



This is not the time to let the market decide

When it comes to crucial medical supplies, cooperation, not competition, will save lives. History shows that it works

By [Jamie Martin](#) | 17.04.2020



Ford begins production of respirators, ventilators and face shields for health workers

One symptom of the coronavirus pandemic has been an explosion of economic nationalism around the world. Many countries, including the United States and members of the European Union, have **erected** export controls to prevent scarce goods like protective masks, gowns, gloves, ventilators and testing kits from being sold abroad. And **global competition to purchase these goods** is playing out like the plot of a bad action movie with **accusations that planes** full of Europe-bound masks have been diverted at the last minute to the United States. A German official has accused the United States of ‘modern piracy.’

This competition threatens to raise the prices of these goods to dangerous levels — or make it impossible to procure them at all. In early February, Tedros Adhanom Ghebreyesus, the director general of the World Health Organization, warned that prices for some protective equipment had risen to 20 times their normal amount. As the coronavirus continues to spread, this situation will become particularly dire for countries that cannot afford to keep pace.

In Brazil, which is facing a serious outbreak of the virus, widespread testing has been **held back** by a shortage of necessary chemical reagents, as global supplies are bought up by much richer countries like the United States. The situation is even worse in Africa: The **Central African Republic**, one of the world’s poorest countries, is estimated to have only three ventilators available for a population of more than four million. In Liberia, there **may be** none. In some African countries, officials are **paying** 10 times the normal amount for expired protective masks — if they can find them at all.

It has become common in recent weeks to invoke World War II in the fight against the coronavirus, in particular **wartime industrial mobilisation**. But to solve the most pressing problems — and save the

most lives — it may be more helpful to look to another wartime example.

International coordination during World War I

During World War I, the Allies faced a similar problem: Shortages for key goods were being exacerbated by uncontrolled international competition on private markets. Even as the Allied countries fought a shared enemy, the Central Powers, they competed to purchase goods they needed — such as wheat and various raw materials — from abroad, needlessly complicating their joint war effort. The shortages got so bad by 1917-18 that some officials in the European Allied countries thought that it threatened them with outright defeat, as their war economies teetered on the brink of collapse and their civilian populations grew exhausted.

To solve this problem, the Allies [created a series of institutions](#) that could make joint purchases of scarce goods at fixed prices, pool them and allocate them according to need, and arrange their shipping. The two greatest capitalist powers in the history of the world, the United States and Britain, effectively agreed to suspend the free working of the laws of supply and demand in global markets to ensure that goods were provided to whichever country was facing the worst shortages — not whoever could pay the highest prices. After the war, [many recognised](#) that this system of international coordination was critical to the Allied victory.

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The success of this wartime supply system also showed how powerful international cooperation can be during a global crisis. It was no coincidence that several of the officials who had run this system moved into powerful positions [at the League of Nations](#) after the war and one later helped to found the European Union. The League of Nations pioneered some of the earliest forms of international cooperation in matters of [public health](#), [economic policy](#) and the policing of contraband. The collapse of this international cooperation in the 1930s left the world unable to mount an effective response to the Depression and the coming war, though these efforts did lay [important foundations](#) for the creation of bodies like the United Nations.

An improvisation for preventing needless competition among countries facing a common enemy, in other words, helped give rise to the world's first real experiment in global governance. Could we do it again?

The coronavirus might force the hand of nationalist leaders

To beat the coronavirus, we need to empower international bodies with the resources necessary to ensure that every country has the supplies it needs to deal with the pandemic. In a highly unequal world economy, this will require some form of global redistribution, because uncontrolled markets for these goods are leading to catastrophe for those countries that cannot afford their grossly inflated prices.

Individual philanthropy will never be large enough to meet the world's needs, while the unilateral provision of aid by the Chinese government is already leading to a backlash in many countries, as fears

mount that it is being used to buy influence. Nationalist solutions risk leading to a spiral of retaliation, as one country after another erects export controls, making it difficult for any to guarantee access to goods produced beyond its borders, while doing little to address the fact that an outbreak in one corner of the earth threatens to spread to others.

To be sure, a broad international effort to procure and distribute scarce goods is difficult to imagine in the era of Brexit and the US-China trade war, particularly as the Trump administration promises to suspend funding for the WHO. Meanwhile, other international bodies, like the European Union, are struggling to mount a collective response to the economic crisis.

But times of global emergencies can often be when it becomes clear that international institutions offer the only effective means for dealing with them. During World War I, President Woodrow Wilson, already nervous about involving the United States in European alliances, was reluctant to create an inter-Allied supply system that he feared could threaten American sovereignty. But the needs of the war forced his hand. Even the most nationalist leaders today may soon realise that in a highly interdependent world, having effective forms of international governance can help keep their countries safe.

Some are predicting that the coronavirus crisis will end [globalisation](#), as countries erect tighter controls over the movement of goods and people and [attempt](#) to bring home supply chains once moved offshore. But the choice doesn't have to be one of a return to business as usual or a further slide into nationalism. The crisis provides an opportunity to show that global collective-action problems, like controlling a pandemic or dealing with climate change, can be solved only through ambitious forms of international cooperation — and that leaving the global allocation of goods to the market alone can be a matter of life and death.

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