Speech by Martin Guzman, Minister of Economy of the Republic of Argentina, at the *Extraordinary G20 Finance Ministers and Central Bank Governors Meeting*

March 23, 2020

Good morning, or good afternoon, to everyone.

We are experiencing a massive global health and economic crisis of a magnitude that no one could have foreseen just a few months ago. The global market economy was not prepared to deal with the consequences of the COVID-19, and it is of utmost importance that we deepen global coordination and cooperation efforts as much as possible in order to preserve global social stability.

On the economic front, what we face today is much more complex than a demand problem. We cannot and should not face this shock only with standard stimulus measures. The reason people cannot go to work now is that we need to reduce circulation to avoid the spread of the disease.

I will argue today that the global response must be based on five principles.

The first principle is that health is the number one priority. Health is a global public good. To safeguard public health, we must reduce circulation of people and goods. This will, of course, reduce economic activity. Therefore we must take measures to guarantee the supply of essential goods and services.

The second principle is that we must protect those who are, or who become, vulnerable. Changes in the composition of demand, without policy interventions, are leading to situations of desperation for many. We must act decisively to avoid a social meltdown.

There are three ways to tackle this necessity:

* Provide cash transfers.
* Protect employment through subsidies of jobs in sectors that are critically affected by the crisis.
* Provide extensions of the unemployment insurance.

Argentina is adopting all of these measures.

The third principle is that policies must preserve organizational capital--knowledge--embedded in ongoing enterprises. This is different than protecting profits or shareholders. How we handle this will be critical for avoiding a deepening of the inequalities that have made so much damage to the world.

The fourth principle is that research to deal with the COVID-19 crisis must be a global public good. Research is of the essence and the scientific and medical knowledge that research creates must be made globally available at affordable prices.

The fifth principle is that we need to use the entire toolkit of economic policies to provide global liquidity. For example: there should be extensions of bilateral swaps with the advanced economies as well as increases in the Special Drawing Rights. This is a global emergency that requires bold and decisive global policies.

Argentina stands ready to help the world navigate through these difficult times. We will be able to face this crisis if we act decisively together.

Thank you.