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## Pandemic undermining pillars of globalization

**If not handled properly, the crisis will wipe out the achievements of globalization and fuel anti-globalization sentiment.**

The COVID-19 pandemic has had a huge impact on economic globalization, how long the impact will persist remains to be seen. According to statistics released by the World Trade Organization, the global import and export volume dropped by around 10 percent in February, year-on-year, and the merchandise trade volume for 2020 is forecast to fall by 13 to 32 percentage points. Foreign direct investment is projected to decline by 5 to 15 percent this year, according to estimate by the United Nations Conference on Trade and Development. In addition, the pandemic has led to breaches of contract in some investment programs, with many projects

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\* <http://global.chinadaily.com.cn/a/202004/24/WS5ea232dfa3105d50a3d187b3.html>。



canceled or at risk of being canceled. Also the travel restrictions imposed by many countries to stop the virus from spreading have had negative effects on the flow of people and tourism industry. In a word, the three pillars of economic globalization, namely the flow of goods, capital and people, have all slowed down or even reversed due to the pandemic.

Some analysts believe that the pandemic's impact on globalization will be short-lived. However, the effects of the contagion on society, national governance and international order are worrying. If not handled properly, the crisis will wipe out the achievements of globalization and fuel anti-globalization sentiment. While maintaining social distancing, we should be vigilant against the distance that is growing between nations. Countries around the world should strive to boost global coordination to counter the adverse effects of the pandemic.

The Great Depression in the 1930s took a heavy toll on the whole world partly due to the lack of policy coordination among major countries and their self-centered economic policies. In comparison, the 2008 global financial crisis gave rise to G20 Leader's Summit, and the corresponding mechanisms for global economic governance under which developed and developing countries worked in unison in response to the crisis.

Mutual support and increased global coordination are essential to tackle the socioeconomic challenges brought by the pandemic. Greater global coordination will facilitate necessary information sharing and support prevention and control measures and support efforts to mitigate the economic risks of the pandemic. In an interdependent world, the efforts of some countries to contain the virus might have a bearing on the export companies in some other countries. Timely sharing of pandemic-related information according to World Health Organization standards



and promoting exchanges on prevention and control measures are crucial to maintain trade while curbing the spread of the virus.

In terms of fiscal policy, countries including the United States, the United Kingdom and China, have introduced stimulus packages that reduce the tax on small and micro businesses, assist industries and people hit hard by the pandemic, expand the coverage of public healthcare services and initiate new investment in infrastructure programs. As for monetary policies, the US, Japan and Australia, among some 20 countries, have ushered in a new wave of monetary easing policies. In an open economy, international coordination in fiscal and monetary policies is required to maintain the stability of currency exchange rates and financial markets, as well as supply and industry chains.

In the process of fighting the pandemic, the concept of a community with a shared future for mankind has been vividly illustrated. However, the spread of the novel coronavirus has also fueled anti-globalization sentiment in some countries. This will only undermine the foundation of economic globalization and impede the implementation of policies promoting globalization and international cooperation. Under global and regional frameworks, such as the WHO, G20 and ASEAN+3 (the Association of Southeast Asian Nations plus China, Japan and the Republic of Korea), dialogue can be carried out among countries and cooperation will help them win support from the public at home. The Extraordinary G20 Leaders' Summit on COVID-19 and the Special ASEAN+3 Summit on COVID-19 have sent out signals of solidarity and cooperation and boosted the confidence of global community.

Many commentators regard the pandemic as a watershed event. Whether the post-pandemic world will embrace a U-shaped recovery or slip into recession depends on the evolution of the virus and the measures taken by countries in



response. In the next stage, major countries should play a leading role in improving and building a higher-level public health coordination mechanism. A G20 health ministers' meeting should be convened soon, information sharing and cooperation on scientific research must be boosted, emergency medical supplies and food reserves should be prepared, and regional communication mechanisms in response to a public health emergency should be set up to allow a faster response to a future public health emergency.

Governments, civil societies and the private sector must join forces in safeguarding the livelihoods of vulnerable groups and the extremely impoverished populations in underdeveloped countries. On top of that, regional and global macroeconomic policy coordination should be advanced to stabilize the fundamentals of economy, and guard against financial risks. More importance should be attached to infrastructure construction in healthcare, education and environmental protection and to foster the consumption market and unleash the potential of consumption. In addition, China should take advantage of the certainties amid uncertainties by improving its business environment, expanding opening-up, and promoting infrastructure construction for artificial intelligence, the industrial internet and the internet of things.

A lack of global coordination will complicate the anti-pandemic efforts and put further pressure on the global economy, and an inclination to be inward looking when facing the threat from the virus and living in a sluggish economy will further weaken the basis for global coordination, which will plunge the world into a vicious circle. It is not reasonable to blame globalization for this global crisis. Instead, we should prevent some politicians and interest groups from trying to exploit the pandemic to hype anti-globalization. To this end, global coordination must be upheld.



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