

LIONEL ZINSOU

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Good morning Ladies and Gentlemen.

I, too, would like to compliment and thank Thierry de Montbrial and the team that made this conference possible.

We are with you and we will speak Canadian. This means we will be switching back and forth between English and French in mid-sentence. For slightly over an hour and a half, we will be here dialoguing with you about the link between the current situation the cyclical swings in the global economy as a whole and the structural changes they bring about.

I would like to introduce to you Aminata Touré, hello and thank you for joining us. Aminata Touré has a long experience in development economics and has worked for the United Nations system for a long time. She has also shifted to politics and been the Prime Minister of Senegal, with various other positions in the Senegalese administration. I would say that Aminata is even broader than Senegal and is clearly a very prominent figure in terms of African politics and beyond to extreme attention to public opinion and all the trends in a fast-changing Africa. Thank you very much for being with us.

Nicolas Véron is a great macroeconomist who was a Founder of a major European Union think tank, Bruegel. He is also very connected to the macroeconomic community in the USA, so he is a very global macroeconomist. Despite a bit of resistance, I think he will open through the introductory remarks on what we should think about the current outlook and how it shapes the future.

Pierre Jacquet, a long-time friend, is a major figure in development economics. He has been Chief Economist of the French Development Agency, as well as creating and managing a network of economists across the world. I think he will be very willing to make the link between what we have just experienced in terms of outlook and economic policy in extreme situations and long-term trends.

Serge Ekué, is another long-term friend and Chairman and CEO of the West African Development Bank, which has one of the best track records among African development banks. It is also growing in the midst of a doubling of its balance sheet in a few months, so it is very dynamic. Serge is also a real banker and a market banker and about a year ago he was Head of Markets for Europe, Middle East, and Africa at Natixis, one of the major French corporate banking institutions, after a long career in Asia, London, and Paris in markets. I think it will be very interesting to share the experience of somebody who has been a real banker in the markets, and they are evolving a lot in the current situation, who has shifted to

managing public goods in a development bank for eight French-speaking West African countries.

We will be joined onscreen by Qiao Yide, who is a researcher and academic from China, and already in the first session a lot of questions have evoked China and the Chinese position in the world today and tomorrow. Thank you very much for being with us and you are unusual in having not only trained in China but also the USA and in one of the temples of the US governance, the Kennedy School of Government at Harvard University. That means you have the experience of two worlds, and we are very grateful for your presence today.

I just want to make two or three introductory remarks. I am not a great specialist in macroeconomic outlook, even if I was in a department that did that when I was a young economist. However, I have a few questions for my fellow panelists and a few remarks.

The first point is that I think unprecedented crises are piling up. The current crisis is unprecedented. It has exceptional characteristics, but the previous one, in 2008, was also unprecedented because of its suddenness and the depth of the recession it caused, although now we have broken recession records. The prior crises, whether the bursting of the technology bubble, strictly financial crises or strictly real estate crises, each had their own particular features, but they have all shared one thing in common: profound political, social and geopolitical consequences.

My first question is for Ms. Touré, who has experience in post-crisis political situations, and for Pierre Jacquet: What will be the immediate social and political impact of today's economic situation?

Sometimes a connection is made between crises and the rise of populism, but at the end of the day, it is often a certain suddenness of consequences. At some point, perhaps in the conclusion, I hope we can address this issue, which I know is important to Mr. Jacquet and Ms. Touré.

My second question is rather for economists Nicolas Véron and Serge Ekué. We have seldom seen a post-crisis recovery as robust as this one. We have rarely had such wild swings between quarters. Take France: there was a 13% contraction in the second quarter and 18.5% growth in the third. Generally speaking, in many countries, the 2021 forecasts are being upwardly revised.

France will experience record growth that has not been seen since the one or two years after the war. The suddenness of the recovery, which economists did not foresee, is not just French or European. It is even much stronger in the United States. I will ask Serge Ekué what he sees, but it is also robust in Africa. To everyone's surprise, Africa's recession was weaker than expected. It was limited to certain countries reliant on mineral raw materials prices or tourism, which were hard hit. However, 30 of Africa's 55 countries did not go into recession. This is especially true in West Africa, where Serge and Aminata are both participants and witnesses, and where my country, Benin, is located. It is really an exceptional, quite odd recovery creating shortages and scarcity.

Do macro-economists think there is a real risk of long-term inflation (I think it would be interesting to hear what Nicolas and Pierre have to say about this), or is inflation being caused



by disruption, scarcity and Gregory King's law, which says "a shortage leads to very important price effects"? Or are we heading for substantial shifts in prices, systems and general price levels with significant distortions?

I also have a question for macro-economists about labor. During the pandemic we discovered something that is also seen in wartime: ordinary people are indispensable. We realize this when there are labor shortages and serious recruitment problems, such as the lorry driver crisis, which is not just British. Around the world, logistics prices are soaring due to severe shortages. But the British lorry driver is the symbol of a major change. We are totally vulnerable and reliant on ordinary people. Are we about to see a sweeping reconfiguration of labor and labor prices? Is it a change we will see globally? I would like to hear Nicolas or Pierre's thoughts on this.