Money alone does not work**. Already in the financial crisis in 2009, plenty was thrown into the system, to save the capitalist system from falling apart. But a lot of that money either ended up back in the financial sector, or it was not a company buy ambitious real world investments in the new structures that we actually need to make our economies more resilient. And the most obvious area that we need globally – forget it if you are living in a great neighbourhood where you have great health services: most of the world does not – we definitely need to make sure in terms of one big lesson is that these remedies - these trillions of dollars, globally, being put into the system *strengthen global health systems*. If we don't do that, we are stupid. Because this pandemic has shown us *that we are only as healthy as our neighbour is*. Literally on our street, in our work place, in our city, in our nation, globally. Had this epidemic begun in some of the African countries which still have extremely weak health systems compared to China, we would all globally be worse off. So that is an obvious massive point.

The other point is around **directing this finance**: we should learn to make sure that funds go towards problems, problem solving. It does not make sense to focus on sectors that need help, or types of firms or companies, such as little SMEs, or just betting on technology, or even on just one type of medicine. Policy is most productive and effective when it is focused on solving problems. We got a man on the moon and back again 50 years ago, because the problem, that focused mind, the focus of Kennedy's administration, was to "beat the Russians". They wanted to beat the Russian in space. For that, they managed to pull together 400,000 people, across the economy, huge amounts of money, a lot of innovation, the whole software industry came from that "Man on Moon mission", it was a very targeted problem, getting a man on the moon and back again in one generation. And what I have been working on in the last years with the European Commission and many countries is to say: Think of a mission oriented, moon shot oriented role of public policy. So today, think of all the problem we have around climate, around health, around the digital divide: turn those into Moon Shots. And use all the money that is going into the system, not just to bail the system out, but to create new productive structures, but especially new

collaborations between the state, between the private sector, the third sector, the civil society organisations, to solve some of the biggest problems of our time. Because that means that these trillions going in also make the system much more resilient and help us get the kind of structures that even when the crises come, are gonna help us manage those crises much better. And what's interesting is that if you look globally, the countries that have best been able to deal with the crisis, even in the developing world, have actually been investing historically in the last kind of 10-20 years, in increasing their state capacity, but also in problem solving. I am thinking of countries like Vietnam (just google Vietnam Covid / management of the crisis), they have been quite extraordinary and very responsive in terms of getting together, parts of academia, the business community and government to solve the problems both around the PPE, the personal protection equipment, but also in terms of spurring trust by citizens who actually believe what they were saying unlike here in the UK there are these briefings and no-one believes it - they have over time been trying to create more trust with with citizenry; but also in Kerala for example, where they've had a lot of investment over the last years not only in health, but also in the different protocols that they had to put in place after their own virus outbreak, the Nipah virus outbreak, they really succeeded over time in forming interesting new Public-Private Partnerships, which again were bolstered by a citizen trust. But even in Vietnam what was quite extraordinary is that when they were able to really quickly spur the development of low cost test kits, which many countries have not been able to do, they actually ended up being able to export many of that testing and PPE equipment which they were able to produce through these Public-Private Partnerships. But a lot of that had to do with their ability through the state to **govern the crisis**. Unfortunately in many countries we haven't seen that. In the UK, we have had to outsource to the consulting companies like Deloitte, our testing capacity. And we haven't produced still enough personal protection equipment. And it is interesting to think through why that is, where has outsourcing gone wrong, in terms of too much outsourcing, little state capacity. But also it is very interesting to see how some countries have been willing to galvanise a different type of partnerships, what I would call a more symbiotic, mutualistic partnership between public and private. Because the state alone can't do everything, business alone can't do everything. I was struck by Macron, who said we are not there to save industry, to just bail them out; we're there to transform them. So the kind of bail-outs that both Renault got, but also Air France, were conditional on those industries reducing the carbon emissions. And it was very clear: you will not be bailed out unless you do so. Or in Denmark, the government said, we are not going to bail out companies that don't commit to not using tax havens. This is a big issue by the way in The Netherlands where you are yourselves one of the *manufacturers of these tax havens*. So that's a huge problem.

But also in the US, Elizabeth Warren argued that we should not be giving bail-outs to companies that have proven that they are more interested in just focusing on their share price, so this excessive use of share buy-backs, so there's conditions that are being negotiated now on the Senate floor, that the bail-outs be targeting companies that promise to invest in workers, in their own human capital and training formation, in reducing carbon emission, and limiting dividend pay outs and share buy-backs in this period. So don't ask the state for bail out if you're just giving money away to your shareholders.

And lastly, everyone is talking about the vaccine. But we need to be careful. If we don't *govern* the innovation around vaccines or drugs, in a way that is really structured

around the concept of the common good and public interest, it is going to fail. And this is why the WHO has been insisting that we have – unfortunately they talk about voluntary, I would say mandatory – a patent pool, in the sense that the intellectual property rights, the patents, be pooled between the companies and the public organisations that are racing for the vaccine, in order to really foster collective intelligence, not just rent-seeking and barriers. This is also because patents are often abused in the health space, they are often too wide, they are used for strategic reasons, they are often too strong, so they prevent licensing, they are often too upstream, so the research is privatised, the tools for research are patented which is crazy, so we need to govern the patent system, if we're gonna make sure that a vaccine is available to everyone, globally and universally accessible, instead of being impeded by the way the patents are being abused, but also (some of these drugs - Remdesivir) it was actually being developed with huge amounts of tax payer money, over so many millions by the US tax payer, and yet they are charging 3,120 dollars per doses which is crazy, right?

So how do we make sure we govern our systems in such a way that they are really focused on the common good and public good and it is not about charity, it is not about corporate social responsibility, it is about making sure that the deal, the relationship, the partnership, the ecosystem, between public and private changes, from being predator-prey, from being parasitic, to being symbiotic and mutualistic.

I was in Davos this year, and all the talk was on stakeholder (not: shareholder) capitalism, and purpose driven capitalism, and my main message is: if we can not figure out *now* how to be more purpose driven, and make sure that all stakeholders benefit from the trillions being poured into the system, then let's stop bullshitting around, stakeholder capitalism and purpose, we need to walk the talk. And if we can't walk it now, we're gonna have a problem. And I believe in details. We need to get our hands dirty, sector by sector, whether it is the digital area for the digital divide, or the Green New Deal which has to be on the agenda, to make sure we have conditionalities around it, and governing health innovation, in order for the kind of economy and society that we build to be more inclusive and sustainable. Thank you.