

HOW COVID SHOULD IMPACT FINANCING FOR DEVELOPMENT

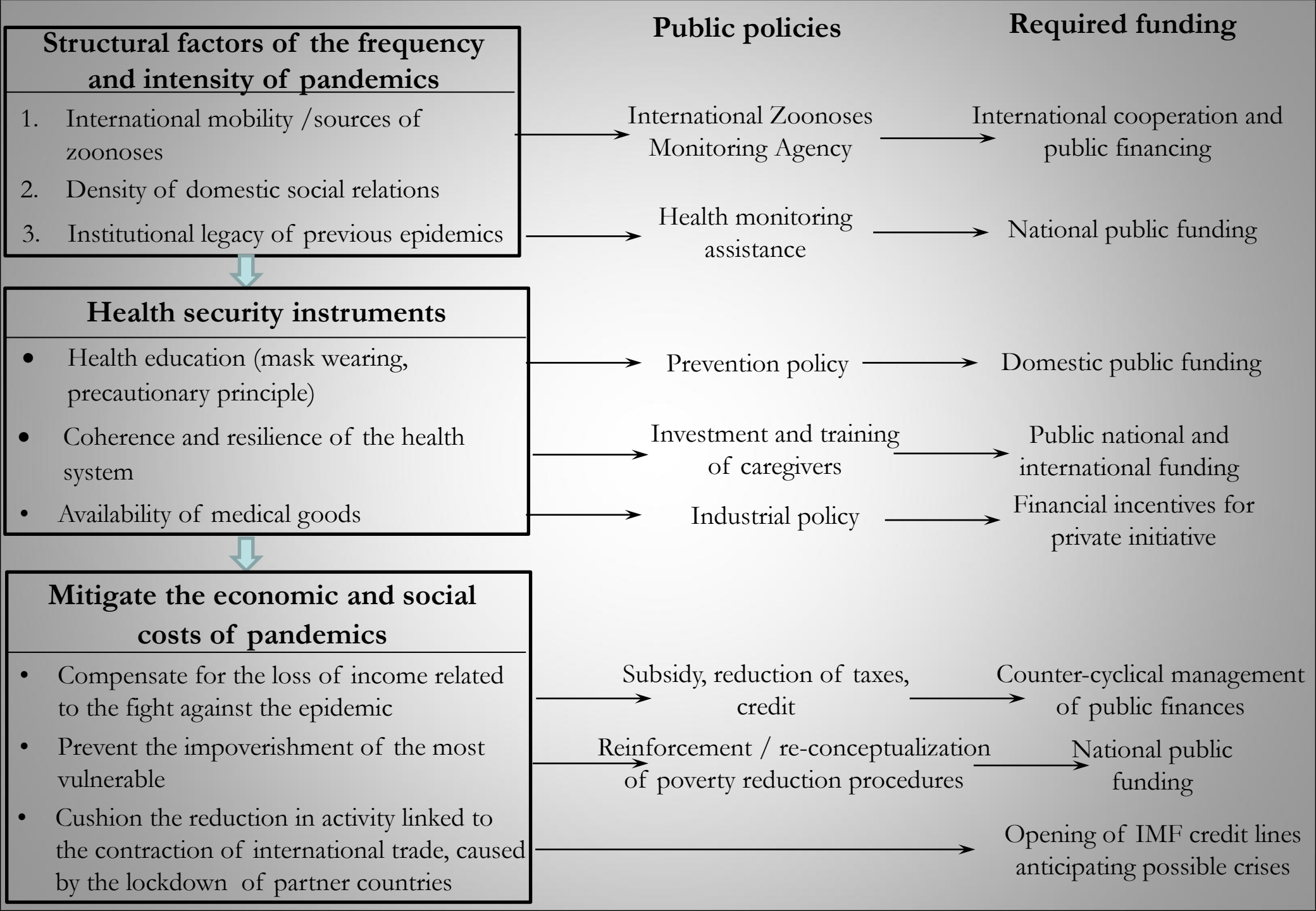
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*Inter Governmental Group of Experts on
Financing for Development*

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Seven Proposals

- I. An emerging lesson from Covid-19: no return to economic prosperity without a **full control of present and future pandemics.**
- II. This calls for an unprecedented **international cooperation** about the prevention and control of **zoonoses.**
- III. A **redesign of most national health care systems** is required with a relevant financing
- IV. Covid-19 might anticipate an emerging mode of development centered on **health, education and culture.**
- V. Has the epoch of a powerful and ambitious **World Health Organization** come?
- VI. Invent and deploy financial instruments in order to allow **countercyclical policies for development**
- VII. **Public international funding** should be a countervailing force against the short termism of private capital movements.



Structural factors of the frequency and intensity of pandemics

1. International mobility /sources of zoonoses
2. Density of domestic social relations
3. Institutional legacy of previous epidemics

Public policies

- International Zoonoses Monitoring Agency
- Health monitoring assistance

Required funding

- International cooperation and public financing
- National public funding

Health security instruments

- Health education (mask wearing, precautionary principle)
- Coherence and resilience of the health system
- Availability of medical goods

Prevention policy

Domestic public funding

Investment and training of caregivers

Public national and international funding

Industrial policy

Financial incentives for private initiative

Mitigate the economic and social costs of pandemics

- Compensate for the loss of income related to the fight against the epidemic
- Prevent the impoverishment of the most vulnerable
- Cushion the reduction in activity linked to the contraction of international trade, caused by the lockdown of partner countries

Subsidy, reduction of taxes, credit

Counter-cyclical management of public finances

Reinforcement / re-conceptualization of poverty reduction procedures

National public funding

Opening of IMF credit lines anticipating possible crises

What to expect, what to do?

- I. The illusion of a return to “business as usual” is vanishing with the length and **lack of predictability** of the present pandemics.
- II. The need for a rebalancing of public policies priorities in the direction of **sanitary security**, both in developing and developed economies.
- III. This implies a reassessment of the boundaries between **national competences and international cooperation**.
- IV. **Public financing** should be the tool for building the investment in the future and a form of **planning** of major national and international public goods should be an agenda .
- V. Old and new instruments should be mobilized in order reduce the **structural asymmetry** that restricts the ability of developing economies to decide **counter cyclical policies**.

Thank you for your attention and patience

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