

Committee: Economic and Social Council

Agenda: Addressing the imbalances of economic recovery after Covid-19

I. Committee Introduction

The Economic and Social Council (ECOSOC), established on 26 June 1945, aims to “advance the three dimensions of sustainable development - economic, social and environmental.” ECOSOC is one of the six main organs of the United Nations that cooperates with the international community to promote improved living standards such as socioeconomic status, health, human rights and more. It has a rotating membership of 54 nations, as well as partnerships with academics, businesses, and non-governmental organizations.

The annual High-Level Political Forum brings together nations, international/regional organizations, private sectors, and other stakeholders to address issues and identify solutions regarding the Sustainable Development Goals. The Integration Segment, Humanitarian Affairs Segment, Operational Activities for Development Segment, and Management Segment help the smooth functioning of this committee. ECOSOC enhances cooperation within multiple stakeholders through the Partnership Forum and offers a chance for youth to get involved on global issues through the Youth Forum.

In 2021, ECOSOC held multiple forums and meetings to seek resolutions on economic and social issues around the globe. Meetings were guided by the overall theme of ECOSOC 2021: “sustainable and resilient recovery from the COVID-19 pandemic, that promotes the economic, social and environmental dimensions of sustainable development.” The Forum on Financing for Development Follow-Up, Special Meeting on International Cooperation in Tax Matters, Multi-stakeholder Forum on Science, Technology and Innovation as well as forums mentioned above were held this year. More sessions, including the High-Level Political Forum, are scheduled to be held in the upcoming months.



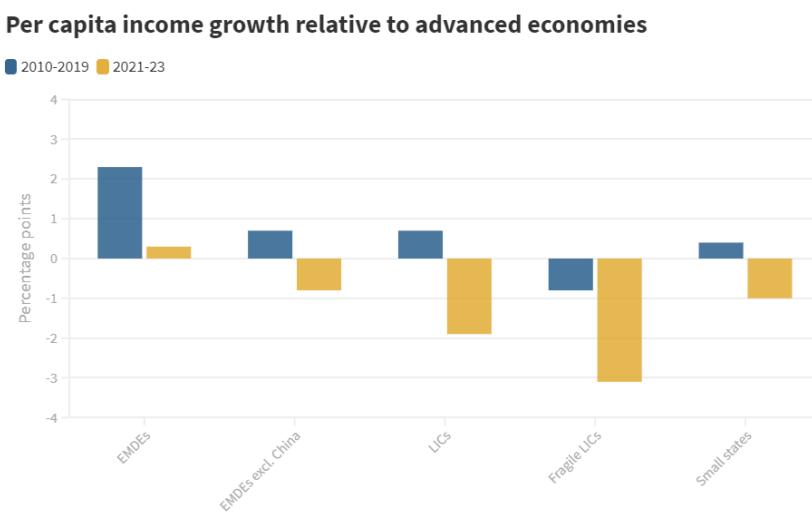
II. Agenda Introduction

Due to Covid-19, the world has gone through a great depression. Also known as the Great Lockdown, this depression has been the most severe repression since the ‘Great Depression’. The COVID-19 pandemic disabled the transportation of various goods and resources. Consumer activities

and stock markets have stagnated, unemployment rates have increased, and most of the countries experienced a decrease in their GDP(Gross Domestic Production).

However, as the world is adapting to the ‘new normal’, the economy has started to recover. Also, the various governmental support and the increasing vaccination rate has been promoting these recoveries. But, there is a large gap between the nations on the speed of recovery. Major economies, such as China and the United States, are predicted to grow greatly. According to the World Bank, the United States will have a growth rate of 6.8%, with the active support of the government and the rapid vaccination. China is expected to have a growth rate of 8.5%, due to the governmental effort on stabilizing the economy.

On the other hand, most of the countries are still having trouble with the resurgence of COVID-19. The vaccines are distributed unequally, and the governments started to withdraw their economic support. Also, since most of the citizens in less developed countries depend on day-to-day wages, interrupting the economy by lockdown is a large health threat for the nation, and gives a broader effect to the country’s economy. For the lower income countries, where the vaccination rate is lower than others, the situation is more severe. Their economic growth rate is predicted to 2.9%, which is 3.9% lower than the United States. This growth rate is the lowest growth rate in two decades. The GDP per capita income loss for lower income countries is predicted not to be fully recovered even in 2022.



<Graph 1> Per capita income growth relative to advanced economies;
EMDE: Emerging markets and developing Economies/LICs: Lower Income Countries

If the inequality between countries continues, there must be a serious difference between countries. This economic polarization between countries will deteriorate the further growth of lower-income countries. In order to prevent further polarization between nations, solving the inequality before the intensification of polarization is very important. As such, global actions should be taken to help nations to recover speedily.

III. Definition of key terms

GDP/GDP Per Capita

Gross domestic product, GDP in short, is a measure of the total production of services and goods for a certain period of time in a country. GDP is the most substantial barometer of economic action. GDP per capita is the GDP averaged by the country's population. By comparing a country's GDP, we can observe the country's economic status by using the country's GDP.

Recession/Depression

A reppression is a downturn in the economy that prolongs for several months. It is defined as the decline of GDP for more than half a year. Depression is a more severe form of recession. It normally lasts for years, and usually has a higher unemployment rate and a sharper decline in GDP. Due to Covid-19, countries experienced depressions, and they have started to recover from these situations.

Vaccine Nationalism

Vaccine nationalism is the situation in which countries force their citizens to get first access to vaccines. Higher income countries prioritize their citizens to get vaccinated first, and slow down the vaccination of lower income countries. Higher income countries are ordering vaccines excessive to their needs; more than two times of their population. Although international organizations like the COVAX facility are working hard to deal with this situation, immunization for the poor is not as rapid as immunization in high income countries. Vaccine nationalism prolongs the pandemic because only few countries get vaccinated; it takes a longer time to form herd immunity.

Fiscal Policy

Fiscal policy is the policy where the government changes their tax rates or budget to give an influence to the nation's economy. Numerous countries are using fiscal policies to help their nation recover from the current economic recession due to Covid 19. Fiscal policies are often used with monetary policies, where the central bank supervises the supply of money.

IV. Past actions

ACT-Accelerator

The Access to COVID-19 tools accelerator is an international cooperation to help the equal distribution of vaccines, treatments and diagnostic tests. Under the ACT-Accelerator, COVAX has been supplying vaccines. Additionally, UNICEF, PAHO are working as the delivery partners for vaccines.

COVAX facility

COVAX is an universal initiative aiming for the equal distribution of vaccines. It is co-led by CEPI, UNICEF, GAVI and the WHO. Launched in April, 2020, the COVAX facility has been working hard to give equal access to vaccines. As one of the three pillars of the ACT-Accelerator, the COVAX has shipped more than 195 million vaccines to 134 member nations. They have additionally started the COVAX humanitarian buffer, which provides vaccines to people in conflict zones or humanitarian camps. They also help the donated vaccines to be placed at needed nations. For instance, COVAX successfully delivered the 1.5 million donated doses of vaccines from the United states to Honduras in June 2021.

COVAX

CEPI



unicef



WB(World Bank)

The World Bank has been giving diverse support in response to the COVID-19 situation. The World Bank has been targeting four major areas for COVID-19 support, and they have been working on 'Ensuring sustainable business growth' for the economic recovery of lower-income countries. The World Bank is focusing on Community-Driven

Development(CDD) programs where citizens design their own solutions for economic recovery of the community. For example, in the Horn of Africa, the WB has been promoting the program 'Development Response to Displacement Impacts Project (DRDIP)' to help the countries lighten the economic and social burden of the pandemic. They try to help the restabilization of the socioeconomic emergencies due to the Covid 19 pandemic. They have increased the funding to support various agricultural areas such as the trade of livestock and cage fish farming. Also, they provided support for health centers, sanitation and hygiene. They have been supporting local communities to send short messages to provide information on hygiene and sanitation. They have also started to invest in areas such as water supply and health centers so that they can ensure hygienic environments for their citizens.



UNV(UN Volunteers)

The UNV has been deploying its volunteers and devoting their resources in order to support the member countries through the UNV special voluntary fund. These volunteers have been working to stabilize the situation for member states for economic recovery. For instance, the volunteers deployed in Mali tried to support the government from the pandemic so that they could overcome the pandemic situation despite the current political issues.

European Union(EU)

The European Union is trying to revive their economy by the ‘NextGenerationEU’ program, which is the largest stimulus package the EU has ever financed. The European Union is planning to invest 2.018 trillion euros in order to revive the nations from the economic crisis. The EU aims to utilize the Covid 19 crisis as an opportunity for total reform. Their policies reach diverse aspects such as preparing for climate change and developing a sustainable system. They also plan to modernize their systems and to prepare for their new health program, the ‘EU4 Health’. The EU4 Health program involves a new system for preventing infectious diseases, and it also tries to stimulate the diverse research related to health.



V. Relevant Nations

United States



Vaccines donated from the United states to Honduras through the COVAX facility

The United States is one of the most rapidly recovering countries in the world. According to “Back to Normal Index” by CNN, the United States showed a recovery rate of 91%, compared to the

economy in early March, 2020. Some states even show over 100% of recovery. They also show a relatively high vaccination rate of 48.2%. On June 10, president Biden stated that the US will purchase 500 million doses of Pfizer vaccines, and donate to the COVAX in order to provide vaccines to developing countries. The US government is also enforcing economic policies to help stimulate the economic recovery of the country. The federal government is making active changes on their regulations to enable the flow of the market more freely. They announced that they would continue the policy of quantitative easing until large progresses are made on employment and inflation. They initiated several ‘Stimulus and Relief’ packages, which were used to support the unemployed, governmental loans and funding for public institutions, which are all crucial to the recovery of the economy.

China

China’s economy was one of the few economies that was able to grow last year. Although China has had a slump in their economy during early 2020, they were the only major economy to grow in 2020. With strict rules and regulations, the Chinese government was able to prevent the fast spread of COVID. Although most of the people who were employed to larger companies did not have a big impact, micro or medium sized enterprises were greatly affected. So, the Chinese government started to give 40% of governmental help to the enterprises taking loans. Even though China’s economy has recovered relatively quickly compared to other nations, the Chinese government is prolonging this help for the enterprises in order to ensure the complete recovery of their economy.

Côte d'Ivoire

Côte d'Ivoire has been one of the most vulnerable economies due to the COVID-19 pandemic. Since 29.7% of the population participate in self-employment activities, their productivity is very low and they do not have enough capacity to withstand the economic impact. The pandemic affected almost all kinds of industries, and 94.1% of the firms showed a decrease in their sales. They also have a vaccination rate of 3.21%, which is apparently lower than the global average of 11.9%. The government of Côte d'Ivoire has been providing governmental loans for various companies, and they have also funded the people who need economic assistance. They’ve been funding families in need 43\$ every month. Despite the government’s various efforts, the GDP of Côte d'Ivoire has only increased for 0.8%, which is a big halt in their rapid economic growth.

Nigeria

Due to the COVID-19 lockdown, Nigeria has had many difficulties. Nigeria depends highly on oil, so the crash of oil prices after covid has been a crucial economic threat to the country. Due to the pandemic, the demand for oil decreased rapidly and the oil prices crashed. This caused a large pressure on the country’s budgets and it also caused delays on capital-intensive gas projects in order to

overcome this situation, the central bank of Nigeria has been focusing on stimulating local businesses. The central bank of Nigeria has been driving credit to local businesses that have the capacity to produce raw materials by themselves, and also meet the needs of the community. Also, Nigeria has been working to strengthen their healthcare sector. They are trying to reduce medical tourism, and enhance their own healthcare system.

VI. Conclusion

There are two main methods to deal with the inequality between nations. First, the equal distribution of vaccines will help the lower-developed countries promote their consumer activities, which will help the nations to recover their economy. The equal distribution of vaccines can also benefit the higher income countries since the immunization enables the trade of goods and human resources. The international community can return to the phase where all goods were traded freely only when the whole globe has formed herd immunity; not only the higher income countries but the lower income countries, too.

For the equal distribution of vaccines, the optimum way of achieving this goal is by increasing the funding of the COVAX facility. The current goal of the COVAX facility is to provide 20% of the total population. However, 20% is far below the mandatory vaccination rate needed for herd immunity. Although it is impossible for the COVAX facility to provide vaccines for all the citizens, there should be more vaccines provided. Also, higher income countries should be encouraged to donate exceeding amounts of vaccines. Countries such as Israel and the United States started to donate their vaccines to the COVAX facility. More countries should be encouraged to participate in this action.

The second method is to give economic help to developing countries so that they can enforce fiscal policies. Higher income nations such as the European Union or the United States are investing exceeding amounts of their budget to recover their economy. However, it is not easy for the lower income countries to solely prepare those exceeding amounts of money. The support of the international society is mandatory.

In this process, the lower-developed countries should concentrate on funding the local companies. If we succeed in bringing up local companies, the communities would be able to prosper independently without relying on other nations. The best way to achieve this is to enhance the World Bank's CDD program. With the collaboration of international organizations and the local community, the lower-income countries will be able to prosper independently.

There have always been inequalities between nations. However, the COVID-19 pandemic has made them more significant. If the polarization between countries continues to exceed, it may be impossible for the lower income countries to catch up. There must be international cooperation to solve these issues.

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