



REBIRTHING THE  
GLOBAL  
ECONOMY

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# REBIRTHING THE GLOBAL ECONOMY: INSIGHTS FROM LEADING WOMEN THINKERS ON TRANSFORMING THE WORLD

NEW YORK, 1 JULY 2020

Leading women economists from around the world converged virtually at the United Nations to address the global economic fallout of the COVID-19 crisis and offer people-centred solutions for achieving meaningful, lasting and transformative progress.

Their roundtable, convened by **United Nations Secretary-General António Guterres**, is the first in a series on “Rebirthing the Global Economy to Deliver Sustainable Development.”

Addressing participants, the Secretary-General called the pandemic “the first development emergency that I remember,” and warned of devastating social consequences. “We need concrete, radical and implementable solutions,” he said, expressing hope that the roundtables would yield game-changing ideas.

With the crisis forcing a digital shift, a number of the economists advocated investments in closing the digital divide in order to reap benefits across education, health and innovation.

Empowering people to drive progress emerged as a key theme of the discussion, with many advocating a move away from older, piecemeal approaches to development and toward more comprehensive and effective interventions that can re-shape the global economy. Economists emphasized the value to be gained by investing in women, pointing out that their families and societies as a whole would benefit.

A number of experts agreed on the need to attach conditions to stimulus funds and debt relief, for example to incentivize environmental sustainability and gender equality. There was widespread consensus that crisis response must be linked to policies for building back better. The economists

also called for bold and imaginative approaches to prevent a debt crisis, agreeing on the need to free developing countries from the vicious cycle of desperate dependence on external help for more loans, trade and development.

Today’s event was moderated by British journalist **Zeinab Badawi**, who called on participants to “reimagine, rebuild and rethink how we can build back better through the lens of inclusion and sustainability.”

Indonesia’s Minister of Finance, **Sri Mulyani Indrawati**, who co-convened the roundtable, called for greater attention to digital infrastructure, citing her personal experience of successfully working from home for four months as evidence of the value of optimizing online solutions. “This pandemic is attacking the 3 Ps – people, prosperity and partnerships. Many countries are going to lose the progress they made in reducing poverty in the past two to three decades,” she said, pointing out that those hit hardest by the pandemic should benefit most from interventions to address it.

The United Nations Deputy Secretary-General, **Amina J. Mohammed**, said women challenging the status quo and lending credibility and leadership were indispensable to shaping a more sustainable and fair future. She agreed on the need for external financing. “Investments need to land on the right side of history,” she stressed. “The new global economy must be based on sustainable production and consumption.” There was no model to respond to this unprecedented crisis, she said, calling for a new paradigm that puts people and the planet at the centre. She pointed to the challenges facing today’s young people and called for reshaping the global economy to secure their future.

“A crisis like no other requires a response like no other,” said **Kristalina Georgieva**, Managing Director of the International Monetary Fund (IMF), in a message to the event. She said the world will have to return to strong growth and create millions of jobs through low-carbon, climate-resilient investments that would drive a more equitable and inclusive future.

“The worst is behind us and hardest is yet to come,” said **Christine Lagarde**, President of the European Central Bank. She underlined that the current moment could be bleak or transformative. This

was a time for rational intelligence but also emotional intelligence.

**Mariana Mazzucato**, Professor in the Economics of Innovation & Public Value at University College of London, pointed out that there was no lack of financing. The focus should be on the allocation of resources as well as the type of finance to long-term innovation. To “walk the talk on the Sustainable Development Goals” (SDGs), she called for increased conditionalities on bailouts and investments to achieve industrial transformations.

**Leila Fourie**, CEO of the Johannesburg Stock Exchange, echoed the view that the crisis was not one of funding availability but rather how those funds were allocated. Sustainable development must be linked to international finance in order to achieve economic recovery. The challenge was to achieve sustained growth while addressing inequalities, she said.

**Antoinette Sayeh**, Deputy Managing Director of the IMF, agreed that the issue was where to allocate money and emphasized the importance of spending to help the neediest people, accompanied by strong measures to ensure accountability. The repair to economies would be “long in coming and very difficult,” she warned, calling for a focus on building back better.

**Naila Kabeer**, Professor of Gender and Development at the London School of Economics, said the focus on building physical infrastructure lost the important point made by feminist economists who had called for investments in social wellbeing. She emphasized the value of building jobs that contribute to health, education, care and skills. Stimulus should be viewed through the lens of the key assets that people bring to their livelihoods. “Can we not just always go back to old solutions?” she asked. “Can we think of the future like investing in people’s skills and human capabilities?”

**Vera Songwe**, Executive Secretary of the United Nations Economic Commission for Africa (ECA), agreed that the central question was where to allocate resources and said the point was to create real value, not just paper value. There were more than enough resources; the issue was what to use them for. Beyond safety nets, she called for investments to empower people. “I would rather they give us energy so we can actually be innovative.”

Financing should not keep people poor.

**Stephanie Kelton**, Professor of Economics and Public Policy at Stony Brook University, decried “this idea that somehow we are doing all we can to assist developing countries by providing them a vehicle primarily through exports through which they can earn a foreign currency, which they turn around and hand to creditors in service of perpetual debt.” Providing financing was part of what needed to be done, but in addition the developed countries should make non-financial commitments to the rest of the world, she said.

**Caroline Freund**, Director at the World Bank, said this was a crisis like no other, poised to cause a more than 5 percent decline in global GDP. The recession was both deep and broad-based. She called for reforms around trade, investment and climate. Many countries could stimulate growth and serious reforms. Countries were now competing for foreign investment.

**Bogolo Joy Kenewendo**, former Minister of Investment, Trade and Industry of Botswana, said COVID-19 had forced people to start thinking about the new world and the new normal which called on all to drive digitalization and recognize it as a more efficient way of delivering services and transforming economies. The budgets for ICT infrastructure and policymaking were both too low. “We need to reform that as we are thinking about building back stronger because stronger for us will need certainly to have digital infrastructure in place.”

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## “A crisis like no other requires a response like no other”

**KRISTALINA GEORGIEVA**  
MANAGING DIRECTOR OF THE  
INTERNATIONAL MONETARY FUND (IMF)

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# UNITED NATIONS



1<sup>ST</sup> JULY 2020

MODERATOR: ZEINAB BADAWI  
@TheZeinabBadawi

VERA SONGWE  
CUT OUT THE MIDDLE PERSON  
MAKE THINGS LOCALLY

THERE IS MORE THAN ENOUGH FINANCE OUT THERE. WE CAN FIND IT OR CREATE IT... BUT WHAT FOR?

IN THE LONG TERM ASSET TRANSFER IS PART OF THE SOLUTION  
SHORT TERM = CASH TRANSFER

MINOUCHE SHAFIK



THE WORLD CAN BE WISER + STRONGER



NGOZI OKONJO-IWEALA

MARIANA MAZZUCATO

COVID-19

LEILA FOURIE  
HOW CAN WE CREATE SUSTAINED GROWTH AND ADDRESS INEQUALITY

ANTOINETTE SAYEH

Visual Notes  
@Chrisgadbury

ECONOMY MUST BE DESIGNED AROUND THE PLANET

WE NEED COOPERATION IN RAISING TAXES FOR CORPORATION

CAROLINE FREUND

KATE RAWORTH  
FINANCIAL DEBT  
ECOLOGICAL DEBT

SRI MULYANI INDRAWATI  
INDONESIA SETBACK 5 YEARS IN POVERTY REDUCTION

WE NEED TO ADDRESS THE CLIMATE CRISIS & OTHER GLOBAL CHALLENGES

ANTONIO GUTERRES  
SECRETARY GENERAL  
MANY COUNTRIES ARE FACED WITH AN IMPOSSIBLE CHOICE BETWEEN SERVING THEIR DEBT OR PROTECTING THEIR MOST VULNERABLE COMMUNITIES

INEQUALITY MEANS SOME NATIONS ARE MORE VULNERABLE!

HOW DO WE CREATE VALUE IN OUR COUNTRIES, CREATE JOBS + NOT EXPORT JOBS OUTSIDE?



THERE'S NEVER REALLY BEEN A LACK OF FINANCE. IT'S WHAT FINANCE HAS BEEN DOING AND WHERE IT'S BEEN GOING.

AMINA J. MOHAMMED

BOGOLO JOY KENEWENDO  
THE NEW GLOBAL ECONOMY MUST BE BASED ON SUSTAINABLE CONSUMPTION & PRODUCTION

NAILA KABEER

A RISE IN INEQUALITY  
A RISE IN DEBT  
A RISE IN UNEMPLOYMENT  
MORE THAN TEN MILLION CASES!

MORE EMPHASIS ON BUILDING JOBS THAT CONTRIBUTE TO HEALTH + EDUCATION + CARE + SKILLS

IT IS NOT ENOUGH TO HAVE AVAILABILITY OF FINANCING  
WE NEED TO BUILD BACK BETTER!

REBIRTH

MONEY SHOULD BE SPENT CAREFULLY TO ENSURE IT HAS THE GREATEST IMPACT ON IMPROVING THE LIVES OF THOSE FALLING FURTHEST BEHIND  
WE MUST PUT GREEN ABOVE ALL ELSE  
SOLIDARITY MUST BE A KEY PRINCIPLE

PRESERVE THE W.T.O. ENSURE EFFECTIVE + MEANINGFUL REFORMS

A CRISIS LIKE NO OTHER REQUIRES A RESPONSE LIKE NO OTHER. THAT MEANS TAPPING IN TO YOUR TALENT

KRISTALINA GEORGIEVA

STEPHANIE KELTON  
• DEMAND STRICTER ECOLOGICAL STANDARDS  
• ENSURE ROBUST LABOR PROTECTIONS  
• SHARE GREEN TECHNOLOGIES  
• HELP DEVELOP FOOD + ENERGY TECHNOLOGY

CHRISTINE LAGARDE

THE WORST IS BEHIND US AND THE HARDEST IS YET TO COME.

## REBIRTHING THE GLOBAL ECONOMY TO DELIVER SUSTAINABLE DEVELOPMENT

ALICIA BARCENA

RESET CAPITALISM PROVIDE DIRECTION TO FINANCING DEBT

QUALITY OF SPENDING  
GOOD EDUCATION SYSTEM  
GOOD HEALTH SYSTEM

DIGITAL INFRASTRUCTURE CRITICAL

WORKING + SCHOOLS FROM HOME → INVEST IN THIS

• PEOPLE  
• PROSPERITY  
• PARTNERSHIP

HOW TO REBIRTH THE ECONOMY?

TIME TO PAY BACK

I CAN'T... YOU SORT OF KILLED THE PLANET

NO FERTILE SOILS  
NO MONSOON RAIN  
NO STABLE CLIMATE





**Kate Raworth**, Senior Associate, Environmental Change Institute, Oxford University's Environmental Change Institute, said the current financial system was predicated on the idea that finance would reap financial returns, accumulating endlessly, yet planetary and human health depended on balance. Finance was a human construct, she noted. "Finance is currently in service to itself. It must be put in service to humanity and a thriving planet."

**Minouche Shafik**, Director at the London School of Economics, said advanced economies had been able to break all rules in terms of debt accumulation with unprecedented spending, while most developing countries lacked the capacity to respond at that scale.

On the topic of debt, Ms Shafik added that a debt-servicing moratorium and debt relief would be the quickest ways to enable poor countries to respond to the crisis. The question was how countries would pay back debt, whether by austerity, growth or a financial intervention. Most countries employed a mix, but growth was the best way to secure progress. Increasing growth by a little could make a huge difference, she said.

**Stephanie Kelton** described a vicious circle or "treadmill" which poorer countries entered by borrowing and then facing the impossible choice of servicing their debt or investing in their future. Instead, she called for a new Marshall Plan whereby developed economies would replace the existing model of lending to reach out with increased amounts of aid to developing countries.

**Mariana Mazzucato** pointed out that when discussing debt, one critical aspect was private debt which has reached record highs in some developed economies. In others, public debt-to-GDP ratio has increased only because GDP has stagnated due to a failure to invest in education and other drivers of long-term growth.

**Kate Raworth** added another type of debt which had not been discussed: ecological debt. By living beyond planetary boundaries, wealthier countries are accumulating an ecological debt towards poorer countries which will not have the ecological foundation upon which to build their own wealth.

**Naila Kabeer** called for greater coherence between economic and social policies, arguing that the transfer of economic assets to the poor is insufficient. Instead, it should be combined with sound social policies conducive to easier access to health, education and jobs.

The third topic of discussion in the round table was trade. **Vera Songwe** urged stakeholders to remove every intermediary from supply chains so that profits could go straight to producers of primary commodities who are mainly located in developing countries. Likewise, supply chains should be rewired so that added value is retained in the countries which produce these commodities.

**Caroline Freund** expressed concern about falling levels of trade in the wake of the pandemic, citing a 20% drop in April 2020 alone. She called for greater cooperation and for barriers to trade to be removed as poorer countries would be most affected.

**Bogolo Kenewendo** added that an international agreement needs to be reached that would remove existing protectionist policies. The World Trade Organization should take the lead and initiate meaningful reforms in this respect. She also urged countries to make cash transfers to small and medium enterprises which had been the worst hit by the crisis, pointing out that in Africa, many of these companies are headed by women entrepreneurs.

**Ngozi Okonjo-Iweala**, the African Union Special Envoy to Mobilize International Economic Support for Continental Fight Against COVID-19, pointed out that if countries on the continent could be freed of debt, they would have \$44 billion more in their hands to use to buy medical supplies and emerge stronger from economic stress. Trade should be at the service of those at the bottom of the ladder of countries, she said.

**Alicia Bárcena**, Executive Secretary of the United Nations Economic Commission for Latin America and the Caribbean (ECLAC), supported "good conditionality, not austerity conditionality." She joined others in calling for investments in the grassroots economy. She also agreed on the need for real value as opposed to simply paper value. "We are not going to get out of this with austerity; we are with a new trade environment."

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# "I am confident that we are crafting the solutions we need to build back a stronger, more resilient, more equal, inclusive and sustainable world as overcome the COVID-19 crisis and achieve the SDGs"

DEPUTY SECRETARY-GENERAL **AMINA J. MOHAMMED**

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"There are more than enough financial resources going around, but we need new conditionalities towards sustainability and creating value in the real economy," Deputy Secretary-General **Amina J. Mohammed** said at the conclusion of the discussion. She stressed that debt relief should be linked to commitments to recover better, incentivize industrial transformation and invest in a sustainable, low-emissions and resilient future. She also said trade should serve producing countries – and digitization can facilitate that.

"Let us not repeat the same defunct theories that let the poor and vulnerable drown," she said.

The next roundtable, featuring a number of young women economists, will be held in early September. Meanwhile, discussion groups are compiling policy options to be considered by Ministers of Finance and Heads of Government later this September.

"I am confident that we are crafting the solutions we need to build back a stronger, more resilient, more equal, inclusive and sustainable world as overcome the COVID-19 crisis and achieve the SDGs," said the Deputy Secretary-General.

