Recovering from COVID-19: the importance of investing in global public goods for health

Over the past months, COVID-19 has inflicted catastrophic damage on societies and economies, and exposed weaknesses in health systems worldwide. While the pandemic continues to unfold across the globe and infections are yet to reach a peak in certain regions, some countries are gradually starting to prepare for the easing of social and economic restrictions, and to plan for recovery. Amidst deliberations on priority areas for rebuilding, much attention has been paid to the need to strengthen domestic health care, and such proposals will certainly be high on the agenda for many Governments. The crisis, however, has also shone a spotlight on the shortcomings of the global health system. A resilient and sustainable recovery calls for health system improvements that extend across national boundaries: investing in global public goods for health will be an essential part of building back better.

GLOBAL PUBLIC GOODS IN HEALTH

Terminology

Public goods—such as street lighting, regulations and national defence—meet salient needs of society and play a crucial role in making it more secure. However, people can benefit from public goods without paying for them (a “free rider” problem), leading to a lack of incentives to produce them by profit-seeking private providers. Viewed from a different angle, public goods have significant positive “spill-over effects” valuable to a community—above and beyond benefits to individual consumers—that are not reflected by their market value. As a result, public goods have typically been underproduced by the market, with Governments taking up responsibility for their provision domestically.

Beyond the national context, public goods are also essential at the global level. The international transmission of the coronavirus and the transnational impacts of national responses to COVID-19 underscore the need for international cooperation and coordination. While definitions vary as to what exactly constitute global public goods for health, they can generally be viewed as cross-border functions or interventions that contribute to health progress, and that are not adequately produced by market forces. Examples include disease surveillance and control, research on the causes and treatment of diseases, research for a vaccine, information sharing, outbreak preparedness and standards and guidelines.

Global health functions are vital but underproduced and underfunded

In a highly interconnected, interdependent world, health risks and diseases can take on a cross-border nature and result in significant health, social and economic impacts beyond any one single country or region. National health capacities and measures alone can be insufficient—as evidenced in the current pandemic as well as past health emergencies. In this context, global health functions or interventions address important needs that cross national

Summary

The COVID-19 pandemic has exposed inadequacies in health systems worldwide. As countries plan for recovery, attention should be paid not only to the strengthening of health systems at the national level, but also at the global level through investing in global public goods for health. International solidarity and multilateral support are needed to forge a stronger global health system. They are a vital part of the crisis recovery process to build a future resilient against epidemics, pandemics and other health challenges in a globalized world.

In economics, public goods are those for which access cannot be denied to any individual (non-excludable), and where usage by an individual does not reduce availability for others (non-rivalrous).

One such reference is the World Health Organization’s Common Goods for Health framework. See https://www.who.int/health-topics/common-goods-for-health.
boundaries, generating large societal benefits for all countries and their citizens. However, not only are the markets unable to sufficiently provide such functions, so too has collective action to do so among countries been lacking.

The state of underinvestment in global health functions can be seen in the 2014-2016 Ebola epidemic in West Africa: there was no rapid diagnostic test, treatment or vaccine, and surveillance and preparedness systems were found inadequate (Yamey and others, 2019). The episode illustrated how the world was unprepared to deal effectively with epidemics and pandemics, and other large-scale health challenges that might emerge in the future.

Likewise, the global response to COVID-19 thus far has been hampered by years of underinvestment in the global health system. Studies indicate that only about a quarter of all donor financing for health is directed to global health functions (Schäferhoff and others, 2019). In 2017 this amount stood at $7 billion (out of a $24 billion total in donor health financing), but conservative estimates point to the need for an additional $9.5 billion annually (Yamey and others, 2019). Such figures are dwarfed in comparison to the magnitude of damages and far-reaching impacts that can result from major global health emergencies. Even prior to the current pandemic, a 2018 study had estimated expected annual losses from pandemic risk alone at $500 billion, or 0.6 per cent of global income (Fan, Jamison and Summers, 2018). For a world economy grappling with the devastation of COVID-19, the IMF forecasts a 4.9 per cent contraction of global GDP in 2020, while UN (2020) projections estimate that output losses over 2020 and 2021 could amount to $8.5 trillion, wiping out the cumulative gains of the previous four years; this is on top of the loss of over half a million lives so far.

Against the backdrop of COVID-19 and the experiences of past outbreaks, there is clear evidence of a dire need for global public goods in health. More robust surveillance and preparedness systems, for instance, will greatly aid the containment of outbreaks, particularly across borders. Stronger global institutional structures facilitate inter-country coordination and mobilization of resources, and are vital in reducing time delays between the onset of an emergency and the rolling out of international response measures. Global information sharing and resources for disease research can help plug knowledge and treatment gaps, especially in areas persistently unaddressed by the markets.3

The benefits of coordinated global action to supply global public goods in health will accrue to all, and will be more efficient and less costly for each country than if individual countries or regions were to produce them alone. While application in the arena of communicable diseases is most visible given the current context, these goods greatly complement domestic health systems in combatting illnesses and improving overall human health, and thus also play a significant role in the achievement of Sustainable Development Goal (SDG) 3 on health.

INTERNATIONAL SOLIDARITY AND MULTILATERALISM AS THE WAY FORWARD

Even as COVID-19 continues to unfold, the world must learn from its lessons—and those of past health emergencies—and come together in solidarity to forge a stronger global health system as we strive to build a more inclusive and resilient future. Doing so will entail the enhancement of global health functions including—but not limited to—those vital to the control of epidemics and pandemics, as well as their diagnosis and treatment. Most immediately, international cooperation should facilitate public access to data and research on COVID-19, and seek to ensure accessibility and affordability for all once a vaccine is available.

Indeed, there is a rising call for making the successful COVID-19 vaccine a global public good. Given how easily COVID-19 spreads across national boundaries, and analysis based on real-time US data showing how health concerns continue to undermine the effectiveness of stimulus measures and easing of lockdowns4, a safe and effective vaccine seems to be the key to economic recovery and an arrest of the reversal of progress in many SDGs. In June, Gavi (a global public-private health partnership) launched the Advance Market Commitment for COVID-19 Vaccines, a financing instrument incentivizing manufacturers to produce sufficient vaccine quantities and ensure equitable access for developing countries.5 Multi-stakeholder support for the initiative will mark an important contribution toward making the eventual vaccine a global public good.

Strong, clear commitment from the global community is required also to secure financing for global public goods in health for the long-term, beyond the immediate recovery period. This should be part and parcel of a strategy for a better recovery from COVID-19. In the wake of the Ebola outbreak, international donor financing for

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3 For example, no vaccine was available at the point of the Ebola outbreak in 2014, almost 40 years after the discovery of the virus.

4 For example, see Chetty and others (2020).

global health functions increased, but was not sustained over time (Schäferhoff and others, 2019). The world must avoid a repeat of this mistake, and move toward regular, sustainable funding arrangements. As we embark on the Decade of Action for delivering the SDGs for all, increasing investment in global public goods for health should be a priority.

Given its mandate, the World Health Organization is well placed to serve as the multilateral platform for countries to collaborate on and coordinate the way forward for the future of the global health system, and to provide leadership and stewardship. Mechanisms, such as resolutions through the World Health Assembly, are already available as a means for the global community to solidify commitments and devise arrangements for cooperation. The organization itself has been responsible for the provision of important global health functions, and global public goods for health are a foundation of its work programme for 2019-2023, with one of its key focuses being on knowledge generation and sharing – an area highly relevant in the fight against COVID-19.

At the same time, it must be noted that multilateral action to reinforce the global health system should involve more than state actors and inter-governmental organizations to encompass all stakeholders, including the science community, the private sector and civil society. Such partnership is particularly critical in the development of treatments and vaccines, for efficiency in research and production as well as for ensuring accessibility and affordability for all countries and all people. Collaboration across all levels will also better enable cohesion and accountability, not least in the following through of commitments to improve and finance global health functions, and in the utilization of those functions as well as coordination of international health responses. Ultimately, stakeholders have to view themselves as an integral part of a global community, where individual decisions and actions can impact transnational health vulnerabilities and outcomes for all.

When available and working well, global public goods in health may appear invisible to most of us. Their absence, however, will be keenly felt, especially in times of crisis. Only through a concerted effort as a united, global community, can the world overcome COVID-19 and pave the way for a healthier, more sustainable future, in a world that is more resistant to epidemics and pandemics and more resilient in the face of these and other health challenges.

REFERENCES


