

**ICRIER – KAS Covid-19 WEBINAR**  
**‘People, Planet, Prosperity: Rebuilding Differently’**

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# Overview

- The G 20 and its agenda to date
- The G 20 and Covid 19
- The Covid 19 Pandemic and Vaccination Status
- The Rome Summit
- Looking Ahead: The Indian Presidency in 2023

# The G 20

- **Elevated from FMCBG forum to Summit level in 2008**, adding a new (leader's) 'Sherpa' channel to the existing FMCBG process to coordinate the Summits.
- At their third Summit at Pittsburgh in 2009 **G 20 Leaders declared that the G 20 was now the premier forum for multilateral economic cooperation**. This meant that the G 20, rather than the G 7, would provide guidance for the economic agenda of the Bretton Woods and United Nations system, and other multilateral institutions for international economic cooperation, such as WTO, UNFCCC, etc.
- **Rise attributed to the GFC of 2008**. However the rise of the G 20 has to be seen against the backdrop of the crisis of multilateralism during the preceding decade:
  - **Decline of growth in major G 7 AEs** that dominated the Bretton Woods institutions, and growth acceleration in EMDEs, particularly in Emerging Asia.
  - Shifting economic weights meant that **active cooperation from major EMDEs required** to address global spillovers and crises
  - The proximate reason for the **formation of the G 20 FMCBG forum** was the Asian Financial Crisis of 1999. The G20 comprised 19 systemically countries and the EU that together accounted for over three quarters of the global economy, trade, emissions, landmass and population.
- The **rising tide of nationalism** and weakening of multilateralism, and the decline in the economic prospects of EMDEs relative to AEs, has weakened the G 20 relative to the G 7

# G 20 Agenda and Priorities: Timeline

- The **first priority was the global financial crisis of 2008**
  - Coordinating fiscal and monetary policies for macroeconomic stabilization
  - Keeping international trade open
- As the threat of a second Great Depression receded, the G 20 turned its attention to addressing **the two root causes**:
  - G 7 dominated FSF restructured into the FSB including all G 20 countries to oversee the reform of **global finance**
  - **Rebalancing the global economy** by reducing unsustainable CABs: The existing ineffectual technocratic IMF led process gave way to the geopolitically driven G 20 Framework for SSBG with the IMF as technical advisor.
- As the global economy recovered major economic issues on the agenda of multilateral economic institutions kept getting **added to the G 20 Table**
  - Climate change financing
  - Completing the Doha round of multilateral trade negotiations
  - Development and infrastructure – developing country concerns
  - Governance reform of IFIs along with supplementing their resources.
  - Terror funding, corruption, coordination of tax policies, etc.
- Over time, in addition to the ongoing multi-year agenda, each **Chair outlined its own Summit priorities**

# G 20 Priorities: Recent Chairs

- Saudi Arabia 2020: Empowering People, Safeguarding the Planet and Shaping New Frontiers. **Health issues prioritized midway in response to the Covid 19 pandemic.**
- Managing the health and economic **fallout from the Covid pandemic likely to shape the Italian and Indonesian presidencies as well** as can be deduced from the priorities announced for their summits
- **Italy 2021:** People, Planet and Prosperity
- **Indonesia 2022:** Recover Together, Recover Stronger
- **India 2023 : ?**

# Recent G 20 Chairs and Troika

- The G 20 has no permanent Secretariat. **Agenda setting and institutional continuity** ensured through the Troika comprising the previous, current and next G 20 Chairs.
- **2021**: Saudi Arabia, Italy, Indonesia
- **2022**: Italy, Indonesia, India
- **2023**: Indonesia, India, Brazil
- **2024**: India, Brazil, South Africa
- In practice the **current Chair plays the active role** with the other two members as sleeping partners.
- First **full cycle of G 20 Summits would be completed in 2025**, when South Africa would chair the G 20.

# The G 20 and Covid 19 - I

- As panic spread Saudi Arabia, the extant chair, organized an “**Extraordinary G 20 Leaders’ Summit**” through video conference on March 26, 2020.
  - WHO and other relevant organizations tasked to assess gaps in pandemic preparedness and report to a joint meeting of Finance and Health Ministers with a view to establish a global initiative on pandemic preparedness and response.
- **The ACT (Access to Covid-19 Tools)-Accelerator** platform for international collaboration involving governments and civil society organizations launched by WHO, European Commission, France and The Bill & Melinda Gates Foundation in April 2020
- **15<sup>th</sup> G 20 Summit** was a ‘virtual’ one held on November 20-21, 2020 with the deadly second wave of the pandemic rampant with full force, the official global death count crossing the five digit mark. Covid mortality per million peaked just two months after the Summit in January 2021.
- **G 20 Global Health Summit** organized by the Italian Chair on May 21, 2021 in Rome, and **G 20 Health Ministers Meeting** on Sept 4-6,2021.

# The G 20 and Covid 19 - II

- At their extraordinary virtual Summit on March 26, 2020, G 20 leaders committed to **injecting \$ 5 trillion into the global economy** “as part of targeted fiscal policy, economic measures, and guarantee schemes to counteract the social, economic and financial impacts of the pandemic,”
- Virtual Meeting of G 20 FMs on April 7, 2021, endorsed the **new IMF general allocation of Special Drawing Rights (SDRs)** equivalent to USD 650 billion and **extended bilateral debt relief (DSSI)** up to December 2021 **to assist the poorest countries.**
- According to the IMF Fiscal Monitor **G 20 countries injected \$ 9.5 trillion of direct fiscal support** by way of additional expenditure and revenue foregone, and an **additional \$ 6.3 trillion of liquidity support**, in response to the pandemic between January 2020 and April 2021. 90% of this support was in G20 AEs.
- As of August 9, 2021 the **IMF had approved emergency loans totaling \$ 116 bn** to 85 developing countries, about 60% of which was for the Western Hemisphere, the worst affected region.
- The **World Bank Group has so far approved more than \$150 billion** to fight the health, economic, and social impacts of the pandemic, and an additional \$ 4 Billion in supporting Vaccination efforts in poor countries.

# Report of the G 20 High Level Independent Panel

- **Report of the G20 High Level Independent Panel** on Financing the Global Commons for Pandemic Preparedness and Response ('A Global Deal for our Pandemic Age') submitted in June 2021.
  - **US\$15 billion per year to be mobilized** for effective pandemic prevention and preparedness
  - Setting up a **Global Health Threats Fund mobilizing US\$10 billion per year** (2/3 of the total), funded by national assessed contributions.
  - **National health systems** to be made more resilient.
  - **IFIs mandate to be expanded** to include supply of global public goods, leveraging bilateral ODA and private philanthropy.
  - Supply of medical countermeasures and **tools to radically shorten the response time to pandemics and deliver equitable global access**
  - Establishing **globally networked surveillance and research**
- The FMCBG meeting in Venice on July 10, 2021, '**welcomed**' (*Not endorsed*) **the report of the High Level Panel and the commitments made at G 20 Global Health Summit** ('Rome Declaration')

# June 2021 IMF, WB, WHO, WTO Proposal

- **National and multilateral action plan to end the Pandemic** that targets
  - (1) vaccinating 40% of the global population by end 2021 and 60% by June 2022
    - Poorer countries, especially those in Africa, and even four G 20 countries (India, Indonesia, Venezuela, South Africa) will struggle to meet the 2021 target.
  - (2) tracking and insuring against downside risks
  - (3) ensuring adequate public health measures where vaccine coverage is low.
- Cost based on the ACT Accelerator **estimated at \$50 billion**: \$35 billion from public, private, and multilateral donors and the balance by governments supported by concessional multilateral finance.
- **Grant funding of \$ 22 billion** identified by the ACT Accelerator. With \$15 billion available from COVID-19 financing facilities created by MDBs, an **estimated gap of \$13 billion in additional grant** contributions needed to reach the \$50 billion mark, mainly for raising COVID-19 Vaccines Global Access (COVAX) coverage to 30 percent, procuring additional COVID-19 tests, and expanding at-risk production capacity to insure against downside risks.
- Ending the pandemic in a timely manner is a global public good, and funding this proposal the **highest-return public investment ever**. Benefits of \$ 9 trillion through a faster end to the pandemic, and \$1 trillion in additional tax revenues in AEs by 2025.

# Covid 19 Global Funding Requirement

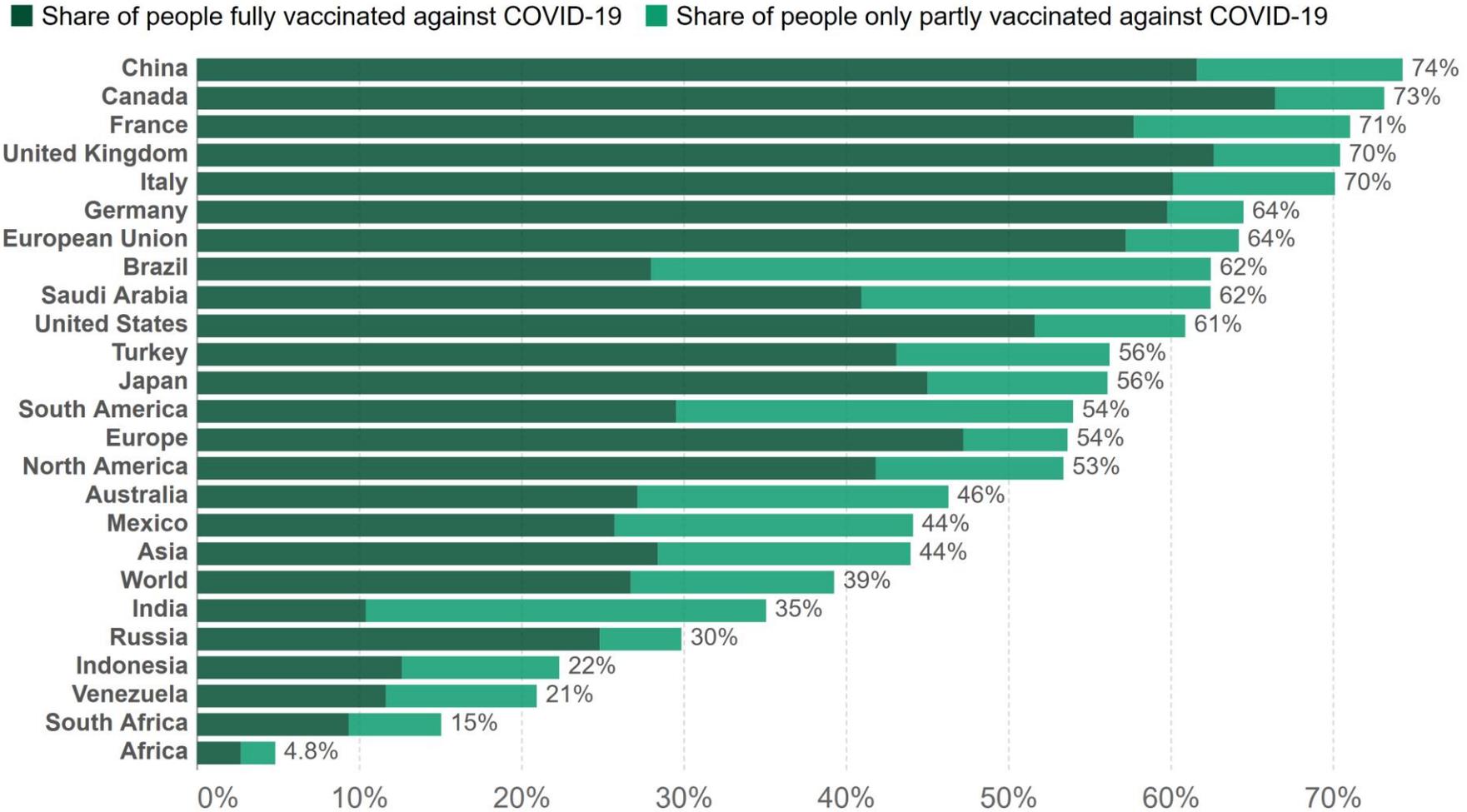
<b>ACT Accelerator COVID 19 Global Funding Requirement</b>			
National assessed GHTF	10		
MDBs govt support+private philanthropy	5	15	<b>Annual - G 20 HLIP</b>
MDB facilitated	15		
Other identified	7		
Gap	13	35	
<b>ACT accelerator</b>	<b>50</b>	<b>50</b>	<b>June 21 Proposal</b>

# Covid 19 Pandemic

Mortality Timeline						
	Timeline	Global	15 Eur	10 Amer	7 S&E Asian	India
<b>Global pop. Share</b>	2020	69%	10.2%	12%	47.4%	17.9%
<b>Deaths</b>	06-09-2021	4581264	1179239	2063920	652654	440785
	% of Global	85 %	26%	45%	14%	10%
	6/3-20/4	21	131	53	1	0
	20/4-6/6	30	94	179	3	4
	6/6-21/7	28	32	173	8	16
	21/7-5/9	32	19	185	12	28
	5/9-21/10	35	54	151	16	36
	21/10 - 6/12	51	227	153	9	17
	6/12-21/1	73	249	270	8	10
	21/01 - 6/3	66	208	297	6	3
	6/3-21/4	60	176	269	11	18
	21/4-6/6	88	134	254	50	119
	6/6 -21/7	53	64	193	29	52
21/7 - 6/9	57	105	146	25	16	
<b>Deaths Per Million</b>	Total	593	1493	2324	178	319

- Third wave still rampant
- Three waves show up clearly in the data in Western Europe and North America. Like the Spanish Flu, third wave milder than the second.
- Waves indistinct is South America that shows sustained rise and slow decline
- Covid mortality distributed almost equally between North and South America, Europe and Asia, although deaths per million far lower in Asia.
- India and Indonesia worst performers in South and East Asia.
- Mortality very low in Africa outside areas adjoining the Medit. and South Africa

# Share of people vaccinated against COVID-19, Aug 29, 2021



Source: Official data collated by Our World in Data. This data is only available for countries which report the breakdown of doses administered by first and second doses in absolute numbers.

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# Forthcoming G 20 Summit Rome 2021

- Italy will chair the 16<sup>th</sup> G 20 Summit to be held in **Rome on October 30-31, 2021.**
- Italian Presidency priorities defined under the shadow of the ongoing Covid 19 : **‘People, Planet, Prosperity: Rebuilding differently’**
- **Issues associated with the pandemic** likely to be centre stage.
- **Response to extreme Climate events:** Climate resistant infrastructure, renewables
- **Digital transformation of the economy**, including bridging the digital divide and empowering small businesses, also a focus area of the Italian Presidency, with the transformation of the Digital Economy Task Force (DETF) into a Digital Economy Working Group (DEWG).
- **Indonesia will chair the 17<sup>th</sup> G 20 Summit to be held in Bali.** Its stated priorities **‘Recover Together, Recover Stronger’** also shaped by the pandemic. The digital agenda will be carried forward.

# The Rome Summit



- **Endorsing/forging a G 20 consensus and operationalizing** the reports of the **High Level Panel, The Multilateral Group** and the commitments made in the **Rome Declaration** on pandemic response.
  - will address the **short term issues of the ongoing Covid-19 pandemic**, such as health care, vaccine access, IPR waivers in technology transfer to poorer countries.
  - make the world more resilient in **responding to future pandemics**.
  - **Anticipate the economic recovery** from Covid 19.
  - Would address a **longstanding criticism of the G 20** that, like the former G7, its decisions primarily address the problems of its member countries.
  - Failure to act on these reports might underscore that the G 20 is **no longer capable of taking swift, strong coordinated action in crises as during the GFC in 2008-2009**. Its image further damaged by its inability to forge a consensus on global vaccine patents during the pandemic at the WTO despite US backing of the proposal.
- The **Action Plan developed by the WG on SSBG could** focus on commitments by G 20 countries to provide adequate finance for completion of two doses of Covid 19 vaccines by a targeted date, address the problem of global hunger arising from the pandemic, and aim to raise global growth (ref. Brisbane Summit) to targeted level.
- **COP 26** in Glasgow November 2021: Agreeing more ambitious targets to limit warming to 1.5°C
- **Consensus on Fiscal and Monetary measures/Exit** : time dependent or numbers dependent?
- **Ongoing agenda**: digitalization, Taxation, Anti-Corruption, Development, Bretton Woods, etc.

# Priorities for the Indian Chair 2023: Rationale

- Ongoing agenda will be driven through established working groups, but India can introduce new themes and give new direction to extant themes
  - **What is the global environment:** Covid? Crisis? Growth?
  - **What does India want** from the G 20?
  - **What can it sell to the Big Three** (US, China and Germany) to get them engaged?

# Evolving Global Economic Environment

- Anchoring discussions on new economic models in the FMCBG forum
  - Evolving a **Framework for dealing with growing global spillovers** (economic, financial, fiscal, migration, health, climate, etc)
  - **Returns to capital rising faster** than returns to labour
  - **Productivity growth racing** ahead of employment growth
  - Concerns over growing **inequality, old age poverty and youth unemployment**
  - **Demand constrained world** with supply growing faster than demand
  - **Deglobalization** and economic nationalism
  - **UBI and its financing** without distorting markets?
    - Inheritance tax? Higher taxes on capital than on labour?
  - **Mainstreaming the role of civil society** alongside the State:
    - Increasing size of Non State Actors such as Foundations, TNCs

# What does India want from the G 20?

- **Health**
  - IPR and vaccines during pandemics, considering India is a global hub.
  - Traditional medicine may face pushback in the absence of standardized protocols.
- **ITES** where India has known strengths.
- **Civil Society:**
  - Marketing India's inclusive Langar model as a crisis response mechanism, that already has considerable international goodwill, to uplift its sagging soft power.
- **G 20 Framework for SSBG** that India co-chairs with Canada
  - Renewed focus on Infrastructure, especially climate resistant.
  - Can have a significant impact through a New Delhi Action Plan.
- **Tricky areas** where consensus has eluded the G 20 in the past: Climate Change and Trade because:
  - Developing countries prefer to negotiate these through the UNFCCC and WTO.
  - India's own stand might come under scrutiny – Atma Nirbhar Bharat; agreeing more ambitious targets on greenhouse emissions.

# Engaging the Big Three

- **Reinvigorating multilateralism:** Delicate handling of the **growing US – China divide**, and differences between the EU and the US on the relationship with China. India is seen as overly hostile toward China and friendly towards the US.
- **Working closely with the EU and Russia** to forge a consensus
- **Leveraging BRICS on Bretton Woods** issues?
- **Indian Sherpa visits to each G 20 country** for exchange of views on the summit agenda priorities.

**Concluded**

**THANK YOU**