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GLOBAL ECONOMIC GROWTH ENGINES, 1979-2018

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ABSTRACT
This paper analyzes economic forces impact on global economic growth using panel data from 1979 to 2018. As growth is essentially a long run variable, we use ten years average, 1979-1988, 1989-1998, 1999-2008, 2009-2018, each period with many particular events that affect global economy. Panel data regressions results with random effects via GLS and robust errors suggests that internal economic forces, 1999-2008 decade, and regional effects have positive impact on global growth, external forces not. It means that internal economic forces and regional effects are particular important to long run global growth and 1999-2008 was a global economic period exceptionally positive. It suggests that trade is not exactly an engine of growth for all. It is also particular important to governments set up a post-pandemic growth strategy.

Keywords: Growth; Trade; Globalization; Panel data.

DETERMINANTES DO CRESCIMENTO ECONÔMICO GLOBAL, 1979-2018

RESUMO
Analizamos alguns determinantes do crescimento econômico global no período 1979 a 2018. Usamos médias de dez anos para os países que têm dados disponíveis em cada década na base de dados do Banco Mundial. Os resultados das regressões para dados em painel sugerem que as forças econômicas internas, a década 1999-2008, e os efeitos regionais tem impacto positivo no crescimento mundial. Os determinantes externos não tem efeito sobre a prosperidade global. Isto significa que as forças econômicas internas e os efeitos regionais são o que de fato impulsionam o crescimento global de longo prazo, e que o período 1999-2008 foi um momento excepcionalmente positivo para a economia mundial. Estes resultados i) sugerem que o comércio internacional não é exatamente o motor do crescimento global e ii) são particularmente importantes na configuração de uma estratégia de crescimento para o período pós-pandemia.

Palavras-chave: Crescimento econômico; Comércio internacional; Globalização; Dados em painel.

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1 INTRODUCTION

"Making Trade an Engine of Growth for All" is the subject of the International Monetary Fund, World Bank and World Trade Organization 2017 join report (IMF, WB,

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WTO, 2017). We call attention to the report paragraphs 5 - The volume of world trade expanded at an unprecedented historical pace in the latter twentieth century, 6 - While trade integration has brought greater prosperity, the extent to which it has powered economic growth has depended on country characteristics and supporting policies, 7 - The sharp slowdown in global trade in recent years is both a symptom of and a contributor to low growth, 12 - As far as trade is concerned, the world is not “flat”, and 78 - The opening of trade over the past several decades has helped to drive global economic growth.

Checking the literature in details we found many objections to the straight relationship between trade and growth. Since the Ricardian tradition formalized by Pasinetti (1960) to Krugman (1981) contribution and Deraniyagala and Fine (2001) critics, and Panagariya (2000), Helpman (2006), Francois and Hoekman (2010), Bernard, Jensen, Redding, Schott (2018) surveys, many theoretical weaknesses and few empirical evidences were found in that idea. This paper adds some new results in this debate.

We get information about Gross Capital Formation (internal economic force), FDI net inflows, Total Trade, Trade in Services, Exports of Goods and Services (external economic forces), all as percent of GDP; and GDP annual percent growth for a set of countries from 1979 to 2018. As growth is essentially a long run variable, it makes sense use ten years average, 1979-1988, 1989-1998, 1999-2008, 2009-2018, each decade with some particular events that affect global economy with data available in each period for each country on The World Bank on line open data base. Decades 1969-1978 and before have data for just a few countries for this set of variables, so we live it out.

Panel data regressions results with random effects via Generalized Least Squares (GLS) and robust errors (GREENE, 2018) suggests that internal economic forces and 1999-2008 dummy had positive impact on GDP growth, external forces not. It means that internal economic forces were particular important as long run growth engine and 1999-2008 was a global economic period exceptionally positive, regional effects as well. It is particular important to set up a pos-pandemic growth strategy: positive economic external forces are welcome, but governments should give priority to internal economic forces. Next, literature review, results, discussion, and conclusion.

2 RELATED LITERATURE: A BRIEF REVIEW

Based on Pasinetti (1960) mathematical formulation of the Ricardian system, Findlay (1974) worked on growth and trade relationship. After his solution of the Ricardo-Pasinetti model, in terms of demand and supply, he extends the model to consider international trade and concludes that, if there are two countries (for example, Japan and USA) and tariffs and transport costs are ignored, the position of momentary equilibrium will be shifted for each country if international trade is opened up. Burgstaller (1986) gives a step ahead Findlay (1974) and try unify Ricardo's theories of growth and comparative advantage. He integrates Ricardo's two-sector growth model with his theory of comparative advantage and shows that the Ricardian equilibrium terms of trade are fully determinate. Trade may inhibit rather than promote growth and lead to a net contraction of the world economy, depending on direction of specialization. International trade will take place in two Ricardian economies if and only if a comparative advantage (difference in pre-trade relative prices) exists across the two countries. The determinants of comparative advantage into two categories could be put in two groups: those arising from structure, and those arising from relative position in time. Even if two countries are completely identical in their structure, they may engage in trade if they differ in position along time towards the stationary state. Krugman (1981) develops a two-country model of capital accumulation and growth where the industrial sector exhibits increasing returns to scale. He shows that an initial discrepancy in capital-labor ratios between the two countries will cumulate over time, leading to the division of the world into a capital-rich, industrial region and capital-poor, agricultural region. In fact, if capital is mobile internationally, the model can give rise to a two-stage pattern of development: 1) trade is the engine of growth in the leading country, 2) foreign investment takes on that role. His model has a crucial assumption: there are external economies, or technological externalities, i.e., even if economies of scale are internal to firms, internal economies in the production of intermediate inputs can behave like external economies for the firms which buy them. He also opens up the model to allow international investment, as FDI, making the extreme assumption that capital moves instantly so as to equalize profit rates in the two regions. However, Deraniyagala and Fine (2001) note that many of the

conventional arguments about static and dynamic gains from trade liberalization have fragile theoretical base. For example, trade liberalization leads to industry rationalization and allows firms to benefit from scale effects and produce at lower leverage costs assumes easy entry into and exit from markets. Another example: growth is a mix of domestic investment and innovation but with heterogeneous result, especially in productivity. Neither in larger countries nor in the world perspective convergence is not the rule, catch-up as well. And in a broad perspective the effect of trade liberalization on growth is ambiguous: while some countries improve growth, others show market deterioration. At least, arguments in favor of trade liberalization have not strong empirical evidence support.

Many other researches have been done in the last 10 years on the impact of trade on economic growth, as surveys about the related subjects sum up. The 1990's wave of preferential trade arrangements, like the first wave in the 1950s and 1960s, given rise to a lively debate between who view the arrangements as economically harmful and others who see them as economically beneficial. It also calls attention to the old concerns relating to welfare effects under static perspective and the current debate based on dynamic perspective. It motivated Panagariya (2000) sum up a long theoretical debate about preferential trade liberalization. According to him, in this subject some terms are frequently used: preferential trade area (PTA), free trade area (FTA) and customs union (CU). PTA is a union between two or more countries in which lower tariffs are imposed on goods produced in the member countries than on goods produced outside. An FTA is a PTA with tariffs eliminated entirely on goods produced in member countries. And a customs union (CU) is an FTA with all members imposing a common external tariff on a given good. Also, according to him the multilateral trade policy framework within which PTAs are formed under the General Agreement on Tariffs and Trade (GATT, 1947) and incorporated into the World Trade Organization (WTO, founded in 1995). The WTO member countries should not discriminate each other in their tariff policy. And there are three kind of trade preferences: 1) developed countries can give developing countries one-way trade preferences, 2) under the Enabling Clause, developing countries can exchange virtually any trade preferences to which they agree,

3) under Article XXIV of GATT, any two or more members of the WTO can form an FTA or CU.

But international trade doesn't work so close to the agreement's rules. There is endogeneity of trade policy. Theoretically, we can considerer the objective function of each government as a weighted sum of campaign contributions from the lobbies and overall welfare of voters. Each lobby represents the owners of a sector-specific factor and maximizes their welfare. The campaign contribution is made in return for the lobby's desired action by the government on tariffs. Industry-specific lobbies can play a decisive role in the determination of tariffs, and an FTA could be introduced as an exogenous institutional change. On the other hand, there is the monopoly power of trade blocks, which increase the complexity trade-offs between regionalism and multilateralism (PANAGARIYA, 2000).

Data about trade and foreign domestic investment (FDI) in goods and services show us trillions of American dollars figures each year. These remarkable figures mask equally remarkable changes in the nature of trade and FDI flows. The fast expansion of trade in services has been accompanied by fast-growing trade in intermediate inputs. More: the growth of input trade has taken place both within and across the boundaries of the firm, as intrafirm and arm's-length trade. Countries' resources are only part of the game played by global players' sourcing strategies. Large multinationals invest in low-cost countries to create export platforms from which they serve other countries around the world (HELPMAN, 2006). Bernard, Jensen, Redding, Schott (2018) completes Helpman (2006). They argue that much of international trade is dominated by a few "global firms," which participate in the international economy along multiple margins and account for substantial shares of aggregate trade. In theory firms could have large market shares and decide simultaneously on the set of production locations, export markets, input sources, products to export, and inputs to import. US firm and trade transactions data confirms it: global firms participate more intensively along each margin, magnifying the impact of underlying differences in firm characteristics and increasing their shares of aggregate trade. Francois and Hoekman (2010) remember us that, historically, many service industries have been characterized by a mix of network externalities (telecommunications, finance, transportation), heavy regulation

(communications, insurance, professional services), and both natural and policy barriers to entry. It gives the regulation and competition debate a special place. Services trade is also a source of increasing political unease about the impacts of globalization on labour markets, linked to worries about offshoring and the potential pressure these places on wages in high income countries.

In sum, in an Ricardian perspective momentary equilibrium will be shifted up for each of them if international trade is opened up (FINDLAY, 1974), trade may inhibit rather than promote growth and lead to a net contraction of the world economy, depending on direction of specialization (BURGSTALLER, 1986), Krugman's model allows a two-stage pattern of development: 1) trade is the engine of growth in the leading country, 2) foreign investment takes on that role (KRUGMAN, 1981), in the world perspective convergence is not the rule, catch-up as well, and in a broad perspective the effect of liberalization on growth is ambiguous: while some countries improve growth, others show market deterioration (DERANIYAGALA; FINE, 2001). Also, trade agreement are important, but international trade doesn't work so close to the agreement's rules because of the endogeneity of trade policy, which increase the complexity trade-offs between regionalism and multilateralism (PANAGARIYA, 2000); countries' resources are only part of the game played by global players' sourcing strategies (HELPMAN, 2006; BERNARD; JENSEN; REDDING; SCHOTT, 2018); and services industry has heavy regulation and deep impact on labour market (Francois and HOEKMAN, 2010). Let's check how close our set of evidence is to the related literature and IMF, WB, WTO (2017) report.

3 RESULTS

We run panel data regressions with random effects (it gets some no observable country characteristics as the efficiency of trade policies) via Generalized Least Squares (GLS) and robust errors (GREENE, 2018). The results for our unbalanced panel are summed up in Tables 1A, 1B and 1C.

Columns 1 to 4 in Table 1A show us regression results with internal and one of the external economic forces. In all cases only internal force (GCF-PP or Gross Capital

Formation as percent of GDP) has positive impact on growth. Columns 5,6 and 7 in Table 1A informs that external forces have any statistical significance.

Columns 8,9 and 10 in Table 1B has internal forces and time (decades 1989-1998, 1999-2008, 2009-2018, decade 1979-1988 is out to avoid dummy trap), regional (East Asia and Pacific (DREAP), Europe and Central Asia (DRECA), Latin America and Caribbean (DRLAC), Middle East and North Africa (DRMENA), South Asia (DRSA) and Sub-Saharan Africa (DRSSA), North America is out to avoid dummy trap) and income level (High Income (DHI), Lower Middle Income (DLMI), Upper Middle Income (DUMI), Low Income is out to avoid dummy trap) effects. Regional and income groups are according to World Bank classification. Beyond positive internal forces effects on growth, this set of regressions show us that only decade 1999-2008 has positive impact on growth (column 8), and that Europe and Central Asia (DRECA), Latin America and Caribbean (DRLAC, column 9) and Lower Middle-Income Countries (DLMI, column 10) haven't impact on global growth. Columns 11, 12 and 13 joint external forces (FDI-PP, or Foreign Direct Investment as percent of GDP) and time, regional and income level dummies used in regressions 8,9,10. External forces has no positive impact on global growth, only decade 1999-2008 has positive impact on growth (column 11), and Europe and Central Asia (DRECA), Latin America and Caribbean (DRLAC, column 12) and High-Income Countries (DHI, column 13) didn't help improve global prosperity.

Table 1C has more complete regressions. Column 14 considerer all internal and external forces and time effect, and again only Gross Capital Formation as percent of GDP and decade 1999-2008 had positive impact on global growth. Column 15 has all internal and external forces and regional effects and column 16 add time effects. Again, only internal forces and 1999-2008 period has positive effects, and Europe and Central Asia (DRECA), Latin America and Caribbean (DRLAC) didn't help improve global prosperity. At least, column 17 has all potential impacts on global growth and income level, and column 18 add time effect. And again, only Gross Capital Formation as percent of GDP and decade 1999-2008 had positive impact on global growth, but not Lower Middle-Income Countries. We didn't consider income level and regions in the same regression because some countries are in both categories and it could cause multicollinearity. In sum, all 18 regressions shows clearly that internal Gross Capital

Formation as percent of GDP and decade 1999-2008 give effective impulse to global growth, but other decades, external forces, some regions (Europe and Central Asia, Latin America and Caribbean) and Lower Middle-Income Countries haven't impact on global growth.

Table 1A - Global economic growth engines 1979-2018

GDP-PP	1	2	3	4	5	6	7
CTE	0.9588 (0.1056)	0.92 (0.102)	1.077 (0.0712)	0.954 (0.1019)	3.12 (0.0001)	3.44 (0.0001)	3.271 (0.0001)
GCF-PP	0.1009 (0.0001)	0.09977 (0.0001)	0.1014 (0.0001)	0.1008 (0.0001)			
FDI-PP	0.217 (0.2207)				0.0174 (0.4337)	0.028 (0.2808)	0.0214 (0.3565)
TRADE-PP		0.0188 (0.4625)			0.0033 (0.2871)		
TRADE-S-PP			- 0.0018 (0.6793)			0.003676 (0.5017)	
EXPORT-PP				0.0025 (0.5672)			0.0028 (0.6160)
# OBS	557	559	555	559	557	555	557
Akaike	2693.331	2702.833	2687.189	2702.88	2725.669	2717.57	2726.407
Schwartz	2706.298	2715.811	2700.146	2715.858	2738.636	2730.527	2739.375
Log-like	-1343.665	-1348.417	-1340.594	-1348.44	-1359.834	-1355.785	-1360.204

Source: Author`s elaboration using World Bank open data base to create an unbalanced panel. Legend: GDP-PP is gross domestic product annual percent growth, CTE is the regression constant, GCF-PP is Gross Capital Formation as percent of GDP, FDI-PP is foreign domestic investment net inflows as percent of GDP, TRADE-PP is total trade as percent of GDP, TRADE-S-PP is trade services as percent of GDP, EXPORT-PP is exports of goods and services as percent of GDP. P-value in brackets. Maximum significance level considerer:10%. Akaike, Schwartz and log-likelihood are information criteria.

Table 1B - Global economic growth engines 1979-2018

GDP-PP	8	9	10	11	12	13
CTE	0.605 (0.53)	- 0.26 (1.026)	1.62 (0.61)	3.01 (0.25)	1.54 (0.98)	3.63 (0.37)
GCF-PP	0.104 (0.024)	0.089 (0.025)	0.11 (0.026)			
FDI-PP				0.0105 (0.018)	0.027 (0.0254)	0.028 (0.023)
TRADE-PP						
TRADE-S-PP						
EXPORT-PP						
D-1989-1998	- 0.124 (0.024)			- 0.223 (0.35)		
D-1999-2008	1.389 (0.292)			1.307 (0.31)		
D-2009-2018	- 0.043 (0.277)			- 0.029 (0.29)		
DREAP		2.37 (0.99)			2.87 (1.1)	
DRECA		0.68 (0.89)			0.87 (1.008)	
DRLAC		1.09 (0.89)			1.22 (1.008)	
DRMENA		2.2 (0.91)			2.56 (1.01)	
DRSA		3.2 (0.906)			3.79 (1.03)	
DRSSA		2.03 (0.89)			2.09 (1.01)	
DHI			- 1.19 (0.39)			- 0.76 (0.416)
DLMI			- 0.31 (0.445)			0.314 (0.46)
DUMI			- 0.987 (0.41)			- 0.41 (0.45)
# OBS	559	559	559	557	557	557
Akaike	2672.51	2667.23	2693.6	2700.76	2681.06	2720.17
Schwartz	2694.14	2701.84	2715.63	2722.38	2715.64	2741.78
Log-like	-1331.25	-1325.62	-1341.8	-1345.38	-1332.53	-1355.09

Source: Author`s elaboration using World Bank open data base to create an unbalanced panel. Legend: GDP-PP is gross domestic product annual percent growth, CTE is the regression constant, GCF-PP is Gross Capital Formation as percent of GDP, FDI-PP is foreign domestic investment net inflows as percent of GDP, TRADE-PP is total trade as percent of GDP, TRADE-S-PP is trade services as percent of GDP, EXPORT-PP is exports of goods and services as percent of GDP. Robust errors in brackets. Maximum significance level considerer:10%. Akaike, Schwartz and log-likelihood are information criteria.

Table 1C - Global economic growth engines 1979-2018

GDP-PP	14	15	16	17	18
CTE	0.59 (0.2481)	- 0.3035 (1.002)	- 0.66 (0.95)	1.658 (0.357)	1.22 (0.519)
GCF-PP	0.0995 (0.0002)	0.087 (0.028)	0.09 (0.027)	0.104 (0.0216)	0.111 (0.019)
FDI-PP	0.001 (0.6)	0.027 (0.026)	0.014 (0.023)	0.027 (0.0209)	0.0111 (0.019)
TRADE-PP	0.009 (0.5344)	0.00238 (0.0149)	0.0028 (0.0147)	- 0.0102 (0.014)	- 0.0036 (0.0156)
TRADE-S-PP	- 0.008 (0.3412)	- 0.0104 (0.0078)	- 0.008 (0.008)	- 0.008 (0.0074)	- 0.0056 (0.008)
EXPORT-PP	- 0.0136 (0.5667)	0.00268 (0.024)	- 0.00025 (0.024)	0.0297 (0.0224)	0.0148 (0.026)
D-1989-1998	- 0.104 (0.7567)		- 0.043 (0.328)		- 0.093 (0.336)
D-1999-2008	1.3875 (0.001)		1.4343 (0.317)		1.36 (0.316)
D-2009-2018	- 0.0194 (0.9478)		0.045 (0.31)		- 0.071 (0.31)
DREAP		2.23 (0.9897)	2.1 (0.95)		
DRECA		0.557 (0.867)	0.46 (0.83)		
DRLAC		1.047 (0.865)	1.004 (0.83)		
DRMENA		2.096 (0.894)	2.04 (0.86)		
DRSA		3.23 (0.872)	3.13 (0.845)		
DRSSA		2.014 (0.879)	1.95 (0.84)		
DHI				- 1.556 (0.356)	- 1.524 (0.468)
DLMI				- 0.415 (0.44)	- 0.477 (0.464)
DUMI				- 1.128 (0.407)	- 1.22 (0.437)
# OBS	555	555	555	555	555
Akaike	2662.943	2652.1	2622.98	2674.95	2649.1
Schwartz	2701.814	2703.93	2687.76	2713.82	2700.93
Log-like	-1322.471	-1314.05	-1296.49	-1328.47	-1312.55

Source: Author`s elaboration using World Bank open data base to create an unbalanced panel. Legend: GDP-PP is gross domestic product annual percent growth, CTE is the regression constant, GCF-PP is Gross Capital Formation as percent of GDP, FDI-PP is foreign domestic investment net inflows as percent of GDP, TRADE-PP is total trade as percent of GDP, TRADE-S-PP is trade services as percent of GDP, EXPORT-PP is exports of goods and services as percent of GDP. Robust errors in brackets. Maximum significance level considerer:10%. Akaike, Schwartz and log-likelihood are information criteria.

4 A BRIEF DISCUSSION

Each of that decade has some particular events that affect global economy with asymmetric regional effects. Bloom (2009) calls attention to the impact of uncertainty shocks and give us some important economic and social facts, like war, whose impact should be considered. The 1979-1988 period had the second oil shock effect, the inflation in developed countries and the balance of payments and external debit crises, especially in Latin America, the monetary cycle turning point (from October 1982 to August 1982), the black Monday (October 1987) – none of them favorable to global exchange. The 1989-1998 period had the Golf War I (1990), that affect global oil market, the Asian Crises (1997) and Russian and LTCM default (1998). The 1999-2008 period had the 9/11 terrorist attack (2001), the Enron case (2002) and the Golf War II (2003), that again affect global oil market. The first two events were restricted to USA and the third hit oil and gas price but not the global economy as in 1980´s, probably because of more energy efficiency and new suppliers out of Middle East, as Brazil, Mexico, Venezuela and Russia.

The 2009-2018 period is out of Bloom (2009) analysis. This decade begins under 2008 financial crises consequences. Bordo and Landon-Lane (2010) analyzed the 2008 global financial crises and based on real GDP relative to the USA they identify the main global financial crises since 1880: 1890-91, 1907-08, 1913-14, 1931-32, 2007-2008. The 2008 crise is fourth in their ranking and comparable to 1907-08. Cecchetti, Kohler, Upper (2009) studied the relationship between financial crises and economic activity using the output costs of 40 systemic banking crises since 1980 as proxy. They conclude that the 2008 financial crisis is unlike any others in terms of a wide range of economic factors. Although this event take place in the end of 1999-2008 decade, it had more negative repercussion in the next decade, also with asymmetric time and regional effects. It´s not surprise that 1999-2008 decade is the only global positive wave in our sample period.

From the literature we highlight i) in an Ricardian perspective momentary equilibrium will be shifted for each of them if international trade is opened up (Findlay, 1974) – this set of evidence shows it is nor automatic neither systematic, ii) trade may inhibit rather than promote growth and lead to a net contraction of the world economy,

depending on direction of specialization (BURGSTALLER, 1986) – this set of evidence goes in this direction, iii) Krugman's model can give rise to a two-stage pattern of development: 1) trade is the engine of growth in the leading country - it is not clear in this set of evidence, 2) foreign investment takes on that role – this set of evidence refuse it, and iv) either in larger countries or in the world perspective convergence is not the rule, catch-up as well – it is according to this set of evidence, and in a broad perspective the effect of liberalization on growth is ambiguous: while some countries improve growth, others show market deterioration (DERANIYAGALA; FINE, 2001) – it is also according to this set of evidence, v) regional agreements are very heterogeneous, the endogeneity of trade policy has strong influence on agreements set up, their effective effects on trade as well (PANAGARIYA, 2000); trade and FDI in goods and service follow global firms production and input allocation strategies (HELPMAN, 2006; BERNARD, JENSEN, REDDING, SCHOTT, 2018; FRANCOIS; HOEKMAN, 2010), which helps explain weak external economic forces impact on global growth.

Global institutions (IMF, WB, WTO, 2017) ask policy makers to make trade the engine of growth for all (which is not so easy, as related literature and this set of empirical evidence show) and argue that i) the volume of world trade expanded at an unprecedented historical pace in the latter twentieth century (it is absolutely true), ii) while trade integration has brought greater prosperity, the extent to which it has powered economic growth has depended on country characteristics and supporting policies (it is according to related literature and this set of evidence), iii) the sharp slowdown in global trade in recent years is both a symptom of and a contributor to low growth (it is also according to this set of evidence), iv) as far as trade is concerned, the world is not "flat" (it is also according to this set of evidence) and v) the opening of trade over the past several decades has helped to drive global economic growth (not exactly according to the related literature and this set of evidence).

According to Abadie (2020), "Nonsignificant empirical results (usually in the form of t -statistics smaller than 1.96) relative to some null hypotheses of interest (usually zero coefficients) are notoriously hard to publish in professional / scientific journals. This state of affairs is in part maintained by the widespread notion that nonsignificant results are non-informative." Also, according to him this view of statistical inference is

misguided, once nonsignificant results are not only informative but also more informative than significant results in scenarios common in empirical practice in economics. Part of this set of results have these characteristics, they are not statically significant, but they are informative and useful to set up a post pandemic growth agenda: positive economic external forces are welcome, but governments should give priority to internal economic forces.

5 CONCLUSION

This set of empirical evidence from panel data from 1979 to 2018 shows that i) internal economic forces were the main long run growth engine, ii) 1999-2008 was a global economic period exceptionally positive, iii) those results are according to the related literature and recent global organizations reports and iv) a possible recover from global 2020 economic crises may come meanly from domestic efforts, not from external benefits. It is particular important to set up a post-pandemic growth strategy: positive economic external forces are welcome, but governments should give priority to internal economic forces.

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