

ECONOMIC RESILIENCE AND PANDEMICS*

RESOLUTION 463

The Assembly,

1. **Noting** that the global community is currently undergoing the most consequential pandemic since the outbreak of the Spanish influenza in 1918-1919;
2. **Affirming** that beyond the horrific loss of life pandemics inflict, they are also essentially negative economic shocks that can affect supply, demand, monetary and fiscal conditions, while weakening consumer and investor confidence;
3. **Understanding** that measures undertaken to minimise the impact of a pandemic, such as enforced quarantines and travel bans, will undermine national economies over the short-term, although such measures can have salutary economic impacts over the longer term if they help limit the spread of catastrophic diseases;
4. **Realising** that those measures should strike the right balance between protecting public health and maintaining social and economic life;
5. **Acknowledging** that when the world's economies slow together, as they have during the COVID-19 pandemic, there is a pro-cyclical impact that both hastens and deepens recession;
6. **Applauding** the emergency fiscal and monetary measures that North American and European governments as well as the EU have undertaken to counter the recessionary shock COVID-19 has inflicted;
7. **Lamenting** that a pandemic can also have a rapid and negative impact on trade, particularly once governments have shut down many commercial activities and undertaken measures to close borders;
8. **Underlining** that as a result of the COVID-19 pandemic, heavily leveraged financial markets confront their gravest challenge since the 2008 global financial crisis;
9. **Warning** that this crisis has revealed that Allied countries are overly dependent on strategic rivals like China in several critical medical and high-technology sectors and that foreign investment in Western firms represents one means by which these countries potentially put vital supply chains at risk;
10. **Concerned** that developing countries confront particularly momentous challenges in the midst of this pandemic because of capital flight from poor to rich countries but also because many less well-off countries lack the financial means, technical capacity and social capital needed to cope with the medical and economic dimensions of the crisis;

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11. **Acknowledging** that the economic destinies of North America and Europe are undergirded by a dense web of trade and investment relations as well as by essential diplomatic and security ties, of which NATO is the highest expression;
12. **Welcoming** the crucial role played by NATO structures supporting Allied and partner nations in their response to the COVID-19 pandemic, including the contributions made by the Euro-Atlantic Disaster Response Coordination Centre (EADRCC) and the NATO Support and Procurement Agency (NSPA) which facilitated crisis relief missions, including the provision of medical supplies and equipment;
13. **Noting** the paradox that defence budgets are politically vulnerable in a period of heightened scarcity but that, historically, geopolitical risks often mount precisely when an international economic crisis unfolds;
14. **Recognising** that the defence industrial sector currently confronts unique problems linked to procurement and budgetary uncertainties as well as a burgeoning crisis in civilian business sectors, which increasingly “spin-in” essential technologies to today’s defence platforms;
15. **Convinced** that pandemics are not one-off events, but rather recurrent over human history and that there is consequently every reason to anticipate new global epidemiological challenges over the coming decades;
16. **URGES** member governments and parliaments of the North Atlantic Alliance:
 - a. to acknowledge that failing to hedge against the likelihood of a future pandemic could be catastrophic and that states may need to partly restructure their approaches to public health to better react to this kind of emergency in the future;
 - b. to invest in infrastructure, institutions, personnel, equipment, training, procedures, contingency planning and thoroughly articulated international procedures to build national and international resilience in the face of pandemics;
 - c. to forge innovative partnerships among governments, scientists, and economists to better prepare for catastrophic risk and to ensure that there is strong international collaboration in the development of a vaccine against COVID-19;
 - d. to help counteract the economic and medical plight of developing countries, many of which have been struck very hard by the current crisis;
 - e. to mount clear and credible long-term strategies aiming to unwind debt burdens that will almost inevitably mount as the current crisis unfolds;
 - f. to intensify European and transatlantic monetary and fiscal cooperation while reinvigorating the transatlantic trade relationship, which has long provided a foundation of prosperity and well-being;
 - g. to monitor foreign investment in critical strategic sectors while reducing overreliance on any single supplier country of vital medical equipment, pharmaceuticals, and other critical technologies, particularly when the investing country is considered a strategic rival;
 - h. to nonetheless resist the temptation to engage in broader protectionism while reasserting a collective commitment to free trade and open markets;
 - i. to work with multilateral institutions like the IMF, the World Bank and the OECD which play a crucial role coordinating international economic strategies for coping with the economic fall-out from pandemics and to ensure that the WHO effectively coordinates global public health responses to pandemics;

- j. to redouble national and multilateral efforts to enhance the security of cyber-infrastructure, which plays a central role in sustaining economic activity during pandemics;
 - k. to employ smarter collective approaches to defence procurement and deeper defence industrial and doctrinal cooperation, which will enhance efficiency, interoperability and military capabilities;
 - l. to continue investing in military mobility across the Euro-Atlantic area which can, among other things, facilitate the rapid movement of medical supplies and personnel to regions struck by health emergencies;
 - m. to rededicate themselves to allocating 2% of GDP to defence and 20% of overall defence spending on major equipment procurement and related research and development in order to ensure that Allies remain capable of defending their societies against geopolitical threats, some of which a pandemic and related economic crises will only exacerbate.
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