



Turning Point

FIVE MONTHS AGO we set out to write about political economy in this issue—how politics affects the economy and the economy affects politics. Few suspected then that, instead of exploring an academic question, we would be witnessing real-world political economy dynamics unfolding, tragically, in real time. The pandemic, with its appalling loss of life, has brought the Great Lockdown and frozen the wheels of commerce. People's lives have been turned upside down, punctuated by furloughs, face masks, and fear. While this health crisis reoriented our focus, the issue of political economy is more relevant than ever. It underscores the notion that policies are influenced not just by economic analysis but also by noneconomic, social, and political forces. And it compels us to think about how people and the economy will adjust in a post-pandemic world.

This issue features diverse articles through the lens of COVID-19. Jeff Frieden, Andrés Velasco, and others examine the importance of institutions, identity, and trust. Antoinette Sayeh weighs policy solutions as this crisis robs millions of migrants of work opportunities, slashing remittances, the single most important flow of income for many poor countries. Other articles discuss the need for social cohesion and solidarity, with policies that protect and lift the most vulnerable as jobs disappear and inequities deepen.

Managing the effects of the pandemic forces a real discussion of how best to implement the policy response to reach all segments of the population. To a large extent, economic policy will shape society's resilience to the emergency and its aftermath.

But a crisis of this scale is a global turning point, forcing economists and others to expand their imagination and experiment with radical new ideas about how the world works. Such a reimagining, as Kristalina Georgieva notes in her essay, could lead us to a greener, digitally smarter, fairer, and more compassionate world. Perhaps this is a chance to reset the fundamentals of our social and economic life. **FD**

GITA BHATT, editor-in-chief



ON THE COVER

Politics and economics are inextricably linked, and we see this relationship play out in our daily lives all the time. Illustrator John Cuneo's June 2020 cover shows the intersection of politics, special interests, and economics in the time of coronavirus.

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IMF Publication Services
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PO Box 92780
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Postmaster: send changes of address to *Finance & Development*, International Monetary Fund, PO Box 92780, Washington, DC 20090, USA.

The English edition is printed at Dartmouth Printing Company, Hanover, NH.

Finance & Development is published quarterly by the International Monetary Fund, 700 19th Street NW, Washington, DC 20431, in English, Arabic, Chinese, French, Russian, and Spanish. English edition ISSN 0145-1707

