



Research Report

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Addressing inequality in post-pandemic recovery promoting inclusive economic growth and social protection for vulnerable populations

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Introduction

The COVID-19 pandemic has had varying impacts on social groups, depending on existing disadvantages, and it is widely believed that it has triggered a rise in inequalities across different areas of life. These inequality's range from economic to social ones and have been, or still are, something that is experienced daily by millions of people.

This Research Report aims to examine these inequalities more closely, focusing on what can be done to create a recovery that is fair for everyone. It will look into ways to encourage economic growth that includes all parts of society, and will explore how social protections can support those who are more vulnerable in this recovery process. To help readers understand the topic, this report will first take a look at how these inequalities developed over time, as understanding this history can show why some groups were more affected than others. It will also define important terms related to inequality and economic recovery, making it easier to see the connections between different issues. Finally, the report will explore practical solutions that could help reduce these inequalities. By addressing what can be done to create a fairer post-pandemic world, this report aims to suggest paths forward that could help millions of people rebuild their lives with more stability, security, and hope for the future.

This issue is very complicated since some country's differentiate some social groups from others, and when following their (religious) Ideologies some groups are deemed unworthy of support by the government. This Report aims to bring a socially, culturally and internationally accepted baseline to which all member states can adhere, which will then result in more fruitful debates filled with endless possibilities for improvement.

Long term consequences of the COVID-19 virus have not yet been determined since the first registered case of COVID-19 was in Wuhan, December 12, 2019. Therefore part of the research regarding this issue should be added on by own research and mainly estimations.

Definitions of Key Terms

Inclusive Economic Growth

Economic growth that ensures benefits are shared across all segments of society, especially marginalised and vulnerable groups, reducing income inequality and enhancing social mobility.

Social Protection

Policies and initiatives are formulated to alleviate poverty and reduce vulnerability by offering financial assistance and enabling access to essential services, including healthcare, unemployment benefits, and pensions. Social protection frameworks are fundamental in diminishing inequality and securing economic stability.

Vulnerable Populations

Groups that are more vulnerable to social, economic, and environmental hardships, such as low-income families, women, children, the elderly, people with disabilities, and marginalised communities. These populations are often prioritised in recovery efforts to prevent widening inequality.

Economic Inequality

The disparity in the allocation of income and wealth among various segments of society. Economic inequality frequently worsens during crises and can hinder recovery efforts if it is not tackled.

Income Inequality

A specific form of economic inequality focusing on disparities in wages, salaries, and other income sources. It is often measured using indicators such as the Gini coefficient.

Social Inequality

The existence of unequal opportunities and rewards for different social statuses or groups within a society. This can manifest in education, employment, healthcare, and access to resources, often exacerbated by systemic issues.

Universal Basic Income (UBI)

A model of social security in which all citizens receive a regular, unconditional sum of

money from the government. UBI is often debated as a tool for reducing inequality, especially during economic disruptions.

Green Recovery

Economic recovery efforts that aim to address climate change and promote sustainability. It includes policies that create environmentally-friendly jobs and reduce reliance on fossil fuels, often seen as part of a sustainable and inclusive growth strategy.

Labor Market Inclusion

Efforts to ensure equal opportunities for all individuals to participate in the workforce. This includes addressing barriers such as discrimination, limited access to education, or lack of childcare support, which are essential for inclusive growth.

Multidimensional Poverty

A measure of poverty that considers multiple deprivations beyond income, such as education, health, and living standards. This approach helps identify and address specific challenges faced by vulnerable populations.

Structural Inequality

Long-standing, systemic barriers that limit opportunities and resources for certain groups, often based on race, gender, or socioeconomic status. Addressing structural inequalities is key to promoting sustainable, inclusive growth.

Digital Divide

The gap between those who have access to digital technology and the internet and those who do not. This divide can increase inequality, particularly as the economy becomes more reliant on digital infrastructure.

Pandemic Profiteers

Pandemic profiteers are individuals or companies that exploit health crises to gain excessive profits, often through price gouging or monopolising high-demand resources. Their actions are seen as unethical, prioritising profit over public welfare during vulnerable times.

General overview

What the issue is about:

The COVID-19 pandemic has been described as one of the most major wealth transfers in modern history. Throughout this time, the net worth of the ten wealthiest individuals globally doubled, illustrating a stark contrast between the financial gains of the ultra-wealthy and the economic hardships encountered by millions. This phenomenon led to the introduction of the term "pandemic profiteers," which refers to individuals who used the crisis for substantial profit.

While the accumulation of wealth is a common occurrence, the exceptional nature of this situation stems from the simultaneous global economic downturn. The pandemic resulted in unprecedented unemployment rates worldwide, with approximately 114 million individuals losing their jobs, as reported by the World Economic Forum. This juxtaposition of escalating wealth among a select few and widespread economic hardship emphasises the increasing disparity between the rich and the poor, even during periods of global crisis.

The pandemic's impact on employment was major. Lockdowns and restrictions led to business closures and diminished economic activity, disproportionately affecting low-income workers and individuals in informal sectors. Many individuals not only lost their jobs but also their primary means of livelihood, thrusting them into poverty and uncertainty.

In contrast, certain sectors and individuals experienced substantial financial gains. Industries such as technology, e-commerce, and pharmaceuticals witnessed a surge in demand, resulting in major profits for companies and their executives. For example, the wealth of billionaires increased by over \$1.7 trillion during the pandemic, reflecting a gain of more than 58 percent, as noted by the Institute for Policy Studies.

This disparity has intensified discussions regarding economic inequality and the necessity for widespread reforms. Proponents advocate for policies that encourage comprehensive economic growth and offer comprehensive social protection for vulnerable populations.

The pandemic has brought to light the fragility of existing social safety nets and needing measures that ensure equitable distribution of resources and opportunities.

In summary, the COVID-19 pandemic has not only constituted a public health crisis but also acted as a catalyst for economic changes that have deepened existing inequalities. The simultaneous rise in wealth among the wealthiest individuals and the widespread loss of employment among the general populace is a stark indication of the increasing divide between the affluent and the impoverished, even in times of global adversity.

History of the issue:

The COVID-19 pandemic began in late 2019, with the first cases reported in Wuhan, China, where a new coronavirus strain, later named SARS-CoV-2, started spreading. The virus quickly moved across borders, and by early 2020, it had sparked a global health crisis as governments struggled to contain outbreaks. By March 2020, the World Health Organization declared COVID-19 a pandemic, prompting lockdowns, travel restrictions, and emergency health measures worldwide.

While the pandemic affected everyone, its impact on minority groups was especially severe. Pre-existing social and economic inequalities, such as lower incomes, limited access to healthcare, and crowded living conditions, left minority populations more vulnerable to both the health risks and economic fallout of the pandemic. Many people in these groups were employed in essential, frontline roles—like healthcare, retail, and transportation—where exposure risk was high. These factors led to alarming higher infection and mortality rates among minorities, as well as heightened job loss, financial instability, and mental health challenges.

The current situation:

Today, while vaccines and treatments have brought the pandemic under greater control, the inequalities highlighted by COVID-19 remain deeply relevant and present. Minority groups continue to face challenges in accessing healthcare, securing stable employment, and achieving economic recovery at the same rate as others, families have also lost main breadwinners leaving mostly kids and mothers without a source of income. Governments

and organisations worldwide are now focusing on inclusive recovery strategies, aiming to support these vulnerable populations and address the long-standing disparities that the pandemic made so visible.

Major parties involved

The United States of America:

The USA has been challenged by high healthcare costs, uneven access to social support, and stark racial inequalities led to major disparities in COVID-19 outcomes. They are also facing issues where temporary relief programs helped initially, but the expiration of these benefits exposed millions to financial vulnerability, housing instability, and health disparities. This all eventually resulted in racial and economic inequalities remaining significant, affecting healthcare access, education, and economic stability.

New Zealand

New Zealand is known for its "well-being budget," New Zealand has focused on mental health, child poverty, and supporting marginalized communities, and through its key policies, extensive economic support was provided during the pandemic. Recovery efforts have included policies on housing affordability, job creation, and healthcare access. These efforts have reduced unemployment significantly and provided a more resilient recovery for disadvantaged groups.

India

The informal labor sector, healthcare access, and limited social protections have made inequality worse, since this sector was already rather unstable. Millions of migrant and informal workers have also lost jobs with minimal financial support, and many faced severe healthcare and food insecurity.

Denmark

Denmark's strong social safety nets, labor protections, and universal healthcare helped lessen inequality impacts, which lead to rapid and comprehensive wage compensation

schemes which kept unemployment low, and the continued social benefits have reduced economic fallout for low-income workers.

Mexico

In Mexico weak healthcare infrastructure and high levels of informal employment worsened inequality, this in combination with many informal workers receiving limited government support, resulted in severe economic hardship.

South Korea

Known for its effective early pandemic response, South Korea combined health measures with economic relief to protect vulnerable populations. By issuing direct payments, job protection programs, and robust healthcare infrastructure they prevented large-scale job losses and financial strain.

Timeline of Key Events

1980 - The concept of "inclusive growth" starts to gain traction, focusing on reducing poverty and promoting broad-based economic growth as a pathway to reduce inequality.

1987 - The World Commission on Environment and Development publishes the Brundtland Report, highlighting "sustainable development" as development that meets the needs of the present without compromising the future. This idea lays a foundation for inclusive, equitable growth in global policy.

1995 - The United Nations World Summit for Social Development in Copenhagen sets global goals to reduce poverty, unemployment, and social inequality, emphasising the need for social protection systems and inclusive growth strategies.

1999 - International Labour Organization (ILO) Declaration on Social Justice for a Fair Globalization establishes a framework for inclusive growth, with a focus on providing social protections and equal opportunities for vulnerable workers.

2000 - The Millennium Development Goals (MDGs) are established by the United Nations to address poverty and inequality globally. Goals include eradicating extreme poverty, reducing child mortality, and achieving universal primary education.

2008–2009 - In response to the Global Financial Crisis, many countries expand social protection programs to mitigate rising poverty and unemployment, underscoring the role of social safety nets in crisis recovery.

2010 - G20 Seoul Summit prioritises "inclusive growth" as a key goal for sustainable economic development, with a focus on creating employment and reducing inequality globally.

2013 - The European Union launches the Youth Guarantee, ensuring that young people receive offers of employment, continued education, or apprenticeships within four months of leaving school, as a response to high youth unemployment.

2015 - The United Nations Sustainable Development Goals (SDGs) are adopted, with Goal 10 explicitly focused on reducing inequality within and among countries, including aims for social protection, economic inclusion, and fair wage growth.

2017 - The World Bank announces a new focus on "shared prosperity," committing to reduce income inequality and support inclusive growth, especially for the bottom 40% of populations in low- and middle-income countries.

2018 - The ILO launches the Global Commission on the Future of Work, highlighting the need for stronger social protection systems, fair wages, and inclusive policies to address economic disruptions from automation and globalisation.

2019 - December 12, a cluster of patients in China's Hubei Province, in the city of Wuhan, begin to experience the symptoms of an atypical pneumonia-like illness that does not respond well to standard treatments.

2020 (January) - The COVID-19 pandemic emerges, leading to widespread lockdowns, job losses, and economic downturns. The crisis reveals and deepens pre-existing inequalities, especially in healthcare access, income stability, and employment for vulnerable populations.

2020 (April) - The International Monetary Fund (IMF) and World Bank call for urgent debt relief for the world's poorest countries to help them manage the economic fallout from the pandemic and support social programs.

2020 (June) - The European Union launches the NextGenerationEU recovery fund, a €750 billion package designed to support member countries, with a focus on promoting sustainable, inclusive growth and addressing inequality in the recovery process.

2021 - The Global Social Protection Week, organised by the ILO, focuses on building universal social protection systems as a cornerstone of inclusive post-pandemic recovery.

2021 - The United States passes the American Rescue Plan, providing financial support to low- and middle-income families, expanding unemployment benefits, and enhancing healthcare funding to support a more inclusive recovery.

2021 (November) - The COP26 Summit emphasises a "just transition" in climate action, calling for social protection for workers in industries transitioning away from fossil fuels, particularly those in vulnerable economic situations.

2022 - World Economic Forum releases a report on "Global Social Mobility," ranking countries on equality of opportunities and economic inclusion, highlighting the need for social protections in post-COVID recovery strategies.

2022 - The World Bank and IMF push for a "green, inclusive, and resilient recovery" in their annual meetings, urging countries to adopt policies that address climate change, poverty, and inequality simultaneously.

2023 - The United Nations issues a report on "Progress Toward SDG 10" (Reduced Inequalities), noting that while some progress has been made, global inequality has been exacerbated by the pandemic and urging for stronger social protections and inclusive policies.

Previous attempts to solve the issue

1. Millennium Development Goals (MDGs) (2000–2015)
 - The UN's MDGs targeted global issues such as poverty, hunger, and child mortality, with a goal to halve extreme poverty by 2015. While not explicitly about inequality, many of the goals addressed economic disparities and promoted social progress. The MDGs were a significant first step in formalising global targets for poverty and inclusive development.
2. Universal Healthcare Systems
 - Universal healthcare, as seen in countries like Canada, the UK (through the National Health Service), and many European nations, aims to provide access to medical services for all citizens, regardless of income. By removing the burden of healthcare costs, these systems help reduce financial inequality and improve access to essential health services.
3. Global Social Protection Floors Recommendation (ILO, 2012)
 - The International Labour Organization (ILO) introduced Recommendation No. 202, calling for countries to establish “social protection floors” to guarantee basic income security and access to essential services for all. This initiative aimed to address poverty and inequality by providing minimum levels of social protection.
4. COVID-19 Economic Relief Packages:
 - In response to the pandemic, many governments implemented emergency economic relief measures to support individuals and businesses. For example, the U.S. government passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which included direct stimulus payments, enhanced unemployment benefits, and small business loans. Similar measures were adopted in many countries to prevent economic collapse and provide support to those affected by job losses and business closures.

Possible solutions

1. Supporting Digital and Financial Inclusion Initiatives
 - Promote global initiatives to improve digital infrastructure, financial literacy, and access to banking in underserved regions. This would provide more equitable access to the digital economy and support financial independence, especially in rural and marginalised communities.
2. Mandating Transparency and Accountability in Wealth Accumulation
 - Introduce international regulations to require public disclosure of wealth holdings, investments, and tax contributions for high-net-worth individuals and corporations. This transparency could be used to hold wealthy individuals and corporations accountable for tax contributions and equitable resource distribution.
3. Creating a Global Fund for Social Protection Programs

Establish a United Nations-backed fund dedicated to supporting social protection programs in low-income countries. This fund would provide grants and low-interest loans to finance social security, healthcare, and education initiatives, particularly in nations with limited resources.

Further Readings

1. World Bank Poverty and Shared Prosperity Report

This World Bank report provides detailed analysis on global poverty trends, income inequality, and the impacts of COVID-19. It includes country-specific data, discussions on economic disparity, and recommendations for fostering inclusive growth.

<https://www.worldbank.org/en/publication/poverty-and-shared-prosperity>

2. OECD Inequality Update: Income Inequality and the Impact of COVID-19

Published by the OECD, this report examines the pandemic's effects on income inequality and social protection policies across OECD countries, making it useful for understanding economic disparities in developed nations.

https://www.oecd.org/en/publications/socio-economic-and-ethnic-health-inequalities-in-covid-19-outcomes-across-oecd-countries_6c2a96c9-en.html

3. Institute for Policy Studies: “Billionaire Bonanza” Report

This report analyzes wealth accumulation during the COVID-19 pandemic, particularly focusing on the ultra-wealthy and the concept of "pandemic profiteers." It includes discussions on wealth taxation and wealth distribution to address economic inequality.

<https://ips-dc.org/billionaire-bonanza-2020/>

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