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“No country can master this crisis on its own:” Economic recovery and production of COVID-19 vaccine dependent on international cooperation, free trade and financial stability

Health and economic policy experts, including German Minister for the Economy **Peter Altmaier**, Banque de France’s **Jean-Claude Trichet** and virologist **Christian Drosten** of the Charité University Hospital, urged G20 governments and leaders to fight for free trade and international cooperation to not only ensure quick production and distribution of COVID-19 vaccines but also economic recovery.

“International cooperation and free trade allow for a much more comprehensive and efficient approach to supplying people with what they need,” Minister Altmaier said in his keynote on [What can the G20 do to stabilise the world economy in times of the COVID-19 pandemic?](#) during the 4th annual Global Solutions Summit, which is being held digitally due to the COVID-19 pandemic.

“No country can master this crisis on its own. Solidarity is a moral imperative,” Minister Altmaier said, warning that virus has the potential to unleash a backlash against globalization, despite globalization being humanity’s best chance for eradicating the disease.

This need for solidarity and harmonious, multi-level action was emphasized by Global Solutions Initiative President Dennis J. Snower in the [Opening Panel: Global Problem-Solving at a Crossroads](#): “You cannot defeat the virus anywhere, without defeating it everywhere,” he said.

Jean Pisani-Ferry of the European University Institute argued while scientific research is working well at the international level during the COVID-19 crisis, international governance has not. “A new wave of protectionism makes the distribution of medical goods more difficult,” Pisani-Ferry said, highlighting tension among G20 members, the United States and China.

Drosten further warned that the production of vaccines is a potential bottleneck that can be manipulated: “The export of a vaccine can be blocked. This is a specter that may rise after summer,” he said in the panel discussion, [“COVID-19: What can the G20 do to support the fight against pandemics in a globalized world?”](#) Considering China as an example, Drosten added that whichever country produces a vaccine first will secure economic benefits on a massive scale: “Without commenting on quality or safety, this will influence the political discussion.”

Providing an industry perspective, Sanofi Pasteur’s **David Loew** contextualized the challenge ahead as some 7-10 billion doses of vaccine are needed to vaccinate the world: “We are talking ultra large scale - a large scale we have never done as a society and as an industry. It is very urgent that leaders come together and establish mechanisms of large-scale funding to help the industry assume risk.”



Yet funding for vaccines is at risk, despite “initial unity” among the G20, explained **Ilona Kickbusch** of the World Health Summit, referring to the United States, which has withdrawn support from the World Health Organization. “We are in deep trouble in terms of bringing together global solidarity,” she said.

Ensuring the global solidarity necessary will require strong leadership, argued **Elhadj As Sy** of the Kofi Annan Foundation: “If we do not have the right leadership, you will have competition instead of solidarity. Leaders must step up to the plate – global common goods belong to everybody.”

According to Germany’s G20 Sherpa Lars Hendrik-Rölller, the search for and distribution of vaccines is part of the “emergency phase” of the COVID-19 crisis. The next phase – recovery – will be characterized by a focus on economy.

In the Global Table, [What can the G20 and Central Banks do to deal with monetary and financial challenges in context of the COVID-19 crisis while preparing the way to a new normal in monetary policy?](#), experts **Lorenzo Bini-Smaghi** of Société Générale, **Franco Bruni** of ISPI, **Lucrezia Reichlin** of the London School of Economics and **Jean-Claude Trichet** laid out the pressing role of central banks in helping confront the COVID-19 crisis and ensure the stability of the financial system.

Although monetary policy has acted quickly, **Jean-Claude Trichet**, emphasized the enormous amount of additional public spending being accumulated during the COVID-19 crisis: “We have to be absolutely aware of the fact that there will be enormous problem not only to digest what we are spending right now but also what we had spent during the last 10 years,” following the 2008 financial crisis.

This fact was echoed by **Bini-Smaghi** in long-term expectations following from the pandemic: “The recovery from pandemics tends to be very gradual: high-savings ratios, more savings over investments. We are going to have a period of low-interest rates for very long and demand for liquidity, which is going to be high. The balance sheets will remain very large for a very long time.”

Still, the situation is different for emerging markets, explained **Reichlin**. “If we look at countries like the US, it is very likely growth will be higher than interest rates. It will be fine. Where we worry are for countries where the risk premium is issued up, for emerging markets. This is where the policy tools will have to be innovative, including moratoria and restructuring.”

Minister Altmaier drew the same conclusion in his keynote, highlighting the G20’s next big challenge to get emerging markets in regions like Africa, East Asia and Latin America, back on track. “Not only through securing funding but also securing conditions for trade and investment to flourish,” he said.

The following COVID-19-related Global Tables and materials are [available online](#):





THE WORLD POLICY FORUM

- **Opening Address:** Dennis J. Snower (Global Solutions Initiative) on [Fundamental Lessons from the COVID-19 Pandemic](#). A full transcript is [available here](#).
- **Global Table:** [The G20 in time of Pandemic](#)
 - **Panel:** Fahad bin Abdullah Al Mubarak (G20 Sherpa Saudi Arabia), Pietro Benassi (G7/G20 Sherpa Italy), Christopher MacLennan (G20 Sherpa Canada), Lars-Hendrik Röller (G7/G20 Sherpa Germany), Dennis J. Snower (Global Solutions Initiative)
- **Global Table:** [COVID-19: What can the G20 do to support the fight against pandemics in a globalized world?](#)
 - **Panel:** Elhadj As Sy (Kofi Annan Foundation), Christian Drosten (Charité), Ilona Kickbusch (World Health Summit), David Loew (Sanofi Pasteur), Sabine Christiansen (Moderator)
- **Global Table:** [What can the G20 do to stabilise the world economy in times of the COVID-19 pandemic?](#)
 - **Keynote:** Peter Altmaier, German Minister for Economic Affairs and Energy
 - **Keynote:** Paolo Magri, ISPI
 - **Panel:** Irene Natividad (Global Summit of Women), Jean Pisani-Ferry (European University Institute), Paola Subacchi (Queen Mary University of London), David Sloan Wilson (Binghamton University)
 - **Vision:** Sean Cleary, Future World Foundation
- **Global Table:** [What can the G20 and Central Banks do to deal with monetary and financial challenges in context of the COVID-19 crisis while preparing the way to a new normal in monetary policy?](#)
 - **Keynote:** Franco Bruni, ISPI, Italy
 - **Keynote:** Jean-Claude Trichet, Banque de France
 - **Panel:** Lorenzo Bini-Smaghi (Société Générale), Franco Bruni (ISPI) Lucrezia Reichlin (LSE) Jean-Claude Trichet (Banque de France)

About the Global Solutions Summit

The [Global Solutions Summit – the World Policy Forum](#) – is an international conference aimed at addressing key policy challenges facing the Group of Twenty (G20) and other global governance fora.

Due to the COVID19 virus, this year's Global Solutions Summit is being held digitally and is centered around Global Tables that contribute to the Think20 and G20 agenda. [Global Tables](#) cover issues such as the Future of Multilateralism, Fighting Climate Change, Infrastructure Investment, and consist of keynotes, panel discussions, vision statements and interviews.

[Speakers](#) at the Global Solutions Summit are leading experts from international research organizations, thought leaders and decision-makers from political, business and civil society communities.





THE WORLD POLICY FORUM

The [Global Solutions Summit program](#) features 23 Global Tables, more than 100 speakers and G20 Sherpas from Saudi Arabia, Italy, Canada, Germany and more.

About the Global Solutions Initiative

The Global Solutions Summit – The World Policy Forum – is hosted by the Global Solutions Initiative, a global collaborative enterprise that proposes policy responses to major global problems, addressed by the G20, the G7 and other global governance fora. The policy recommendations and strategic visions are generated through a disciplined research program by leading research organizations, elaborated in policy dialogues between researchers, policymakers, business leaders and civil society representatives. Most recently, the GSI proposed an alternative to measuring prosperity through GDP, [the Recoupling Dashboard](#).

The entire Global Solutions Summit is open to the press: [Register online now](#).

Press Information: <https://www.global-solutions-initiative.org/press/>

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