

Article

The economics of pandemics and the future course of populism

İbrahim Öztürk 

The University of Duisburg-Essen & European Centre of Populism Studies
iozturk@populismstudies.org

Abstract

The relevant literature shows that populists come to power through various rhetorics by exploiting the incumbent orders and the problems they have caused. However, failures and disappointments in fulfilling their promises push them to employ increasingly authoritarian measures to silence society to stay in power by gradually changing the system, manipulating citizens through controlling media, and undermining fundamental institutions. By emphasizing the overall performance of populist governments during the COVID-19 pandemic crisis, this article explores the future course of populist politics and governments after the pandemic. The paper concludes that although the pandemic has clearly shown the limits and capacity of many populist governments, the political and economic conjuncture in the post-pandemic era, coupled with the high tension of power transition, might bring new “opportunities” for the use of populists. With several defects and structural weaknesses of the existing liberal multilateral order, populism is here to stay with different implications for the multilateral liberal order and globalization.

As a dangerous external shock to the global economic and political system, the COVID-19 pandemic arrived at a stage when the negative repercussions of the Global Recession (GR) had not fully subsided, exacerbating existing problems, such as unemployment, loss of income, and inequality, with further political and social repercussions. With the advent of other “horses of the

apocalypse” – such as climate change, famine, migration, terrorism, and state failure – the current pandemic could emerge as an endemic part of life worldwide through new mutations.

This article strives to explore the effect of the pandemic on the performance of populists either in government or opposition in the post-pandemic era. Taken together, widespread uncertainties, confusions, fears, and stresses are the main push factors behind populism. Nevertheless, populist rhetoric offers untested (and sometimes) romantic promises to counter the actual social, political, and economic traumas and shocks, referring to an unknown, not yet born “alternative” system. Therefore, even if it is rather more straightforward for populists to come to power with the help of such political-economic conjunctures, they are more likely to experience difficulty fulfilling the expectations their populist rhetoric has caused. The real danger is that, despite failing to fulfil their promises, they tend to employ increasingly authoritarian measures to silence society so as to stay in power by gradually changing the system, manipulating citizens through controlling media, and undermining fundamental institutions.

This article strives to predict whether the global populist environment created by the GR will turn against populist governments during and after the Global Lockdown (GL) of the pandemic. However, the analysis of the performance of mainstream and populist parties during the COVID-19 pandemic is quite a challenging task as it is complicated by several other factors such as the ongoing global power shift and the accompanying national, regional and global geopolitical conflicts. In addition, countries’ overall political and economic situations just before the pandemic crisis have also been immensely influential on their performance. All these parameters have brought additional evaluation criteria other than their actual economic performance during the pandemic and ended up prolonging their lifespan.

The GR has led to the regression of the supposedly successful globalization and liberal world order, which has been going on since the early 2000s, and this has triggered a wave of global populism. However, the GL is an equally important test case, not only for the so-called establishment parties, but also for populist governments which have come into power since the GR. Therefore, as well as their performance during the pandemic, the adverse effects of the measures taken like inflation, accumulating national debts, disruptions in global value chains (GVCs), and deterioration in income distribution might also have undermined the perceived and measured performances of parties from both sides during the pandemic. The corollary is that the governments that failed during the pandemic most probably replaced one another, provided that other game-changing developments did not come to the fore. That also means that even if populism declines cyclically, it might stay with us in a global conjuncture where ruptures in other fault lines in the world system continue. While populism influences all these processes, it also feeds on them. In this symbiosis, recently evolving hybrid regimes, by rejecting the Liberal Multilateral Order (LMLO) and globalization, link populism to undermining existing norms, such as participatory democracy, the market economy, free trade, and merit-based, autonomous and professional institutions. The fear is

that, rather than motivating the global system's desired "creative destruction" process, populist tendencies might add further adverse complications to the ongoing economic disruptions and dislocations.

The structure of the paper is as follows: After contextualizing the pandemic and populism literature in the next section, the third section focuses on economic crises, pandemic contagion, and populist reactions across the board. The fourth section discusses the repercussions of the crisis on the future course of populism. The article ends with concluding remarks and policy recommendations in the final section

Linking Pandemics to the Populism Literature

The three most-widely used aspects of populism involve cultural (identity), anti-establishment (with the people, for the people), socio-economic (inequality, poverty), as well as anti-globalist dimensions. These are applicable to the two most crucial global crises of the GR and the GL. Although they broke out in the US mortgage sector and in a laboratory in Wuhan in China, respectively, they rapidly crossed national borders and caused deep suffering to billions. That exposed the problems of over-dependence and over-connectivity that came with hyper-globalization and triggered a renewed debate on the so-called "corrupt elites" and comprador bourgeoisie globally, who expand their interests against the "silent majority." In referring to the failures of local and global incumbent regimes in both crises, particularly, and the global challenges, more generally, populists rely on over-simplistic and fast-track solutions, but also, intending to cultivate further legitimacy, they employ quite divisive rhetoric.

However, despite its rising popularity in academia, the concept of populism does not have a rigorous, that is, "mutually exclusive, collectively exhaustive" definition or a scientifically coherent tool of analysis and theoretical framework. Instead, with a hermeneutic approach, academic discourse on populism relies on a highly subjective interpretation and "mind or intention reading." For that reason, the competing political-ideological doctrines from far-right to -left, such as socialism, liberalism, and nativism, employ it quite ambiguously. Taken within these limitations, the following four characteristics of populists, primarily in a broader economic context, can be mentioned.

First, at the broadest level, populists divide society on a moral ground into homogeneous versus antagonistic groups to be able to capture and rule it. The provocation of existing social and political fault lines to separate, fragment, and polarize society results in "us vs. them", "silent majority vs. élite", and "nativists vs. foreigners." Accordingly, on paper, "the sovereignty of pure people" has been glorified against the so-called "self-interested and corrupt elite", whose governance, is argued to affect the former adversely (Moffitt, B., 2016; Mudde, C., 2004; Norris, P., Inglehart, R. 2019; Kaltwasser, R. C., 2018).

Second, as it allows political entrepreneurs to take advantage of ongoing fault lines, pre-existing crises, and dissatisfaction with the status quo, populists adapt an anti-globalist and anti-elitist perspective and, therefore, try to derive their legitimacy from the reasonable demands and concerns of those who see themselves as forgotten, left behind, and the victims of the process. Many experts like Acemoglu (2011), Acharya (2017, 2018), Mearsheimer (2019), and

Rodrik (2018, 2020) have well documented the deficiencies of the existing global political-economic architecture that led citizens worldwide not only to question its legitimacy but also increased demand for populist policies. Thus, the criticisms brought to the global elites, who control finance and multinational capital: unsuccessful policies and their outcomes that come down to anti-immigration. The globalization institutions included in such criticism are the UN, the IMF, WTO, and the EU. In other words, the criticism of the incumbent regimes by populist demagogues not only undermines the post-war global architecture, leading to further uncertainty and dissatisfaction, but also denies the proven benefits of globalization, such as lower costs, higher quality, and a broader spectrum of choices.

Third, the rhetoric in favor of the so-called “real people”, or “the silent majority”, ends in heavy “scapegoating” of professionalism and autonomous institutions, which constitute the basis of modern bureaucracy. Professionalism seeks a division of labor based on expertise to increase efficiency by minimizing the cost of transactions. Relatedly, autonomous institutions aim to insulate professional decision-making bodies from contingency, and daily and short-sighted political interventions. A long-term planning horizon with autonomy minimizes the principal-agent problems at the administration, management, and governance levels. Therefore, such denial of merit-based governance undermines time-honored professional and autonomous institutions such as the central bank, competition board, court of account (supreme audit institution), and statistical and banking regulation institutions. It is not surprising, therefore, that the bureaucrats, scientists, economists, and diplomats who run the modern state apparatus have been put under pressure by several autocratic-populist politicians such as Trump in the US, Orban in Hungary, Kaczyński in Poland, Modi in India, Bolsonaro in Brazil, and Erdogan in Turkey (Burni & Tamaki, 2021).

Fourth, in economics, by ignoring fundamental economic constraints, like financial resources, price stability, and sustainability, populists spend too much too quickly, engage in mercantilist-protectionist trade policies, and arbitrarily expropriate or confiscate private property. As Dornbusch and Edwards (1991) first documented in the Latin American experience and Rodrik (2019a, 2019b) later contributed further, even if they advocate fast and high growth, better income distribution, and better representation of the so-called “silent majority”, in the end populists usher in economic collapse. In comparative terms, while left-wing populists often focus on redistribution and deficit spending, right-wing populists typically emphasize issues related to immigration and identity (Torben, M. et al., 2022). As a common point, both types of populism tend to favor protectionism in international trade.

To sum up, although populists claim to design policies for people who fear to lose status in society and who have been abandoned by the political establishment, as a bottom line, their economic policies lead to economic volatility and stagnation, chronic payments problems, sovereign debt defaults, financial crises, and hyper-inflation. That process, rather paradoxically, is followed by immiseration, inequality, political instability, and economic crisis. Finally, the process starts with several unfulfillable prophecies but ends up in

even more pain for the people on fixed-incomes through an unavoidable IMF-based austerity program (Balduzzi et al., 2020; Magistro & Menaldo, 2020:40).

Economic Crises, Pandemic Contagion, and Populist Reaction

Comparing the last two global economic crises

In order to forecast the possible future course of populism in the context of the economic crisis triggered by the pandemic, the measures taken or not taken during this time, and the possible “side effects” that may occur in the post-pandemic era, a brief analysis of the GR and the GL are provided here. Despite the similarities between different historical epochs, history does not fully repeat itself. Rather the contrary, every conjuncture comes with its unique characteristics. That is also true in comparing the GR and the GL. Nevertheless, the two crises, which many experts have interpreted as the largest since the Great Depression of the 1930s, share similarities and dissimilarities and have different repercussions on populist politics.

The main aspects of the comparison, both in terms of similarities and contrasts, can be summarized as follows:

First, both crises underline the critical issue of *excessive connectivity* in finance, supply chains, cyberspace, transportation, and communication technologies that have spread across national borders. Therefore, as will be discussed in this paper later, the optimal level of globalization to minimize the risks of over-connectivity and increase the resilience of countries and sectors has become a hot topic.

Second, having emerged in the two leading economies (in the US in the last quarter of 2007 and in China in the last quarter of 2019), they also *share uncertainty as a critical factor*. As it is a non-quantifiable risk factor, uncertainty cannot easily be traced, so its probability of occurrence and impact can hardly be predicted. Therefore, the element of uncertainty and unpredictability increases the crucial role of state capacity, that comes with robust political institutions and social structures, during extraordinary crises (Olivier and Kahn, 2020; Bosancianu et al., 2020).

Third, *deep economic contractions along with their contagious effects are also common*. That is to say, sharp economic contraction, initial free fall in the stock exchanges in major economies, and the rise of mass unemployment have been analogous in both crises. The GR, fundamentally driven as a mortgage crisis, began with disruption to US real estate and spread to the financial sector and then the real economy worldwide with different pace, depth, and channels of wealth effects, leading progressively to a global recession (Danielsson et al. 2020). As a result, global real gross domestic product (GDP) fell 4.3 percent from its peak in the last quarter of 2007, with a 2.2 percent rate of annual contraction, to its trough in the second half of 2009 and unemployment surged from 5 percent to over 10 percent in the same period (Rich 2013).

In contrast, as an exogenous shock to the global political-economic system, in its initial stage, COVID-19 exerted a more radical and abrupt influence through demand and supply-side disruptions and put the real economy entirely out of order. For example, initial plant closures in China caused supply lines to dry up and per capita output to collapse in all emerging market economies

(EMEs) (Kose & Sugawara, 2020; Koh & Yu, 2020). As a result, the global economy contracted 3.3 percent in 2020, which was partly compensated after a growth performance of 5.7 percent in 2021.

The fourth issue concerns *the measures* taken during both crises. During both crises, many governments have taken immediate comprehensive actions to limit their contagion through implementation of several expansionary monetary and fiscal measures aimed at stabilizing financial markets and ensuring the flow of credit, and therefore, during the GR, the stimulus packages of 48 countries – 20 of them developing countries (DCs) – collectively accounted for 3.9 percent of world GDP (as measured in 2008) and 4.8 percent of their national GDPs (Zhang et al. 2010). Moreover, an ILO (2009) report comparing the composition of interventions in 54 developed and DCs concluded that some measures, such as support for small and medium enterprises (SMEs) and additional public expenditure on infrastructure, were more popular than others, in boosting income, protecting employment, particularly for the vulnerable groups like informal economy workers, young people, and migrant workers.

In the case of the pandemic, the priority was, first, on the flattening of the pandemic curve, and, in the second phase, policy actions shifted to fiscal measures for sustaining economic growth as governments adopted quarantines and social distancing measures. During the pandemic, globally the size of on- and off-budget fiscal stimulus measures amounted to 4.9% and 0.9% of GDP (simple average) respectively (CRS 2020). Finally, government policies shifted to developing, purchasing, and distributing vaccines. (UNCTAD, 2020).

However, the size of the fiscal supports depended on the available fiscal space and external financing pressures, with smaller budgetary measures implemented in countries with higher pre-crisis sovereign credit default swap (CDS) spreads. In addition, constraints on fiscal space stemmed largely from past public debt increases. More specifically, the exporters of energy or industrial commodities and those countries that entered the crisis in a precarious fiscal situation and less capacity to mount significant health care policy responses or support livelihoods were particularly hard hit (IMF-WEO, 2021: 6). The Bank of International Settlements estimated that sovereign debt levels across EMEs had climbed by close to 10 percentage points from 2010 to an average of 48% of GDP in 2019 (BIS, March 2022).¹ More recently, according to the IMF's Global Debt Database, borrowing jumped by 28 percentage points to 256 percent of GDP in 2020. Government accounted for about half of this increase, with the remainder from non-financial corporations and households. Public debt now represents close to 40 percent of the global total, the most in almost six decades (IMF-WEO, April 2022). Today, 58 percent of the world's poorest countries are in debt distress or at high risk of it, and the danger is spreading to some middle-income countries as well, including Sri Lanka, Pakistan, Lebanon (Jalles, J. T. & Medas, P. 2022).

¹ In comparative terms, while the IMF issued \$250 billions of Special Drawing Rights (SDRs) in 2009 to help ease liquidity constraints by boosting reserve assets of all economies during the pandemic, in addition to the \$50 billion jointly endorsed by the WTO, the WHO, the WB, and the IMF, the IMF alone provided the \$650 billion SDR with a feasible cost for flattening the pandemic curve.

To conclude, when the pandemic hit, the world economy had already exceeded its debt capacity and largely lost fiscal flexibility. Even more, the pandemic forced governments to exceed borrowing capacity further and implement a very loose monetary policy that triggered today's high inflation level to keep the economy afloat. According to the World Bank (2022), under pressure from increasingly high lending rates and high inflation, the real economy targets such as growth, employment creation, and improvement in income distribution are at high risk.

Besides these common elements, one can mention also the following differences:

First, the most significant difference has been *the death of millions of people in the pandemic*. After the World Health Organization (WHO) first declared COVID-19 a "world health emergency" in January 2020, it officially announced the viral outbreak as a pandemic, the highest level of a health emergency, on March 11, 2020 (Anderson et al., 2020). According to IMF's Policy Tracker, at one point, more than 80 countries had closed their borders to arrivals from countries with infections, ordered businesses to close, instructed their populations to self-quarantine, and closed schools to an estimated 1.5 billion children (Verma et al., 2021). As of July 2022, total pandemic cases had reached almost 558 million, and the total death exceeded 6.3 million.²

Second, the outcomes associated with the crises are also quite asymmetric. In general terms, the course of a contraction, subsequent rebound, and recovery varies according to several conditions such as the start and end dates of the crisis, the existence of global mini-cycles or regional double dips, also different country and region-specific factors, such as resurgences of COVID-19, uneven vaccination, and a partial withdrawal of government economic support measures, pressure on weak health-care systems, loss of trade and tourism, dwindling remittances, subdued capital flows, and tight financial conditions amid mounting debt.

The following particular aspects can be noted:

(i) In the GR, insufficiently capitalized banks were part of the problem, whereas, thanks to better regulations, in the pandemic, the financial system has become part of the solution (The FSR, 2021; Sharma et al., 2021).

(ii) Sectoral impacts have been quite heterogeneous during the two crises. The pandemic has hit industries, such as travel tourism, automotive, and engineering, but supported others, such as tech sectors, online trade, entertainment, healthcare, retail, and communication services (CBI Insights Report, 2020).

(iii) The GL has shown the heavy dependence of mature economies on some strategically essential inputs such as rare earth minerals used, for instance, in electric batteries and produced mainly in other countries like China. However, as Oliver & Kahn (2020: 3) have noted, this progress "is perceived as something jeopardizing their sovereignty, a concern that caused a major comeback of the roles of the public authorities, the scope of legal (sovereign) powers, and the

² <https://www.statista.com/statistics/1104709/coronavirus-deaths-worldwide-per-million-inhabitants/>

call for better regulations.”

(iv) Additionally, with geopolitical risks in Ukraine and Taiwan, economic recovery slowed in 2022. As a result, global growth is projected to slow from an estimated 5.7 percent in 2021 to less than 3 percent in 2022 (IMF, April 2022).

As a conclusion, the growing debts of DCs; the supply-side shortcomings due to disruptions in the GVCs; associated food and energy shortages with severe price hikes due to geopolitical conflicts; and the high global inflation that has emerged in the last 45–50 years and forced increasingly contractionary monetary and fiscal policies to combat it have put the post-pandemic recovery in danger of global stagflation, welfare losses, and further political and economic turbulence in several fragile states globally.

Lack of cooperation vis-à-vis emerging fragilities after the crises

Like the side-effects of drugs used in treating diseases, the steps taken, plus and minus, to solve the problems in any conjuncture also contain the elements of crisis in the period ahead. Although the current global agenda requires science and reason to surface somewhat, quick fixes and the crowd-pleasing policies of prominent personality politicians for complex problems have become predominant. In that the rising great power politics, the emerging “hybrid regimes”, and the populist politics have made this far more complex, as they increasingly drive away from cooperation to partial and individual-based solutions, this fragmentation has not seemed to be promoting cooperation among world leaders or respect for global institutions even during the devastating pandemics (IMF-WEO, 2021).

The first such issue is the lack of pandemic cooperation. For instance, the WHO has been underfunded for decades, with the threat of further draconian loss of funds. China applied immense pressure so that its manipulated data or effectiveness was not challenged. Similarly, the former president of the US, Donald Trump, dismissed the WHO’s warnings of an imminent pandemic because they did not conform to his “hunch” that the health risks had been wildly overstated (Walters, Aratani & Beaumont, 2020). That is to say, crowd-pleasing short-term approaches have been quickly exposed as ill-equipped to deal with emergency situations. Likewise, while the ruptures in the GVCs that emerged after the pandemic, surging inflation, and increasing debt burden require global cooperation, quite the contrary, divergences and conflicts are increasing.

The second issue concerns the financial contagion and collapse in the post-pandemic era. The financial sector has started to negatively impact the post-pandemic crisis spiral due to three related issues. They are reform fatigue in the financial sector, deteriorated fiscal balances (i.e., budget deficits and accumulated national debt) due to the pandemic overspending, and the risk of rising inflationary pressures. As Franklin & Moise (2021) put in their Financial Times article, “the reforms that were implemented in the aftermath of the 2008 financial crisis, although well-intentioned, have not kept banks from falling back into old habits. While cheap mortgages fueled economic growth in the 2000s, easy and risky corporate debt issued at high leverage levels has weakened the US economy over the past ten years. Loan defaults are

already rising in the wake of the COVID-19 crisis.”

Moreover, the large-scale financial and monetary supports explained above have resulted in significant macroeconomic erosion. Although, under the given constraints, well-designed supportive fiscal measures, which take advantage of the low interest rates to boost growth while remaining sustainable and targeting a reduction in public debt over the long term were crucially needed, this did not happen in many countries. According to the Institute for International Finance (IIF, 2020), the ratio of global gross debt to world output jumped from an already high 321 per cent at the end of 2019 to 362 per cent at the end of June 2020, the sharpest rise since the Second World War, and this constitutes an essential constraint in restoring growth and safeguarding debt sustainability. Referring to some G20 emerging market economies, such as Brazil, China, India, Russia, Indonesia, Turkey, and South Africa, Flores and Granelli (2021) put that “there has been steepening of the government bond yield curve, which could lead these countries to issue more short-term debt titles and make them more vulnerable.”

The third issue is the possibility of ethnic, religious, and economic backlashes. The management of short-term obligations, which comes under the urgency of the crisis measures, is in sharp conflict with medium- and long-term uncertainties. Among others, disruptions in the GVCs, rising inflation, energy and food crisis, and overall debt pressure are jointly fueling poverty, and, therefore, the term “vulnerability” has much more vast and profound repercussions than mere macroeconomic fragility. As Barrett et al. (2021) put in their commentary to an IMF Blog, “from the Plague of Justinian and the Black Death to the 1918 Influenza Epidemic, history is replete with examples of disease outbreaks casting long shadows of social repercussions: shaping politics, subverting the social order, and some ultimately causing social unrest.” One possible reason is that an epidemic can reveal or aggravate pre-existing fault lines in society, such as inadequate social safety nets, lack of trust in institutions, or perception of government indifference, incompetence, or corruption. However, the critical lesson from the past is that looking beyond the immediate aftermath, the risk of social unrest like riots and anti-government demonstrations spikes in the longer term. Researches show that heightened risk of a significant government crisis — an event that threatens to bring down the government — typically occurs in the two years following a severe epidemic (Madhav N, Oppenheim B, Gallivan M, et al. 2017). As Sedi and Xu (2020) noted, “the threats may be bigger where the crisis exposes or exacerbates pre-existing problems such as a lack of trust in institutions, poor governance, poverty, or inequality.”

The new globalization: Balancing connectivity and resilience

Being subject to several developments, the globalization pendulum swings between deglobalization and re-globalization or new globalization. The deglobalization agenda is related to the under-achievements of the LMLO established post-WWII vis-à-vis worldwide challenges, geopolitical contestations triggered by the power transition, the rise of the multiplex or multipolar world, recent economic and political crises like the GR of 2008–2009 and the GL of 2019–2021, and populism

that fracture the global economy along regional or political lines – with competing blocs centered on China, the US, and perhaps Europe.

Several prominent political economists like Acharya (2017, 2018), Mearsheimer (2019), Rodrik (2019a, 2020), and Stiglitz (2002) have shown quite convincingly that, besides its positive feedbacks, ever-increasing interdependency worsened global socio-economic inequality through several transmission mechanisms, such as international capital movements, which have weakened national governments' regulatory and taxation autonomy. It has also shifted the balance of power within nations away from labor towards capital and allowed it to accrue further political power and wealth, opening yet more opportunities for the internationalization of capital. Inside western societies, there is also rising political conflict over the role markets and the state should play in people's lives.

Liberalization of markets in trade and finance since the early 1980s and technological progress have been the two main drivers of globalization. The free-market economy system provides arm's length exchange and sophisticated capital markets; adjusts policies that reduce risks associated with the market exchange process; and triggers *Schumpeterian creative destruction* – the blend of ideas, firms, and industries that drive economic dynamism – for better economic development (North, Wallis & Weingast, 2009; Albertus & Menaldo, 2018). However, trust in the meritocratic ideals of free-market economics is rapidly fading away. According to a recent report by IPSOS Global Trends (2020), while six in ten (62%) globally agree that if you work hard, you will get ahead, this view is under threat even in the most advanced and social welfare states in key European countries. Only half of those in Germany (53%) and Spain (50%), and just four in ten people in Italy (41%) feel their economies offer chances for “fair competition” that reflect and reward their efforts. This encompasses the widely held view that national economies are rigged to advantage the rich and powerful (74% agree globally) and that significant income differentials are bad news for society (76%).

Perceived inequality in opportunities as well as in outcomes has increased demand for populists, who support income and wealth redistribution, a trend that represents one of the top ten values of IPSOS in 2020. The problems mentioned above cause the system-level criticisms brought by the populists to appeal to the public and turn their faces towards proposals that will reverse globalization and change the LMLO. This should be one of the reasons why after a few decades of dominance, western liberal capitalism has started to compete with authoritarian capitalism, mainly in China and Russia. This or that way, the world has been passing through severe reversals in globalization. After the GR, trade ceased to grow faster than world output due to the exhaustion of opportunities, the absence of global trade liberalization and rising protectionism. With a fall in foreign direct investment (FDI) and global trade of about 30 per cent after the GR, the same is happening after the GL.

New/re-globalization, on the other hand, is fostered by technological shifts like digitization and artificial intelligence. Globalization as we know it might have run its course as technological changes and corporate strategies lead to more products being made locally or delivered digitally. Before the

pandemic, many focused on how new technologies could reduce global flows (CNBC 2018), for instance, manufacturers substituting robots at home for low-cost labor abroad, remote work (i.e., home office), and remote interaction in service sectors. The broadband computing and communications technology that allowed the adoption of e-commerce, videoconferencing, and robots have all been supercharged by COVID-19.

Depending on the interests of sectors of the economy and segments of society, the process of “virtual immigration” will come with several long-term implications. On the positive side, the process will contribute to overcoming national barriers to the mobility of labor: improving corporate profits by finding easy and cheap personnel; reducing the problems caused by excessive integration; increasing resilience, and balancing the rise of right-wing populism by overcoming the fear of “status” created by the encounter of local people with foreign cultures are the main benefits. On the negative side, to the extent that process works against the poor, less skilled, and less mobile people, and leads to income inequality between rich and poor, the shift in the new technological paradigms prepares fertile ground for the rise of populism. As Heuer (2020, 4) cites from Angus Gupta, a “demand for containers may be going down, but services trade, capital and data flows keep rising,” underlining new facades of the new globalization.

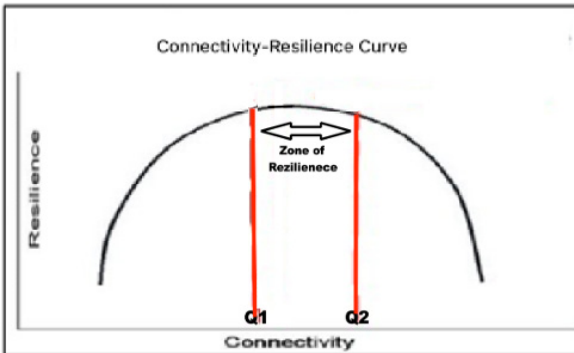
Another crucial discussion in the context of globalization and populism concerns the future of global supply chains (or GVC), which have been significantly disrupted during the COVID-19 pandemic and because of the US-China polarization. A recent, marked result is a strong desire to shift supply chains back home. However, unlike popular or populist expectations, that process would harm the poor and complicate the situation. On the one hand, it risks putting hundreds of millions of people back into poverty. On the other hand, as Rogoff (2020) states, the economic policies that populists pursue, whether they emanate from the left or the right, are equally tragic. They converge on a similar political-economic model based on protectionism, crony capitalism, and chronic rent-seeking. Invariably, these movements which are claimed to help the poor end up harming them by doing the exact opposite. As Irwin (2020) suggests, concrete steps need to be taken to discipline the side effects of globalization as soon as possible, but never to give up on multilateralism.

The most urgently needed transition area lies in the rebalancing of neoliberal globalization. Regarding openness and globalization, populists point out such concerns as the risk of excessive dependency, uncontrollability, security, sovereignty, and income distribution injustices globally. More recently, the pandemic has also added a new element of alertness to the potential danger of excessive connectivity, which might lead to the spread of epidemic diseases, financial contagions, and disruptions in GVCs.

As an alternative balancing concept, the term resilience has been supplemented with the aim of minimizing the negative spillovers of connectivity, a buzzword of hyper-globalization (OECD, 2021). Resilience is defined as society’s ability to bounce back from systemic global shocks without sacrificing the mandatory global integration in finance, communication, transportation,

technology, production, and GVCs (McKinsey, 2020; Miroudot, 2020). Figure 1 simplifies the complicated trade-off between connectivity and resilience. First, it shows that the connectivity of globalization improves resilience up to a certain level (Q1). Then, it stabilizes at the “resilience zone” (Q1-Q2) before it starts falling back beyond a certain level of connectivity (Q2), which can be described as excessive connectivity and goes beyond effective management. Quite obviously, connectivity in the resilience zone can be defined as the “optimum level” of globalization, where the benefits of connectivity are reaped, whereas excesses or contagious effects of hyper globalization can be kept under control worldwide.

Figure 1: Pandemic, Connectivity and Resilience



Source: Adapted from Westley, F., Olsson, P., Folke, C. et al. (2011).

More recently, the GR and the GL have been two significant shock waves to the global system that went beyond the resilience zone. Thus, it is essential not only to reach and stay in the resilience zone but also to return to that zone of stability and welfare in case of crisis (Lawrence 2020: 60). Recent crises show that, first, the initial shocks appear in the form of “overshooting” in financial markets, in the disruption of GVCs, and in different combinations of demand shocks. Second, with the arrival of overall macroeconomic erosion, such as loss of jobs, widespread unemployment, lack of income, and the accumulation of national debt, we observe reversals in the globalization process. After facing the challenges during the first two stages, the final stage requires a long-term positioning with appropriate strategies and policies to turn the crisis into an opportunity, like creating a more equitable, green, and resilient future over the coming years.

As a recent OECD (2021) report underlines, the actions needed to strengthen economic resilience include

- (i) preventing the build-up of potential vulnerabilities,
- (ii) preparing to absorb shocks when they occur, and
- (iii) developing timely capacity and ability to engineer a swift rebound from those shocks.

Emerging literature shows that sustained resilience requires balancing globalization through localizing economic activities to create a buffer mechanism against the contagion of different crises and thus reduce vulnerability to

supply chain disruptions. As Helbing (2009) recommends, “the goal is to add redundancies (back-ups), limiting network interconnectivity, inserting firewalls (or stopping points) between network segments, and encouraging a diverse heterogeneity of units.” Indeed, the pandemic crisis has marked an additional tipping point in the already ongoing process that prompts many businesses to remodel their supply chains and invest in more resilient and often more local production patterns (Financial Times Consulting, 2022; Adams, 2022; Kuttner, 2021)). Governments are working on different policies and taking measures to support that process. For example, Japan is shifting its value chains from China and diversifying operations across other Asian economies, such as Vietnam, India, and Indonesia (Todo, 2022)); the US to Mexico in its close neighborhood and India in Asia; and the EU to mainly Eastern Europe or partly to Turkey (The European Parliament, 2021). Meanwhile, among others, localization of food production has particular importance. Yasmien et al. (2020) point out the fragility of specializing in a few products while importing most others. The pandemic has already revealed the precariousness of the existing GVCs in that not only does one-quarter of the world’s food cross a border before consumption, but also a handful of mega-sized corporations dominate international food markets, which is far from being resilient.

Despite the apparent need for balancing connectivity through localization, it is a complex process posing several challenges. First, the process might imply different meanings for the home country that owns and manages the value chain, the countries excluded from the value chain, and the third countries that want to attract them. For example, the two global forces, the USA and the EU want to make complex and distant GVCs simple, closer, and faster. By bringing GVCs closer to home, they aim to reduce uncertainty and risks for themselves and to discipline their strategic rivals, such as China, that threaten the world system by abandoning such markets. However, the countries left outside GVCs will naturally be exposed to job, capital, and know-how losses, which will dampen their exports and their global integration into foreign trade. The policy implies that countries that want to attract GVCs in this period of supply chain restructuring should have a comprehensive localization strategy through agglomeration economies (Lund, S. et al., 2020; Baldwin & Anthony, 2011).

As Legrain (2020) and Lawrence (2020: 6) put it, it requires “empowering community-based decision making, participatory budgeting, and local action on such issues as renewable energy, green infrastructure, public services, and food production.” On the other hand, the task of localization for better managed globalization, reflecting an optimum balance between resilience and connectivity, requires not only reforms but also resources. Since the lower social strata have been dragged into deeper poverty due to job and income loss and income distribution further impaired against their interests in the recent financial crisis and pandemic lockdown, finding ways to support such a vulnerable segment is an urgent priority to prevent a serious vacuum that feeds populism. An urgent task would be the provision of either a guaranteed/

universal basic or targeted income to the most vulnerable groups.³ Meanwhile, priority should be given to a long-term measure which invests in improving the capability and skills of the workforce for a comprehensive sectoral transition. In that regard, rather than doubling down on failing (sunset) industries that exacerbate climate change, governments should prioritize retraining for opportunities in renewable energy and green infrastructure along with other localization processes.

However, a couple of additional concerns deserve mentioning here. First, the goal of increasing resilience through localization is a double-edged sword. On the positive side, to the extent that the poor, less skilled, and less mobile people are prepared for sectoral transition through well-managed localization, the process could function as an antidote against populism, let us say, in the US. On the negative side, localization of industry by developed countries like the US, Japan, and the EU by calling back their investments in developing countries might leave abandoned sectors, which I would call “modern enclaves,” behind, leaving millions of people without jobs and income. Therefore, when considering increasing income inequalities between and within nations, community-based decision-making (such as participatory budgeting) and grounded (local and national) economic activities are needed in the process of localization. In this regard, priority should be given to

(i) Tax reform and public spending to substitute a more progressive and equitable tax code that invests in economic wellbeing and environmental action.

(ii) Livelihoods and wellbeing via fair access to employment, safety nets amidst vulnerability, and overall quality of life.

(iii) Green energy and infrastructure through eco-friendly buildings, public spaces, energy generation, and food production.

Second, given the government budget constraints that have been ballooning under the pandemic fiscal stimulus, it is apparent that sustainable financial sources must be found for the localization process. Among others, the most feasible and likely option is a comprehensive reform in the existing lop-sided tax system for the needed resources. However, tax reform is relatively easy to announce but hard to implement for two reasons. First, governments have long feared that higher taxes produce capital flight and discourage investment. As a result, countries are engaged in a “race to the bottom” on corporate taxation, ultimately losing them. Second, in a world of multinational corporations, mobile capital, and seamless digital transactions, it is hard to identify where modern businesses with significant intangible capital, especially digital businesses, locate their activities (Gill 2020).

³The “guaranteed” basic income provides the same lump sum to all citizens regardless of circumstances, whereas a “targeted” basic income is available only to those who need it because their income falls below a minimum threshold. Their goal is to alleviate poverty and replace other need-based social programs that potentially require greater bureaucratic involvement.

Notwithstanding, tax reform is a global public good that requires international cooperation in renewing fiscal sovereignty. That, in turn, requires global inclusion and transparency of negotiations, suggesting that future tax reforms should take place under the auspices of relevant multilateral organizations like the UN. The relatively good news is that the Inclusive Framework on Base Erosion and Profit Shifting (IF), which the OECD/G20 launched, has agreed on a two-pillar solution to address the tax challenges arising from the digitalization of the economy. According to the compromise, as of 4 November 2021, over 135 countries and jurisdictions have joined the plan to reform international taxation rules that ensures multinational enterprises pay a fair share of tax. In addition, that consensus has also focused on how profits should be allocated and agreed that countries should have the right to tax a certain proportion of the largest, most profitable multinationals' profit in the locations where it is generated. At a time of great power rivalries, that achievement should be considered a genuine revolution in international tax law. In that achievement, the former consensus of G7 ministers played a decisive role, which underlines the importance of inclusive cooperation platforms with the characteristics of global public goods.

Pandemic economics and implications for populism

Pandemic, as the “killer” of populism

Considering the many ambiguities discussed above, both optimistic (romantics) and pessimistic (realist) views on the post-pandemic process can be mentioned here. Pundits wishfully expect that coronavirus will change not only the world economy permanently but also globalization “hugely for the better” and that it could “kill populism” (Rachman, 2020). That is because, as Burnie (2020, 3) notes, “effective crisis management entails a forward-looking assessment of the situation, transparent communication, trust-building, unity, and the ability to make difficult policy choices and learn with constantly updating information,” a long list of tasks, some argue, that populists cannot handle properly.

Some populists indeed neglected the seriousness of COVID-19; others treated it as a security issue, adopting draconian measures; finally, some disregarded the recommendations of health authorities and experts and have personally endorsed drugs and treatments in the absence of scientific evidence about their efficacy. Moreover, other than closing their borders quite quickly, most populists failed to react appropriately in terms of the timing and sequence of measures. Additionally, their approach fostered the politicization of the crisis, which has led to further social polarization and encouraged supporters to disrespect social distancing, the use of facemasks, and compliance with other preventive measures.

Nevertheless, there are convincing data supporting the optimistic view. According to Johns Hopkins University, Corona Virus Recourse Center, the most populist-led nations have been the most affected by the coronavirus outbreak, both in infections and death numbers. Table 1 shows the first 20 countries in terms of the number of infections and deaths. The table is overwhelmingly dominated by populist governed countries. By July 19, 2021, the US, Brazil, Russia, and India ranked as the top four countries in the total

number of infections, joined by the UK, Turkey⁴, and France. Bayerlein et al. (2021)'s findings also confirm these statistics.

| Table.1 Total Covid Cases and Deaths (Cumulative) (as of may 2023) | | |
|---|-------------------------------|--------------------------------|
| | Observed case-fatality ration | Deaths per 1000,000 population |
| Peru | 4,9 | 665.84 |
| US | 1,1 | 341.11 |
| Chili | 1,2 | 336.22 |
| Brazil | 1,9 | 328.98 |
| Poland | 1,8 | 314.45 |
| Italy | 0,7 | 311.47 |
| Ukraine | 2,1 | 272.75 |
| Russia | 1,8 | 266.20 |
| Mexico | 4,5 | 260.73 |
| Portugal | 0,5 | 257.59 |
| Spain | 0,9 | 255.54 |
| France | 0,4 | 254.68 |
| Austria | 0,4 | 243.94 |
| Germany | 0,4 | 203.16 |
| Iran | 1,9 | 172.55 |
| Canada | 1,1 | 135.23 |
| Australia | 0,2 | 76.88 |
| S. Korea | 0,1 | 66.50 |
| Philippines | 1,6 | 60.40 |
| Japan | 0,20 | 57.72 |

The case fatality rate (CFR) is the ratio between confirmed deaths and confirmed cases. **Source:** Johns Hopkins University, Corona Virus Research Center, <https://coronavirus.jhu.edu/data/mortality>

⁴ A critically related issue about the pandemic statistic is that the data about the COVID-19 pandemic is manipulated, and the accurate figures are hidden by authoritarian populist governments. Lack of transparency and reliable data processing systems in these countries are the main problem. For example, in Turkey, where official figures point to 55,000 deaths from the pandemic, an alternative estimate shows that the figure has already exceeded 112,000 as of August 2021. In this manipulation, the most trivial methods are the wrong disease code entry or even not measuring it. The Turkish Statistical Agency (TURKSTAT) has decided not to publish Turkey's annual death statistics for 2020 according to the pre-scheduled calendar in June 2021 and postponed it to an unknown later date, possibly due to political pressure. The same has happened to the international migration statistics as of July 2021.

They found that in a sample of 42 countries, the number of deaths in populist governed countries exceeded the excess mortality of conventional countries by ten percentage points. From this perspective, the pandemic exposed the limits of populists in government. A recent report from the Tony Blair Institute for Global Change shows that support for populism collapsed during the 2020-21 coronavirus pandemic (Meyer, B. 2020). The report states that “this includes support for populist parties, agreement with populist attitudes, and the approval ratings of individual populist leaders. On average, populist leaders saw a 10-percentage point drop in their approval ratings from the second quarter of 2020 to the final quarter of this year. Meanwhile, support for key populist attitudes – such as belief in the ‘will of the people’ or that society is divided between ordinary people and a ‘corrupt elite’– has declined in almost every country” (Foa, R.S. et al. 2022). Experts tend to explain this outcome by populists’ opportunistic and inadequate policy responses, spreading misinformation and downplaying the pandemic. In that context, it is reasonable to accept the optimistic view that, with their anti-elite style and hostility toward science that prevented effective policy responses, populists can be expected to lose credibility drastically in the aftermath of the crisis.

Root causes feed populism

Contrary to these observations, alternative findings draw quite a different picture. The first point to note is that, according to a recent report by the Tony Blair Institute for Global Change 12 out of 17 populist governments currently in power have taken the COVID-19 crisis seriously. However, of the 12 populist leaders, five have taken an illiberal response. As Bosancianu et al. (2020) noted, as the uncertainties and unpredictability intensify during massive crises, rather than government accountability to citizens, state capacity, such as government effectiveness and institutional trust become more important in coping with challenges like COVID-19. They also found that the sexual identity of government leaders has no significant explanatory strength.

A second related issue is the convergence of the measures taken by mainstream and populist governments with the passage of time. As the populist reactions are neither unidirectional nor homogenous, they will render different impacts in due course and, therefore, predicting the evolution of populism in the future may be yet premature. A recent report from the Kiel Institute for the World Economy has shown that despite significant divergent approaches initially, with the passage of time, populist and non-populist governments have implemented similar containment policy measures and therefore measures converged with each other. That means it is not entirely determined to what extent populist leadership has caused particularly adverse outcomes related to COVID-19.

A third issue is that, as Mudde’s (2020) comparative analysis on historical experience shows, there is no reasonable data in the context of populism that supports big expectations for a better world. The reason is that the surge of global populism in recent years is not attributable to a single cause. Among others, three factors play a significant role not only in its rise but also,

presumably, in its perpetuation in the post-pandemic era.

First, it has structural and long-term drivers. Several academic studies like Colantone & Stanig (2019) and Rodrik (2019a & 2019b) demonstrate that economic and cultural factors explain the populist surge, occasionally combined with economic insecurity and injustices caused by globalization. Given the negative repercussions of hyper globalization, populists have become obsessed with the idea that “zero-sum situations” invariably characterize market exchanges. The fear is that by taking advantage of rising legitimate national security concerns, populists can take that “win-lose” game further. To articulate the issue with the pandemic at this stage, while COVID-19 further spoiled this negative picture, it also revealed the distortions and inadequacies of the current status quo. In addition to the technological breakthroughs, like digital transformation, the political, economic, and social disruptions caused by the COVID-19 crisis have fundamentally changed the existing global governance and decision-making context. As the Great Reset Initiative of the World Economic Forum (WEF) has noted, the inconsistencies, inadequacies, and contradictions of multiple systems – from health and finance to energy and education – are more exposed than ever amidst a global context of concern for lives, livelihoods, and the planet.

Second, the existence of the “winners” and “losers” that come with globalization has led to perceptions of relative deprivation (not only in terms of income and economic status but also socially and politically) and these perceptions play a significant role. As Burni (2021, 3) contends, “populism is intrinsically linked to the perception that democratic regimes have failed and that political elites and incumbent institutions are not trustworthy, even in consolidated democracies for years. According to some recent estimations, recent economic shocks have reversed many years of progress in the direction of global development goals, and tens of millions of people have returned to extreme poverty.” Such socio-economic grievances may persist or be aggravated in a post-COVID-19 world. Therefore, depending on the ideological identity of the party in power, vulnerable people and constituencies that feel unrepresented tend to support opposition parties, whether they are populist or mainstream.

Third, a famous saying suggests, “Never let a serious crisis go to waste: it is an opportunity to do things you thought you could not do before.” In order to centralize power, populists attempt to instrumentalize the pandemic circumstances, like discontent and insecurity, and therefore denounce the crisis as the failure of globalization, “open borders,” international organizations, and liberalism. A recent V-Dem Institute (2021) report confirms that expectation. The report concludes that several governments have already instrumentalized COVID-19 to consolidate ongoing anti-democratic patterns by eroding institutions, centralizing executive powers, shrinking the space left to the opposition, manipulating the media, or fostering social polarization.

Supporting that tendency, the so-called “silent majority”, which was entirely excluded from the decision-making processes but could not avoid their negative consequences, has come to rely more and more on populist discourse. As Müller (2020) puts it, the pandemic provides a precious moment, particularly to the “smart populists.” Populist politicians may well stay in power not because they

have managed the process better, or at least on an equal footing with others, but because they have institutionalized or consolidated their anti-democratic regimes, using the extraordinary peculiarities of the pandemic environment to their advantage. In Burni's (2021: 7) words, "social media has given populists the freedom to articulate and spread their ideology. As expected, COVID-19 has been linked to a series of new conspiracy theories, and, in many cases, these are directly related to populist movements and leaders around the world."

Recently, Brazil, India, Hungary, Poland, Russia, the Philippines, Turkey, and the US have experienced significant violations of democratic principles and a high risk of backsliding. China has also used the coronavirus to push through authoritarian "emergency measures". Among others, the most well-known policies are the use of an unprecedented scale of geographical lockdowns and quarantining, restrictions on movement, industrial slowdowns and heightened surveillance. While the victory of Joe Biden in the US gave a pseudo-signal for the defeat of populism, Trump's large share of the vote shows it has not disappeared (Langlois 2021; Naughton, 2020).

To conclude this part, the revival of the world economy in 2022 seems to have remained limited and the geopolitical risk factors are still quite unpredictable. Therefore, the macroeconomic erosions of the pandemic, like debt, inflation, income distribution, and disruptions in GVCs, will continue to be critical risk factors. Moreover, the outlook for EMEs and developed countries in the longer term will also likely be dampened by other lasting legacies of the pandemic, such as the erosion of skills from lost work and schooling, and a sharp drop in (social and physical infrastructure) investment. In the same context, self-defeating protectionist trade restrictions, geopolitical risks in the Middle East, between Ukraine and Russia, South China Sea-Taiwan, and climate change might further exacerbate food and energy insecurity and poverty.

Conclusion

We face an important challenging issue in predicting the future course of populist waves in the post-pandemic economic crisis from 2019 on. Among other phenomena, ongoing global power shifts and malfunctioning multilateral cooperation mechanisms further complicate the situation. Besides, the pre-pandemic situation at the national and international level, the countries' capacities to manage the crisis, and the impact of the measures (not) taken during the crisis are additional factors of uncertainty. The surge in global inflation, the culmination of global debt, and the devastating food and energy crises, which are triggered by ever-worsening climate change and the Russian invasion of Ukraine, are the greatest afflictions with asymmetric and uncertain impacts on different countries and regions.

From a comparative perspective, populist parties have generally responded to the crisis during the pandemic by opposing globalization and openness and pursuing rather patchy contingency measures, albeit not necessarily in the "crowd-pleasing" way of management that is one of the salient characteristics of populists. Their denial of professionalism, autonomous institutions, and scientific decision-making undermined the quality of governance and therefore harmed people. Although these weaknesses put a natural limit on the expansion

and continuation of the populist moment, the crises cannot necessarily remove the populists from power for three main reasons:

(i) The shocks have come with global reach, and the populist governments have not implemented radically different measures from others, though with lower implementation quality.

(ii) The continuation of the structural deficits of hyper-globalization, the neoliberal international order, and the intensified geopolitical rivalries and tensions will enable populist demagogues to exploit them pragmatically.

(iii) The populists could consolidate their power by changing and transforming the institutions and rules that allowed them into power.

In terms of combatting and reversing the populist waves, reform and strengthening existing global cooperation and governance mechanisms are the priority areas to motivate consensual voluntary participation and contribution of all, thereby reducing the excesses of globalization. Four broad categories of reform measures can be put forward here. The reforms should

(i) prioritize equal chances in participation in the areas of global collective responsibility to strengthen pluralism, participation, and transparency of the worldwide cooperation architecture.

(ii) strengthen nation-states' national sovereignty and autonomous decision-making capacity vis-à-vis globalization.

(iii) target improving global income distribution and immediately empowering the most fragile and "forgotten" people by introducing universal income to the poor and imposing welfare taxes on the richest.

envisage a more active and direct environment-friendly regulatory regime and cooperation platform with the properties of a new global public good to fight against global climate change and achieve the long-term sustainability targets of the UN.

REFERENCES

Accenture. (2021). "Digital adoption in healthcare. Reaction or revolution? Health and Life Sciences Experience Survey-US findings." *Accenture*. https://www.accenture.com/_acnmedia/PDF-161/Accenture-Digital-Adoption-In-Healthcare.pdf#zoom=40 (accessed on October 1, 2021).

Acemoglu, D., Egorov, G., Sonin, K. (2011). "A political theory of populism." *NBER Working Papers*. No 17306.

Acharya, A. (2017). Global governance in a multiplex world. Robert Schuman Centre for Advanced Studies (RSCAS), 29, Global Governance Programme-266.

Acharya, A. (2018). *Constructing global order. Agency and change in world politics*. Cambridge: Cambridge University Press.

Adams, H. S. (2022). Re-shore: manufacturers come home to strengthen supply chain. *Manufacturing*. August 30. <https://manufacturingdigital.com/procurement-and-supply-chain/reshore-manufacturers-come-home-to-strengthen-supply-chain>.

- Agarwal, R. and Gopinath, G. (2021). A proposal to end the COVID-19 pandemic." *IMF: Staff Discussion Notes*, No. 004. <https://www.elibrary.imf.org/view/journals/006/2021/004/006.2021.issue-004-pt.xml> (accessed on October 19, 2021).
- Ahir, H., et al. (2021). World pandemic uncertainty index (WUPI). FRED, Federal Reserve Bank of St. Louis. August 16, 2021. <https://fred.stlouisfed.org/series/WUPI> (accessed on October 19, 2021).
- Albertus, M., & Menaldo, V. (2018). *Authoritarianism and the elite origins of democracy*. Cambridge: Cambridge University Press. doi: 10.1017/9781108185950
- Altman, Steven. A. (2020). Will COVID-19 have a lasting impact on globalization? *Harvard Business Review*. May 20, 2020. <https://hbr.org/2020/05/will-covid-19-have-a-lasting-impact-on-globalization> (accessed on October 17, 2021).
- Baker, S. et al. (2021). Global economic policy uncertainty index. Current Price Adjusted GDP. FRED, Federal Reserve Bank of St. Louis. June 7, 2021. <https://fred.stlouisfed.org/series/GEPUCURRENT> (accessed on August 16, 2021).
- Balduzzi, P. et al. (2020). Populism, political risk and the economy. What we can learn from the Italian experience? *VOX-EU*. February 20, 2020. <https://voxeu.org/article/populism-political-risk-and-economy> (accessed on August 16, 2021).
- Baldwin, R. and Venables, A. J. (2011), *Relocating the value chain. Off-shoring and agglomeration in the global economy*. University of Oxford and CEPR, Number 544 March.
- Barrett, P.; Chen, S. & Li, N. (2021). *COVID's long shadow. Social repercussions of pandemics*. IMF Blog. February 3, 2021. <https://blogs.imf.org/2021/02/03/covids-long-shadow-social-repercussions-of-pandemics/> (accessed on August 17, 2021).
- Bayerlein, M. et al. (2021). Populism and COVID-19: How populist governments (mis)handle the pandemic. *Kiel Working Paper*. No. 2192. https://www.ifw-kiel.de/fileadmin/Dateiverwaltung/IfW-Publications/-ifw/Kiel_Working_Paper/2021/KWP_2192_Bayerlein_Boese_Gates_Kamin_Murshed_/KWP_2192.pdf (accessed on August 21, 2021).
- BIS. (2022). The monetary-fiscal policy nexus in the wake of the pandemic. No 122, March 2022. <https://www.bis.org/publ/bppdf/bisap122.pdf>
- Bloomberg. (2022). Yen, Supply Chain Chaos Send Japan Manufacturers Home. 16 May. <https://www.bloomberg.com/news/articles/2022-05-15/japan-manufacturers-return-home-fueling-demand-for-tokyo-steel?leadSource=verify%20wall>
- Bruegel. (2020). *The fiscal response to the economic fallout from the coronavirus*. November 24. <https://www.bruegel.org/publications/datasets/covid-national-dataset/>(accessed on October 13, 2021).

- Bosancianu, C. M. et al. (2020). Political and social correlates of COVID-19 mortality. *Soc Arxiv*. June 11, 2020. <https://doi.org/10.31235/osf.io/ub3zd>.
- Burni, A. (2020). The populists and the pandemic. *Internationale Politik*. December 10, 2020. <https://internationalepolitik.de/en/populists-and-pandemic> (accessed on August 28, 2021).
- Burni, A & Tamaki, E. (2021). Populist communication during the COVID-19 pandemic. The case of Brazil's president Bolsonaro. *PArteecipazione e CO nflitto*. 14(1), 113-131. (accessed on September 12, 2021).<http://siba-ese.unisalento.it/index.php/paco/article/view/24018>.
- CBI. (2020). 24 industries and technologies that will shape the post-virus world. *CBI Insights Report*. <https://www.cbinsights.com/reports> (accessed on August 28, 2021).
- CNBC. (2018). *Seven tech trends that will destroy globalization*. CNBC. June 8, 2018. <https://www.cnn.com/2018/06/08/tech-trends-that-will-destroy-globalization-commentary.html> (accessed on September 13, 2021).
- Cobham, A. (2021). G20 could improve on 'one-sided' global tax reform. *The Financial Times*. June 11, 2021. <https://www.ft.com/content/2aa756fd-ec1d-4127-891e-b8873da022af> (accessed on September 2, 2021).
- Colantone, I., Stanig, P. (2019). Heterogeneous drivers of heterogeneous populism. *VOX-EU*. December 10, 2019. <https://voxeu.org/article/heterogeneous-drivers-heterogeneous-populism> (accessed on August 2, 2021).
- CRS. (2021). *Global economic effect of COVID-19*. October 4, 2021. <https://sgp.fas.org/crs/row/R46270.pdf> (accessed on September 5, 2021).
- Danielsson, J.; Macrae, R.; Vayanos, D. & Zigrand, J. P. (2020). The coronavirus crisis is no 2008. *VOX-EU*. March 26, 2020. <https://voxeu.org/article/coronavirus-crisis-no-2008> (accessed on September 7, 2021).
- Dornbusch, R. & Edwards, S. (1991). The macroeconomics of populism. In: Dornbusch, R. & Edwards, S. (Eds.). *The macroeconomics of populism in Latin America*. Chicago: Chicago University Press.
- Flores, E. & Granelli, L. (2020). *The pandemic crisis response is a long-term marathon. Some key principles to drive the G20 economic policy response in 2021*. *VOX-EU*. December 14, 2020. <https://voxeu.org/article/some-key-principles-drive-g20-economic-policy-response-2021> (accessed on August 7, 2021).
- Foa, R.S. et al. (2022). *The Great Reset: Public Opinion, Populism, and the Pandemic*. Cambridge, United Kingdom: Centre for the Future of Democracy.
- Franklin and Moise, (2021). Wall Street doubles down on lending 'cheap money' to the rich. *The Financial Times*. July 24, 2021. <https://www.ft.com/content/8a328af4-b8f2-48c5-82a9-d7dc1c345e1c> (accessed on August 17, 2021).
- FSB. (2021). *Lessons learnt from the COVID-19 pandemic from a financial stability perspective*. The Financial Stability Board (FSB) Interim report. <https://www.fsb.org/wp-content/uploads/P130721.pdf>

- FTI. (2022). *Time to Bring Your Supply Chain 'Home'?* FTI Consulting, August, 01. <https://www.fticonsulting.com/insights/fti-journal/time-consider-bringing-supply-chain-home>
- Gill, P. (2020). Retool the tax system to help pay for COVID-19's costs. *Policy Options*. May 29, 2020. <https://policyoptions.irpp.org/fr/magazines/may-2020/retool-the-tax-system-to-help-pay-for-covid-19s-costs/> (accessed on August 23, 2021).
- Helbing, D (2009). *Systemic Risks in Society and Economics*. Santa Fe Institute Working Paper, 2009-12-044. <https://www.santafe.edu/research/results/working-papers/systemic-risks-in-society-and-economics> (accessed on August 24, 2021).
- Heuer, S. (2020). *Whither globalization? Deglobalization ahead?* <https://www.rolandberger.com/de/Insights/Publications/Ein-Leitfaden-für-die-postpandemische-Ära.html> (accessed on August 12, 2021).
- ILO. (2009). *Protecting people, promoting jobs: A survey of country employment and social protection policy responses to the global economic crisis*. An ILO report to the G20 Leaders' Summit, Pittsburgh, 24-25 September 2009. https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/meetingdocument/wcms_113996.pdf (accessed on September 13, 2021).
- IMF. (2021). *World Economic Outlook-Update*. July 2021. <https://www.imf.org/en/Publications/WEO/Issues/2021/07/27/world-economic-outlook-update-july-2021> (accessed on August 24, 2021).
- IPSOS. (2020). *Global Trends*. https://www.ipsos.com/sites/default/files/ct/publication/documents/2020-02/ipsos-global-trends-2020-understanding-complexity_1.pdf (accessed on August 23, 2021).
- Irwin, D. A. (2020). *The pandemic adds momentum to the deglobalization trend*. PIIIE. April 23, 2020. <https://www.piiie.com/blogs/realtime-economic-issues-watch/pandemic-adds-momentum-deglobalization-trend> (accessed on August 28, 2021).
- Koh, W. C. & Yu, S. (2020). *A decade after the 2009 global recession. Macroeconomic and financial sector policies*. Policy Research Working Paper, 9289. World Bank.
- Kose, M. A. & Sugawara, N. (2020). *Understanding the depth of the 2020 global recession in 5 charts*. World Bank Blogs. June 15, 2020. <https://blogs.worldbank.org/opendata/understanding-depth-2020-global-recession-5-charts> (accessed on August 22, 2021).
- Jalles, J. T. and Medas, P. (2022). *Economic Growth After Debt Surges*. IMF Working Paper, WP/22/159, July.
- Lund, S., Manyika, J., Woetzel, J., Barriball, E., & Krishnan, M. (2020). *Risk, resilience, and rebalancing in global value chains*. McKinsey & Company. <https://www.mckinsey.com/capabilities/operations/our-insights/risk-resilience-and-rebalancing-in-global-value-chains> (accessed on August 20, 2022).

Langlois, L. (2021). The Brexit vote and the Trump vote: A comparative study of the common trends and factors that led to a populist radical right vote in Britain and the United States. *Revue Lisa*. Vol. 19 (51). [HTTPS://JOURNALS.OPENEDITION.ORG/LISA/13054](https://journals.openedition.org/lisa/13054) (accessed on August 24, 2021).

Lawrence, M. (2020). *From COVID-19 to a more resilient future. Three interlinked transitions*. The Cascade Institute, Brief No. 2. June 20, 2020.

Legrain, P. (2020). The coronavirus is killing globalization as we know it. *Foreign Policy*. March 12, 2020. <https://foreignpolicy.com/2020/03/12/coronavirus-killing-globalization-nationalism-protectionism-trump/> (accessed on August 16, 2021).

Madhav N, Oppenheim B, Gallivan M, et al. (2017). *Pandemics: Risks, Impacts, and Mitigation*. In: Jamison D.T., Gelband H., Horton S., et al., editors. *Disease Control Priorities: Improving Health and Reducing Poverty*. (3rd edition). Washington (DC): IBRD.

Magistr, B. & Menaldo, V. (2020). Populism. A tale of political and economic catastrophe. *APSA Comparative Politics Newsletter*, pp. 39-47.

McKinsey Global Institute. (2020). *Risk, resilience, and rebalancing in global value chains*. <https://www.mckinsey.de/~ /media/mckinsey/locations/europe%20and%20middle%20east/deutschland/news/presse/2020/2020-08-06%20mgi%20global%20value%20chains/risk-resilience-and-rebalancing-in-global-value-chains-full-report-vf.pdf> (accessed on August 24, 2021).

Mearsheimer, J. (2019). Bound to fail: The rise and fall of the liberal international order. *International Security*, 43 (4),7-50. <https://direct.mit.edu/isec/article/43/4/7/12221/Bound-to-Fail-The-Rise-and-Fall-of-the-Liberal>.

Meyer, B. (2020). *Pandemic Populism: An Analysis of Populist Leaders' Responses to COVID-19*. Tony Blair Institute. August 17, 2020. <https://institute.global/policy/pandemic-populism-analysis-populist-leaders-responses-covid-19> (accessed on August 16, 2021).

Miroudot, S. (2020). Reshaping the policy debate on the implications of COVID-19 for global supply chains. *Journal of International Business Policy*. 3, p. 430-442 (2020). <https://doi.org/10.1057/s42214-020-00074-6>.

Müller, J.W. (2020). The pandemic will strengthen smart populists. *The Financial Times*. July 19, 2020. <https://www.ft.com/content/b9aca858-c17b-4c5f-8ce2-36b982489d95> (accessed on August 26, 2021).

Mudde, C. (2020). Will the coronavirus 'kill populism'? Don't count on it. *The Guardian*. March 27, 2020. <https://www.theguardian.com/commentisfree/2020/mar/27/coronavirus-populism-trump-politics-response> (accessed on August 29, 2021).

Naughton, J. (2020). How a global health crisis turns into a state-run surveillance opportunity. *The Guardian*. March 7, 2020. <https://www.theguardian.com/commentisfree/2020/mar/07/how-global-health-crisis-turns-into-state-run-surveillance-opportunity> (accessed on August 30, 2021).

North, D., Wallis, J., & Weingast, B. (2009). *Frontmatter*. In: *Violence and Social Orders: A Conceptual Framework for Interpreting Recorded Human History*, pp. i-vi. Cambridge: Cambridge University Press.

Strauss-Kahn, Marc-Olivier. (2020). *Can we compare the COVID-19 and 2008 crises?* Atlantic Council. April 8, 2020. <https://www.atlanticcouncil.org/blogs/new-atlanticist/can-we-compare-the-covid-19-and-2008-crises/> (accessed on August 13, 2021).

OECD. (2013). *Action plan on base erosion and profit shifting*. OECD Publishing. <http://dx.doi.org/10.1787/9789264202719-en>.

OECD. (2021). *Strengthening Economic Resilience Following the COVID-19 Crisis: A Firm and Industry Perspective*. OECD Publishing: Paris. <https://doi.org/10.1787/2a7081d8-en>.

OECD. (2020). *International collaboration to end tax avoidance*. OECD. <https://www.oecd.org/tax/beps/> (accessed on August 18, 2021).

OECD (2020). *Fostering economic resilience in a world of open and integrated markets: Risks, vulnerabilities and areas for policy action*. Paris. OECD E-library. <https://www.oecd.org/newsroom/OECD-G7-Report-Fostering-Economic-Resilience-in-a-World-of-Open-and-Integrated-Markets.pdf> (accessed on August 16, 2021).

Öniş, Z. & Kutlay, M. (2020). The new age of hybridity and clash of norms. China, BRICS, and challenges of global governance in a postliberal international order. *Alternatives: Global, Local, Political*. 45(3), 123-142, DOI: 10.1177/0304375420921086.

Rachman, G. (2020). Coronavirus could kill off populism. *The Financial Times*. June 29, 2020. <https://www.ft.com/content/3bcf2b5e-e5f1-48e4-bb15-cd29615a9198> (accessed on August 30, 2021).

Rich, R. (2013). *The Great Recession: December 2007-June 2009*. Federal Reserve History. <https://www.federalreservehistory.org/essays/great-recession-of-200709> (accessed on August 15, 2021).

Robert K. (2021). Bringing the Supply Chain Back Home. *The New York Review*. November 18. <https://www.nybooks.com/articles/2021/11/18/bringing-the-supply-chain-back-home/>.

Rodrik, D. (2020). *Why does globalization fuel populism? Economics, culture, and the rise of right-wing populism*. NBER, Working Paper 27526.

Rodrik, D. (2019a). What's driving populism? *Social Europe*. July 23, 2019. <https://socialeurope.eu/whats-driving-populism> (accessed on August 15, 2021).

Rodrik, D. (2019b). *Many forms of populism*. Vox-EU. October 29, 2019. <https://voxeu.org/article/many-forms-populism> (accessed on August 21, 2021).

Rogoff, K. (2020). *Deglobalization will hurt growth everywhere*. Project Syndicate. June 3, 2020. <https://www.project-syndicate.org/commentary/deglobalization-threat-to-world-economy-and-united-states-by-kenneth-rogoff-2020-06> (accessed on August 27, 2021).

- Sedik, T.S. & Xu, R. (2020). *A vicious cycle. How pandemics lead to economic despair and social unrest*. IMF. October 16, 2020. <https://www.imf.org/en/Publications/WP/Issues/2020/10/16/A-Vicious-Cycle-How-Pandemics-Lead-to-Economic-Despair-and-Social-Unrest-49806> (accessed on September 2, 2021).
- Sharma, D. et al. (2021). V-, U-, L- or W-shaped economic recovery after COVID-19: Insights from an agent based model. *PLoS ONE*. 16(3). <https://doi.org/10.1371/journal.pone.0247823>
- Stiglitz, J. E. (2002). *Globalization and its discontents*. New York: W.W. Norton.
- The European Parliament (2021). *Post Covid-19 value chains: options for reshoring production back to Europe in a globalised economy*. The European Parliament, Policy Department, Directorate-General for External Policies.
- Todo, Y. (2022). *Japan's post-COVID-19 approach to supply chains*. East Asian Forum. 3 July. <https://www.eastasiaforum.org/2022/07/03/japans-post-covid-19-approach-to-supply-chains/>
- Torben M. et al. (2022). *From the Global Financial Crisis to the COVID-19 Pandemic: The Rise of Populism*, in EEAG Report on the European Economy, pp. 44-58. CESifo Group Munich, <https://www.cesifo.org/en/publikationen/2022/article-journal/chapter-3-global-financial-crisis-covid-19-pandemic-rise> (accessed on July 19, 2022).
- UNCTAD. (2020). *COVID-19 crisis. How south-south cooperation can support economic recovery*. June 3, 2020. <https://unctad.org/fr/node/3025> (accessed on September 2, 2021).
- V-Dem. (2021). *Autocratization turns viral. Democracy Report*. V-Dem. https://www.v-dem.net/media/filer_public/74/8c/748c68ad-f224-4cd7-87f9-8794add5c60f/dr_2021_updated.pdf.
- Verma P. et al. (2021). A statistical analysis of impact of COVID-19 on the global economy and stock index returns. *SN Comput Sci*. 2(1):27. doi: 10.1007/s42979-020-00410-w.
- Walters, J., Aratani, L. & Beaumont, P. (2020). Trump calls WHO's global death rate from coronavirus 'a false number'. *The Guardian*. March 5, 2020. <https://www.theguardian.com/world/2020/mar/05/trump-coronavirus-who-global-death-rate-false-number> (accessed on September 2, 2021).
- Westley, F.; Olsson, P. & Folke, C. et al. (2011). Tipping toward sustainability. Emerging pathways of transformation. *AMBIO*. 40, 762. <https://doi.org/10.1007/s13280-011-0186-9>.
- Zhang, Y.; Thelen, N. & Rao A. (2010). *Social protection in fiscal stimulus Packages. Some evidence*. UNDP/ODS Working Paper. https://socialprotection.org/sites/default/files/publications_files/socialprotection_fiscalstimulus_march2010.pdf (accessed on August 2, 2021).

Cite this article: Öztürk, İ. (2023). The economics of pandemics and the future course of populism. *Journal of Populism Studies*, 1-27. <https://doi.org/10.55271/JPS000116>