

Coronavirus**Coronavirus 'medicine' could trigger social breakdown**

Jacob Wallenberg tells governments to consider economic threat from crisis



Jacob Wallenberg: "There will be no recovery. There will be social unrest. There will be violence. There will be socio-economic consequences: dramatic unemployment. Citizens will suffer; some will die" © AFP

Richard Milne, Nordic and Baltic Correspondent YESTERDAY

Jacob Wallenberg has warned governments to weigh the economic threat from coronavirus more heavily or risk depression, social unrest and a potential lost generation.

The Swedish industrialist, whose [family investment vehicle](#) has controlling stakes in companies from telecoms equipment maker Ericsson to bank SEB, told the Financial Times that policymakers must protect the vulnerable but not lose sight of the impact of containment measures on businesses, from neighbourhood restaurants to multinationals.

If the crisis goes on for long, unemployment could hit 20-30 per cent while economies could contract by 20-30 per cent, he warned.

“There will be no recovery. There will be social unrest. There will be violence. There will be socio-economic consequences: dramatic unemployment. Citizens will suffer dramatically: some will die, others will feel awful,” he added.

His warning comes as country after country has closed schools and locked down large parts of society, leading to plummeting demand in industries from airlines to theatres and halted production in many manufacturers such as carmakers in Europe and the US.

Donald Trump, the US president, has said the cure must not be worse than the problem and that the country needed to get [back to work](#) by Easter Sunday if possible.

Mr Wallenberg said he wanted to start a debate about the long-term consequences of the crisis. “I am dead scared of the consequences to society,” he said. “I want to put the view — what else can we do? Right now, we’re just going on one path . . . We have to weigh the risks of the medicine affecting the patient drastically.

“How does tomorrow look like? One of these days there is a tomorrow. We have to prepare ourselves as well.”

His home country of Sweden is a [global outlier](#) in its response to coronavirus, keeping schools and borders open and making fewer restrictions than other European countries. There has also been a significant debate about whether the economic costs of certain restrictions outweigh the health benefits.

Mr Wallenberg said the Swedish debate had been very much “business versus life” but he wanted to take a “life versus life” perspective. Elderly people should be protected more, perhaps by

being placed in mandatory quarantine.

But there should be a parallel discussion on how to return to a vibrant society with a rich cultural offering and lively restaurants as well as think about the next generation.

Mr Wallenberg said his call for a debate on what happened after “the acute phase of the crisis” was backed by European Round Table for Industry, 50 leading industrialists who represent companies with revenues of €2tn.

“Authorities are all working very hard to help society. They are not looking around the corner as much. They are not taking the longer-term perspective. This is something that is very important for society and for the EU,” he added.

Sign up to the three times a week Coronavirus Business Update email

[One-Click Sign Up](#)

[Copyright](#) The Financial Times Limited
2020. All rights reserved.