Chapter 3
Global Economic Recovery in the Face of COVID-19

Maurice Obstfeld

1. Introduction

After a sharp contraction early in 2020 as the coronavirus disease (COVID-19) spread across the globe, the world economy staged a quick return to economic growth. Two years later, however, the recovery remains incomplete, especially in emerging market and developing economies (EMDEs); the pandemic continues; and the prospects for shared, inclusive prosperity are cloudy. Russia's invasion of Ukraine in February 2022 and the international response will deliver a further setback to global economic prospects (OECD, 2022). By promoting effective multilateral cooperation on a range of global challenges, the G20 can strengthen the current recovery and mitigate future threats.

An effective response requires participation by all G20 countries, but the resulting efforts should particularly aim to build up the resilience of EMDEs. These countries account for about 58% of global gross domestic product (GDP) at purchasing power parity, making their economic health macro-critical for the world at large. But they also comprise more than 80% of the global population, with many more of their residents having fallen into poverty owing to the pandemic. Lower-income countries in particular have been at the back of the queue for vaccinations, and many have weak domestic health infrastructures, raising questions of basic justice but also putting high-income countries at risk for new variants of SARS-CoV-2 as well as newer emergent pathogens. In our pandemic age – with its threats accentuated by climate degradation – EMDEs are on the front line.

This chapter starts with a brief overview of the global output recovery and inflation threats. A more robust and durable recovery demands stronger efforts within the G20 to surge the supply of COVID-19 vaccines to countries where vaccination rates are low and to aid those countries in getting jabs into arms. But SARS-CoV-2 will not be the last pathogenic threat; and the G20 must draw lessons from the failures of the last 2 years and consider concrete initiatives to create a more robust framework for international health cooperation. To that end, a promising step was the collaboration of the G20 finance and health ministers in October 2021 to create the Joint Finance–Health Task Force. Upgrading the global health infrastructure as well as ensuring investment initiatives geared towards a green transition are key priorities that will require financial support from high-income countries and that will impact the macroeconomic recovery prospects of EMDEs in the coming years. The current situation is not encouraging, though: even the Access

to COVID-19 Tools Accelerator (ACT-Accelerator), the main locus for multilateral cooperation in countering the current pandemic, remains woefully underfunded.[1]

Another legacy of the pandemic is a more forbidding public and private debt landscape. And debts must be financed within a context of increasingly volatile global capital flows. This chapter therefore turns to the challenges of international financial architecture, liquidity, and debt restructuring.

Public and private debts had been rising at worrying rates even before 2020, but with possibly lower future growth, they occupy levels that pose even greater risks to financial and macroeconomic stability. Avoiding debt-fuelled instability is in the collective interest and requires collective action. Regarding higher public debts, the G20 has already warned against the premature withdrawal of macroeconomic policy support. But with interest rates beginning to rise throughout the world, the question of public debt sustainability is becoming more urgent. Countries must devise credible plans to ensure public solvency over the longer term and carefully monitor private sector financial markets, as well as potential repercussions of debt distress amongst businesses. The recent easy financial conditions have played a key stabilisation role but also created vulnerabilities for the recovery period. A generalised rush to excessive fiscal austerity and regulatory stringency, however, if pursued by all countries simultaneously, would likely be counterproductive – a deflationary coordination failure, which would be exacerbated by monetary stringency as central banks respond to high inflation. G20 collaboration on fiscal and financial policies thus would be beneficial. Yet, a measured response to current debt-related vulnerabilities (one that is tailored to national circumstances and shields society's most disadvantaged households) does not mean the vulnerabilities should not begin to be addressed.

Debt vulnerabilities are most acute for governments and firms in EMDEs, where the risk of public-enterprise-banking debt doom loops is greatest (World Bank, 2022b). International capital flows to emerging borrowers have been volatile during the recent crisis. An environment of global financial tightening could tip some EMDE borrowers into liquidity crunches and in some cases public insolvency, requiring debt restructuring. The G20 recognised the potential difficulties of some low-income sovereign debtors through the Debt Service Suspension Initiative (DSSI), followed by the Common Framework for Debt Treatments beyond the DSSI. However, there is a need to prepare for potential difficulties of a broader set of EMDEs within a framework that promotes debt transparency and regularises the participation of the entire spectrum of creditors, including private creditors. The G20 can and must play a central role.

2. The Current Growth Conjuncture, Debt, and Inflation

Figure 3.1 illustrates the comparative pace of global recovery across the world. Amongst advanced economies, the United States (US) has returned to its pre-pandemic growth path; others remain somewhat more distant. In emerging Asia outside China, and in the Middle

[1] The World Health Organization (WHO) has outlined 'fair share' asks for 2022 rich-country contributions, as well as the countries' actual contributions compared with 2020/2021 asks. See WHO (2022).

East/Africa aggregate, growth seems to have stalled after an initial bounce-back from the first quarter of 2020, and in Japan even gone into reverse. The global recovery is two-speed. For the EMDEs as a group, it is unclear whether growth *levels* will return to pre-pandemic trends anytime soon, or indeed, even if pre-pandemic growth-rate *trends* will be regained. They have been less able than advanced economies to provide fiscal support, and that has harmed growth. Recent years have had long-term scarring effects, not least due to depressed physical investment and disrupted primary and secondary education. Fallout from the war in Ukraine will add to these headwinds.

Indeed, as Figure 3.2 shows, even in the decade before the pandemic, EMDE growth rates were trending downward (certainly compared with the 2000–2008 period of the credit and commodity boom). Nonetheless, during the 2010s many EMDEs took on higher public debt burdens, despite falling growth, encouraged by abundant global liquidity and low global interest rates as advanced economies struggled with forces of 'secular stagnation'.[2] Those forces still underlie the current turbulent macroeconomic landscape, and there is a danger now that they will spread more strongly to EMDEs. Even though lower risk-free real interest rates could result over the longer term, lower real growth rates could pose a more potent challenge to debt sustainability, as these will affect default perceptions and borrowing costs, possibly with abrupt adverse effects on sovereign bond spreads.

Figure 3.3 shows public debt ratios to GDP. While generally lower than in advanced economies, debt levels in EMDEs are high relative to historical norms and fiscal capacities. Even after the Heavily Indebted Poor Countries Initiative of 1996 and the Multilateral Debt Relief Initiative of 2005, the public debts of some low-income and lower middle-income countries have returned to very high levels. Amongst EMDEs, the frontier economies that now borrow from an array of private lenders appear most vulnerable to sudden stops of capital inflows. But more highly indebted middle-income countries could be at risk. Risks are accentuated by financial weaknesses in the enterprise sector (see Figure 3.4, from World Bank, 2022b) and large bank holdings of sovereign debt (Obstfeld, 2021).

Recent meetings of G20 finance ministers and central bank governors have acknowledged the inflationary pressures owing to economic reopening. While many of these are common to all countries – e.g., due to supply chain pressures, elevated energy prices, and climate-driven impacts on food prices – country-specific factors also are at work. Three facts stand out from the recent inflation data in Figure 3.5:

- For EMDEs as a group other than emerging Asia, inflation has risen above recent average pre-pandemic levels with economic reopening and recovery. Pre-pandemic inflation rates were somewhat higher than those of high-income economies.

[2] In his 1938 presidential address to the American Economic Association, Alvin Hansen of Harvard hypothesised that declining population growth would lead to chronically weak aggregate demand and unemployment, or as he put it, 'sick recoveries which die in their infancy and depressions which feed on themselves and leave a hard and seemingly immovable core of unemployment' (Hansen, 1939: 4). Economists have revived the hypothesis to describe the global environment of slower growth and low real interest rates following the global financial crisis (GFC) of 2007–2008.

- In advanced economies generally, inflation is now substantially higher than before the pandemic.
- The notably high inflation in the US reflects exceptional fiscal stimulus, its approach to supporting labour markets during the pandemic, and a sharp and likely persistent fall in labour force participation. The gap between headline and core inflation is especially high for the US, indicating the broad scope of domestic inflationary pressures.

Everywhere, the Ukraine crisis is making things worse. The inflation challenge is driven partly by exceptional food price inflation, where food is a bigger proportion of EMDE budgets (and those of the poor in advanced economies). The resulting risks of social disruption are elevated. A major cooperative challenge for the G20 is to forswear food export restrictions, which have already begun to proliferate even amongst G20 members, and which will have the collective effect of raising world food prices further. For the world, avoidance of trade disputes and rollbacks of existing protection can ease supply chain disruptions as well as exerting some beneficial downward pressure on inflation (see Hufbauer, Hogan, and Wang, 2022 on the US case). A cessation of attacks on Ukraine, and a resulting easing of economic sanctions on Russia, would also benefit global food prices, inflation, supply chains, and growth.

The US situation is especially consequential for the world economy. Recent research on the global financial cycle (e.g., Miranda-Agrippino and Rey, 2020; Obstfeld, 2021) has indicated the role of US Federal Reserve (Fed) policy and nominal US dollar appreciation in driving not only global asset prices, capital flows, and leverage, but also EMDE growth, world trade, and world commodity prices. Such developments, given their more fragile fiscal position, could lead to a sudden stop in capital flows to a range of EMDEs, to sovereign debt problems, and to broader financial difficulties.

True, higher inflation is eating away at nominal debts, but nominal interest rates will rise and in order to maintain the gains in inflation credibility of the past decades, central banks will need to hike them enough also to raise *real* interest rates. Challenges to fiscal sustainability and firms' solvency will result, likely much more seriously in the EMDEs.

3. Strengthening the International Financial Architecture

Reforms in several directions could strengthen the global financial system. Most of these proposals reflect long-standing needs, although the experience in the recent COVID-19 crisis underscores the urgency of action.

In early 2020, banks avoided the widespread distress of the Global Financial Crisis (GFC). In large part, this success owed to the origin of the COVID-19 shock being *outside* the banking sector. However, some credit is also due to the national and international banking sector reforms that followed the 2007–2008 crisis and the euro area crisis, which augmented bank capital, enhanced the liquidity of balance sheets, and upgraded prudential regulatory frameworks globally and in many countries.

A predictable side effect, however, has been the migration of financial activity from the more constrained banking sector to unregulated or loosely regulated non-bank financial institutions. In a recent report, the Committee on the Global Financial System (CGFS) of the Bank for International Settlements stressed the growing share of market-based capital flows (CGFS, 2021). Since 2007, the share of bank loans in the external debt of advanced economies has shrunk from about 35% to about 22%, whereas the share of portfolio debt has risen from about 43% to 50%. At the same time, the share of bank loans in the external debt of emerging market borrowers has fallen from around 52% to 45%, and the share of portfolio debt has risen from around 24% to nearly 40%. Advanced economy cross-border bank claims (which include debt securities, not just loans) declined from about 70% of home-country GDP at the time of the GFC to around 50% in 2019 (CGFS, 2021: Graph 1.2).

At the same time, and as noted earlier, the cross-border activity of emerging market banks has risen – according to CGFS (2021), from about 7% to 9% of home-country GDP between 2008 and 2019. However, it remains small in scale compared with advanced economies' international bank activity.

From a policy perspective, these evolutions point to the need for more thinking about financial stability risks coming from the non-bank sector, e.g., through increasingly complex intermediation chains that may ultimately also impinge on the banks. The spread of innovative fintech platforms only increases the risks, including from cybersecurity breaches, and may render prudential oversight more difficult. All along, climate-related risks are only rising. The challenges that the international dimension raises are particularly big, owing to the seams between national regulatory systems. The Financial Stability Board (FSB) has outlined an extensive programme to assess the risks from non-bank financial institutions considering the COVID-19 market turmoil of early 2020 (FSB, 2020). However, it seems fair to say that even bank regulation now needs to encompass an even broader set of potential systemic risks than were envisioned in the immediate post-GFC reforms. The trend of emerging market banks increasingly venturing abroad into other emerging markets only raises the stakes for those countries (Broner et al., 2020). In general, the G20 should underline that management of the risks from volatile capital flows requires policy adjustments not only by the recipients of flows but also by the *sources*: both sets of actors share an interest in preserving global financial stability. In particular, the G20 should strongly endorse enhanced regulatory scrutiny, within a multilateral regulatory framework, of the cross-border activities of non-bank financial institutions, as well as national action to address related financial stability threats.

Another incomplete part of the financial market infrastructure is the global financial safety net (GFSN). Bilateral swap lines have become increasingly important in the GFSN (CGFS, 2020). Fed swap lines were essential in stabilising global markets in early 2020 in light of the US dollar's continuing dominance as a funding and investment currency.

The need to extend central bank swap lines further multilaterally, especially the Fed's, has long been apparent. Amid the market disruption in April 2020, the Executive Board of the International Monetary Fund (IMF) approved a Short-term Liquidity Line (SLL) facility intended to address some of the gaps in the network of bilateral swaps. Unfortunately, potential beneficiaries seem not to

view the SLL (or the IMF's two other precautionary credit lines originating in the GFC period) as equivalent to central bank swaps (especially from the Fed), and indeed, not a single country has drawn on the SLL so far. The IMF declined to adopt the pandemic support facility that Fisher and Mazarei (2020) proposed, but such a policy instrument would also strengthen the GFSN during the current pandemic and could be mobilised in future contagious outbreaks that will inevitably occur. Also relevant is the proposed Resilience and Sustainability Trust (RST), which would provide an IMF umbrella for richer countries to lend special drawing rights (SDRs) for investments in climate adaptation, health, and other areas of medium-term vulnerability. SDR loans to others do not come free of charge: they would have a budgetary cost to countries recycling them into an RST, so legislative approvals would be necessary in most cases. However, such approvals might be encouraged by IMF oversight of the resulting loans, and the broader point is that additional concessional lending is welcome to help EMDEs better address vulnerabilities that impinge on the global commons. A further question the G20 should consider is whether less ad hoc criteria for SDR issuances could be formulated. The IMF's upcoming 16th General Review of Quotas will provide another opportunity to strengthen the GFSN through enhanced non-borrowed lending resources.

For EMDEs, improved defensive policies can bolster domestic resilience – and thereby global resilience. Their vulnerability to the global financial cycle makes it understandable why so many less affluent economies, even emerging market economies, have stopped short of full financial opening. In 2012, the IMF officially recognised this reality by developing an 'institutional view' (IV) on capital controls that allows for their use in some circumstances, notably when financial flows threaten economic or financial stability and the capital flow measures (CFMs) do not substitute for necessary adjustments in macro-prudential, monetary, or fiscal policies (IMF, 2012). Nonetheless, research and experience suggested that the 2012 vintage IV was too restrictive, and countries still feared that markets might stigmatise them if they varied CFMs reactively. Thus, the Article IV surveillance process has regularly featured disagreements between IMF staff and country authorities as to whether particular policy measures should be labelled as CFMs or macro-prudential measures, with the authorities often advocating for the latter designation (Everaert and Genberg, 2020).

Recently, the IMF proposed an Integrated Policy Framework (IPF) that conceptualises the use of CFMs, foreign exchange intervention, monetary policy, fiscal policy, and macro-prudential policy as distinct instruments – all of which may be needed to reach multiple policy goals in a small open economy (IMF, 2020). The IMF has re-examined the IV in light of internal review, staff experience, and the IPF (IMF, 2022), concluding that CFMs with a macro-prudential rationale (CFMs/macro-prudential measures) could be justified as *pre-emptive* measures, even before an inflow surge occurs, if they aim to prevent a build-up of financial vulnerabilities, e.g., an overhang of foreign currency debt.[3] This is a step forward, but it does not yet realise the potential of the IPF to place capital control and foreign exchange intervention policies on an equivalent plane with monetary, fiscal, and macro-prudential policies, and thereby remove some of the stigma that currently

[3] Recent research from the IMF underscores that 'preemptive' inflow CFMs can reduce EMDEs' exposure to global financial cycle risks (see Das, Gopinath, and Kalemli-Özcan, 2022). The revised IV also allows capital controls to pursue some non-macro-financial goals, such as combating tax avoidance or terrorist financing.

attaches to CFMs. The G20 should therefore welcome the expanded IV but encourage the IMF to take its reconsideration further. This approach would also be in line with the recent recommendations of a group of Association of Southeast Asian Nations (ASEAN) central banks (ASEAN WC-CAL, 2019).

4. A Key Challenge: Dealing with Sovereign Debt Restructuring

If a future sudden stop in capital flows to EMDEs is protracted, and especially if the pandemic lingers on, liquidity support may not be enough to stave off solvency problems. Inflating away domestic currency debt would endanger hard-won gains in inflation credibility, while inflicting economic damage that often falls most heavily on the poor. Another possibility is outright debt restructuring, the only option for foreign currency debt.

Despite some recent improvements, however, the current international architecture for external debt restructuring is inadequate to handle a rash of sovereign defaults, some potentially affecting systemic countries. The G20 should strongly endorse a number of initiatives that could promote more efficient and less disorderly sovereign debt restructuring.

Building on the DSSI initiated in May 2020, the G20 in November 2020 launched the Common Framework for Debt Treatments beyond the DSSI to facilitate debt restructuring by the 73 eligible low-income International Development Association countries in cases of persistent liquidity problems or insolvency.[4] Importantly, the Common Framework included non-Paris Club members such as China (the biggest official creditor to developing countries) together with more traditional financial centre lenders in a framework that effectively extends Paris Club procedures to all official bilateral creditors. While both the DSSI and the Common Framework encompassed official bilateral claims only, they encouraged the involvement of private sector lenders on comparable terms. Private sector participation has been extremely limited so far (to understate the case). The IMF could perhaps strengthen the Common Framework by clarifying that its lending-into-arrears policies (for private and bilateral official arrears) continue to apply when a country seeks to restructure under the Common Framework (Chorzempa and Mazarei, 2021).

Increasingly, EMDE borrowers face diverse sets of lenders, official and private, lending via a range of different instruments with very different contractual terms and restrictions, which in some cases are not publicly disclosed. This landscape raises the challenge of efficient debt restructuring with comparable burden sharing amongst all creditors and with minimal opportunity for holdout creditors to disrupt the process. (There can even be coordination problems amongst a single creditor’s diverse official and quasi-official lenders.) The challenges are especially daunting for lower-income borrowers with weaker institutional capacity and resources. By building on the Common Framework, the G20 can help to reduce the immense collective action problems that

[4] The DSSI ultimately extended until the end of December 2021, with participation by 48 of the 73 eligible countries (see World Bank, 2022a). Some eligible non-participating countries apparently feared reputational stigma, including potential ratings downgrades, due to entering the DSSI. Another issue was the limited set of official creditors covered.

have only become worse over time, to the benefit of borrowers, lenders, and the global economy at large.

To be most useful, the Common Framework should embrace a larger range of debtor countries than just those that were eligible for the DSSI, including any lower to upper middle-income countries that encounter sustainability problems. G20 members would strengthen the Common Framework further if all G20 members with material foreign sovereign loans joined the Paris Club. More ambitiously, the Common Framework should evolve mechanisms that routinely bring in and coordinate amongst the entire range of private sector creditors early in the restructuring process, to encourage stakeholder participation and widen the base for equitable burden sharing while discouraging free riding. This evolution would be consistent with the stated aims of the Common Framework. At present, the debtor is required to seek comparable treatment of all creditors, not only Common Framework participants. This aim could be incentivised were the G20 to recommend generalised debt service suspension during restructuring negotiations (as recommended by Georgieva and Pazarbasioglu, 2021). As noted, IMF lending policies could support this approach, thereby facilitating productive debtor–creditor engagement in cases of debt distress. The G20 should regularise the formation of creditor committees within a broadened Common Framework, as an efficient mechanism for reducing coordination problems and informational asymmetries (Chorzempa and Mazarei, 2021).[5]

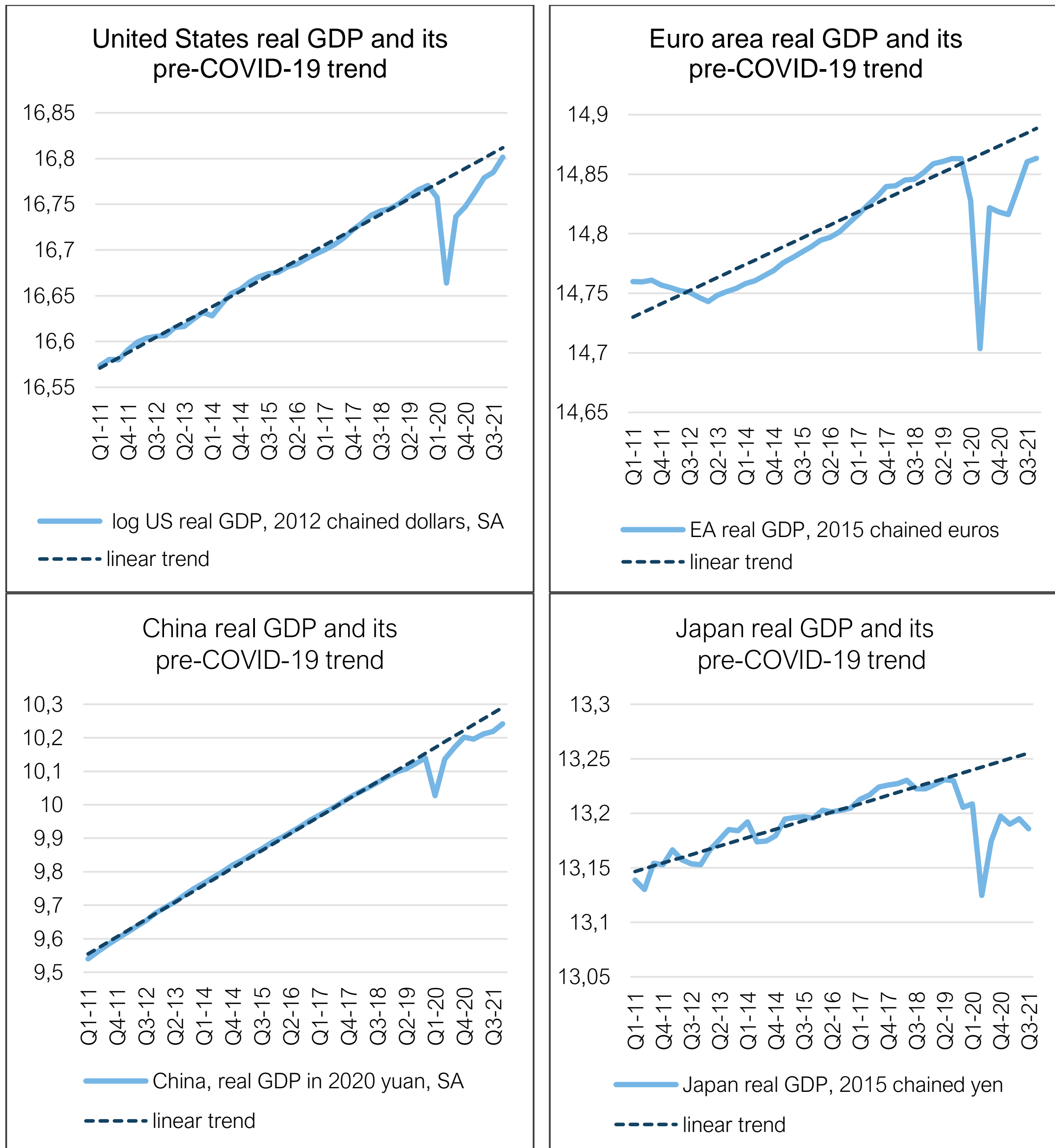
The G20 should encourage other reforms of the sovereign debt landscape. One necessary change is to enhance debt transparency – with respect to creditors, amounts, and terms (including collateral). A first step is to support the Organisation for Economic Co-operation and Development (OECD) initiative to create a digital database based on available sources, but there is also the need to encourage governments and creditors to make much more information available (Sovereign Debt Working Group, 2022). The G20 should ask creditor countries to develop targeted statutory tools that prevent holdout creditors from blocking payments to other creditors, when debtors have made good faith efforts to achieve comparability of treatment across creditor groups. Contract reform is another avenue to support needed debt restructuring. As recommended by the G30 Working Group on Sovereign Debt and COVID-19 (2021: 27), the G20 'should disavow the use of contract terms that impair debtors' or creditors' participation in international debt negotiations and should commit not to enforce them in their existing bilateral debt contracts, and those of their agencies and state-owned enterprises'. Greater use of state-contingent debt could be encouraged in some settings.

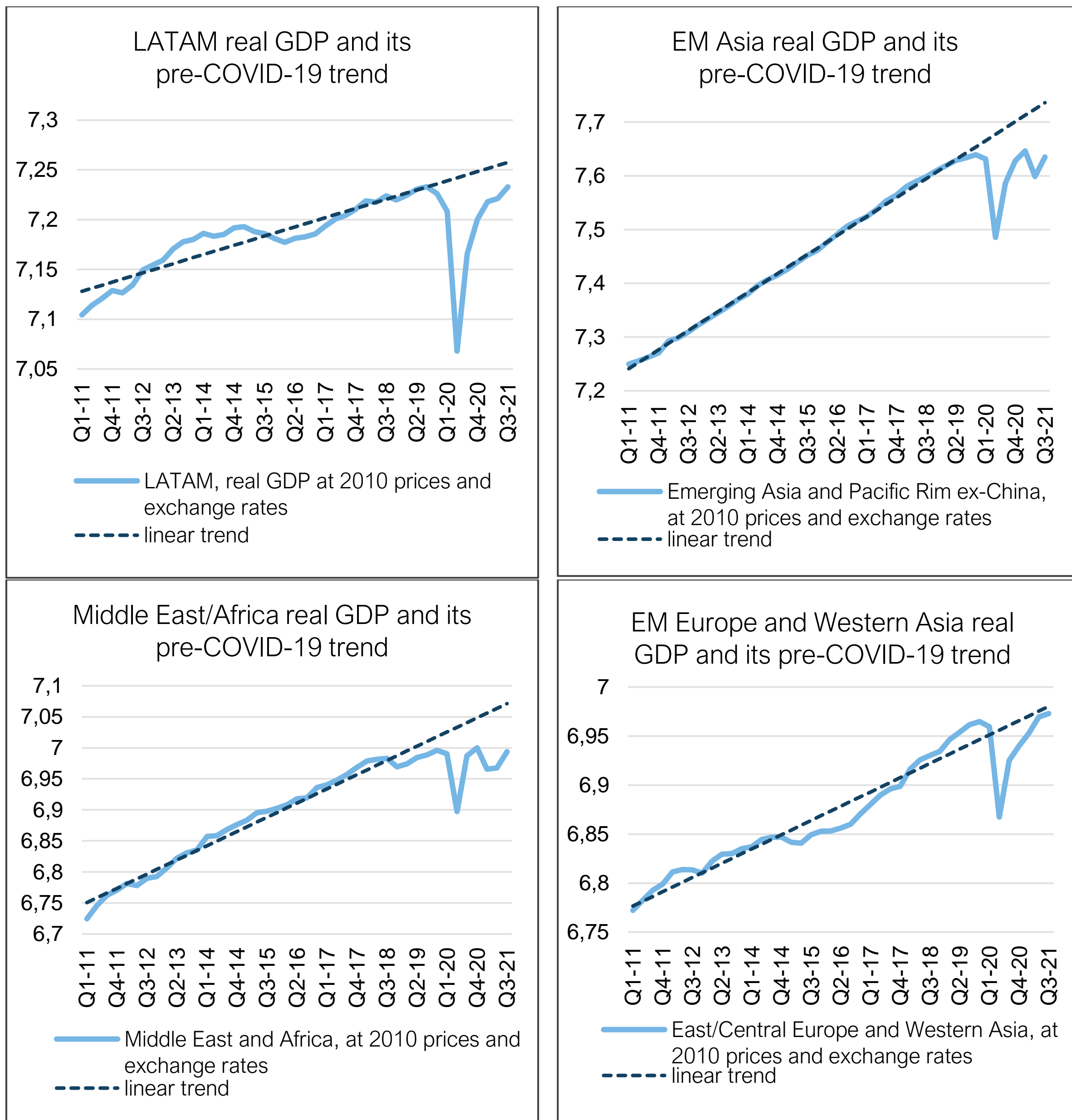
In addition, as recommended by the G30 Working Group on Sovereign Debt and COVID-19 (2021), the preceding enhancements to the Common Framework could be facilitated if the G20 established a 'standing consultative mechanism' to coordinate Common Framework exercises, acting as a convener for stakeholders while aggregating information and providing technical

[5] Some contend that creditor committees may be detrimental to debtors in distress because they consolidate creditor bargaining power (e.g., Buchheit et al., 2020). This is far from clear. Even if creditor bargaining power is enhanced ex post, lenders' ex ante expectation that this will be the case may allow the borrower to borrow on terms that are more favourable to start with, perhaps reducing the likelihood of future debt distress. In addition, the creditor committee framework has the other important advantages noted in the text.

expertise. Gelpern, Hagan, and Mazarei (2020) recommended a G20 'central coordination mechanism' for sovereign debt issues prior to the launch of the DSSI, but the case for such an approach is even stronger considering the Common Framework. It will be stronger still if the Common Framework evolves, as it should, to include broader sets of countries and creditors.

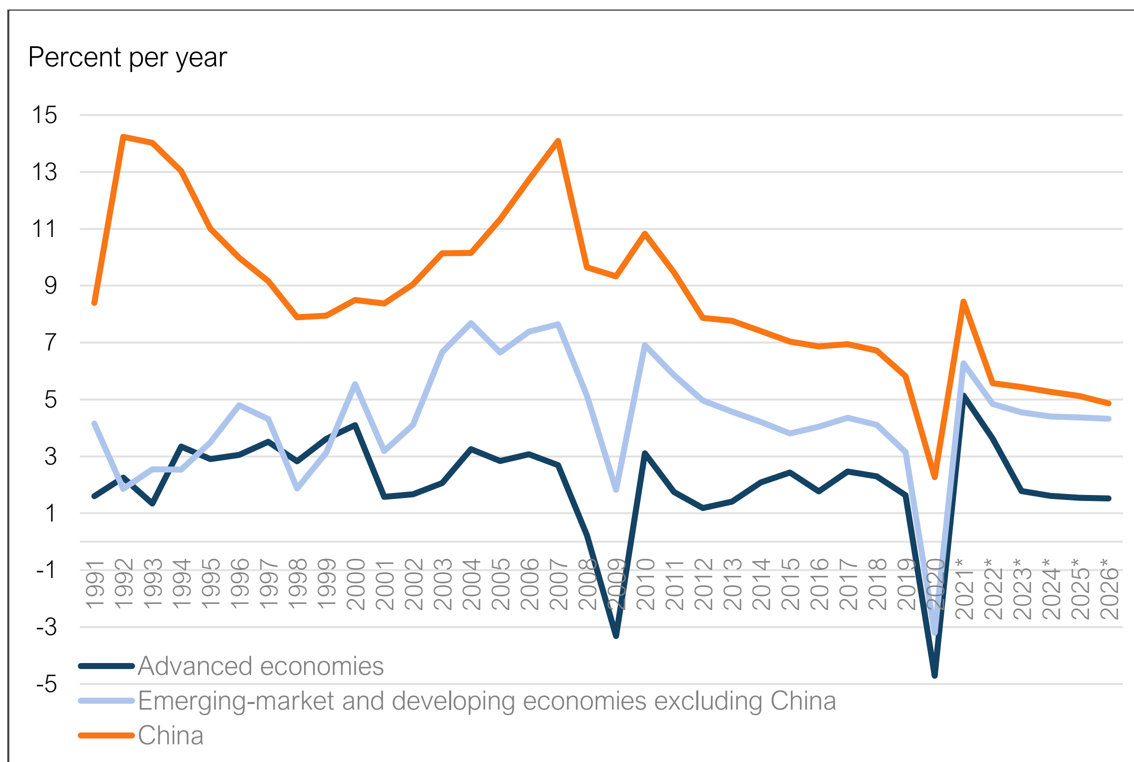
Figure 3.1: Real GDP of Major Countries and Regions Compared with Pre-COVID-19 Trends





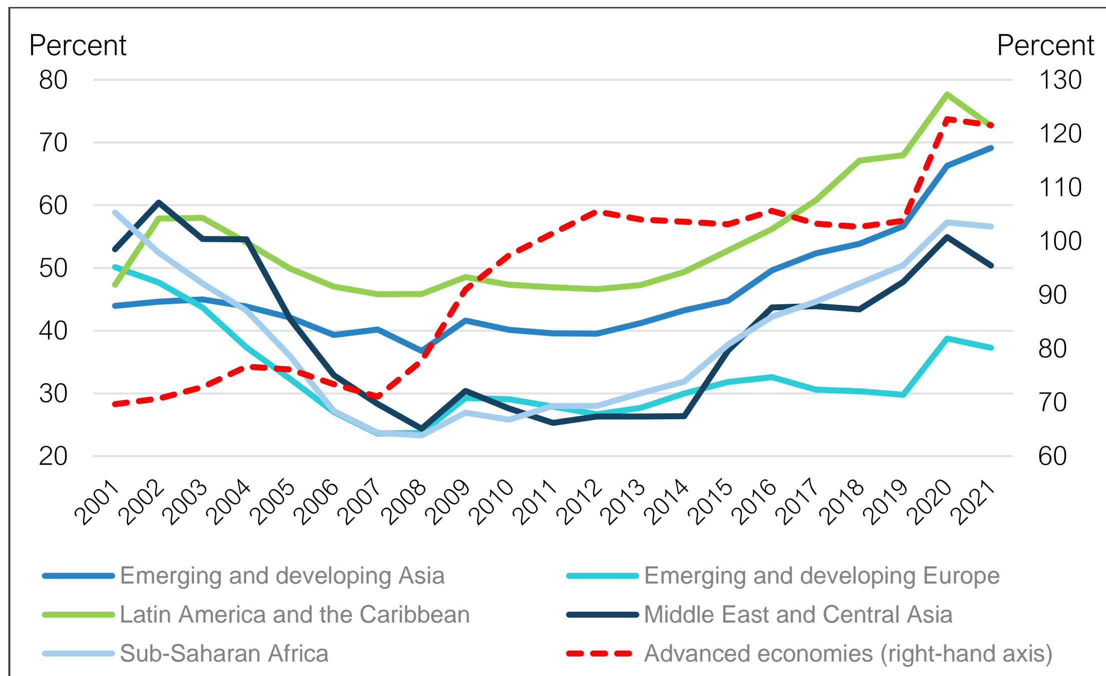
COVID-19 = coronavirus disease, EA = euro area, EM = emerging markets, GDP = gross domestic product, LATAM = Latin America, Q = quarter, SA = seasonally adjusted, US = United States.
Note: Vertical axis units are log points.
Source: Haver Analytics.

Figure 3.2: Downward Trend in Pre-Pandemic EMDE Growth Rates, Even Excluding China



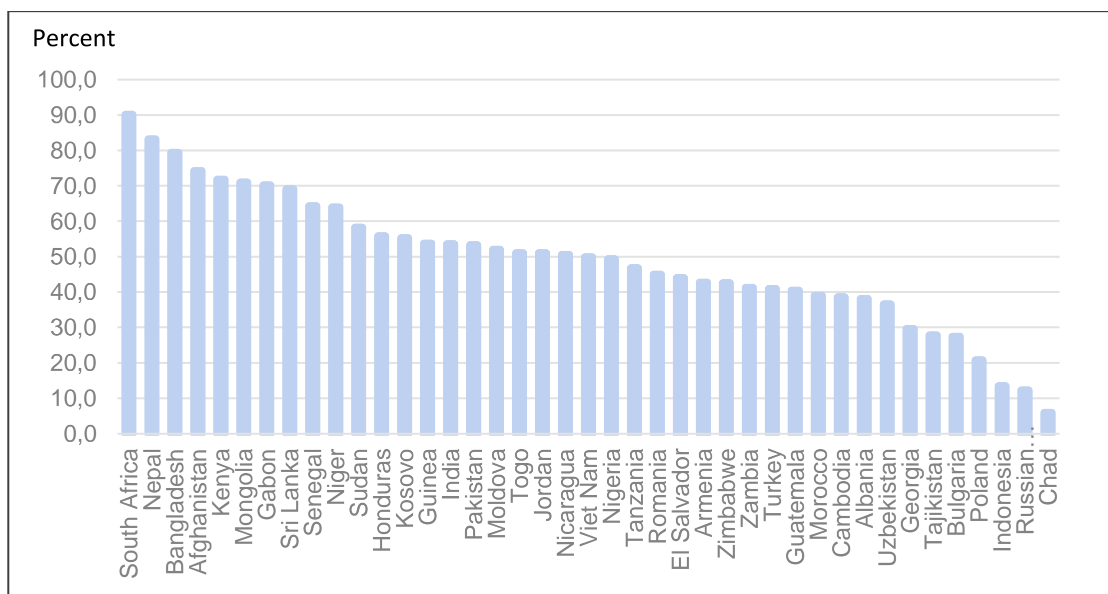
Note: Data projections for years with asterisks.
Source: IMF (2021), World Economic Outlook Database: October 2021.
https://www.imf.org/en/Publications/WEO/weo-database/2021/October

Figure 3.3: Public Debt Ratios to GDP Rose Sharply in 2020



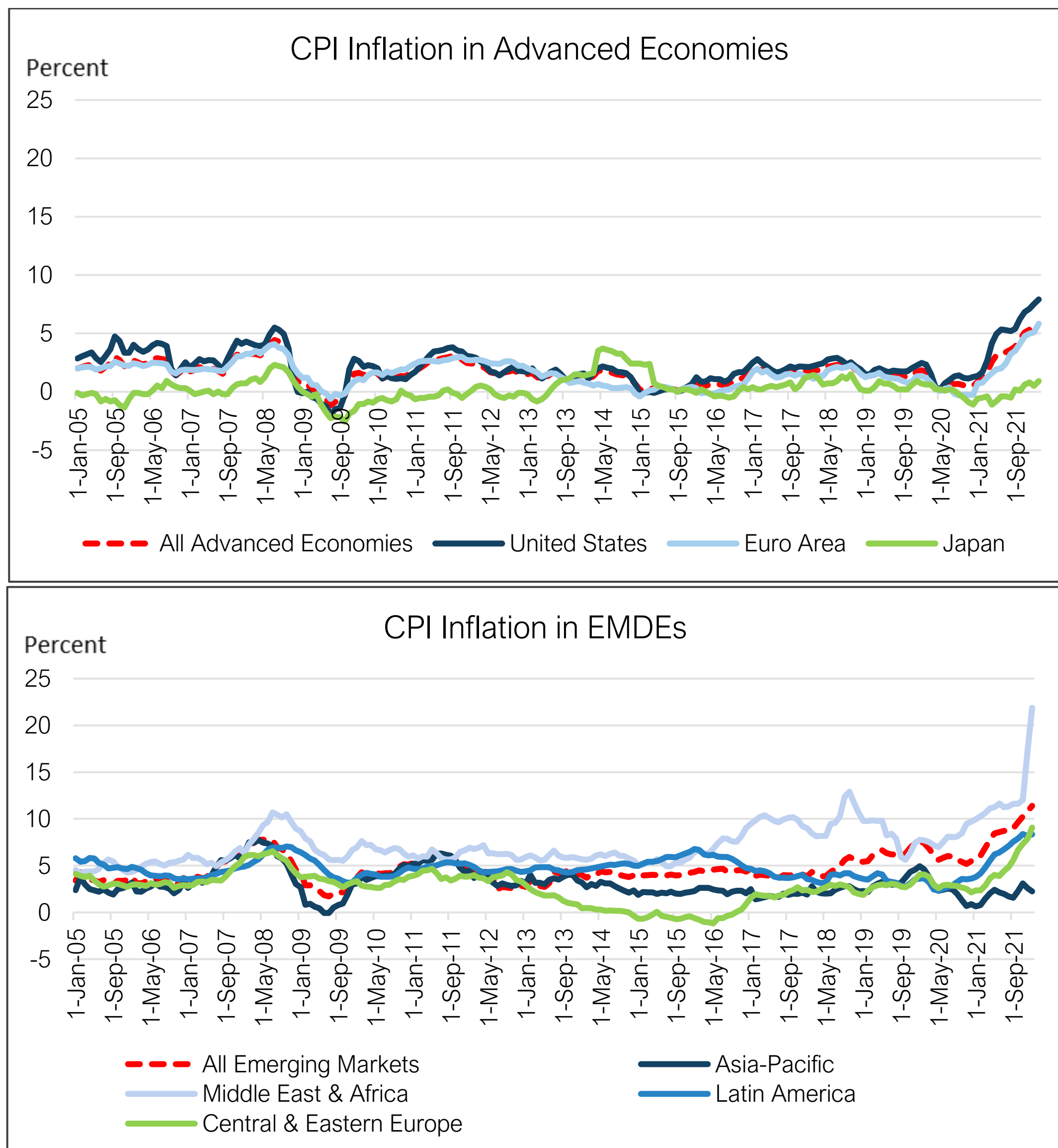
Note: Figures for 2021 are projections. Public debt ratios to GDP rose sharply in 2020, adding to the debt build-up that followed the Global Financial Crisis of 2007–2008.
Source: General public debt ratios from IMF, World Economic Outlook Database: October 2021. https://www.imf.org/en/Publications/WEO/weo-database/2021/October (accessed 8 February 2022).

Figure 3.4: Share of Business Establishments in Arrears or Anticipating Arrears within 6 Months, May–September 2020



Source: World Bank (2022b).

Figure 3.5: CPI Inflation Levels since 2005



CPI = Consumer Price Index, EMDE = emerging and developing economy.
Source: Year-on-year CPI inflation rate through early 2022, monthly, data from Haver Analytics.

References

ASEAN WC-CAL (2021), 'Capital Account Safeguard Measures in ASEAN Context', Report, 22 February 2019. ASEAN Working Committee on Capital Account Liberalisation. https://www.bsp.gov.ph/Media_and_Research/Primers%20Faqs/ASEAN_theroleofsafeguardmeasuresinASEAN.pdf (accessed 7 February 2022).

Broner, F., T. Didier, S.L. Schmukler, and G. von Peter (2020), 'Bilateral International Investments: The Big Sur?', *Policy Research Working Paper*, No. 9501. Washington, DC: World Bank.

Buchheit, L., G. Chabert, C. DeLong, and J. Zettelmeyer (2020), 'The Restructuring Process', in S. Ali Abbas, A. Pienkowski, and K. Rogoff (eds.) *Sovereign Debt: A Guide for Economists and Practitioners.* Oxford: Oxford University Press and International Monetary Fund.

CGFS (2020), 'US Dollar Funding: An International Perspective', *CGFS Papers*, No. 65. Basel: Bank for International Settlements Committee on the Global Financial System.

CGFS (2021), 'Changing Patterns of Capital Flows', *CGFS Papers*, No. 66. Basel: Bank for International Settlements Committee on the Global Financial System.

Chorzempa, M. and A. Mazarei (2021), 'Improving China's Participation in Resolving Developing-Country Debt Problems', *Policy Brief*, No. 21-10. Washington, DC: Peterson Institute for International Economics. https://www.piie.com/publications/policy-briefs/improving-chinas-participation-resolving-developing-country-debt-problems (accessed 19 March 2022).

Das, M., G. Gopinath, and Ş. Kalemli-Özcan (2022), 'Preemptive Policies and Risk-Off Shocks in Emerging Markets', *Discussion Paper*, No. 16899. London: Centre for Economic Policy Research.

Everaert, L. and H. Genberg (2020), 'IMF Advice on Capital Flows to the Republic of Korea and Selected ASEAN Economies', *IEO Background Paper*, No. BP/20-02/07. Washington, DC: Independent Evaluation Office of the International Monetary Fund.

Fisher, M. and A. Mazarei (2020), 'A Possible IMF Pandemic Support Facility for Emerging-Market Countries', *Policy Brief*, No. 20-11. Washington, DC: Peterson Institute for International Economics. https://www.piie.com/publications/policy-briefs/possible-imf-pandemic-support-facility-emerging-market-countries (accessed 2 February 2022).

FSB (2020), 'Holistic Review of the March Market Turmoil'. Basel: Financial Stability Board.

G30 Working Group on Sovereign Debt and COVID-19 (2021), *Sovereign Debt and Financing for Recovery After the COVID-19 Shock: Next Steps to Build a Better Architecture.* Washington, DC: Group of Thirty.

Gelpern, A., S. Hagan, and A. Mazarei (2020), 'Debt Standstills Can Help Vulnerable Governments Manage the COVID-19 Crisis', Realtime Economic Issues Watch, Peterson Institute for International Economics, 7 April. https://www.piie.com/blogs/realtime-economic-issues-watch/debt-standstills-can-help-vulnerable-governments-manage-covid (accessed 5 March 2022).

Georgieva, K. and C. Pazarbasioglu (2021), 'The G20 Common Framework for Debt Treatments Must Be Stepped Up', IMFBlog, 2 December. https://blogs.imf.org/2021/12/02/the-g20-common-framework-for-debt-treatments-must-be-stepped-up/ (accessed 6 March 2022).

Hansen, Alvin H. (1939), 'Economic Progress and Declining Population Growth', *The American Economic Review*, 29(1), pp. 1–15.

Hufbauer, G.C., M. Hogan, and Y. Wang (2022), 'For Inflation Relief, the United States Should Look to Trade Liberalization', *Policy Brief*, No. 22-4. Washington, DC: Peterson Institute for International Economics. https://www.piie.com/publications/policy-briefs/inflation-relief-united-states-should-look-trade-liberalization (accessed 31 March 2022).

IMF (2012), *The Liberalization and Management of Capital Flows: An Institutional View*. Washington, DC: International Monetary Fund.

IMF (2020), 'Toward an Integrated Policy Framework', *IMF Policy Paper.* Washington, DC: International Monetary Fund.

IMF (2022), 'Review of the Institutional View on the Liberalization and Management of Capital Flows', *IMF Policy Paper*. Washington, DC: International Monetary Fund.

Miranda-Agrippino, S. and H. Rey (2020), 'U.S. Monetary Policy and the Global Financial Cycle', *The Review of Economic Studies*, 87(6), pp.2754–76.

Obstfeld, M. (2021), 'An Uneven Global Rebound Will Challenge Emerging-Market and Developing Economies', *Policy Brief*, No. 21-21. Washington, DC: Peterson Institute for International Economics.

OECD (2022), *OECD Economic Outlook, Interim Report March 2022: Economic and Social Impacts and Policy Implications of the War in Ukraine*. Paris: Organisation for Economic Co-operation and Development. https://www.oecd-ilibrary.org/sites/4181d61b-en/index.html?itemId=/content/publication/4181d61b-en (accessed 10 April 2022).

Sovereign Debt Working Group (2022), 'Debt Transparency: The Essential Starting Point for Successful Reform'. Washington, DC: The Bretton Woods Committee. https://www.brettonwoods.org/article/release-event-debt-transparency-the-essential-starting-point-for-successful-reform (accessed 7 February 2022).

World Bank (2022a), Debt Service Suspension Initiative, Brief, 10 March. https://www.worldbank.org/en/topic/debt/brief/covid-19-debt-service-suspension-initiative (accessed 20 March 2022).

World Bank (2022b), *World Development Report 2022: Finance for an Equitable Recovery.* Washington, DC: World Bank.

WHO (2022), ACT-Accelerator 'Fair Share Asks' – by Country. https://www.who.int/publications/m/item/act-accelerator-fair-share-asks---by-country (accessed 14 February 2022).