

Covid as a Wake-Up Call

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Introduction

- Covid is Wake-Up Call for reforming capitalism:
 - In China: pitfalls of a capitalism without freedom
 - In the US: inadequate social and health insurance
 - In Europe: inadequate innovation systems
 - In France: « deindustrialisation » and excessive power concentration

Social and health insurance

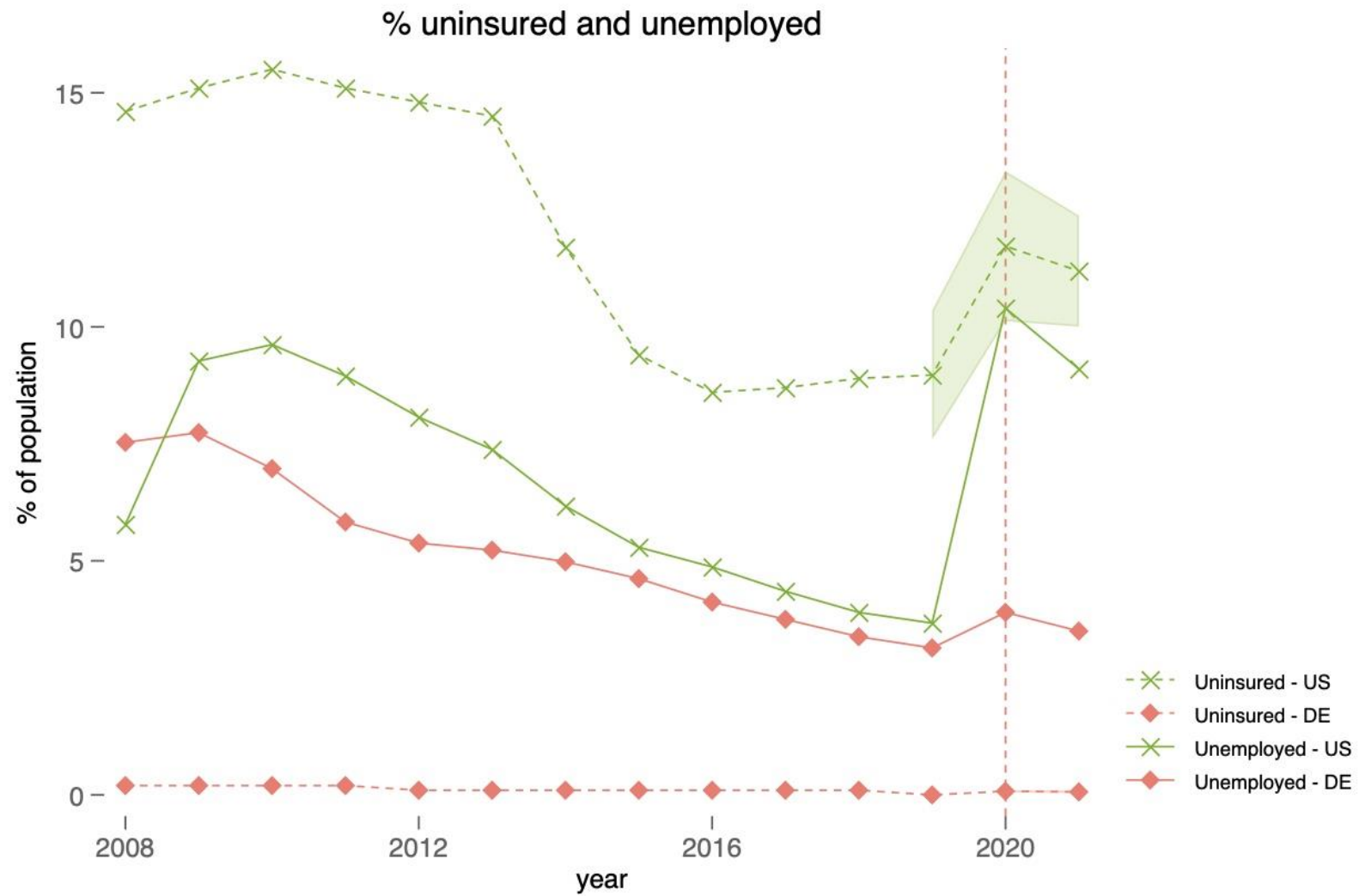
with H. Maghin and A. Sapir

Healthcare coverage and unemployment

- Data sources

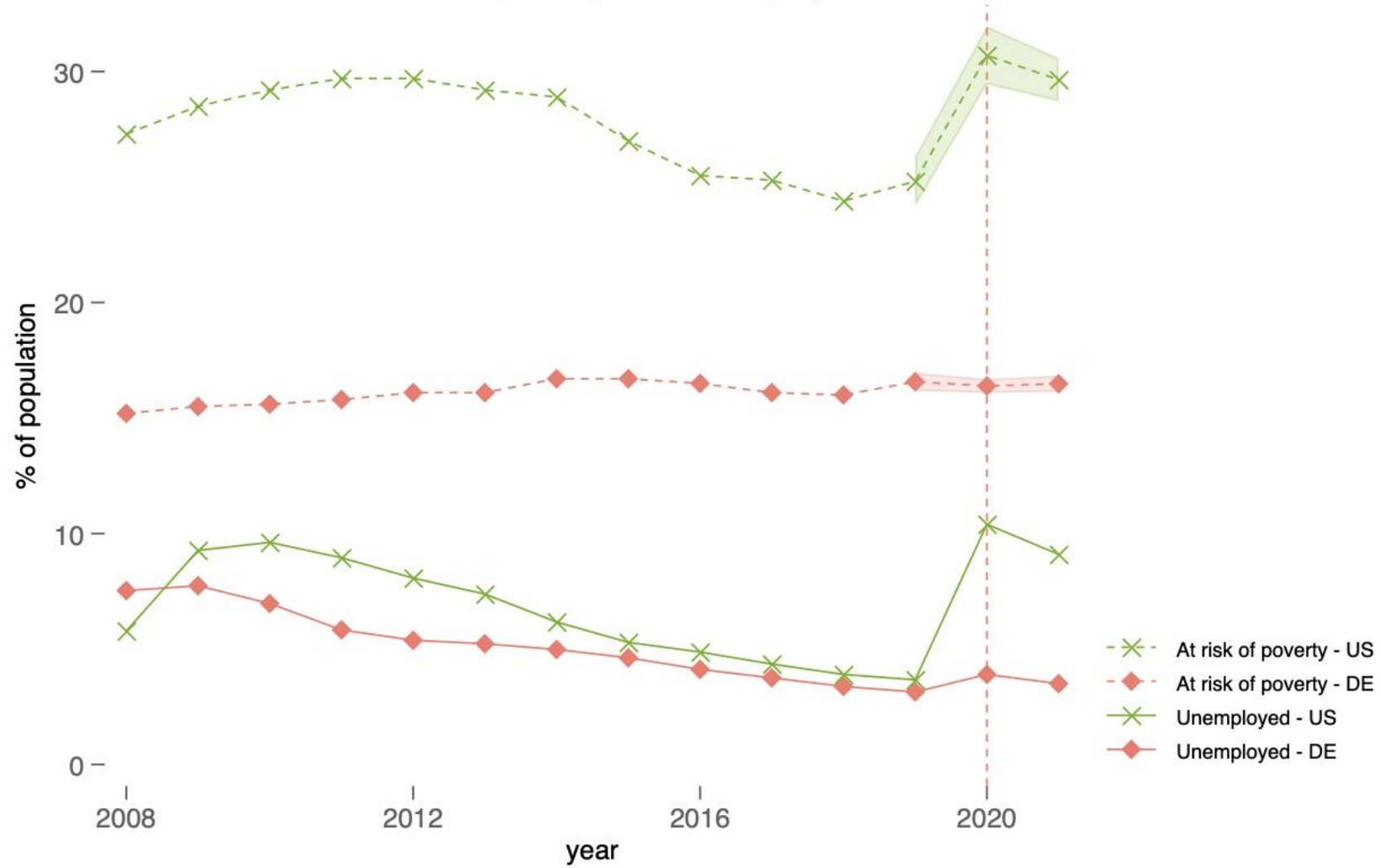
- OECD Health Statistics and unemployment rate indicator
- US Census Bureau historical series on healthcare coverage
- IMF World Economic Outlook 2020
- Estimations are based on the past relationship between percentage of uninsured with rate of unemployment and the IMF 2020-2021 forecast

Healthcare coverage in the US and Germany



Poverty in the US and Germany

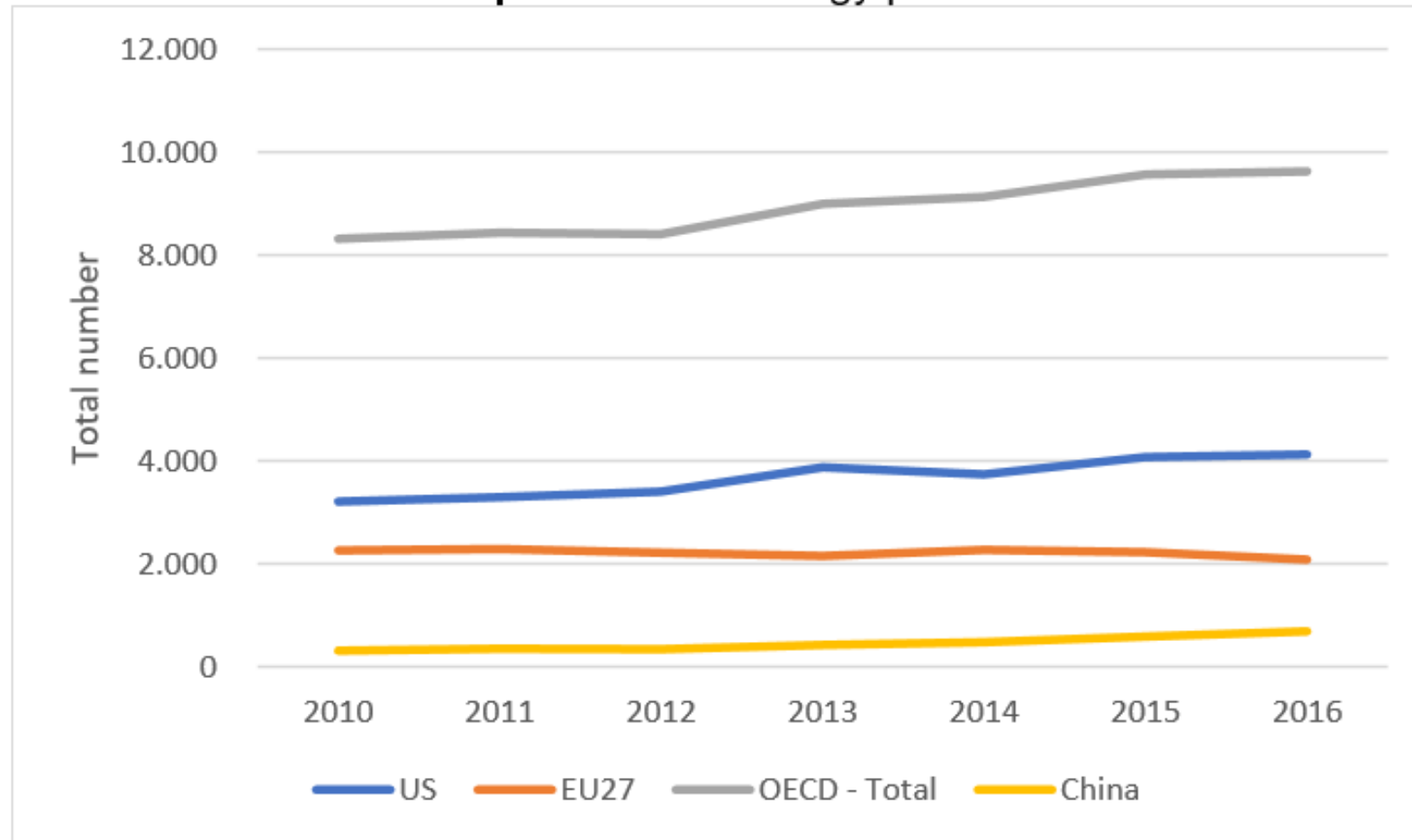
% at risk of poverty and unemployed



Innovation

with S. Amaral-Garcia, M. Dewatripont and M. Goldman

Graph 1: Biotechnology patents



Source: OECD. Reference country: Inventor's country of residence. Reference date: priority date. Unit: number.

Table 1: Biotechnology patents by 1m inhabitants

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|-----------------|-------|-------|-------|-------|-------|-------|-------|
| US | 10.37 | 10.56 | 10.84 | 12.25 | 11.74 | 12.71 | 12.77 |
| EU27 | 5.12 | 5.19 | 5.02 | 4.87 | 5.13 | 5.02 | 4.67 |
| OECD - Total | 6.69 | 6.75 | 6.69 | 7.11 | 7.17 | 7.47 | 7.48 |
| China | 0.23 | 0.25 | 0.25 | 0.31 | 0.34 | 0.42 | 0.49 |

Source: Own calculations using OECD data. Reference country: Inventor's country of residence. Reference date: priority date.

Table 2: BARDA's COVID-19 Medical Countermeasure Portfolio

| Type of Product | Total Award Amount (\$) | Total number of funded companies | Total number of funded products |
|---------------------------------|-------------------------|----------------------------------|---------------------------------|
| Vaccines | 10,799,025,489 | 7 | 7 |
| Diagnostic | 44,996,752 | 22 | 28 |
| Therapeutics | 991,702,154 | 9 | 9 |
| Rapidly Deployable Capabilities | 10,432,068 | 9 | 9 |
| Other | 37,333,253 | 4 | 4 |
| Total | 11,883,489,716 | | |

Source: Our calculations based on <https://medicalcountermeasures.gov/app/barda/coronavirus/COVID19.aspx>.

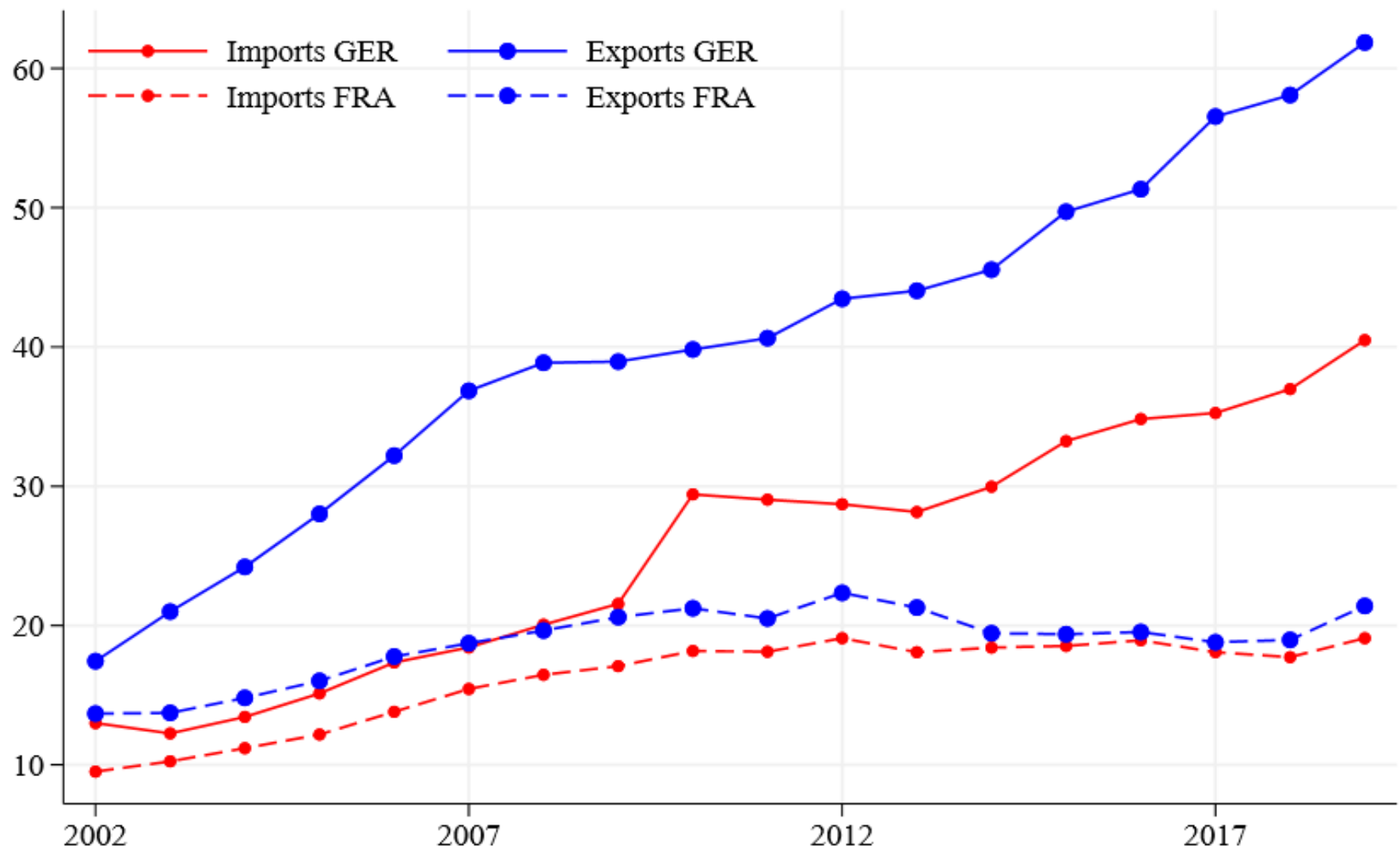
Table 4: Funding from the European Commission and the European Investment Bank

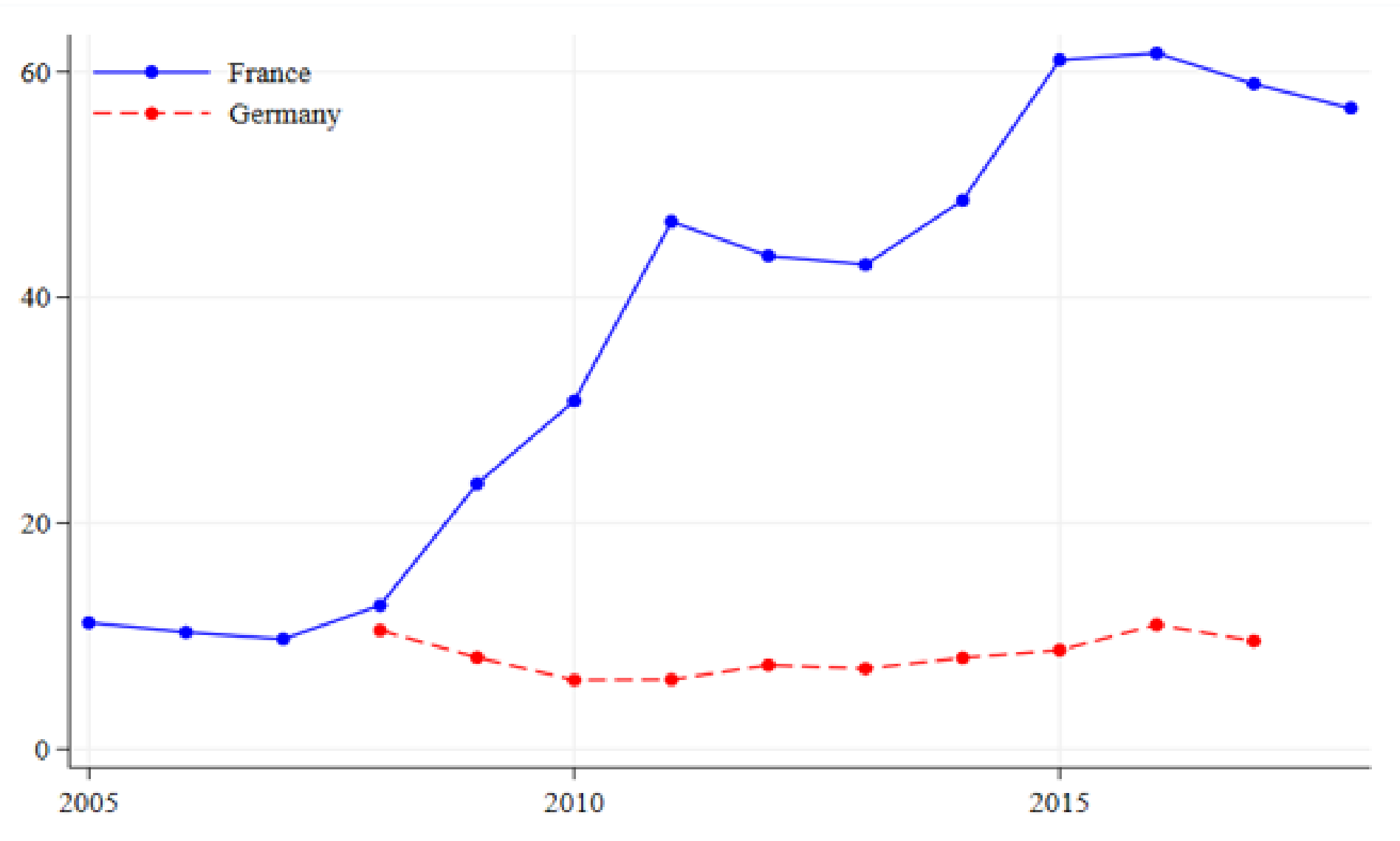
| Funding Purpose | Amount (USD) |
|--|----------------------|
| European Commission | |
| R&D | 1,081,600,000 |
| Preparedness and emergency response | 217,107,249 |
| Unallocated | 436,667,248 |
| Vaccine development | 109,166,812 |
| Total EC | 1,844,541,309 |
| European Investment Bank | |
| Manufacturing and delivery of therapeutics | 63,316,751 |
| Manufacturing and delivery of vaccines | 91,700,122 |
| Preparedness and emergency response | 2,025,044,367 |
| Total EIC | 2,180,061,240 |

Source: Own calculations using data from The COVID-19 Health Funding Tracker, from The Economist.

Value chains

with E. Cohen, T. Gigout-Magiorani, and B. David



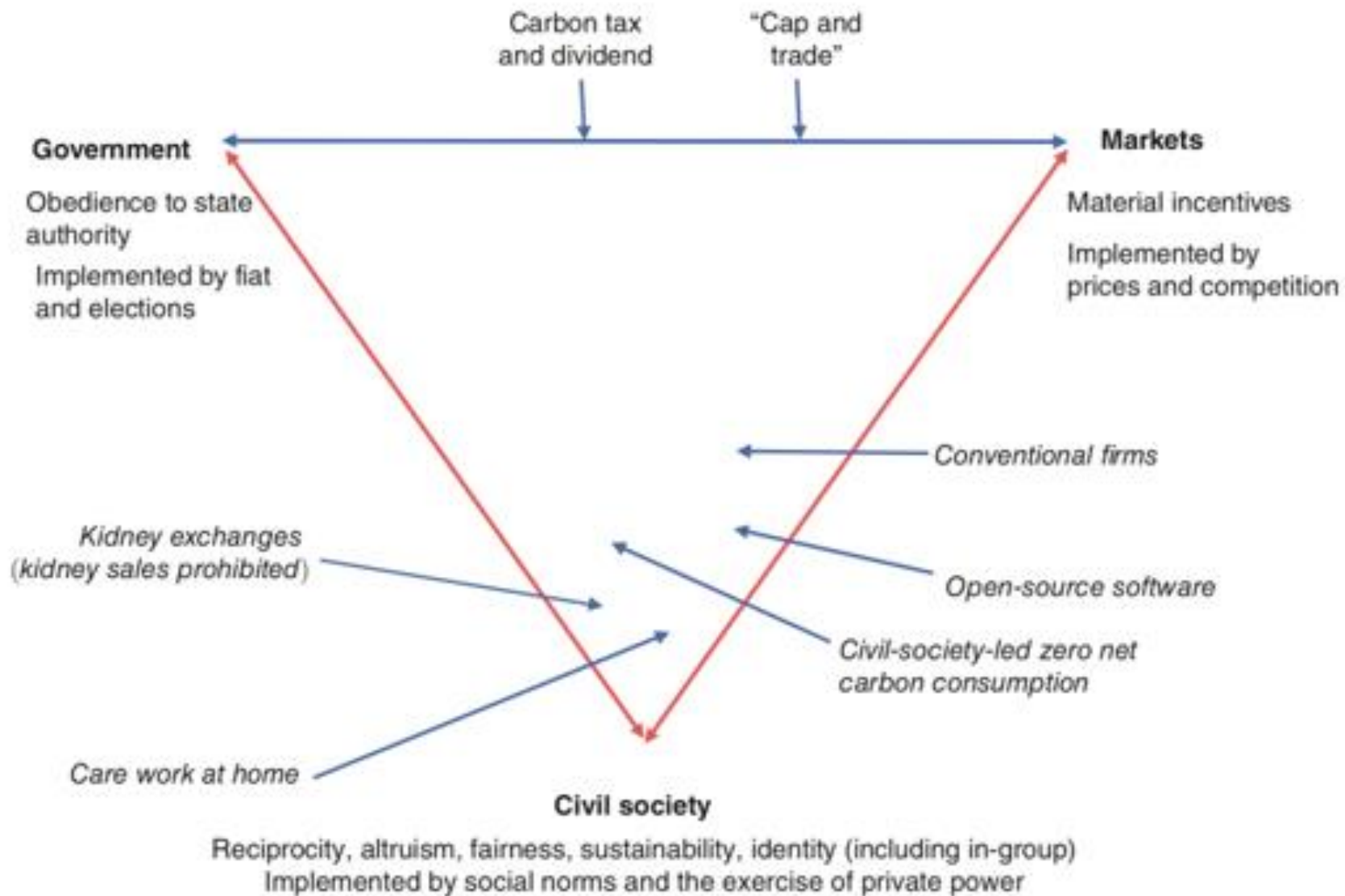


Technologies Médicales et Pharmaceutiques



Note: Distance de la France au leader en terme de brevets triadiques par habitant.
Diagnosis/Surgery (A61B), Drugs for medical/dental purposes (A61C), sterilization (A61L)
Medical Devices (A61M) Radiation Therapy and others (A61N), Chemical Therapy (A61P)

Civil society and the State



Civil society and the State

- Bowles and Carlin (2020) acknowledge the irreplaceable role of the State to deal with both, the health crisis and the economic crisis
- But they also point to the key role of civil society and social norms
- South Korea.....but also Germany

Civil society and the State

- In France, lockdown rules are excessively centralized and uniform: insufficient role of local government
- Stop and go: coercion followed by laxism to coercion, as civil society is not called upon

Conclusion

- Covid crisis as a Wake-Up Call to reform our capitalist systems
- Combine the upside of US capitalism (innovation) with the upside of European capitalism (protection)
- Interplay between firms (market), the State, and civil society, is key.