

# Issue Brief, The Summaries

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## Implications of the G20 Leaders' Summit on Cooperation in Healthcare and Supply Chain Resilience

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At the G20 Rome Summit held at the end of October, the G20 leaders formed a consensus on the need to establish a permanent system of cooperation between authorities of economic, financial, and health sectors, to simultaneously overcome the COVID-19-induced challenges of the global health crisis, economic collapse, and financial distress. The same causes also contributed to the hosting of a joint finance and health ministers meeting, prior to the G20 Summit, in which an agreement was reached to establish an institutionalized system of cooperation. The finance and health ministers agreed to establish a G20 Joint Finance-Health Task Force (the Task Force) to strengthen their capabilities to prepare for, prevent, detect and respond to future infectious diseases and pandemics. The Task Force promotes international solidarity and cooperation in various tasks related to pandemic prevention, such as joint research, development, and information sharing. The Task Force will also be responsible for assessing health risks and coordinating joint responses in the event of a pandemic. With polarized

global inequality, resulting from the globalization of the financial system since the 1990s, already straining health response capabilities of developing countries suffering from the additional burden of COVID-19, the outcomes of the G20 Summit suggest a mutual agreement on the need for an omnidirectional response against the possible fixation of such inequality at the global level.

Regarding the issue of vaccine distribution, the G20 set the target to increase vaccination rates in all countries around the world to 40% by the end of this year and 70% by mid-2022. Accordingly, South Korea will need to faithfully fulfill its promise to donate USD\$200 million worth of Vaccines toward COVAX, and to continue to provide direct support to other countries that lack vaccines, along with the previously announced support to Vietnam. In order to overcome the pandemic, South Korea should play a bridging role between developed countries and developing countries, and a leading role in reconstructing global governance in the health sector through multilateral consultative bodies.

Regarding the restoration of global supply chains, more attention should be given to President Biden's "Summit on Global Supply Chain Resilience," held separately from the official G20 Summit. President Biden highlighted four priorities, calling for international coordination and mutual assistance for an enhanced supply chain ecosystem. These are: diversification of supply chains not to be reliant on a

singular supply chain; protection of supply chains from natural and man-made threats, including cyberattacks; enhancement of transparency and predictability of supply chains; freedom from the use of forced labor or child labor to the end of guaranteeing supply chain sustainability. Given that the Biden administration has consistently emphasized democracy-based diplomacy and criticized China's actions that go against international norms and human rights standards, the emphasis on the prioritization of elements like cybersecurity threats, lack of transparency and predictability, and forced labor, can be interpreted as a goal of the administration to reduce China's influence in the global supply chain. With the United States led 'Summit on Global Supply Chain Resilience', the US-China supply chain competition is likely to intensify. This is because China criticizes the Biden administration's foreign policy as "selective multilateralism" and advocates instead for "inclusive multilateralism without barriers to entry, particularly ideology or regime type." If the competition between the United States and China intensifies over the restoration of global supply chains, the pressure on South Korean firms to choose a side will naturally increase. The South Korean government needs to hold a South Korea-China summit sooner rather than later to dispel distrust and skepticism from China regarding South Korea's coordination in the United States-led global supply chain initiative, and seek momentum for cooperation between the two Asian countries. At the same time, it is necessary to

seek a supply chain diversification strategy by pursuing technological cooperation with Japan and the European Union as a means to disperse supply chain risks centered on major powers. Also, the South Korean government must make an effort to diversify supply chain by promoting cooperation with new partner countries of the New Southern and New Northern policies.

Keywords: G20 Leaders' Summit, healthcare cooperation, global supply chain resilience, US-China strategic competition