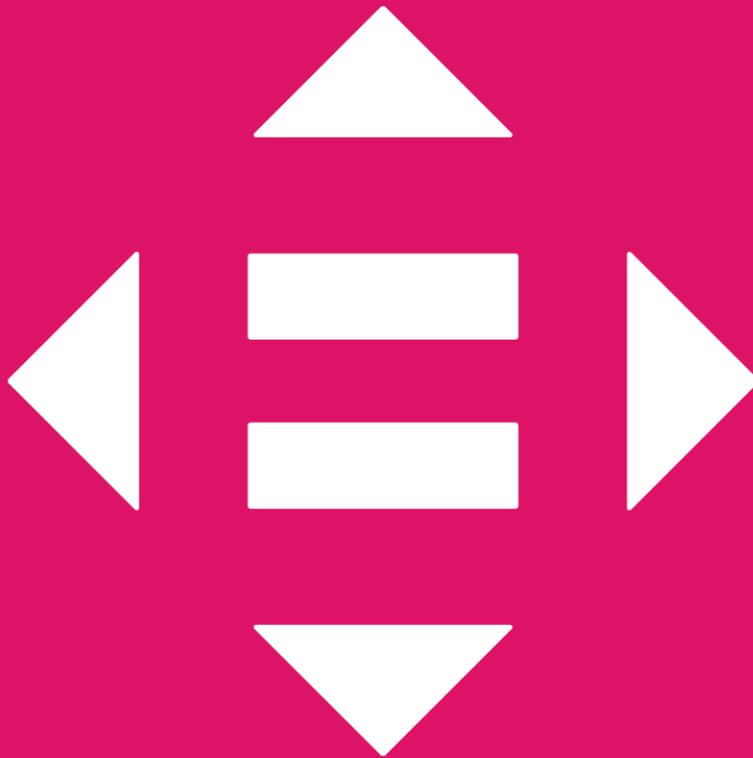


10 REDUCED INEQUALITIES



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17 ROOMS GLOBAL FLAGSHIP
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This year, Room 10 brought together academics, policy strategists, and practitioners to identify and put forth fresh arguments for achieving COVID-19 vaccine equity. This document is a joint position paper capturing their discussions.

Are all lives truly created equal? Why apathy regarding vaccine inequity is reckless

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Vaccine inequity unveils systemic inequality and leadership failure exposed by the pandemic.

The COVID-19 pandemic and the (in)actions of the international community, individually and collectively, have exposed the deep and systemic inequalities and fractures nationally and globally. With some notable exceptions, they also exposed the grave failures of leadership at all levels that paralyzed effective responses and delayed recovery.

The most striking example was the grossly unequal access to vaccines throughout the world, which unveiled the deeper issues of global injustices and failure of global governance and imagination. Vaccine inequity deepens the rift between the wealthy and healthy few and the poor and impoverished many.

As of [September 25](#), 44.4% of the world population has received at least one dose of a COVID-19 vaccine; 6.11 billion doses have been administered globally, but only 2.2% of people in low-income countries have received at least one dose.

This gaping inequity is dramatically narrowing the options for recovery and worsening the ability of those devastated by the pandemic to recover.

While billions in the South, especially health care and front-line workers, remain unvaccinated, the advanced economies are vaccinating children and rolling out booster shots, despite the [WHO call for a moratorium](#). We know why vaccine allocations are unjust. On one level, rich countries have been hoarding vaccines, contributing meagerly to the COVAX facility, withdrawing from COVAX, creating unaffordable pricing for developing countries, and allowing chaotic distribution based on bidding to suppliers and politics, as opposed to epidemiological needs.

At another level, a handful of wealthy countries resist waiving IP restrictions and transferring vaccine technologies and know-how. Combined with still-limited manufacturing capacity outside the rich countries these actions deepen structural vaccine inequality. This growing chasm between vaccinated people in the North and those in the South gives the coronavirus time and opportunity to spread and mutate. To call that “no-one is safe until everyone is safe”, is not a platitude, it’s a reality.

All efforts to address vaccine inequity have the same fundamental obstacle: lack of enlightened leadership—national and global, public, and corporate. Those in positions of great power and authority have advanced narrow national or financial interests, rather than caring and sharing to address the common fate of their own populations as well as all humanity. Too much blah blah about global collective interests, but more act in very narrow self-interest. In the age of pandemics and global shared fates, narrow self-interest is self-defeating.

This lack of global leadership is holding back progress on climate change and other pressing global challenges. Over a decade ago, wealthy countries committed to provide \$100 billion in climate finance annually for developing countries but this has yet to be achieved. In 2019, the amount committed was just under [\\$80 billion](#). Over the past 18 months, these countries mobilized [\\$17 trillion](#) in emergency economic response but cannot meet their commitments to ensure equitable vaccine procurement and distribution. This gap between commitments and action says it all about the vaccine inequity.

The harsh reality is that international development assistance is crisis-driven and politicized. Political leaders think in the short-term for re-election, whereas long-term investment is critical for addressing the capacity to address planetary interconnected problems. Pandemic preparedness requires a system of development finance based more squarely on [Global Public Investment](#). We must fairly and proportionately share the rights and responsibilities of investing in essential global public goods, services, and infrastructure across countries in an ongoing sustained manner.

Who are the leaders who can make a difference?

All political leaders can make a difference. But the geopolitical reality is that leaders of the most important economies in the global North, the G-7, China, and Russia, have a particular responsibility. Some have made vaccine donations to the global South but not on the scale required, while still vaccine hoarding and refusing to use their clout in ways to expand the “pie” for vaccine production. Over 100 leaders, almost entirely from low- and middle-income countries, have advocated for a temporary waiver of certain sections of the World Trade Organization Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) to enable countries to manufacture vaccines without enforcing certain IP obligations, among others. But Germany, the United Kingdom and the European Union, as well as a handful of other advanced economies, have ignored this option. The U.S.’s historic announcement that it would support a waiver has regrettably not been followed by robust engagements in negotiating a text at the WTO or placing pressure on allies.

Leadership is linked to accountability. When the connection between leaders and democratic interests is broken, people feel voiceless and countries face a crisis of legitimacy. The majority is becoming more aware that the concentration of private wealth and power has become so extreme that the leaders are beholden not to the many, but the few vested interests. Elites have a disproportionate voice and

influence on political decisions, that are not well aligned with the rest of humanity's interests. Ironically, capital markets have continued to soar even as swathes of populations across North and South face loss of livelihoods, as well as basic unmet needs, such as food, housing, health, and jobs.

Covid made this legitimacy crisis even worse, with perceptions that most governments are unable to address urgent challenges. Paradoxically, that has pushed governments to respond with immediate, populist decisions that may appear as protecting their own citizens when in fact they are making things worse—even if measured by self-interested standards.

Ethics versus self-interest in a globalized world

Strong ethical arguments have been made by the WHO and U.N. leaders, human rights bodies, African leaders, academics, and civil society activists about the responsibility of rich countries to provide assistance to poorer countries, to ensure that vaccines are distributed equitably, and to ensure that their actions do not impede a fairer system of production and distribution of vaccines. However, the pandemic has revealed that solidarity fails in times of scarcity, just when it is most needed as vaccine scarcity endangers the whole world.

The case for leaders of wealthy countries to act and not just talk is overwhelming. The cost-benefit analysis is clear: a May 2021 [IMF staff note](#) calculated that it would cost \$50 billion to vaccinate at least 40% of the world population by the end of 2021 and at least 60% by the first half of 2022. The potential benefits of a faster end to the pandemic were estimated to be approximately \$9 trillion. Moreover, the IMF estimates that advanced economies would benefit from an additional \$1 trillion in tax revenues.

These projections should be taken to heart by institutional investors as well as governments. Failure to act is likely to incur greater economic costs in the medium term.

Vaccine inequity and the continued use of confinement, movement restrictions, and shuttering of employment in certain sectors also has a national security cost, with [reports](#) over the last year of a rise in the number of demonstrations and violence in both developing and developed countries.

Ways forward

Leaders could take several short-term concrete steps, based on enlightened self-interest, to combat the urgent problem of vaccine inequity and in the longer term to help address broader inequalities

In the short term, in order to achieve 40% vaccination rates around the world by December 2021, the following actions should be taken:

1. Supply and distribution of vaccines must be ramped up.
2. Steps to decentralize manufacturing, such as the [announcement](#) of the establishment in WHO-South Africa mRNA technology transfer hub that will allow for greater and more diversified vaccines manufacturing capability, must be accelerated, including by participation of companies with advanced mRNA technology.
3. Leaders in developed countries should delay booster shots. Enabling people in the Global South to be vaccinated will have a larger positive impact on the spread of the virus by reducing

mutations than booster shots that only increase antibodies marginally in those already vaccinated. The U.S. administration has a central role to play by using the Defense Production Act to ramp up global manufacturing of vaccines by requiring pharmaceutical companies to accept technology transfer contracts and distribute know-how in exchange for reasonable compensation.

4. The COVAX facility's structure which was set up as emergency response mechanism, should be reviewed and reformed in order to establish a permanent mechanism that is based on global public investment in pandemic preparedness and response, including health system strengthening. And financing for national preparedness plans and primary health care systems should be provided, ideally through established mechanisms.
5. One of the key financial constraints poorer countries experience is the impact of extraordinary expenditure on their credit ratings and investment prospects. One option could be to use a large share of the \$650 billion in SDR quotas for the benefit of poorer countries which have very small IMF quotas. Rich countries (OECD members or countries with a per capita income higher than \$20,000) should pledge to commit at least 30% of their IMF quotas to helping deal with Covid and the macroeconomic effects of COVID-19 in developing countries, with coordination by the IMF. Such reallocation of SDRs to poorer countries should be additional to their existing development aid commitments.
6. The pandemic showed that regional organizations such as the African Union can play an important complementary role in fighting the pandemic, especially when working together with regional health organizations such as the African CDC. Regional organizations in the Global South should assess their response to the pandemic and together with multilateral development banks, international financial institutions and development partners with a view to addressing the gaps in regional responses and the strengthening of related institutions.
7. The political and economic costs of inaction must be made very clear. Doing so means focusing on those who can make a difference. First, institutional investors need to understand the significant financial risk of continued vaccine inequity. They can be important partners in the struggle for vaccine equity. Second, the boards of big pharmaceutical companies also have a moral responsibility to shape those companies' engagement on vaccine manufacturing, prices and distribution in a way that responds to the calls for vaccine equity.

These actions require bold decisions that move beyond the confines of short term self-interest.

If the world's political and corporate leaders act now on vaccine inequity, the world will be in a much better place to respond to the world's most pressing collective problems. Failure to respond to this crisis portend even greater calamities ahead.