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Rather than a POST-COVID
Society at a Major Canadian
Socio-Economic Summit

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Planning for a CUM-COVID Rather than a POST-COVID Society at a Major Canadian Socio-Economic Summit

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Without giving up hope of discovering a vaccine or medication to fight COVID, we must face the reality: we are living through an unprecedented health crisis, and the economic recession is already well underway. Even once a vaccine and/or medication have been discovered and tested, it will still be necessary to produce and distribute them, and this will take time. Our governments have understood this and are managing the crisis by financially supporting citizens and businesses affected by the pandemic while preparing plans for lifting lockdown restrictions and boosting economic recovery. Their challenge is to unlock and restart the economic engine without causing a second wave of virus spread and keeping workers and businesses on the artificial income system set up by the federal government. But since the situation is complex and quite uncertain, our governments have no alternative but to set up a baseline scenario on the development of the health situation and the outlines of the economic recession to guide their action plan.

The individuals' and businesses' income and wealth losses caused by the recession, the widespread crippling uncertainty and the dislocation of domestic and international supply and distribution chains strongly argue in favour of a conservative scenario.

FIRST TAKEAWAY ASSUMPTION: we will have a CUM-CODID rather than a POST-COVID society

Based on the first reference scenario takeaway assumption, we will have a CUM-CODID rather than a POST-COVID society. We will therefore have to imagine ourselves, plan and live in factories, offices, schools, grocery stores, restaurants and theatres with COVID, or with the fear of COVID's return. This new life will obviously have to fit in with social distancing measures, in addition to other possible public health regulations. The CUM-COVID era will undoubtedly mean a slowdown in the pace of economic activity.

SECOND TAKEAWAY ASSUMPTION: we will experience a long and deep economic recession, resulting in a significant increase of unemployment, indebtedness and personal bankruptcies.

The second takeaway assumption is that we will experience a long and deep economic recession, resulting in a significant increase of unemployment, indebtedness and personal bankruptcies. This recession will also result in a substantial increase in corporate debt, and also in the disappearance of a large number of small and medium-sized businesses; large corporations will not be spared either, mostly in the energy, transportation, aeronautics, tourism and entertainment sectors, which are also threatened with disappearance.



THIRD TAKEAWAY ASSUMPTION: our exports will suffer a major backlash

The third takeaway assumption is that our exports will suffer a major backlash, since our natural oil and gas resources, automobiles, transportation equipment and many of our other export goods are indeed being strongly impacted by this recession, which is also affecting the United States, our main market.

The federal government will be literally (and probably already is) swamped with requests from large corporations, SMEs, provinces, cities and citizens across the country. Despite the government's significant resources, it will be impossible to say yes to everything and everyone; the government will have to make difficult choices, set priorities based on a vision, on the long-term direction of the country, for example, the industries to be preserved, the sectors to be promoted, the workforce skills to be developed...

The action plan to transition Canada's economy from the current life support system of the multiple federal temporary income programs to the "new normality" will be the most significant public policy since the country was created. Many of these decisions will be difficult to implement by a minority government. Let's imagine, for example, a legislation to propose the nationalization of a large ailing, but deemed essential company, or an amendment to the Bank of Canada Act to authorize it to purchase debt or equity securities from Canadian private or public institutions.

In a nutshell, the magnitude of the crisis, the significant decisions to be made for the future of the country and the context of a minority government warrant a socio-economic telesummit to be held next fall, bringing together all of Canada's major players to discuss the federal government's action plan based on its long-term vision for the country.



The summit would be set up according to the working methods used for Davos and other major gatherings (such as the Quebec socio-economic summits) using digital tools. It would bring together provinces' and territories' representatives, key socio-economic sectors, unions, and the arts, culture and scholars. In a telework mode, it would be possible to set up tables for each industrial sector (e.g., energy or logistics and transportation) and topic (e.g., digitization of society or interprovincial trade) and to design a summit in several phases leading to a consensus or reports on deadlock situations.

This summit success will depend on the initial proposal and, obviously, on *bona fide* participants. The desired outcome is that of a broad consensus on the main directions and the creation of a backlog of projects, which, while fostering economic recovery, would rely on these key directions. The government's other alternative is to hold an election in the fall on these issues, which would delay the recovery plan by several months and could be disastrous for the domestic economy.