**Forum:** ECOSOC (Economic and Social Council)

**Issue:** Addressing Economic Disparities in the Post-COVID Recovery Phase

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**Introduction**

In addition to stopping the planet in its tracks, the COVID-19 epidemic revealed serious flaws in our economic structures. For many, the pandemic turned into a financial problem in addition to a health one. According to World Bank estimates, decades of progress were reversed in 2020 when roughly 97 million people were forced into extreme poverty. Low-income nations were particularly affected by this harsh reality, as their people lacked enough assistance due to their brittle healthcare systems and sparse social safety nets.

These economic differences didn't have an equal impact on everyone. The most severely affected groups lost their livelihoods at previously unheard-of rates: women, youth, and those employed in informal occupations. A startling picture of how livelihoods were destroyed is painted by the International Labour Organization's 2020 working-hour losses, which amounted to 255 million full-time jobs worldwide.

Vaccine access became yet another point of contention. Richer countries were able to reopen and recover faster because they were able to get most vaccination doses early on. Nearly 80% of the world's vaccine supply had been stockpiled by high-income countries by the middle of 2021, while several low-income countries had fewer than 2% remaining. This disparity in vaccines widened the divide between the Global North and South and perpetuated the economic hardships of emerging nations.

Instead of being an effective equalizer, technology ended up making differences worse. Those without internet access were left behind as healthcare, education, and even employment shifted online. About 37% of people worldwide, primarily in developing nations, still do not have internet access, according to a 2022 UN assessment. Missed chances for basic services, work, and education resulted from this lack of digital access.

Millions of lives have been reshaped by these statistics, which are more than simply just numbers. In addition to being morally required, addressing these disparities is crucial to creating a more robust and inclusive global economy. We can use this recovery period as a chance to build a more equitable world for all by making investments in internet access, healthcare, and education as well as encouraging global cooperation.

**Definition of Key Terms**

**Economic Inequality:**

Unequal distribution of income and opportunity between different groups in society

**Middle-Income Trap:**

Those whose incomes per capita lie between the levels used to define low- and high- income countries,Government measures aimed at supporting economic growth

**Universal Basic Income (UBI):**

a government program that aims to address economic inequality and provide economic security through monthly direct cash transfers to every member of a community with no means testing.

**Fiscal Stimulus:**

Financial support provided by a government in the form of standard, recurring payments to individuals without the need for means testing.

**Debt Relief:**

Partial or total forgiveness of debt, or the slowing or stopping of debt growth, owed by individuals, corporations, or nations

**Economic Diversification:**

The process of shifting an economy away from a single income source toward multiple sources from a growing range of sectors and markets.

**Global Value Chain (GVC):**

International production sharing, a phenomenon where production is broken into activities and tasks carried out in different countries.

**Livelihood Security:**

The ability of a household to meet its basic needs

**Gender Wage Gap:**

The difference in average gross hourly earnings between women and men.

**Background Information**

**Covid-19 pandemic**

 ***Effects of covid-19***

The COVID-19 pandemic had far-reaching health, economic, and societal impacts that disrupted lives and systems worldwide. Millions of people died, healthcare systems were overburdened, and serious flaws in the public health system were revealed. Vulnerable groups were disproportionately impacted since they had less access to healthcare. According to the International Monetary Fund (IMF), the epidemic caused a catastrophic worldwide recession that devastated sectors like tourism, hospitality, and aviation. As a result, the global economy shrank by 3.5% in 2020. Over 1.6 billion pupils were harmed by school closures, which had a particularly negative effect on education, especially in underserved places where access to online learning resources was limited. Lockdowns, job losses, and uncertainty also contributed to a notable global increase in mental health problems throughout the crisis. According to a WHO assessment, the pandemic's first year saw a 25% rise in cases of anxiety and despair, highlighting the crisis's severe emotional toll.

 ***Reasons for economic disparities***

Significant gaps in access to opportunities and resources were created as a result of the COVID-19 pandemic, which brought to light and intensified pre-existing inequalities in a number of areas. Low-income countries struggled to meet basic healthcare and economic needs while wealthier nations, with their superior financial capability, were able to procure vaccines and undertake large-scale stimulus packages. Inequalities were exacerbated by the move to digital platforms for job, education, and commerce, which left behind people without dependable internet connection or digital proficiency, especially in underdeveloped and rural areas. Uneven economic results resulted from the pandemic's terrible losses in some businesses, including retail and tourism, while others, like technology and e-commerce, prospered. Additionally, socioeconomic and gender disparities grew, with women disproportionately impacted by increasing caregiving duties and job losses in industries with a female preponderance.

 ***Current obstacles in the post covid-19 phase***

Significant obstacles still stand in the way of global stability and development during the post-COVID recovery phase. Vaccine disparity is still a major problem; as of 2023, low-income countries' immunization rates were still far lower than those of high-income ones, which hindered their attempts to recover. The severe debt that many poor countries have accrued during the pandemic also restricts their ability to make investments in long-term development and recovery projects. Furthermore, the cost of living has increased due to persistent inflation brought on by supply chain interruptions, which disproportionately affects low-income households. Recovery efforts have been made more difficult by the pandemic's economic toll and societal tensions, which have exacerbated political instability in certain areas. Achieving sustainable development in the post-pandemic world is a worry as certain short-term recovery strategies have jeopardized long-term environmental and climate goals.

**Major Countries and Organizations Involved**

**The United States of America**

The United States' economic and geopolitical might has placed it at the forefront of the worldwide COVID-19 recovery efforts. It carried out enormous stimulus plans at home, like the $1.9 trillion American Rescue Plan, which sought to boost the economy, assist companies, and give citizens direct assistance. On a global scale, the United States gave over 1 billion doses of vaccines to nations in need and billions of dollars to programs like COVAX. Internal differences in healthcare access and vaccination uptake, however, highlighted how difficult it is to guarantee equity even in industrialized countries.

**India**

India, sometimes referred to as the "pharmacy of the world," was instrumental in the creation of vaccines worldwide thanks to organizations like the Serum Institute of India, which produced millions of doses of the AstraZeneca vaccine for export. Through its Vaccine Maitri (Vaccine Friendship) program, India helped low-income and adjacent nations and resumed vaccine shipments despite significant local difficulties during the Delta variant surge.

**China**

China became a major player in the international response to COVID-19 as one of the biggest manufacturers of vaccinations, medical supplies, and personal protective equipment (PPE). It provided vaccines to underdeveloped countries as part of its Belt and Road Initiative, frequently as a strategic diplomatic move. China concentrated on stringent containment measures at home, which aided in epidemic management but also had an effect on international supply networks.

**South Africa**

By co-sponsoring a request with India at the World Trade Organization (WTO) to temporarily waive intellectual property rights on COVID-19 vaccines, South Africa emerged as a strong advocate for vaccine equity. This program sought to solve access inequities by enabling low- and middle-income nations to produce their own vaccines. Facilities for producing vaccines for the African continent were also located in South Africa.

**Germany**

Through the European Union's (EU) pandemic response programs and direct assistance for programs like COVAX, Germany has made a substantial financial contribution to worldwide recovery efforts. Germany, a proponent of sustainable recovery, placed a strong emphasis on international collaboration and green measures to increase resilience to future world crises.

**World Health Organization (WHO)**

By issuing guidelines, organizing vaccine distribution, and initiating programs like COVAX, which seeks to guarantee equitable vaccination access globally, the WHO has played a pivotal role in the global pandemic response. The WHO still promotes better healthcare systems and international solidarity in spite of obstacles like wealthy countries hoarding vaccines.

**International Monetary Fund (IMF)**

Countries struggling with the pandemic's economic effects received vital financial support from the IMF. Its Special Drawing Rights (SDRs) allotment of $650 billion provided struggling economies with much-needed financing. The IMF also underlined how crucial debt relief and restructuring are to allowing low-income countries to make investments in growth and recovery.

**United Nations Development Programme (UNDP)**

The UNDP sought to alleviate the pandemic's socioeconomic effects, especially in developing nations. It helped governments create recovery programs with an emphasis on poverty alleviation, education continuity, and sustainable development. In order to rectify the disparities made worse by COVID-19, the UNDP also worked with other UN organizations.

**Gavi, the Vaccine Alliance**

Gavi was essential to the distribution and acquisition of vaccines, especially in low-income nations. As a key collaborator on the COVAX project, Gavi aimed to make sure that nations that lacked the resources to obtain vaccines on their own could obtain doses. The glaring differences in vaccine availability between industrialized and developing countries were addressed in large part thanks to its efforts.

**Timeline of Events**

| **Date** | **Description of Event** |
| --- | --- |
| December 2019 | First COVID-19 Outbreak in Wuhan, China |
| 11th March 2020 | WHO (World Health Assembly) declares COVID-19 as a pandemic |
| 4th April 2020 | 1 million cases of the virus have been confirmed worldwide, more than tenfold increase in less than a month |
| 18th-19th May 2020 | The 73rd World Health Assembly, the first ever to be held virtually, adopted a resolution to bring the world together to fight the COVID-19 pandemic |
| June 2020 | Unemployment rate in the UK has risen by 10% within two months, especially towards the leisure and hospitality industry |
| 12th March 2021 | WHO listed the COVID-19 vaccine Ad26.COV2.S, developed by Janssen (Johnson & Johnson), for emergency use in all countries |
| 5th May 2023 | COVID-19 no longer recognised as a global health issue |

**Relevant UN Treaties and Events**

* Report of the United Nations High Commissioner for Human Rights, 9 June 2021 **(E/2020/63)**
* Comprehensive and coordinated response to the coronavirus disease (COVID-19) pandemic, 15 September 2020, **(A/RES/74/306)**
* Global solidarity to fight the coronavirus disease 2019 (COVID-19), 3 April 2020, **(A/RES/74/270)**
* Comprehensive and coordinated response to the coronavirus disease (COVID-19) pandemic, 10 September 2020, **(A/74/L.92)**
* International cooperation to address challenges faced by seafarers as a result of the COVID-19 pandemic to support global supply chains, 24 November 2020, **(A/75/L.37)**

**Previous Attempts to solve the Issue**

 For governments, corporations, and society around the world, addressing economic imbalances in the post-COVID recovery phase has proven to be a difficult task. With differing degrees of success, a number of programs and tactics have been tried to lessen inequality and encourage an inclusive recovery. The following are some significant initiatives and suggestions that have been made:

**Fiscal Stimulus Packages**

Government Interventions: To assist both individuals and businesses, some governments implemented large fiscal stimulus plans. These packages comprised small company loans, unemployment insurance, direct payments to residents, and financial assistance for industries most affected by the pandemic, such travel and hospitality.

Impact on Disparities: Although these policies contributed to short-term economic stabilization, they frequently failed to address fundamental inequities over the long run. Critics contend that vulnerable communities received less from these packages since they were disproportionately aimed at larger firms and wealthier households.

**Universal Basic Income (UBI) Experiments**

UBI Proposals: The concept of Universal Basic Income (UBI) gained popularity as a reaction to the pandemic's effects on employment losses and economic instability. Regardless of a person's work status, universal basic income (UBI) is a direct financial distribution from the government to them.

**Possible Solutions**

**Progressive Taxation and Wealth Distribution**

The wealthiest individuals and companies can donate greater amounts of their income to public coffers under progressive taxation schemes that governments can enact. This money can be utilized to enhance healthcare, finance education, support social activities, and meet the fundamental needs of disadvantaged groups. By providing a foundational financial safety net for all citizens, policies like a negative income tax or guaranteed minimum income would directly reduce income disparity.

**Strengthened Social Safety Nets**

Families in need can receive immediate support by extending social safety nets like universal healthcare, food assistance, and unemployment benefits. Increased workforce involvement, particularly among women and caregivers, is made possible by programs like universal childcare and paid family leave, which also guarantee that families are supported during trying times. These actions lay the groundwork for sustained economic stability.

**Job Creation and Workforce Development**

In addition to meeting urgent community needs, investing in public infrastructure projects like roads, schools, and renewable energy projects can promote job growth. Programs for workforce development, such as reskilling and upskilling, equip employees for new fields like renewable energy, technology, and healthcare. These programs guarantee that workers with competitive skills who were displaced by automation or the epidemic can reenter the workforce.

**Support for Small Businesses**

Many economies rely heavily on small companies, which were disproportionately impacted by the pandemic. To aid in these enterprises' recovery, governments might offer direct financial assistance in the form of grants, low-interest loans, and tax breaks. Furthermore, networking opportunities and mentorship programs can help entrepreneurs, especially in underprivileged and minority communities, rebuild and expand.

**Affordable Housing and Zoning Reforms**

Economic inequality has been made worse by the housing crisis, especially in cities. It is possible to guarantee that low- and middle-income families have access to safe and reasonably priced housing by funding affordable housing projects and changing zoning regulations to promote mixed-income buildings. Tenant protections and rent control policies can also assist keep housing costs stable and stop evictions.

**Digital Inclusion and Access**

During the pandemic, the digital divide grew increasingly noticeable as inequalities in internet access were brought to light by distant employment and schooling. It is possible to guarantee that underprivileged communities have access to necessary resources by increasing the availability of reasonably priced internet services and offering technology subsidies. Programs for digital literacy also give people the tools they need to prosper in an increasingly digital environment.

**Gig Economy Protections**

Benefits like health insurance, paid time off, and retirement savings are frequently unavailable to gig workers. In this expanding industry, job security and working conditions can be enhanced by enacting labor regulations, setting reasonable wage standards, and encouraging unionization activities. By taking these steps, gig workers would have a safety net while still receiving just compensation for their labor.

**Guiding Questions**

1. How is your delegation affected by this?
2. What previous actions or efforts has the delegate’s country implemented to achieve economic equality amongst regions in accessing vital needs for the COVID-19 recovery phase?
3. How will developing countries access basic requirements and medications to treat patients despite financial constraints?
4. How will the availability of jobs and wage disparities be managed in regions vulnerable to unemployment?
5. What investments are currently being made to ensure affordable housing in the recovery phase?
6. How are local communities being involved in designing plans and implementations to conduct successful recovery?
7. What future projects are being considered to make the economy more resilient in dealing with upcoming epidemics and crises’?
8. What measures will be taken to support small businesses and low-income employers during this phase?

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**Appendix or Appendices**

1. [https://www.wisemee.com/how-to-write-a-resolution](https://www.wisemee.com/how-to-write-a-resolution/) (Wisemee How to Write an MUN Resolution)

*Simple guide on how to make a resolution for beginners*

1. <https://www.worldbank.org/en/publication/wdr2022/brief/chapter-1-introduction-the-economic-impacts-of-the-covid-19-crisis> (World Bank The economic impacts of the COVID-19 crisis)

*Mentions on the economic effects the global pandemic has on countries*

1. <https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19> (International Monetary Fund Policy Responses to COVID-19)

*Provides ways governments and legislations have responded to limit the social and economic impact of COVID-19 as a whole*

1. <https://www.who.int/health-topics/coronavirus#tab=tab_1> (World Health Assembly Coronavirus disease)

*Basic information, symptoms and preventions on this virus*