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**Democracy does not come cheap**

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The phrase "Whatever it takes" suddenly makes a worldwide career. Now we know how to say it in hundred plus languages in almost two hundred countries. The authorities – both, the governments on the fiscal side and the central banks on the monetary side – have abandoned the financial orthodoxy and are creative as never before in pumping money to protect their economies and societies as much as possible at the horrendous time of coronavirus pandemic. Now, the term "financial innovations" do not refer to yet another new derivative or a method of private hedge fund management, but to new instruments to supply the money the economies need to survive. It is good since, by and large, the aggressive policies of “printing money” is justified under the current, unusual conditions, considering the implications of the greatest shock of generations. As its result, no less than extra 10-12 trillion dollars must be spent worldwide. However, we have to be careful to protect ourselves against seizing for money of the left and right wing populists who will want to grab from the public purse as much as possible. Of course, under the banner of protecting those in need, even if they can cope alone.

The generosity of President Trump, who a few weeks before the coronavirus severely attacked the United States, told about the threat of the pandemic as “the democrats’ hoax”, is supposed to favor his re-election. The political logic is that since the economic situation deteriorates in each subsequent month until the elections, the resulting political losses must be offset as much as possible, in all imaginable ways, by vast transfers of public money too. No doubt, the concern for “American people” will be always declared, even if their fate is not necessary the most important.

In Poland, the Law and Justice government is showing similar generosity to ensure the re-election of President Andrzej Duda. His opponents think – and not without a cause – that during the next few months, certainly until the election postponed because of the plague, the economic situation will deteriorate. Therefore, political moods will deteriorate as well, resulting in growing dissatisfaction with those in power, including the president seeking re-election, and will act in favor of his opponents. The government's answer will be to spend public funds with a lighter hand, the more so because the pressure of both, the numerous activists who declare concern for human fate and the few rich concerned about their own fate, will be enormous. The government will yield to them. Therefore, the later elections take place, the more expensive it is for public finances.

It is therefore worth understanding how expensive pre-election periods are; those previously established, as well as those in many countries extended due to quarantine and radical restrictions on the movement of persons. A lot of money will be transferred where indeed it is so badly needed but also a lot will be squandered on such occasions, of course under beautiful slogans – both pro-human and pro-business. How much, no one can estimate, but many can argue about it. They do already.

In these contexts, four flows of funds will pour out of the sack of money created by the fiscal authorities and central banks. We are not able to distinguish exactly these flows from each other, yet they can be generally described:

1. A stream of public-spirited and socially justifiable resources to protect people’s health and life and to uphold the standard of living of those most affected by the crisis and those who cannot cope with it without state aid.

2. Economically justified outlays backing financial liquidity in the economy and stimulating production, service and investment activities as well as employment through various reliefs and subsidies supporting supply and demand.

3. Resources that are grabbed by populists indifferent to hard economic realities and subsequently transferred to poorer groups of the population in much bigger extent than it is objectively necessary.

4. Flows captured by a strong business lobbies that are unscrupulous and for which every opportunity is good to profit at someone else's expense.

The mutual relations of these streams are dynamic and flexible, and diverse in different countries. While we are trying to imagine their sum, and planning *ex ante* the proper flows of money in political practice, its true size will be known only in time, *ex post*. In other words, we cannot estimate exactly the proportions of these streams, but we understand that they depend on the ideology behind the ruling parties, the practical strength and determination of governments in implementing the chosen strategy of socio-economic policy, the maturity of social cohesion, the business ethics, and the balance of power of particular interest groups.

While it is worth to support the policy creating the first and the second stream, it is necessary to resist the leakage of the third and the fourth. The political struggle around this will be extremely brutal. It is already.