

# Chapter 7

## All-Hands-On-Deck!—How International Organisations Respond to the COVID-19 Pandemic



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**Abstract** The COVID-19 pandemic is affecting all countries. Since the World Health Organization declared the COVID-19 outbreak a Public Health Emergency of International Concern on 30 January 2021, governments across the world have mobilised on a tremendous scale and put in place different policies to contain the spread of the virus and its negative effects on society. International organisations have supported these efforts through evidence-based policy recommendations and emergency financing packages. This chapter presents a brief overview of the responses

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Gustavo Demarco—Disclaimer: Views in this paper do not represent the official views of the World Bank. “All possible errors, mistakes, and shortcomings are the authors’ own” would be a disclaimer for all authors. Kristoffer Lundberg—Disclaimer: Views in this paper do not represent the official views of the Swedish Ministry of Health and Social Affairs nor the Swedish Government. “All possible errors, mistakes, and shortcomings are the authors’ own” would be a disclaimer for all authors.

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made by international organisations and European Union towards COVID-19. Special attention is given to the guidance of these organisations on the changes in social insurance and pension plans to protect the most vulnerable population groups.

## 7.1 Introduction

On New Year's Eve 2019 the World Health Organization's (WHO) Country Office in the People's Republic of China picked up a media statement posted by the Wuhan Municipal Health Commission from their website mentioning 27 cases of a new "viral pneumonia" in Wuhan, People's Republic of China, see WHO (2020a), European Centre for Disease Prevention and Control (2021). The WHO officials at the Country Office took immediate action and notified the International Health Regulations (IHR)<sup>1</sup> focal point in the WHO Western Pacific Regional Office about the media statement of the pneumonia cases and provided a translation of it from Chinese to enable further dissemination. WHO's Epidemic Intelligence from Open Sources (EIOS) platform also picked up a media report on ProMED (a programme of the International Society for Infectious Diseases) about the same cluster of cases of "pneumonia of unknown cause", in Wuhan, China (ibid). This promoted a reaction from several health authorities around the world and they, in turn, contacted the WHO seeking additional information, see WHO (2020a). This was the first time the world got to know the virus, Severe Acute Respiratory Syndrome Coronavirus-2 (SARS-CoV-2), that would be associated to cause the disease known as COVID-19 and the pandemic that it would cause.

On 30 January 2020 the WHO Director-General Dr. Tedros Adhanom Ghebreyesus<sup>2</sup> declared the COVID-19 outbreak a Public Health Emergency of International Concern WHO (2021a). This is the WHO's highest level of alarm, and it is a rallying call to all countries to immediately take notice and to act (ibid). As described in Chapter 1, many governments took drastic measures, such as lockdowns, to tackle COVID-19 and launched economic support package to protect the vulnerable groups. Every country response to fight this pandemic has been different, as shown in Fig. 7.1, with some implementing stricter measures earlier than others depending on the health and financial concerns, and public willingness to comply with measures, amongst others. However, in general, the measures taken by individual governments have proven to be inadequate at safeguarding the lives and livelihoods of vulnerable groups.

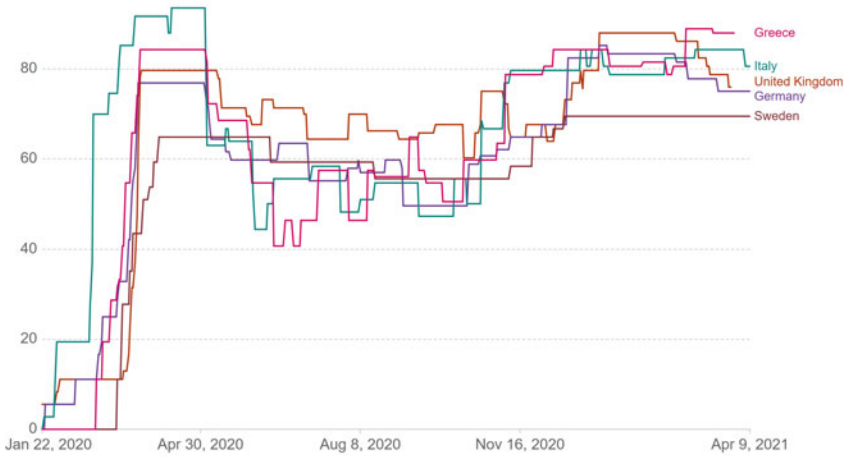
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<sup>1</sup> The International Health Regulations (IHR) are a legally binding instrument of international law that aims for international collaboration. The IHR is the international legal treaty which empowers WHO to act as the main global surveillance system.

<sup>2</sup> Dr. Tedros Adhanom Ghebreyesus is an Ethiopian biologist, public health researcher, and official. He has since 2017 served as Director-General of WHO.

### COVID-19: Stringency Index

This is a composite measure based on nine response indicators including school closures, workplace closures, and travel bans, rescaled to a value from 0 to 100 (100 = strictest). If policies vary at the subnational level, the index is shown as the response level of the strictest sub-region.



Source: Hale, Angrist, Goldszmidt, Kira, Petherick, Phillips, Webster, Cameron-Blake, Hailas, Majumdar, and Tatlow (2021). "A global panel database of pandemic policies (Oxford COVID-19 Government Response Tracker)." *Nature Human Behaviour*. – Last updated 11 April, 06:20 (London time) OurWorldInData.org/coronavirus - CC BY

Fig. 7.1 COVID-19: stringency index for selected countries

International organisations have taken an important initiative to provide a unified guidance and raise awareness of the impact of the pandemic. This chapter aims to give an overview on the roles of the international organisations and how these have responded to COVID-19. With this in mind, the following section provides a description of the EU response together with the roles of the two main European institutions in charge of the pandemic: the European Commission and the European Centre for Disease Prevention and Control (ECDC). Section 7.3 focuses on the actions of the World Bank to COVID-19 pandemic and discusses the Pandemic Emergency Financial Facility created in 2017. Section 7.4 presents the responses from other international organisations: United Nations (UN), WHO, International Labour Organization (ILO) and the Organisation for Economic Co-operation and Development (OECD). Section 7.5 describes the recommendations from international organisations with respect to social insurance and pensions. The chapter concludes with a discussion of the role of the international organisations to fight against the pandemic.

## 7.2 The EU Response to COVID-19

The European Union is a political and economic union of 27 democracies. There are seven principal decision-making bodies of the EU, and they are listed in Article 13 of the Treaty on European Union, see Treaty on European Union (2010).

On 24 January 2020 the first European case of COVID-19 was reported in France, European Centre for Disease Prevention and Control (2021). Since the onset of the pandemic the EU has been at the centre of the response in Europe. The EU's actions taken towards the COVID-19 pandemic can be summed up in 10 main points, see European Parliament (2020):

- *Slowing the spread of the virus*  
To help limit the virus's spread, the EU has closed its external borders to non-essential travel, while ensuring essential goods keep moving across the EU. The European Centre for Disease Prevention and Control<sup>3</sup> (ECDC), which provides rapid risk assessments and epidemiological updates on the outbreak, has been given additional resources.
- *Providing medical equipment*  
The EU member states have taken action to procure life-saving medical equipment, such as ventilators and protective masks, under the Civil Protection Mechanism. In addition, the EU has set up a huge international tender allowing member states to make joint purchases of equipment and drugs etc. The EU has also organised an online fundraiser for vaccines, medicines, and diagnostics to fight the coronavirus worldwide.
- *Promoting research*  
The EU research programme is funding 18 research projects, and 151 teams across the EU to help find a vaccine against COVID-19 quickly.
- *Boosting European solidarity*  
The European Parliament<sup>4</sup> has supported new rules allowing member states to request financial assistance from the EU Solidarity Fund to also cover health emergencies. This allows for up to EUR 800 million to become available for member states to fight the pandemic.
- *Assuring the EU's recovery*  
To help the EU to recover from the pandemic a new proposal for the EU's long-term budget for 2021–2027 has been agreed upon. This proposal also includes a stimulus package (see the Recovery and Resilience Facility below).
- *Supporting the economy*, see European Council (2021).  
On the 11th of February 2021 the European Council established the Recovery and Resilience Facility, which will make EUR 672.5 billion in grants and loans available for public investment and reforms in the 27 member states to help them address the impact of the COVID-19 pandemic. The aim of the Facility is to

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<sup>3</sup> The ECDC is an EU agency whose mission is to strengthen Europe's defences against infectious diseases. See <https://www.ecdc.europa.eu/en> for more details.

<sup>4</sup> The European Parliament is one of three legislative branches of the EU and one of its seven institutions. Together with the Council of the European Union, it adopts European legislation, commonly on the proposal of the European Commission. The Parliament is composed of 705 democratically elected members.

foster the green and digital transitions and to build resilient and inclusive societies. Member states will receive support based on the national recovery and resilience plans, which are under preparation in spring 2021.

- *Protecting jobs*  
The European Commission has unlocked EUR 1 billion from the European Fund for Strategic Investments in guarantees to encourage banks and other lenders to provide up to EUR 8 billion of liquidity in support to some 100,000 European businesses.
- *Repatriating EU citizens*  
With the outbreak tens of thousands of Europeans became stranded around the world but thanks to the EU Civil Protection mechanism they could be returned home.
- *Helping developed countries face the pandemic*  
The European Commission has unlocked EUR 20 billion to help non-EU countries fight the crisis as part of an EU package for a coordinated global relief to tackle the spread of COVID-19.
- *Ensuring accurate information*  
The spread of disinformation about the coronavirus puts people's health at risk. Ensuring that everyone has access to accurate and verified information in their own language has been called upon by members of the European Parliament, and social media companies have been asked to tackle disinformation and hate speech.

In addition to the general EU response, there are two main European institutions in charge of the pandemic, the European Commission and ECDC, whose roles towards the pandemic are described in Sects. 7.2.1 and 7.2.2.

### **7.2.1 EU Commission Response**

The European Commission is the EU's politically independent executive arm and is coordinating a common European response to the coronavirus outbreak, see European Commission (2021a). The Commission is taking resolute action to reinforce the public health sector and mitigate the socio-economic impact in the EU. It is mobilising all means at its disposal to help the Member States coordinate their national responses and are providing objective information about the spread of the virus and effective efforts to contain it. The president of the European Commission Ursula von der Leyen<sup>5</sup> has established a Coronavirus response team at political level to coordinate the Commission response to the pandemic. The European Commission has been

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<sup>5</sup> Ursula von der Leyen was born 8 October 1958 and is a German politician, prior to becoming president of the Commission she served in the Cabinet of Germany between 2005 and 2019.

negotiating intensely to build a diversified portfolio of vaccines for EU citizens at fair prices and contracts have been concluded with several vaccine developers, securing a portfolio of more than 2.6 billion doses, see European Commission (2021b).

### **7.2.2 *The ECDC Response***

The ECDC is an EU agency whose mission is to strengthen Europe's defences against infectious diseases, as such it has a pivotal role in Europe. The ECDC produces the risk assessments, technical reports, advice and information on a regular basis. Since 31 December 2019 when the events in Wuhan was first reported, the ECDC Epidemic Intelligence has reported on this and started close surveillance of the COVID-19 related events. On 7 January 2020 the ECDC issued the Threat Assessment Brief—assessing the risk for travellers, introduction and further spread into the EU, see European Centre for Disease Prevention and Control (2021).

## **7.3 The World Bank Response to COVID-19**

According to the World Bank (WB) the poorest and most vulnerable countries will be hit the hardest by the pandemic. Therefore, a fast response package is needed to save lives and alleviate the consequences of COVID-19. In April 2020, the World Bank approved financial emergency support for developing countries to protect lives and support economic recovery.<sup>6</sup> Through this COVID-19 fast-track facility, the World Bank is making available up to \$160 billion over the following 15 months. On April 2, the first group of projects—amounting to 1.9 billion—was released to assist 25 countries. In May 2020, the World Bank Group (WBG) announced its emergency operations in fighting COVID-19 had reached 100 developing countries. The WBG also designs and implements community-driven development (CDD) programmes to respond to urgent needs including access to clean water, rural roads, schools and health clinic constructions or support for micro-enterprises, amongst others.

Additional funding uses the COVID-19 Multiphase Programmatic Approach (MPA) with the aim to support vaccination of 1 billion people globally, see World Bank (2020b). Another financial instrument used by the WBG during the pandemic is the development policy financing (DPF) that provides IBRD loans, IDA credit/grant and guarantee budget support for governments to help achieving sustainable, shared growth and poverty reduction. For three stages of crisis response—Relief, Restructuring and Resilient Recovery, see World Bank (2020a).

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<sup>6</sup> See WHO (2020b) and Gentilini et al. (2020) for more details about the WHO's response to COVID-19.

The World Bank operates across three stages of intervention, driven by the stages of the crisis, and a four-pillar response to the pandemic crisis tailored to the specific country. The relief stage involves emergency response to the health threat posed by COVID-19 and its immediate social, economic, and financial impact. Once the countries start to have the pandemic controlled and re-open their economies, the restructuring stage focuses on strengthening health system for pandemic readiness, restoring human capital, and restructuring of firms and sectors, amongst others. The resilient recovery stage entails benefiting from new opportunities to build a more sustainable, inclusive and resilient future world transformed by the pandemic.

The four pillars of crisis response comprise:

- Pillar 1: Bank emergency support for health interventions aimed at saving lives threatened by the virus.
- Pillar 2: WBG social response for protecting poor and vulnerable people from the impact of the economic and social crisis triggered by the pandemic.
- Pillar 3: WBG economic response for saving livelihoods, preserving jobs, and ensuring more sustainable business growth and job creation.
- Pillar 4: Support for strengthening policies, institutions, and investments to achieve a resilient, inclusive, and sustainable recovery.

WBG COVID-19 CRISIS RESPONSE			
Eliminate Extreme Poverty and Promote Shared Prosperity in a Sustainable Manner			
Capital Package Commitments		IDA19 Commitments & Special Themes	
UN Agencies	IMF & MDBs	Private Sector	Vaccine Partnerships
Partnerships		Civil Society	
Macroeconomic Stability and Strong Fiscal Framework			
Flexibility and Adaptive Learning			
Bridging the Digital Divide			
WBG COVID-19 Crisis Response	Relief Stage	Restructuring Stage	Resilient Recovery Stage
<b>Pillar 1</b> Saving Lives	<b>Public Health Emergency</b> Health MPA & Project restructurings DPFs	<b>Restructuring Health Systems</b> Health MPA & new IPFs IFC Health Value Chain Platform	<b>Pandemic-ready Health Systems</b> Health MPA & new IPFs IFC LTF to pvt providers & manufacturers
<b>Pillar 2</b> Protecting the Poor & Vulnerable	<b>Social Emergency</b> Cash/in-kind transfers, CDD Projects, DPFs Project Restructurings Govt guarantees to MFIs	<b>Restoring Human Capital</b> Cash/in-kind transfers, CDD projects, DPFs new IPFs IFC recapitalization of strategic MFIs	<b>Building Equity and Inclusion</b> Cash/in-kind transfers, CDD projects, DPFs ASA on active labor market policies IFC lending to MFIs
<b>Pillar 3</b> Ensuring Sustainable Business Growth & Job Creation	<b>Economic Emergency</b> DPFs, FILs, PIRs and IPFs IFC trade & working cap lines, MIGA instruments PPP Financing Vehicles	<b>Firm Restructuring &amp; Debt Resolution</b> DPFs and IPFs IFC restructuring and recapitalization of firms PPPs, IFC LTF and MIGA instruments	<b>Green Business Growth &amp; Job Creation</b> DPFs and IPFs IFC/MIGA instruments PPPs
<b>Pillar 4</b> Strengthening Policies, Institutions and Investments for Rebuilding Better	<b>Maintain Line of Sight to Long-term Goals</b> DPFs on fiscal strengthening & service delivery ASA for understanding COVID-19 related transformations, SME & MFI guarantee schemes ASA for debt sustainability, mgt and transparency	<b>Policy and Institutional Reforms</b> DPFs on policies and institutional reforms for restructuring & resilience ASA for restructuring ASA for tracking Twin Goals and SDGs	<b>Investments to Rebuild Better</b> Full range of WBG instruments with focus on PPP, Upstream project development and mobilizing pvt solutions ASA for tracking Twin Goals and SDGs
WBG FINANCIAL CAPACITY			
IDA Hybrid Model	IBRD Financial Stability Framework	IFC Financial Model	MIGA Financial Model

Fig. 7.2 WBG COVID-19 crisis response. Source World Bank

In Fig. 7.2 we can see the financial instruments that the WBG applies depending on the pillars and the stage of the pandemic.

### 7.3.1 *Pandemic Emergency Financial Facility (PEF)*

In 2017, the Pandemic Emergency Financial Facility (PEF) was launched by the World Bank, in consultation with the World Health Organisation, and the private sector to financially help developing nations<sup>7</sup> facing a serious outbreak of infectious disease. In practice, the World Bank collects the premiums and issues bonds and swaps to private investors in return for favourable interest rates (6.5–11.1% above LIBOR). This will compensate investors for the risk that the bonds will need to make pay-outs to fight pandemics under certain conditions. In this way, the PEF, which can be seen as a type of catastrophe bond, is also known as pandemic bonds. It differs from other funds because it draws money from capital markets rather than relying solely on voluntary contributions.<sup>8</sup>

The coverage of PEF that was set up for an initial period of 3 years, from July 2017 to June 2020, has no cost for countries and the funds do not need to be repaid, World Bank (2019). The PEF covers large-scale outbreaks for diseases identified as likely to cause major pandemics.<sup>9</sup> The risk of these large-scale outbreaks is modelled so that the premium cost and coverage are calculated.

The objectives of the PEF are to: (i) make available essential surge financing to respond to an outbreak with pandemic potential and to minimise its health and economic consequences and (ii) help catalyse the creation of a global market for pandemic insurance instruments by drawing on resources from insurance, bonds and/or other private sector financial instruments.

The PEF shares some features of a parametric insurance contract in the sense that there is an objective trigger (threshold) event and a pay-out scheme. Also, the differences between the actual economic losses and the trigger creates basis risk. An epidemic might not trigger a parametric pay-out—for example, if the infection level<sup>10</sup> does not reach a particular level agreed in the specifications of the contract—but still can provoke some damages and losses.

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<sup>7</sup> All countries that qualify for credits from the Bank's International Development Association are eligible to access PEF funds. In addition, international organisations and non-governmental organisations supporting response efforts in affected countries are also eligible to access PEF funds.

<sup>8</sup> The two main funds, i.e., the UN's Central Emergency Relief Fund (CERF) and the World Health Organization's Contingency Fund for Emergencies (CFE) have struggled with the financing, see Brim and Wenham (2019).

<sup>9</sup> This group of diseases includes pandemic Influenza, Coronaviruses, Filoviruses (i.e., Ebola), Crimean Congo haemorrhagic fever, Rift Valley fever, and Lassa fever.

<sup>10</sup> Other triggers are number of deaths, number of cases in each country, percentage of confirmed cases to total cases and the growth rate of cases, amongst others.



PEF is an innovative solution and was designed to be the perfect complement to traditional insurance to cover pandemic risks. However, the PEF was widely criticised mainly due to the generous returns to investors and difficulty in accessing funding during the early stages of the disease outbreaks when action is crucial, Jonas (2019). Also, in the PEF, there are several activation criteria (i.e. the total infected cases, total deaths, number of countries affected, outbreak growth and spread) that served as a joint trigger and consequently were difficult to reach those simultaneously. In the Kivu Ebola epidemic, the PEF only paid \$31 million by the 13th month of the outbreak while the premiums paid to bondholders reached a total of \$75.5 million, Brim and Wenham (2019). On April 2020—four months after the start of the outbreak—the first payment of \$196 million for the PEF was triggered by the COVID-19 pandemic.

In 2019, the World Bank indicated that they were planning to issue a new set of bonds starting in May 2020. However, after facing significant criticism for delayed payments to developing countries during the COVID-19 pandemic, the World Bank has cancelled the launch of PEF 2.0.

## 7.4 Other International Responses to COVID-19

In this section, we describe the responses from the key international organisations that have shaped the responses in the EU countries: the UN, the WHO, OECD and ILO.

### 7.4.1 *The UN Response*

The UN is an intergovernmental organisation created in 1945 to maintain international peace and security, develop friendly relations among nations, to achieve international cooperation in solving international problems of an economic, social, cultural, or humanitarian character, and to be a centre for harmonizing action in the attainment of these common ends.<sup>11</sup>

The UN regards the COVID-19 pandemic as more than a health crisis, and hence it has triggered a UN Comprehensive Response to COVID-19 launched by the UN Secretary General António Guterres.<sup>12</sup> The response, which is ongoing, aims to, see United Nations (2021):

- Deliver a global response that leaves no-one behind.
- Reduce the vulnerability to future pandemics.

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<sup>11</sup> Charter of the United Nations and Statue of the International Court of Justice, 1945, San Francisco.

<sup>12</sup> António Manuel de Oliveira Guterres was born 30 April 1949 and is a Portuguese politician serving as the ninth secretary-general of the United Nations since 2017.

- Build resilience to future shocks.
- Overcome the severe and systematic inequalities exposed.

The UN response is divided into three pillars, see United Nations (2020). The first pillar is a large-scale, coordinated, and comprehensive response by the WHO. The second pillar includes a wide-ranging effort to safeguard lives and livelihoods by addressing the devastating near-term socio-economic, humanitarian, and human rights aspects of the crisis. The final pillar aims towards creating a transformative recovery that leads to a better post-COVID-19 world.

### 7.4.2 *The WHO Response*

The WHO is a specialised agency of the UN responsible for public health, and as such it is at the heart of the world response towards the COVID-19 pandemic, see WHO (2021a). According to the Constitution of the World Health Organization “Health is a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity”.<sup>13</sup> The WHO has a broad mandate that enables the organisation to work with universal health care, risks monitoring, coordinating health emergencies, and promoting health and well-being.

The WHO response is comprehensive, and it is beyond the scope of this chapter to present it here. However, the WHO produces a Weekly Epidemiological Update which provides an overview of the global, regional and country-level COVID-19 cases and deaths, highlighting key data and trends, in addition to other important epidemiological information concerning the COVID-19 pandemic, see WHO (2021b). Furthermore, the COVID-19 Weekly Operational Update reports presents a weekly update on the WHO and its partners’ actions in response to the pandemic (ibid).

### 7.4.3 *The OECD Response*

The OECD which is an international organisation that works to build better policies for better lives, OECD (2021). The goal of the OECD is to shape policies that foster prosperity, equality, opportunity, and well-being for all (ibid). The OECD works on establishing evidence-based international standards and finding solutions to a range of social, economic, and environmental challenges. The organisation seeks for improvement through knowledge from data and analysis, exchange of experiences, best-practice sharing, and advice on public policies and international standard-setting. The OECD response has aimed at answering questions relating to what impact the coronavirus pandemic would be on individuals and societies. Furthermore, the

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<sup>13</sup> The Constitution was adopted by the International Health Conference held in New York from 19 June to 22 July 1946 and was signed on 22 July 1946 by the representatives of 61 States.

OECD intends to find solutions to strengthen healthcare systems, secure businesses, maintain jobs and education, and stabilise financial markets and economies.

#### **7.4.4 *The ILO Response***

ILO has developed a four-pillar policy framework to tackle the economic and social impact of the COVID-19 based on International Labour Standards, see ILO (2020b). The policies emphasise the human dimension of the crisis caused by the pandemic and urge the governments to address the challenges with a human-centred approach. The pillars, listed below, form comprehensive and integrated recommendations on the key areas of policy action.

- Pillar 1: Stimulating the economy and employment.
- Pillar 2: Supporting enterprises, jobs and incomes.
- Pillar 3: Protecting workers in the workplace.
- Pillar 4: Relying on social dialogue for solutions.

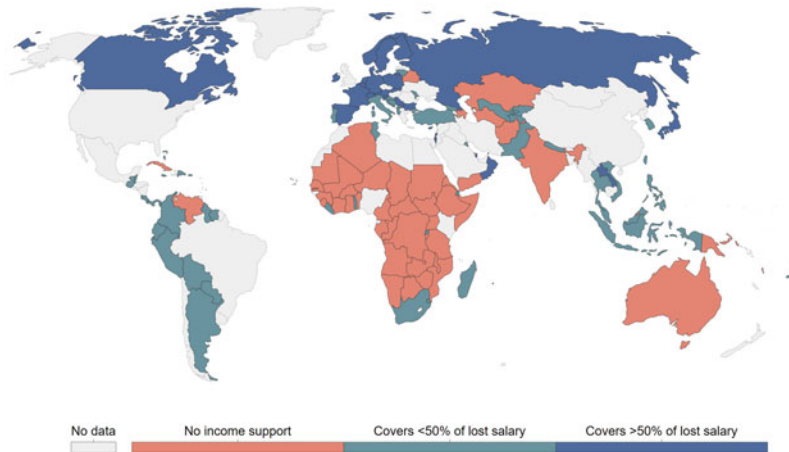
It is not expected that the harmful effect of the pandemic is distributed equally. It will be most damaging in the poorest countries and the poorest neighbourhoods. Pandemic and its aftermath created its unique way of discrimination and disadvantaged mainly the people who are in the informal economy, people with disabilities, migrant workers, indigenous people, women, and people living with HIV. The crisis also gave rise to child labour, forced labour, and human trafficking particularly women and girls. Due to the lack of access to social protection, these vulnerable groups are more affected by income shocks, ILO (2020a). Enhancing and enforcing the laws and policies on equality and non-discrimination are crucial to mitigate the risks.

### **7.5 Consequences of COVID-19 Responses on Social Security and Pensions**

Elderly people and people with disabilities are particularly at risk of COVID-19. Specific actions are needed to protect the lives and health of these groups, so that a sufficient level of income is guaranteed, and they are better prepared for unexpected health-related expenses caused by a pandemic. In theory, current pensioners should not be economically affected by the pandemic as they are recipients of a regular income. However, pension payments—for many the only source of income—can be very low. According to ILO, support to pensioners should focus on protecting the low-income category.

### Income support during the COVID-19 pandemic, Apr 11, 2021

Income support captures if the government is covering the salaries or providing direct cash payments, universal basic income, or similar, of people who lose their jobs or cannot work.



Source: Hale, Angrist, Goldszmidt, Kira, Petherick, Phillips, Webster, Cameron-Blake, Hallas, Majumdar, and Tatlow (2021). "A global panel database of pandemic policies (Oxford COVID-19 Government Response Tracker)." *Nature Human Behaviour*. -- Last updated 11 April, 06:20 (London time)  
 Note: This income support may not apply to workers in all sectors, and may vary at the sub-national level.  
 OurWorldInData.org/coronavirus • CC BY

**Fig. 7.3** World map of the income support during the COVID-19 pandemic

Financial aid may take the form of additional support to those affected by the infection or a general pension increase. In Egypt, for example, a general pension increase has been implemented due to the pandemic while in Serbia one-off payment was made to all pensioners. Other countries, such as Slovenia, Sri Lanka and Tunisia have made selective top-ups in favour of the lower income pensioners and in Costa Rica, Colombia, Kosovo, or Mexico have made advance pension payments.

However, this kind of financial aid comprises serious dangers. Many countries had financially unsustainable pension systems already before COVID-19. Unexpected and considerable financial expenses, especially if the pension increases are applied to large groups of pensioners for extended periods, worsen the viability of the system even more in the long run. On the other hand, pandemics increase the unemployment and consequently reduce the income from contributions into social security programmes. In addition, some countries have even suspended, or reduced, contributions made by employees and/or employers to provide an incentive to retain workers.

During the first wave of the pandemic social security played a vital role to protect the most vulnerable groups. COVID-19 caused a high incidence of partial unemployment. Some countries extended the eligibility of unemployment benefits to cover not only full unemployment but also partial unemployment. Figure 7.3 gives an overview which countries provide a financial support to those who lose their jobs or cannot work. Contemplating that the significant turmoil on financial markets due to COVID-19 reduces returns on pension investments, the asset and the liability sides in pension insurances gape far apart.

Finally, loosening regulations on pension withdrawals, which some countries with Defined Contribution (DC) schemes have allowed, will compromise the adequacy of DC pensions in the future, if large sums have been withdrawn from individual accounts, unless compensatory measures are set in place.

According to the WB, after a pandemic ends, some of the (highly unpopular) measures to set in place post-crisis compensatory mechanisms and guide the system back onto the road to long-term financial stability are

- Repayment of past unpaid contributions by employers and workers.
- Extending participants working life by raising retirement ages.
- Limiting or eliminating the access to early retirement.

## 7.6 The Need of a United Action Tactic

The present book chapter gives an overview on how some of the most famous international organisations have responded to COVID-19 as of March 2021. The question arises whether the help and guidance provided by international organisations have been enough and timely.

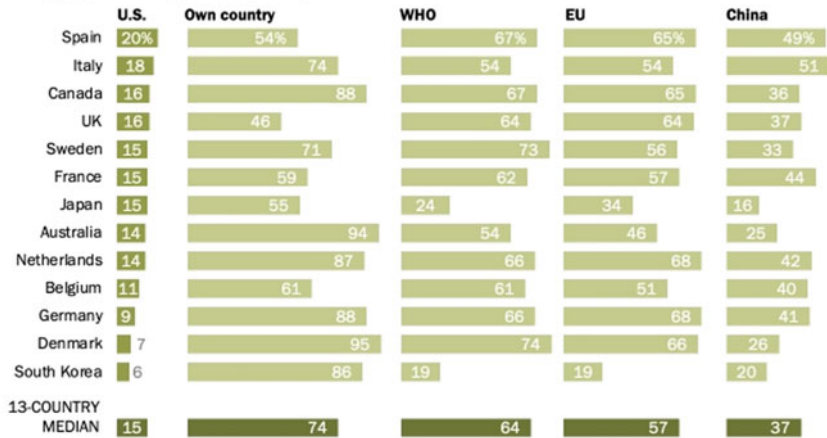
Since the onset of the pandemic, a lot of critics has been expressed towards international agencies: WHO would have “failed in its basic duty” or the EU would lack consolidation and coordinated effort in responding the challenges of COVID-19. Unfortunately, the question of failing and guilt may easily become a political instrument and can repeatedly arise also in the future, see for instance the discussion in Gasbarri (2020). Debre and Dijkstra (2021) harshly criticise the responses of 75 international organisations, accusing some of them of bureaucracy and of benefiting from cross-border crises. On the other hand, Bill Gates, whose foundation is the second-largest funder of the WHO, stated that

Halting funding for the World Health Organization during a world health crisis is as dangerous as it sounds. Their work is slowing the spread of COVID-19 and if that work is stopped no other organization can replace them. The world needs WHO now more than ever.

In July 2020, the Pew research center (a nonpartisan American think tank based in Washington, D.C.) conducted a survey across 14 countries about citizen’s perception of the COVID-19 responses taken by both the countries’ own governments and international organisations such as WHO and EU. The satisfaction scale ranged from 100 (totally satisfied) to 0 (not satisfied at all). Whilst countries such as Denmark (95), Australia (94), Germany (88) or South Korea (86) were quite satisfied with the measures taken by their own countries, the citizens from UK (46) or US (47), where the governments’ response was not so harsh at the beginning of the pandemic, did not find the actions taken adequate. The WHO’s score ranged between 74 in Denmark and 19 in South Korea, the measures taken by the EU received even a weaker recognition between 68 in Germany and 19 in South Korea, see Fig. 7.4. The

**In all other countries surveyed, people rank the U.S. coronavirus response lowest**

% who say \_\_\_ has done a *good job* dealing with the coronavirus outbreak



Note: In Australia and Canada, the question was asked about "COVID-19." In Japan, it was asked about "the novel coronavirus," and in South Korea, it was asked about "Corona19."

Source: Summer 2020 Global Attitudes Survey, Q10a-e.

"U.S. Image Plummetts Internationally as Most Say Country Has Handled Coronavirus Badly"

PEW RESEARCH CENTER

**Fig. 7.4** Survey on the citizen’s perception of the COVID-19 responses

survey also concluded that those countries with a favourable opinion of the UN were more likely to value the WHO’s response to the pandemic positively.

Inside the EU there has been and, as of March 2021, still exists a big disparity in the level of infections, of testing capacities and endowments in medical supplies, see for instance The Guardian (2020). The lack of coordination by countries being close neighbours unavoidably leads to a reinfection and to multiple epidemic waves as the virus freely crosses the borders. Also, dealing with the aftermath of an economic disaster will strongly differ between the EU member states. When the severity of the COVID-19 pandemic, which is ongoing as of April 2021, ebbs away, it will be important to draw a true and objective balance from what did and did not work in the international and domestic responses.

The question about the next pandemic, the WHO answers with “not if, but when”. In a report of the 30 March 2021, see WHO (2021c), the WHO claims that united action is needed to create a resilient international pandemic response in the future. Isolationism and nationalism cannot address the challenges of a global crisis, just fighting together as a united front<sup>14</sup> governments and international organisations can prevent the repeat of a disaster like COVID-19.

<sup>14</sup> A united front is a concept from the communistic vocabulary meaning building temporary coalitions for fighting concrete problems.

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