Fair sharing of Covid-19 innovations required

While developing countries are sharing novel coronavirus samples and data to aid global research efforts to combat the Covid-19 pandemic, their own share in the fruits of such research could be undermined by intellectual property and other barriers. Securing equitable access to the vaccines, therapeutic treatments and other medical products that result from this research thus becomes imperative.

• Where is fair and equitable benefit sharing of medical products? – p9

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Hunger gnawing at the edges of the world
Informal workers hard hit by Covid-19, says ILO

An International Labour Organization report looks at how the Covid-19 pandemic has hit employment, especially for workers in the informal economy and in the most vulnerable sectors.

by Kanaga Raja

GENEVA: Almost 1.6 billion workers in the informal economy – nearly half of the global workforce – have been significantly impacted by the Covid-19 outbreak and lockdown measures and/or are working in the hardest-hit sectors, the International Labour Organization (ILO) has said.

In its latest “ILO Monitor: Covid-19 and the World of Work”, released on 29 April, the ILO said that among informal economy workers significantly impacted by the crisis, women are over-represented in the high-risk sectors: 42% of women workers are working in those sectors, compared with 32% of men.

“As the pandemic and the jobs crisis evolve, the need to protect the most vulnerable becomes even more urgent,” said ILO Director-General Guy Ryder. “For millions of workers, no income means no food, no security and no future. Millions of businesses around the world are barely breathing. They have no savings or access to credit. These are the real faces of the world of work. If we don’t help them now, they will simply perish.”

Decline in work activity

According to the ILO report, around 68% of the world’s total workforce, including 81% of employers and 66% of own-account workers, are currently living in countries with recommended or required workplace closures.

Nearly all employers and own-account workers in lower-middle-income countries are affected, since these are economies with high levels of informality and limited fiscal means and policy space to respond to the needs of such enterprises and own-account workers, said the ILO.

The crisis is causing an unprecedented reduction in economic activity and working time, it added. The estimates of hours lost for the first quarter of 2020 stand at 4.5% (equivalent to approximately 130 million full-time jobs, assuming a 48-hour working week) compared with the pre-crisis level (the fourth quarter of 2019).

The estimated decline in work activity in the first quarter in different regions is uneven, said the ILO. Whereas the number of hours worked in the first quarter declined by 6.5% in Asia and the Pacific (driven by an 11.6% decline in Eastern Asia) compared with the last quarter of 2019, all other major regions saw declines of less than 2%. This labour market pattern is closely linked to the timing of outbreaks and related social distancing measures across different regions of the world. Global patterns in hours lost in the first quarter are driven in large part by the considerable impact of Covid-19 in China during that period.

The decline in working hours in the second quarter is now expected to be even worse than initially estimated.

Based on estimates from 22 April, global working hours in the second quarter are expected to be 10.5% lower than in the last pre-crisis quarter. This is equivalent to 305 million full-time jobs, representing a significant increase on the previous estimate of 195 million (or working-hour losses of 6.7%), said the ILO.

In addition to new data for the first three weeks of the second quarter becoming available, two main factors have contributed to this significant revision. First, the prolongation and extension of strict containment measures in many countries where such measures were already implemented caused a cumulative impact on work activity. Second, additional countries implemented stricter containment measures, including required workplace closures.

From a regional perspective, although the outlook has worsened for all major regional groups, the new estimates indicate that the largest decline is occurring in the Americas and in Europe.
and Central Asia, said the ILO. In the Americas, the loss of working hours in the second quarter is expected to reach 12.4% compared with the pre-crisis level. In Europe and Central Asia, the decline is now estimated at 11.8%. The estimates for the rest of the regional groups follow closely, all being above 9.5%.

Across income groups, lower-middle-income countries are likely to register the highest rate of hours lost, at 12.5%, but the impact is comparable across all income groups.

Notably, Eastern Asia is the only region that is expected to see a recovery in working hours in the second quarter of this year. However, hours worked in the region are projected to remain 7.2% below the corresponding level in the fourth quarter of 2019.

Hardest-hit sectors

The ILO also pointed out that approximately 47 million employers, representing some 54% of all employers worldwide, operate businesses in the hardest-hit sectors, namely manufacturing, accommodation and food services, wholesale and retail trade, and real estate and business activities.

An additional 389 million own-account workers are engaged in these four sectors. Taking together employers and own-account workers, some 436 million enterprises worldwide are operating and working in the hardest-hit sectors.

More than half of these enterprises – some 232 million of them – are in wholesale and retail trade. Own-account workers represent 45% of all employment in this sector, while micro-firms (between two and nine employees) account for 25% of all workers in it.

A further 111 million enterprises in manufacturing, 51 million in accommodation and food services, and 42 million in real estate and other business activities are currently facing an extraordinarily difficult business environment with major impacts on employment opportunities.

Taken together, these four sectors account for more than 30% of gross domestic product (GDP) on average, said the ILO.

“Own-account workers and micro-enterprises together represent around 70% of global employment in retail trade and nearly 60% in the accommodation and food services sector, a reflection of the severe vulnerability of these sectors in the current economic crisis.”

The ILO report found that as of 22 April, close to 1.1 billion informal economy workers live and work in countries in full lockdown, and an additional 304 million in countries in partial lockdown. These workers together represent 67% of informal employment.

The ILO has estimated that almost 1.6 billion informal economy workers, accounting for 76% of informal employment worldwide, are significantly impacted by the lockdown measures and/or working in the hardest-hit sectors. Almost all of these workers (over 95%) are working in units of fewer than 10 workers.

Its estimates also show that earnings for informal workers are expected to decline in the first month of the crisis by 60% globally, 28% in upper-middle-income countries, 82% in lower-middle and low-income countries and 76% in high-income countries.

The ILO called for urgent, targeted and flexible measures to support workers and businesses, particularly smaller enterprises, those in the informal economy and others who are vulnerable. (SUNS9112)

SDGs threatened by a world economy facing recession

As the coronavirus leaves its ruinous imprint on the global economy, attainment of the UN’s Sustainable Development Goals is thrown in serious jeopardy.

by Thalif Deen

NEW YORK: The United Nations’ 17 Sustainable Development Goals (SDGs), described as an integral part of its highly ambitious development agenda, may be in deep trouble.

Aimed at addressing some of the global challenges the world faces – including extreme poverty and hunger, inequalities in income and gender, climate change and environmental degradation – the SDGs now seem threatened by a world economy facing a brutal recession.

With a 2030 deadline, the SDGs are in near-disarray, as the coronavirus pandemic has decimated the economies of both rich and poor countries, even as warning signs reflect a possibly massive rise in poverty and hunger worldwide.

The slump in the global economy has triggered a recession in several donor nations, including Japan, the US, the UK, France, Germany and China, among others.

In its most recent report released 14 April, the International Monetary Fund (IMF) warned that the world is facing its worst downturn since the Great Depression of the 1930s, and the global economy would contract by 3.0% in 2020. This was a significant reversal from early this year when the IMF predicted the world economy would outpace 2019 and grow by 3.3% in 2020.

Ambassador Mona Juul of Norway, President of the UN’s Economic and Social Council (ECOSOC), told delegates on 23 April that Covid-19 shows “it is more important than ever to focus on the implementation of the SDGs.” Therefore, issues such as resource mobilization, illicit finance, debt and women’s empowerment must be priorities, she said.

Still, at the UN, several lingering questions remain: What are the new obstacles facing the implementation of the SDGs? Will they survive an uncertain future? Will donor nations help rescue the development agenda? And will the UN General Assembly be forced to push back the 2030 deadline?
Dismal picture

Tariq Ahmad, Oxfam America’s Senior Policy and Research Advisor, told Inter Press Service (IPS): “We are seeing Covid-19 wreak havoc on the global economy, which is felt acutely in the homes and communities of the most vulnerable among us.” The economic downturn, he said, paints a dismal picture of what resources will be available to finance the SDGs.

A recent Oxfam brief has called for an Economic Rescue Plan For All, suggesting how the world could help finance the UN’s estimated needs, while the UN Conference on Trade and Development (UNCTAD) has called on governments to mobilize at least $2.5 trillion to support developing economies in order to tackle the pandemic and prevent a global economic collapse.

And a new study by the UN University’s World Institute for Development Economics Research (UNU-WIDER) predicts that the Covid-19 pandemic could increase global poverty by as much as half a billion people, or 8% of the total human population. This would be the first time that poverty has increased globally in 30 years.

In its annual Global Report on Food Crises, an international alliance of UN, governmental and non-governmental agencies said that at the end of 2019, 135 million people across 55 countries and territories experienced acute food insecurity.

But the coronavirus pandemic is expected to make the situation worse and negatively impact on hunger and food insecurity, specifically in the developing world.

In a report released 20 April, the World Food Programme (WFP) said the pandemic could almost double the number of people suffering acute hunger, pushing it to more than a quarter of a billion by the end of 2020.

Jens Martens, executive director of Global Policy Forum (a think-tank based in New York and Bonn), told IPS the Covid-19 pandemic not only has serious consequences for the health situation in many countries of the world but will also have a massive impact on the implementation of almost all the SDGs.

“The looming global recession will dramatically increase unemployment, poverty and hunger worldwide,” he said.

The situation, he pointed out, is even more serious because the macroeconomic outlook in many countries of the Global South had already deteriorated before the outbreak of the virus.

A vicious circle of debt and austerity policies has threatened socioeconomic development from Argentina to Lebanon, he warned.

“The food situation had also deteriorated in many countries, even before Covid-19, for example, due to the locust plague in East Africa.”

Without effective multilateral countermeasures, Martens argued, inequality between rich and poor countries will increase considerably. “Covid-19 is thus also a global wake-up call for international cooperation and solidarity,” he declared.

“**We are seeing Covid-19 wreak havoc on the global economy, which is felt acutely in the homes and communities of the most vulnerable among us.”**

Ahmad said one of the ways to free up vital resources to tackle the issues of hunger and poverty would be to cancel the debt of developing nations.

For example, Oxfam has warned of the risk in West Africa of 50 million people threatened by hunger and malnutrition in the coming months. Meanwhile, Ghana is spending 11 times more on servicing its debts than it is on health. The costs of the debt burden are paid by the poorest people, in cuts to government services, while women are the hardest hit.

Aid is a critical ingredient to help finance the response. Of the estimated $2.5 trillion needed, the UN estimates a need for $500 billion in new official development assistance (ODA).

In an upcoming report, Oxfam estimated almost $300 billion of this should be provided by traditional Northern donors.

And there are still some fundamental flaws in the current system that prevent aid from supporting local responders on the frontline of care.

“This crisis is the time for bold and visionary choices for our collective future. It’s time for donors to profoundly transform their aid to build a world that is free from poverty, that is more equal, feminist and sustainable. Covid-19 could set back the fight against poverty by decades – we must now act and build a better future,” declared José Maria Vera, Oxfam International Interim Executive Director.

Postponement?

Asked if the 193-member UN General Assembly should postpone the 2030 deadline to achieve the SDG targets, Martens said postponement because of Covid-19 would send out completely the wrong signal.

On the contrary, he said, the coronavirus crisis shows how important these multilateral goals are, and how fatal it was that governments have not taken their implementation seriously enough since 2015.

Key SDG targets like the development of social protection systems, universal healthcare and functioning public infrastructure must be given top priority. Only in this way can the current crisis be overcome and future crises prevented. This also requires effective policies of global solidarity, said Martens.

“What we need now is a Solidarity Summit under the auspices of the United Nations to deal with the social and economic consequences of the Covid-19 pandemic in an integrated manner,” he said.

Asked about postponement, Ahmad said “pushing back the SDG deadline won’t help pull anyone who is facing poverty or hunger – instead we need to see sweeping action across the globe to help offset some of this crisis’ worst impacts on the world’s most vulnerable”.

The challenge here is not time, it’s political will, he noted. “This is an unprecedented daunting global challenge, but we must meet it both with urgent action that saves lives now and interventions that create a more fair system going forward, like the cancellation of debt for developing nations, and other support to help families stay healthy and safe until they are able to earn a living again.”

Even before Covid-19, he said, “we were dangerously behind on meeting many of the SDGs, but if this moment has taught us anything, it’s that we are able to make massive shifts in how we all live and cooperate to tackle a joint challenge – we must see the same approach taken to meet the Sustainable Development Goals.” (IPS)
WTO members nudged to decide on MC12 date

Moves are apparently underway to decide on the scheduling of the WTO’s 12th Ministerial Conference, and to push along the divided fisheries subsidies talks at the trade body, even amid the uncertainties thrown up by the coronavirus pandemic.

by D. Ravi Kanth

GENEVA: Despite the raging Covid-19 pandemic, the chairperson of the World Trade Organization’s General Council (GC) appears to be nudging members to take a decision on Kazakhstan’s recent offer to convene the 12th WTO Ministerial Conference (MC12) in Nur-Sultan in June 2021, trade envoys told the South-North Development Monitor (SUNS).

Apparently, the GC chair, Ambassador David Walker from New Zealand, is considering three possibilities for convening a regular GC meeting to decide on MC12, said the trade envoys, who asked not to be quoted.

The first is to convene the meeting on 29-30 May, as initially scheduled last year in the WTO calendar of events for 2020.

As of now, the regular GC meeting is very much for 29-30 May on paper, unless it becomes extremely difficult to hold the meeting even in a hybrid format. The hybrid format involves two officials from each member country being present physically and the rest of the participants from that country taking part in the meeting virtually, said trade envoys.

Much would depend on what the Swiss host government intends to do after 27 May, when it is expected to announce new measures regarding the size of meetings/gatherings. Under current restrictions, only five people can gather at any public place.

So far, the GC chair and the WTO Director-General Roberto Azevedo have remained coy on a 29-30 May meeting, said trade envoys. Azevedo had earlier indicated that all physical meetings would remain suspended till end-May.

In case the 29-30 May regular meeting fails to take place, then the second option is to convene a GC meeting sometime in June for taking important decisions, said trade envoys who asked not to be quoted.

And the third option being considered is to defer the regular GC meeting to end-July, when the GC normally convenes before the annual summer break, said the trade envoys.

The regular GC meeting has become essential to finalize the date and venue for MC12. Despite lack of clarity on how soon the Covid-19 pandemic will be brought under control all over the world, the GC chair wants members to decide on this issue, said the trade envoys. (MC12 was originally slated to be held in Nur-Sultan in June this year but had to be postponed because of the pandemic.)

Several countries have however privately conveyed to the GC chair that it is too early to decide the date and venue for MC12 against the backdrop of the pandemic that is showing no signs of abating at this juncture, said the trade envoys.

Fisheries subsidies negotiations

Meanwhile, the GC chair and the “Friends of Fish”, a grouping coordinated by New Zealand, are also trying to look at various ways to advance the fisheries subsidies negotiations in the WTO, trade envoys said.

Based on an article – “The Fate of the WTO and Global Trade Hangs on Fish” – written by former WTO Appellate Body members James Bacchus and Inu Manak in Foreign Policy magazine (5 May), several WTO members have intensified the campaign, saying it is important to conclude a fisheries subsidies agreement at any cost by the end of the year as per the United Nations Sustainable Development Goal 14.6.

The target under SDG 14.6 is as follows: “By 2020, prohibit certain forms of fisheries subsidies which contribute to overcapacity and overfishing, eliminate subsidies that contribute to illegal, unreported and unregulated fishing and refrain from introducing new such subsidies, recognizing that appropriate and effective special and differential treatment for developing and least developed countries should be an integral part of the World Trade Organization fisheries subsidies negotiation”.

In their article, Bacchus and Manak argued that “at the root of the fisheries problem lies the WTO’s use of two different sets of trading rules – one for developed countries, the other for developing” – implying that special and differential treatment as suggested in SDG 14.6 is the barrier to reaching an agreement on fisheries subsidies.

They wrote: “Reaching global agreement to limit fisheries subsidies is not just essential for preserving fisheries and the world’s marine fishing stocks. Because it can only be resolved if one of the WTO’s core problems – its blanket distinction between two groups of countries – is addressed, it is also a crucial test for the future of the WTO. Progress on fisheries would be a sign that the world has a chance to preserve – and perhaps even strengthen – the global, multilateral trading order at a time when so many forces are arrayed against it.”

Treating this article as an urgent call to conclude the fisheries subsidies negotiations, several developed and developing countries – Australia, Canada, Norway, Switzerland and Brazil, among others – have launched a sustained campaign over the past few days demanding that the agreement on fisheries subsidies ought to be sealed by the end of the year, trade envoys said.

But many developing countries such as India, members of the African Group, and the Africa, Caribbean and Pacific (ACP) Group have repeatedly insisted that without special and differential treatment, they cannot support an agreement.

Further, attempts to impose harmonized commitments to address overfishing and overcapacity, and illegal, unreported and unregulated fishing on all members, regardless of the structural disparities among them, have generated massive opposition by many developing countries, trade envoys said.

During a virtual meeting in early May between a representative of the ACP Group and the six facilitators appointed to assist in the fisheries subsidies negotiations, it emerged that the chair of the negotiations, Ambassador Santiago Wills from Colombia, did not take into consideration the facilitators’ reports.
EU and allies notify WTO of interim arbitration mechanism

In the wake of the WTO Appellate Body’s continued incapacity, the EU and 18 other WTO members have announced an interim arbitration system to hear appeals against adjudicatory rulings on trade disputes.

by D. Ravi Kanth

GENEVA: The European Union along with 18 countries have notified at the World Trade Organization a “multi-party interim appeal arbitration arrangement” (MPIA) pursuant to Article 25 of the WTO’s Dispute Settlement Understanding (DSU).

But countries such as the United States, Japan, India, Indonesia and Thailand among others which often invoke dispute settlement proceedings at the WTO appear to have opted out of the EU-led initiative.

(Trade observers and former negotiators suggest that the interim arbitration mechanism, while purporting to be a voluntary/temporary arrangement under Article 25 of the DSU, is in fact trying to effect amendments to the rules of the DSU. If this is the case, then, as any amendments to the DSU can only be done through unanimous agreement of WTO members, the mechanism notified by the 19 signatories – the EU, and its restoration is unlikely in the foreseeable future, said a trade envoy who asked not to be quoted.

The AB became dysfunctional on 11 December 2019, after the US single-handedly blocked the selection process for filling six vacancies at the AB and also rejected a set of reforms to address Washington’s concerns over the AB.

Apparently, WTO Director-General Roberto Azevedo has already shifted around 20 AB staff to various other divisions in the WTO secretariat on temporary secondment, said a trade envoy who asked not to be quoted.

Effectively, the AB is being dismantled and its restoration is unlikely in the foreseeable future, said another trade envoy, suggesting that even the future of the current AB division director Werner Zdouc remains uncertain.

It is also unclear whether the WTO Director-General will allow the AB director to head the staff at the multi-party interim mechanism at the secretariat, because of opposition from the US, Japan, Brazil and Australia among others to the AB director’s continuation, the trade envoy said.

In their 30 April statement on the multi-party interim appeal arbitration mechanism, the 19 signatories – the EU, Australia, Brazil, Canada, China, Chile, Colombia, Costa Rica, Guatemala, Hong Kong-China, Iceland, Mexico, New Zealand, Norway, Pakistan, Singapore, Switzerland, Ukraine and Uruguay – emphasized that “a functioning dispute settlement system of the WTO is of the utmost importance for a rules-based trading system, and that an independent and impartial appeal stage must continue to be one of its essential features.”

They resolved, “in the interim, to put in place contingency measures based on Article 25 of the DSU in order to preserve the essential principles and features of the WTO dispute settlement system which include its binding character and two levels of adjudication through an independent and impartial appellate review of panel reports, and thereby to preserve their rights and obligations under the WTO Agreement.”

The signatories insisted that the proposed mechanism would “preserve the possibility of a binding resolution of disputes at panel stage, if no party chooses to appeal under this arrangement, through the adoption of panel reports by the DSB [the WTO’s Dispute Settlement Body] by negative consensus.”

The 19 countries reaffirmed that “consistency and predictability in the interpretation of rights and obligations under the covered agreements is of significant value to Members and that arbitration awards cannot add to or diminish the rights and obligations provided in the covered agreements.”

They indicated their intention to “resort to arbitration under Article 25 of the DSU as an interim appeal arbitration procedure … as long as the Appellate Body is not able to hear appeals of panel reports in disputes among them due to an insufficient number of Appellate Body members.”

In such circumstances, according to the MPIA provisions, the participating members will not pursue appeals under
E-commerce proposals at WTO a recipe for corporate greed

A new report has cautioned against locking in global rules that would entrench control of digital trade by a handful of giant tech companies.

by Kanaga Raja

GENEVA: The proposals for a WTO agreement on e-commerce, which are currently on hold, would further exacerbate inequality and division at a time when the world needs to work as one, according to a new report.

The report, commissioned by the International Trade Union Confederation (ITUC) and authored by the New Economics Foundation, was released at the end of April during the virtual “eCommerce Week” convened by the UN Conference on Trade and Development (UNCTAD).

“Digital technology holds enormous potential for tackling the world’s most pressing problems on climate, poverty, inequality, health, education and much more. It has a massive role to play in tackling the spread of the SARS-CoV-2 virus and its consequences,” said ITUC General Secretary Sharan Burrow.

“It is now even more important that governments focus their efforts on harnessing technology for the common good, rather than simply being conduits for an agenda that would entrench corporate power and deepen inequality and mistrust.”

“Governments are promoting new rules that would further reduce their own authority to regulate in the interests of people, to the extent that they are behaving more as captives of corporations, including giant tech monopolies, than as guardians of the public interest,” she added.

“Control of data is at the heart of the proposals, and through that control of data, the power of digital behemoths, such as Amazon, would reach new heights. Their power is already far-reaching, due to the failure of governments to apply competition policy to prevent them dominating markets.”

“This market dominance is set to grow even more if governments fail to ensure that the role tech companies play in the Covid-19 crisis in digital tracing and many other areas is done in the public interest with full respect for rights, instead of on the companies’ terms. Proposals for a new agreement on this basis should be shelved, and clauses in existing agreements should be revised,” said Burrow.

Plurilateral e-commerce initiative

According to the report, titled...
“e-Commerce Free Trade Agreements, Digital Chapters and the Impact on Labour”, the 11th WTO Ministerial Conference in 2017 may have ended without the adoption of a declaration, but a small number of initiatives were announced. One of them, which announced the intention to start negotiations on e-commerce, came from a group of 70 WTO members, mostly developed countries.

The group was joined by six more countries, and in January 2019 the members launched plurilateral e-commerce negotiations in the WTO, even though there is no WTO-wide mandate to do so, since a large group of developing countries managed to block the launch of official new negotiations on digital trade.

The aim of the plurilateral negotiations is to agree to digital trade provisions that would ensure digital subordinance of small enterprises, a grave shift in the balance of bargaining power between capital and labour, and limited space for developing countries to digitalize with their own strategies. The e-commerce agreement would create a framework that disciplines governments’ ability to regulate and enforce laws in cyberspace, said the report.

It noted that the importance of e-commerce has grown with the development and expansion of the speed and reach of digital networks. In 2019, retail e-commerce sales worldwide amounted to $3.53 trillion and e-retail revenues are projected to grow to $6.54 trillion in 2022.

And just as digital is now permeating ever more sectors, the chapters in free trade agreements have also expanded to deal with many issues that are way beyond the original scope of facilitating trade over the Internet.

For example, one of the most important new areas included in trade agreements is the demand for the free flow of data across borders. By including this in trade agreements, the aim is to help ensure that private ownership of data is the default and that transnational corporations should be able to freely move data around the world with minimal or no regulation, the report said.

“Locking in global rules at such an early stage of the development of the internet and digital trade would lock in a status quo which sees ownership and control of data tightly concentrated in the hands of a few corporations while leaving states unable to maximize the public good that comes from digital innovation,” it added. (SUNS9112)

Where There Are No Pharmacists (2nd edition):
A guide to managing medicines for all health workers

by Sarah Andersson and Beverley Snell

Where there are no trained pharmacists serving communities, other categories of health workers are called upon to order, buy, store, dispense and advise people on rational use of medicines. Where There Are No Pharmacists explains how to order them, store them, prepare them, dispense them and use them safely and effectively – it is about managing medicines. Information to help communities benefit from the use of medicines is also included.

This book walks readers through each step, covering topics ranging from policy issues to patient education. It provides guidance for anyone who is doing the work of a pharmacist; anyone who sells, dispenses, prepares, manages, or explains to others how to use medicines.

To purchase, visit https://twn.my/title2/books/HAI.htm
Where is fair and equitable benefit sharing of medical products?

Developing countries are sharing novel coronavirus materials and data to aid research into combating Covid-19. What is equally important is that they gain affordable access to the medical products such as vaccines and treatments that eventually result from such research.

by Sangeeta Shashikant and Edward Hammond

The World Health Organization (WHO), in an announcement in March, linked rapid sharing of SARS-CoV-2 virus materials and sequence information to fair and equitable benefit sharing. But how this linkage will be operationalized remains obscure.

[“Digital sequence information” is a placeholder term adopted by the UN Convention on Biological Diversity (CBD) while it discusses a permanent term and definition for sequence information related to genetic resources. It is generally regarded to include DNA and RNA sequences and protein (amino acid) sequences. Many experts also include in the term additional genetic and genomic information such as protein structures and epigenetic information.]

WHO’s blueprint for Covid-19 research and development titled “Coordinated Global Research Roadmap: 2019 Novel Coronavirus” published in March has identified access and benefit sharing as one of the immediate next steps to contribute to controlling the pandemic outbreak.

WHO said that an agreed action is: “[b]roadly and rapidly share virus materials, clinical samples and data for immediate public health purposes - It was agreed that virus materials, clinical samples and associated data should be rapidly shared for immediate public health purposes and that fair and equitable access to any medical products or innovations that are developed using the materials must be part of such sharing”.

Developing countries have responded positively to WHO's call for broad and rapid sharing; as of 21 April, they have generated and uploaded 855 complete SARS-CoV-2 sequences into the major international database used by researchers. These sequences are critical to ongoing public and private efforts to develop Covid vaccines and therapeutic treatments.

Yet there is little progress in defining exactly how the blueprint’s parallel call, for fair and equitable access to medical products and innovations, will be realized.

The R&D blueprint is the outcome of a global forum on research and innovation for Covid-19 organized on 11-12 February by WHO in collaboration with the Global Research Collaboration for Infectious Disease Preparedness and Response (GLOPID-R), an international network of funders to facilitate coordination and information sharing.

A fundamental guiding principle of the blueprint is “Committing to fair and equitable access” and, in that context: “[a]n unambiguous commitment to global solidarity and equitable access to advancements made”; “[a] global effort to enable the scaling-up of any successful intervention”; and “[a] coordinated effort to facilitate effective, fair and equitable access based on public health needs”.

The blueprint also recognizes that “access to the benefits of research is critical” and that “scale up manufacturing of products (speed, access, cost)” is an important component of successful implementation of the roadmap.

It further calls on research funding grants to “include clauses that promote timely sharing of research data relevant to the outbreak response”. The origins of access and benefit sharing may be traced back to the Convention on Biological Diversity, which came into force on 29 December 1993. A key objective of the CBD is the “fair and equitable sharing of the benefits arising out of the utilization of genetic resources”.

This was further elaborated in the Convention’s supplementary Nagoya Protocol on Access and Benefit Sharing which entered into force on 12 October 2014. To date, the CBD has 196 Parties while the Nagoya Protocol has 116 Parties. These binding international instruments are built on the agreement that States have sovereign rights over their own natural resources and that access to genetic resources is subject to prior informed consent of the State providing the resources, and further requires fair and equitable sharing of benefits arising from the commercial and other utilization of genetic resources with the providers of such resources.

Pathogens such as SARS-CoV-2 are within the scope of these instruments. Sharing of pathogen samples and digital sequence information is crucial for the rapid development of diagnostics, therapeutics and vaccines.

Notably, in January 2020, China rapidly shared with the Global Initiative of Sharing All Influenza Data (GISAID), sequences of viruses from early cases of Covid-19, kickstarting global research and development efforts. Since then, sharing of Covid-19-related samples and digital sequence information has continued rapidly especially from developing countries.

SARS-CoV-2 is also mutating as it passes from person to person, just like other viruses. The potential significance of these mutations for drug and vaccine development remains unclear.

There are also a number of reports, as yet unconfirmed, of re-infection of Covid-19 victims, indicating that it is possible that infection with SARS-CoV-2 may not create full immunity.

The situation thus strongly suggests that there will be an ongoing need for global epidemiological genomic surveillance of the virus. This means continued sharing of SARS-CoV-2 samples and sequence data to allow tracking of mutations to determine if a particular vaccine or drug will remain effective or if, as in the case of influenza, there will be a need for treatments to change in line with the virus (mutations).

It is this “unhindered” sharing that is enabling rapid research and development of diagnostics, medicines and vaccines across the world. However, a narrow focus on sharing of SARS-CoV-2 samples and data without addressing mechanisms for sharing of the research outcomes, technologies and medical products that result from the use of these samples and data, risks creating a situation of winners and losers.

The PIP Framework

In this context, it is worth recalling the H5N1 outbreak in the South-East Asian region in 2006 which revealed the virus
sharing system of the Global Influenza Surveillance Network (GISN) to be a system of winners and losers.

Countries would share virus samples with the WHO-designated laboratories (then mostly based in developed countries) that made up the GISN system. These laboratories would develop a candidate influenza vaccine virus which would be shared with the pharmaceutical industry, often without the consent of the country providing the virus sample.

The industry received not only the candidate vaccine virus for making the vaccine, but also vast government subsidies and the profits from vaccine sales.

Developed countries entered into advance purchase agreements with the pharmaceutical industry to reserve supplies of influenza vaccines and antivirals in the event of a pandemic.

Industry and WHO-designated laboratories also claimed patents over the parts of the shared biological materials and sequences.

Meanwhile countries that freely shared the virus samples (often developing countries) did not have timely access to affordable vaccines and antivirals or to relevant information about the virus samples shared, while the patent system was used to appropriate the viruses and sequences they shared.

The inequalities and inadequacy of the GISN became glaringly clear with the H1N1 pandemic in 2009, when wealthy countries secured access to vital pharmaceutical supplies through advance purchase agreements, while many other countries, especially in Latin America, lacked access.

In 2011, WHO adopted a landmark agreement, the Pandemic Influenza Preparedness Framework or commonly known as the PIP Framework, which set out international rules with regard to access to influenza viruses of pandemic potential (IVPP) and fair and equitable sharing of benefits arising from their use.

For the first time, access to potentially pandemic influenza viruses was linked on an “equal footing” to access to vaccines and other benefits, recognizing both as “equally important parts of the collective action for global public health”.

Effectively, the PIP Framework is a multilateral instrument built on CBD principles of access and benefit sharing, with commitments on access to medicines, vaccines, supplies and diagnostic kits in the context of influenza pandemic response.

With the Framework, WHO has entered into binding contracts with vaccine and pharmaceutical manufacturers to secure firm commitments to deliver diagnostics, antiviral products and vaccines during a pandemic.

According to WHO, through 13 signed Standard Material Transfer Agreements (SMTA) as at May 2019, it has secured approximately 420 million doses of influenza pandemic vaccine and 10 million treatment courses of influenza antivirals that it would be able to send to countries in need at the time of a flu pandemic, representing “four times the amount of vaccine the Organization had access to during the 2009 pandemic”.

The SMTA also provides the option of manufacturers providing royalty-free licences to manufacturers in developing countries for the production of pandemic influenza vaccines, adjuvants, antiviral products and diagnostics needed in a pandemic.

The Framework also requires annual partnership contributions by influenza vaccine, diagnostic and pharmaceutical manufacturers using the WHO Global Influenza Surveillance and Response System (GISRS), for a total of $28 million (i.e., “50% of the running costs of the WHO GISRS”, which were in 2011 estimated to be $56.5 million), with the understanding that this partnership contribution will change over time.

To date, WHO has collected a total of $198 million, with 70% allocated for national capacity-building activities to strengthen preparedness while 30% is maintained for future pandemic response.

In 2016, a WHO Expert Review Group described the Framework as a “bold and innovative tool for pandemic influenza preparedness”, adding that the basic premise of this innovation is the principle of placing virus sharing and benefit sharing on an “equal footing” which, according to the Expert Review Group, “remains relevant today”.

Lessons for Covid-19

In recent years, the vaccine and pharmaceutical industry, developed countries and sometimes even the WHO secretariat have raised concerns over the implications of the CBD and the Nagoya Protocol, stressing the importance of rapid sharing of pathogen samples and digital sequence information but sidelifing the role and importance of fair and equitable benefit sharing and especially the need for rapid sharing of technologies and medical products to respond to a pandemic outbreak.

And yet today, developing countries are sharing their SARS-CoV-2 samples and sequence information but their huge concerns over intellectual property and other barriers to access are not being addressed.

Governments are concerned about whether they will have access to much-needed technologies and medical products such as diagnostics, but also therapeutics and vaccines as they are developed and rolled out.

On a daily basis, there are news reports about shortages and a scramble for medical supplies. A New York Times report titled “In Scramble for Coronavirus Supplies, Rich Countries Push Poor Aside” notes: “As the United States and European Union countries compete to acquire scarce medical equipment to combat the coronavirus, another troubling divide is also emerging, with poorer countries losing out to wealthier ones in the global scrum for masks and testing materials. Scientists in Africa and Latin America have been told by manufacturers that orders for vital testing kits cannot be filled for months, because the supply chain is in upheaval and almost everything they produce is going to America or Europe.”

Apart from availability, another challenge is affordability as “countries report steep price increases, from testing kits to masks,” the report adds.

As therapeutics and vaccines emerge, shortages are to be expected and most affected are likely to be less developed nations. Voluntary mechanisms, while commendable, are unlikely to deliver medical products and manufacturing technologies needed to ramp up production.

What is needed is for WHO to operationalize fair and equitable benefit sharing by securing firm and binding commitments from vaccine, pharmaceutical and other manufacturers with respect to availability and affordability of medical products and the sharing of knowledge and technology. (SUNS9106)

Sangeeta Shashikant is a lawyer and the coordinator of the Third World Network’s Programme on Intellectual Property. Edward Hammond is a policy researcher on issues related to biodiversity, agricultural genetic resources, infectious diseases, laboratory biosafety, and intellectual property.
How to build the Global Green New Deal

Coordinated international efforts are necessary if the Covid-19 crisis is not to trigger the biggest economic depression the world has known, stresses Jayati Ghosh.

The demands for a “Global Green New Deal” were never about some utopian vision or naïve perception of global togetherness: combined and coordinated global efforts are necessary to ensure the survival of the planet and of human life on it.

But the Covid-19 pandemic is driving home the urgency of internationalism – and not just through the sheer rapidity and force of the global spread of the disease. The unfolding of the pandemic, the national policy responses and the economic impacts, all demonstrate how such processes can dramatically increase inequalities between and within countries, and also that solutions simply cannot be found within any one country.

Impact on developing countries

The sharp increases in global inequality resulting from the pandemic could have been expected, but even so, they have been startling in their speed and intensity. Other than China (where the infection originated and which went through some gruelling months, but which has since recovered significantly), developing countries have been massively and disproportionately affected.

In most cases, the impact has not been because of the spread of the disease: as yet, most such countries have not become epicentres of the outbreak and in general show lower rates of contagion than some countries in Europe and pockets of the United States. Rather, thus far this has been primarily an economic disaster for the developing world: a perfect storm of collapsing export and tourism revenues, dramatic capital flow reversals, and currency depreciations that have added to problems of external debt servicing. Since developing countries and emerging markets as a group have around $1.6 trillion of debt repayments due in 2020 ($415 billion of which has to be paid by low- and low-middle-income countries), even as their foreign exchange inflows have collapsed, it is more than likely that many countries will be forced into default. Covid-19 containment strategies have also involved lockdowns in many if not most developing countries, with consequences for large increases in domestic inequality. The most devastating material impacts are already being felt by informal workers, who face a dismal spectrum of probabilities of loss of livelihood, from declining earnings among the self-employed to job losses among paid workers. These are likely to get much worse in the coming months.

Even so, except in just a handful of countries, very few governments have declared strong measures to cope with these effects – and are thus letting loose forces that could be even more devastating for poor people across the world. In the worst-case scenario, this could even mean that more people die from hunger and the inability to treat other problems than because of the virus. The proportion of workers who would suffer directly and immediately from a lockdown is huge. Globally, more than 60% of all employment is informal, and most of this is in enterprises that rarely if ever get the benefit of any government subsidies or protection, even in periods of crisis. In the developing world, the proportion is even higher – 70% – so two out of every three workers are informal and enjoy little or no social protection to enable them to ride out a period of enforced idleness without remuneration.

Such a collapse of income and employment will obviously have serious repercussions over time in terms of negative multiplier effects on aggregate demand, so these problems will persist well after lockdowns are lifted. At the same time, the lockdowns have also affected supply, disrupting both production and distribution. So supply chains will take time to recover, if they do at all.

This in turn means that most developing countries cannot expect a significant improvement in their economic prospects any time soon. Furthermore, while the crisis has made several governments in advanced countries suddenly realize that monetized deficits need not be inflationary, in developing countries fiscal constraints are reinforced by external constraints. In other words, there is much more limited fiscal space even if they can freely print their own currency.

Need for extraordinary measures

This effectively means that if the current extraordinary situation is not to trigger the biggest economic depression the world has known, extraordinary national and international measures are necessary. This requires national leaders who have vision and are willing to cooperate – unfortunately, both seem lacking at present. But if this combination could somehow be generated, there are several immediate steps that must be taken to resuscitate the global economy and deal with the public health issues the pandemic has brought to the fore. If these do succeed in stemming the collapse, there will be need for much further drastic actions, which would reorient economic activity to be more sustainable and ecologically balanced, while changing the highly unequal global economic and financial architecture to bring about more equitable and just outcomes.

Since the matter is so urgent, we do not have the luxury of building alternative associations or organizations to deal with these global challenges. Consequently, despite many valid concerns concerning their functioning, we have to make do with existing international institutions, to somehow make them fit for purpose to meet the scale of the challenge. This is clearly a problem, since the multilateral economic organizations (the International Monetary Fund, the World Bank and the World Trade Organization) have thus far given little reason for optimism that they will be either sensible or less influenced by the major powers. But we cannot repeat the mistakes made after the 2008 crisis, simply rescuing the big players in global capitalism without putting in conditions that would make them more accountable and socially responsible.

Fortunately, even within the existing international financial architecture, some immediate measures that are sorely required are possible. The first is the immediate issue of Special Drawing Rights (SDRs) by the IMF. SDRs are supplementary reserve assets (determined as a weighted basket of five major currencies) to supplement countries’
Official foreign exchange reserves.

They are crucial because they create additional liquidity at no extra cost, and they are distributed according to each country’s quota in the IMF, so it cannot be discretionary and is not subject to other kinds of conditionality or political pressure. (It is true that recently the IMF disgraced itself by not allowing the government of Venezuela to access its own quota, but such overtly political use of SDR balances is not mandated by the IMF Articles of Agreement and should be condemned and disallowed.) At least 1-2 trillion SDRs must be created and distributed. The significance of SDR issuance is that it accrues to all member countries without conditionality, and does not take the form of loans on which interest must be paid.

This will make a huge contribution to ensuring that global international economic transactions do not simply seize up even after the lockdowns are lifted, and that developing countries in particular are able to engage in international trade. Advanced economies with reserve currencies are much less likely to need to use them, but they can be a lifeline for emerging markets and developing economies, providing additional resources to fight the pandemic and economic disaster.

At the moment, swap lines provided by the US Federal Reserve play the stabilizing role in global economic transactions. But this is much less desirable than issuing SDRs (it was also the major prop after the 2008 global financial crisis), as it is not a norm-based multilateral arrangement but a unilateral decision of the US Fed, which in turn reflects strategic national interests and reinforces global power imbalances – all at a time when the US has shown it is singularly unfit for global leadership.

While the IMF has always had the power to create SDRs, they have been used very little as an instrument of increasing global liquidity. So far, only 204 billion SDRs have been created and distributed (around $281 billion). Of these, 176 billion SDRs were allocated in 2009 to help countries cope with the aftermath of the global financial crisis. But these amounts are tiny relative to global transactions: in 2018 global trade alone amounted to around $19.5 trillion, while gross capital flows have been many multiples of that.

The reluctance to increase SDR issuance has usually been based in the fear of stoking inflation. But the world economy has just experienced more than a decade of the largest ever increases in liquidity due to “quantitative easing” by the US Fed, and still advanced economies were fighting deflation, rather than inflation, because of depressed demand everywhere. A massive increase in SDRs right now would not lead to global inflation, for the same reason. If anything, supply chain breakdown could well lead to specific supply shortages and therefore cost-push inflation. But if some of the resources released by SDR issue can help to counter supply bottlenecks, then that too would not be a problem. Indeed, since such bottlenecks are bound to emerge because of the lockdowns, directed public spending to reduce or eliminate such shortages, especially of items of mass consumption and required investment, is essential.

**Special Drawing Rights can be a lifeline for emerging markets and developing economies, providing additional resources to fight the pandemic and economic disaster.**

The second pressing international priority is dealing with external debt problems. There should be an immediate moratorium or standstill on all debt repayments (both principal and interest) for at least the next three months, as countries cope with the spread of the disease and the lockdown effects. This moratorium should also ensure that interest payments do not accrue over this period. Some countries (like Argentina) have announced this unilaterally for a portion of their foreign debts that are governed by national laws. But to extend this to all external debt – and for other countries to be able to do this as well – some international coordination is required. A number of senior economists and financiers (including the former head of Credit Suisse) have suggested a two-year moratorium on African debt repayment. It could be argued that this is simply an acknowledgement of reality, as very few developing countries will be in a position to service their loans when almost all foreign exchange inflows have effectively stopped. In any case, if everything else is on hold in the global economy today, why should debt payments be different? Surely they too should be on hold.

But this is only a temporary measure, kicking the can down the road. Eventually substantial debt restructuring will be necessary. In the wake of such an extensive cessation of production and trade, very few borrowers will be in a position to repay their debts in full. There is a real risk that this leniency will be extended to large corporations but not to sovereign debtors: it is absolutely crucial to provide for very substantial debt relief, especially to low- and middle-income countries. Once again, while some countries can seek to repudiate external debts because of the extraordinary circumstances, there are costs for individual countries to do so on their own, and international coordination is essential to minimize these costs.

The third immediate policy required in many countries, particularly emerging markets that have experienced dramatic reversals in capital flows, is establishing capital controls to stop the bleeding. These must be brought in to curtail the surge in outflows, reduce illiquidity driven by selloffs in emerging markets, and arrest declines in currency and asset prices. Otherwise, in addition to the decline in export revenues, capital outflows will cause such massive depreciations of emerging-market currencies that much international trade will simply become out of reach, while domestic stock and bond markets could easily tailspin, creating further domestic economic pain. This will only accelerate economic decline, not just in these countries, but in world trade. Once again, since it is harder for individual countries to impose the necessary capital controls, some cooperation (even if only regional at this point) would be essential.

The fourth significant measure requires a change in attitudes to public health in almost all countries. Decades of neoliberal policy hegemony have led to drastic declines in per capita public health spending in rich and poor countries alike. It is now more than obvious that this was not just an unequal and unjust strategy, but a stupid one: it has taken an infectious disease to drive home the point that the health of the elite ultimately depends on the health of the poorest member of society, and those who advocated reduced
In recent weeks, shocking images of corpses abandoned in the street emerged from the city of Guayaquil in Ecuador. The city was unprepared to even remove bodies during the Covid-19 pandemic. Left unsaid in most international media coverage was that before this pandemic, Ecuador had cut its healthcare spending and conducted a series of layoffs in its Ministry of Health. Between 2019 and 2020, approximately 8% of the staff were terminated. With cuts of this scale, it is not surprising that public health authorities were unable to coordinate a timely response. Ecuador is a prime example of how the international financial institutions have created vulnerabilities and increased inequalities.

The aggressive cuts were part of an International Monetary Fund (IMF) loan programme which led to a $1 billion reduction in spending on public employment over three years. Before this crisis, an aggressive crackdown on protests against the measures already claimed many lives. Adding salt to the wound, the outbreak in Ecuador is closely connected to the large numbers of Ecuadorians living in Spain who travelled back for holidays. Many of those who left for Spain did so during a previous economic crisis linked to IMF programmes in the 1990s and 2000s, which eventually led to the dollarization of Ecuador and wiped out the savings of most people. The collapse of Ecuador’s economy during that time resulted in about 700,000 people leaving the country, mostly for Spain.

The policies pushed by the IMF in Ecuador are part of a larger pattern. While the Fund and the World Bank have somewhat changed their rhetoric from the Washington Consensus era, the institutions continue to push the same type of policies that demand austerity, deregulation, and privatization.

An overview of all IMF programmes in 2016 and 2017 showed that 23 out of 26 pushed for austerity measures, while a majority of countries were asked to reduce their public wage bill. These “wage bill” reductions translate to layoffs and even pay cuts for healthcare professionals.

Both the Bank and the Fund have promoted targeted social protection schemes that leave people without an adequate safety net.

Fund-Bank spring meetings

Leaving no one behind in responding to the pandemic is more than an aspiration: unless every country can stem the virus, no one is safe. Unfortunately, the interconnected problems of inequality and lack of trust have led to nationalism and quasi-legal structures that have underpinned neoliberal globalization, but seek to transform them fundamentally.

Jayati Ghosh is Professor of Economics at Jawaharlal Nehru University in New Delhi. This article was originally published in the Progressive International on 7 May 2020.
to the meetings. The World Bank created a new Health Emergency Preparedness and Response Multi-Donor Fund to raise additional resources for response and future public health resilience, and both institutions are providing rapid financing to shore up developing-country preparedness. The leadership of the IMF spoke in emphatic terms about measures to protect incomes, jobs and health, in a departure from normal messages.

Looking beyond the immediate horizon, a new round of debt relief and a binding process for restructuring sovereign debt will be needed to exit the crisis and achieve the Sustainable Development Goals by 2030.

Held virtually due to health concerns and travel restrictions, the 2020 spring meetings will be remembered as one step in crisis response. But it will not join the 2009 London G20 summit as a moment when international coordination rose above chaos. Based on calculations from the United Nations Conference on Trade and Development (UNCTAD) and the IMF, the needs of developing countries amount to $2.5 trillion. The decisions at the spring meetings are a crucial first step in ensuring that countries do not need to choose between debt servicing and saving lives. However, it is only a temporary reprieve from the debt owed to G20 countries, and lower-middle-income countries were not eligible for the cancellation of payments to the IMF. Many of these countries are dependent on commodity exports, putting them in an acute position. Looking beyond the immediate horizon, a new round of debt relief and a binding process for restructuring sovereign debt will be needed to exit the crisis and achieve the Sustainable Development Goals by 2030.

One of the fastest and most effective routes to addressing this is an issuance of IMF Special Drawing Rights (SDR), an international reserve asset. New SDRs were issued as part of the global financial crisis, and today would be an essential tool for developing countries to put out the fire caused by massive outflows of capital as investors seek safer ground. Bolstering reserve assets would help countries avoid currency, employment and economic collapse. Developed countries could transfer some of their SDRs to developing countries to further support jobs, health and the real economy. The spring meetings ended without forward movement on SDRs due to opposition from the United States, which has the voting power at the IMF to veto the move.

More of the same

The global labour movement called on the spring meetings to both coordinate immediate response and create a reconstruction plan to coordinate economic stimulus, public health action and debt relief. This is about rebuilding a better world that can withstand threats from disease, climate and economic disruption. If inequality, weak consumer demand, wage stagnation, under- and unemployment, lack of health coverage and social protection, and other underlying issues are not addressed, then recovery will not be possible.

It is time to turn the page on austerity, structural reform and privatization. Although quieter than normal, these elements were still indelibly present at the spring meetings. The IMF encouraged countries to "spend what you can but keep the receipts", supporting urgent measures to contain the pandemic and crisis while preserving employment and firms. Still, it signalled that spending cuts are expected in the medium term. The world has already lived through this once, when the spirit of the London G20 summit collapsed and the IMF helped lead a premature end to stimulus measures over trumped-up warnings about debt-to-GDP ratios.

World Bank President David Malpass has already made clear that structural reforms to reduce supposedly "excessive regulations" will be a part of the Bank's recovery strategy. The Bank's Development Policy Financing instrument, which has supported measures including cuts to public services and increases in regressive taxation, stands to increase as a result. The Republic of Georgia demonstrates how these measures undermine resilience. The Georgian Trade Union Confederation observed that: "The situation created by the spread of Covid-19 in Georgia has once again revealed the problems associated with years of neo-liberal policy and market fundamentalism in the country."

The World Bank has promoted private involvement as the answer to development. Most recently, it has used Country Private Sector Diagnostics to push private involvement in health and education, despite acknowledging mixed outcomes of public-private partnerships in health. In Georgia, the World Bank was involved throughout the 1990s and 2000s in health reform, including a loan in which the "educational" subsidiary of American private insurance company Kaiser served as a consultant on a Hospital Master Plan. The loan included an objective to improve "the efficiency of the health care system by reducing the number of hospitals and personnel in the city of Tbilisi."

Georgia embarked on a radical experiment with privatization and deregulation beginning in 2006. A revamped Hospital Master Plan launched full-scale privatization to keep only five of 437 public hospitals. The latest data shows 2.6 hospital beds per 1,000 people, compared with 5.9 across Europe and Central Asia.

In 2007, Georgia was named by the World Bank's Doing Business report as the "top reformer", in part thanks to labour law reforms that violated fundamental International Labour Organization (ILO) standards. This included eliminating the labour inspectorate because it was an obstacle for business, leading to a deterioration of health and safety conditions. Workplace fatalities markedly increased.

Important reforms have been taken at the World Bank around private involvement and labour market deregulation following the intervention of Maxine Waters, chair of the House Financial Services Committee in the United States Congress. Among other changes, the World Bank Group ended the infamous labour indicator of the Doing Business report and froze investments in for-profit education.

Georgia and Ecuador demonstrate the dangers of a failed policy mix promoted
Hunger gnawing at the edges of the world

Food production and distribution systems were failing to feed the world long before the Covid-19 pandemic. But perhaps the hunger experienced now can provide the impetus to fix them.

by P. Sainath, Richard Pithouse and Vijay Prashad

On 21 April, the Global Network Against Food Crises and the Food Security Information Network released the 2020 Global Report on Food Crises. It suggested that 318 million people in 55 countries experience acute food insecurity or are on the cusp of acute hunger. This number is a gross underestimate: the actual number – before the global pandemic – would have been closer to 2.5 billion, if you measure hunger by caloric intake for intense activity.

The reasons for this hunger, they say, are armed conflict, weather extremes and economic turbulence. More people could slip into the situation of acute food insecurity, the report says, as a result of a “shock or stressor, such as the Covid-19 pandemic”. Half of the world’s population fear going hungry as a result of the pandemic.

What the International Monetary Fund calls the Great Lockdown sent 2.7 billion people, according to the International Labour Organization, into either full unemployment or near-unemployment, with many people one or two days away from desperate poverty and hunger. Starvation is already evident in many regions of the world. Social movements are doing what they can to organize horizontal forms of solidarity from below, but food riots are already a reality in India, South Africa, Honduras – everywhere, really. In many countries, states are responding with militarized forms of force, with bullets rather than bread.

Before the pandemic, in 2014, the United Nations’ Food and Agriculture Organization wrote: “Current food production and distribution systems are failing to feed the world.” That’s a damning statement. It needs to be taken seriously. Half-measures are not going to work. We need a social revolution in the world of food that breaks the grip of capital over the production and distribution of food.

If you don’t have money, you can’t eat

Hunger is a bitter reality that modern societies should have expelled a century ago. What did it mean for human beings to learn how to build a car or fly a plane and not at the same time abolish the indignity of hunger? As American musician and poet Gil Scott-Heron declared in 1970, “The price of food is goin’ up … (with Whitey on the moon).”

The old English reverend Thomas Malthus was wrong when he wrote that for eternity food production would grow arithmetically (1-2-3-4) and that populations would grow geometrically (1-2-4-8), with populations easily outstripping the ability of humans to produce food. When Malthus wrote his treatise in 1789, there were about a billion people on the planet.

There are now almost eight billion people, and yet scientists tell us that more than enough food is produced to be able to feed everyone. Nonetheless, there is hunger. Why?

Hunger stalks the planet because so many people are dispossessed. If you do not have access to land, in the countryside or in the city, you cannot produce your own food. If you have land but no access to seed and fertilizer, your capacities as a farmer are constrained. If you have no land and do not have money to buy food, you starve.

That’s the root problem. It is simply not addressed by the bourgeois order according to which money is god, land – rural and urban – is allocated through the market, and food is just another commodity from which capital seeks to profit. When modest food distribution programmes are implemented to stave off famine, they often function as state subsidies for a food system captured, from the corporate farm to the supermarket, by capital.

Supply chains and speculation

Over the course of the past decades, the production of food has been enveloped into a global supply chain. Farmers cannot simply take their produce to market; they must sell it into a system that processes, transports and then packages food for sale at a variety of retail outlets. Even this is not so simple, as the world of finance has enmeshed the farmer into speculation. In 2010, the United Nations’ former special rapporteur on the right to food, Olivier de Schutter, wrote about the way hedge funds, pension funds and investment banks overpowered agriculture with speculation through commodity derivatives. These financial houses, he wrote, were “generally unconcerned with agricultural market fundamentals”.

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Before the pandemic, in 2014, the United Nations’ Food and Agriculture Organization wrote: “Current food production and distribution systems are failing to feed the world.” That’s a damning statement. It needs to be taken seriously. Half-measures are not going to work. We need a social revolution in the world of food that breaks the grip of capital over the production and distribution of food.

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Supply chains and speculation

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If there is any shock to the system, the
Gaining control over the food system

If you listen to agricultural workers, farmers and social movements around the world, you will find that they have lessons to teach us about how the system should be reorganized during this crisis. Here is a little of what we have learnt from them. It is a mix of emergency measures that can be immediately implemented and more long-term measures that can build towards sustained food security, and then food sovereignty. In other words, popular control over the food system.

- Emergency food distribution. Surplus stocks of food controlled by governments need to be turned over to combat hunger. Governments need to use their considerable resources to feed people.
- Expropriate surpluses of food held by agribusiness, supermarkets and speculators and turn this over to the food distribution system.
- Feed people. It is not enough to distribute groceries. Governments, alongside public action, need to build chains of community kitchens where people can access food.
- Farmers who face challenges to harvest their crops must be supported by governments who need to ensure that harvesting takes place following World Health Organization principles of safety.
- Living wages must immediately be paid to agricultural workers, farmers and others, regardless of whether they are able to work or not during the Great Lockdown. This must be sustained after the crisis. There is no sense in looking at workers as essential during an emergency and then disdaining their struggles for justice in a time of “normalcy”.
- Encourage financial support for farmers to grow food crops rather than turn to large-scale production of non-food cash crops. Millions of poor farmers in the poorer nations produce cash crops that the rich ones cannot grow in their climate zones; it is tough to grow pepper or coffee in Sweden. The World Bank “advised” the poorer nations to focus on cash crops to earn dollars, but this has not helped any of the small farmers who do not grow enough to support their families. These farmers, like the rest of humanity, need food security.
- Reconsider the entanglement of the food supply chain, which injects enormous amounts of carbon into our food. Reconstruct food supply chains around regions and not across the vast globe.
- Ban speculation in food by curbing derivatives and the futures market.
- Land – rural and urban – must be allocated outside of the logic of the market, and markets must be established to ensure that food can be produced and the surplus distributed outside of the control of corporate supermarkets. Communities should have direct control over the food system where they live.
- Build universal health systems, as called for by the Declaration of Alma Ata in 1978. Strong public health systems are better equipped to constrain health emergencies. Such systems must have a strong rural component and must be open to all, including undocumented people.

The fact that so many people around the planet, including those living in the richest countries, were going hungry before this crisis is a profound indictment of the failures of capitalism. The fact that hunger is exploding exponentially during this crisis is a further indictment of capitalism. Hunger is among the most urgent of human needs and immediate steps need to be taken to get food to people in this crisis. But it is also vital that the social value of land, rural and urban; the means to produce food, such as seeds and fertilizer; and food itself are affirmed and defended against the socially ruinous logic of commodification and profit.

P Sainath, a senior fellow at Tricontinental: Institute for Social Research, is the founder of the People’s Archive of Rural India. Richard Pithouse is the editor-in-chief of New Frame. He has been writing for newspapers in South Africa for more than 20 years and is also an academic. Vijay Prashad is the director of Tricontinental: Institute for Social Research and chief editor of LeftWord Books. He is the author of several books, notably The Darker Nations (2007). His most recent book is Strongmen (2018). This article was first published by New Frame.