

**Forum:** *Youth Action Committee (YAC)*

**Issue:** *Moving on from the COVID Pandemic*

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## Introduction

In December of 2019, the Chinese authorities notified the world that a virus was spreading through their communities rapidly; given the novel nature of the virus, within months, a massive spike in the number of new infections saw what had begun as a crisis developing into a full-blown global pandemic. As such, most nations operated in an environment of uncertainty and faced unprecedented difficulties; with lock-downs implemented, schools closed for over 1 billion students of all ages, supply chains interrupted, international air travel limited, health and human tragedies impaled, the global economy shrunk, multiplied by the difficult trade-offs posed by the crisis, it is widely acknowledged that the pandemic has forced economies and individuals to diverge.

Now, almost three years into the pandemic, the pandemic has triggered one of the most severe economic crises in the past century since the Great Depression, with the World Bank predicting for the global economy to shrink by 5.2% and estimates that the pandemic has cost the global economy 1 trillion USD to date. Disrupted global supply chains, reduced demand for imported goods and services, a sharp reduction in international tourism, and decline in business travel, or worst of all - a combination of the mentioned have affected all economic sectors. In addition, governments have also been hard-pressed with an increased strain on healthcare systems and a drastic increase in unemployment levels and aid seekers. To this extent, many are now choosing to 'exit' virus containment strategies to mitigate the effects of the negative impact of the economic crisis that has been an inevitable result of the unprecedented global pandemic. However, with no treatment or vaccine available yet, these governments risk the occurrence of a second wave.

The COVID-19 pandemic has resulted in various short-term and long-term detrimental effects across sectors, including a recession wherein economic activity continues to decline. Government and international responses must consider both to sustainably repair and repress the adverse effects and boost resilience within social and economic systems for the future. In the current situation, forecasts have proven to be unreliable, and this coupled with all the unknown variables such as the properties and

nature of the virus, the reaction of firms and households, and rates of infection pose the question of when, if ever, things will return to 'normal' in all aspects including economic. Extending social protection towards universal health coverage and income support for those most affected should be included in the immediate and purposeful action to reduce repercussions and repair economic damage stemming from COVID-19. These include workers in informal 'gig' economies, youth, older workers, and migrants. Support can be in different forms, such as transfer payments, healthy and free school meals for children, shelter, and food relief initiatives, sponsorship for employment retention and recovery, and financial relief for businesses. Apart from immediate relief, medium and longer-term planning are needed to recover and re-energize the economy after the crisis.

## Definition of Key Terms

### **Covid-19 Pandemic**

A novel family of viruses that can be transmitted between animals and people and cause illness ranging from the common cold to more severe diseases as such reports indicate that the 2019-nCoV infection can cause mild infection to some or, in extreme cases, pneumonia or other respiratory syndromes that may result in death. Transmission can occur with close contact, hence the enforcement of lockdown measures to prevent the worldwide spread, which has had devastating effects on the global economy.

### **De-risking**

This term is used to describe the process of when financial institutions terminate/restrict relations with specific clients in order to avoid risk. In other words, de-risking means to take steps so their work/investment is less likely to result in financial loss.

### **Economy**

The overall state of a region regarding the production, consumption, import and export of goods throughout all sectors of different industries.

### **Fiscal Policy**

Fiscal policy is the manipulation of government spending and income to influence the economy in the form of taxation. To combat the adverse effects on the economy of COVID-19 induced lockdown, fiscal policy measures such as increased welfare payments and stimulus packages have been employed to increase aggregate demand and stabilize the economy in the face of an economic downturn.

## **Inflation**

Inflation is when the price of goods or services drastically increases, as a result of national debt, rise in demand for goods, and increased exposure to the foreign market.

## **Stimulus Package**

A stimulus package is a form of government intervention usually consisting of tax rebates and incentives used to stimulate the economy and prevent imminent financial crises. This combination of fiscal and monetary policy measures spending, aiming to increase such demand and firms' overall production can increase, counteracting the effects of a global economic crisis or recession. With the COVID-19 triggered global recession negatively impacting states worldwide, many governments have presented stimulus packages for various economic sectors to boost their economies.

## **Supply & Demand**

This is a basic economic model that discusses the amount of a product/commodity which producers want to sell (supply) compared to the amount that consumers are willing to buy (demand). If the producers plan to sell a commodity which consumers will not buy, they will not make much profit. This has become the case with some LDCs during the pandemic.

## **Unemployment Rate**

The unemployment rate is the measure of the percentage of the labor force that is out of work. This rate changes with the change in economic conditions and has dramatically increased due to the economic downturn resulting from the global economy grinding to a halt amongst the COVID-19 pandemic and has been a cause for concern as this indicates lowered consumer spending and results in an economic recession.

## **Recession**

This is a term used to describe the period of the economic decline of a country which may be measured through national GDP. During this period, the unemployment rate is very high with many citizens not being able to afford products and many also losing income significantly. Examples of global recessions are the 2008 financial crisis and the Great Depression. COVID-19 has caused a recession as according to the World Bank, the global economy in 2020 shrunk by 5.2 percent.

## **Remittance**

The term refers to money transferred often by a migrant worker to their families in their home country. Remittances by migrant workers are often valuable to the economies of some LDCs which are reliant on them. For example in 2018, according to the World Bank, Nepali migrant workers sent a total of USD 8.1 billion home.

## Background Information

The COVID-19 pandemic is the global outbreak of the severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2) first identified in Wuhan, China. The virus, transmitted by close contact, has been responsible for the deaths of over 5.2 million individuals out of 261 million cases in over 187 countries and territories. To combat the virus, preventative measures have been put in place, including travel restrictions, lockdowns, and facility closures, among others. Testing capacity and contact tracing have also been increased as a response to battle and contain the virus's spread. As a result of preventative measures put in place while research is underway on a vaccine and treatment for the virus, the flow of goods has slowed down, and economies have stalled. The virus's unprecedented nature and its transmission still play a role in stunting progress and economic growth.

### Oil Price Wars

With oil markets already suffering under the devastating effects of global coronavirus lockdowns, the oil price-war between Saudi Arabia and Russia worsened an already dire situation. Due to Russia's refusal to join Saudi Arabia, the de facto leader of the Organization of Petroleum Exporting Countries (OPEC), in reducing oil production to keep prices at a moderate level, Saudi Arabia instigated a price-war by slashing prices, causing oil prices to drop further from the 30% drop from reduced demand, contributing to US oil prices falling nearly 34% to a four-year low, and has also been cited as one of the precursors to the global stock market crash. With the oil prices reaching negative values in mid-April, Russia and Saudi Arabia were able to conclude talks in June with OPEC, agreeing on the largest production cuts in history at 9.7 million. However, because oil production can only be slowed, not be stopped completely, even at minimum production levels in April, the supply for oil far exceeded the demand causing for many oils. As a result of this price-war, private oil companies across the globe were forced to reduce or even halt production and cut spending, having to let go employees, or in some cases even file for bankruptcy. Additionally, many state financials have been put under pressure as their most significant income source. Oil has been significantly lowered. Governments whose budgets are made up of tax revenue from oil production have seen themselves fall into a budget deficit, which requires either higher taxes or government spending cuts to rectify. This can prove difficult currently with large proportions of citizens finding themselves unemployed, hence relying on

government support and unable to pay these higher taxes. Little benefit consumers stood to gain from falling oil prices, such as reduced transport costs leading to increased disposable income, were offset by the imposition of lockdown and sweeping unemployment.

### **Stock Market Crash**

The rapid spread of the virus has also generated fear amongst investors and speculators that the significant economic downturn will negatively impact growth and that government action may not be adequate to prop up the economy. Governments worldwide have announced stimulus packages to support the economy to help individuals and businesses alike, such as the \$2 trillion coronavirus aid bill passed by the U.S. Senate to help workers and businesses. Signed into law on March 27, this stands to be the most significant ever economic stimulus package in U.S. history and amounting to nearly 10% of total U.S. GDP. Following the announcement of this package and slashed interest rates around the world to stimulate spending, global markets seemed to recover in late March but continue to be volatile until the virus is contained.

The 2020 stock market crash associated with the coronavirus saw stock markets worldwide reporting their largest one-week declines since the 2008 financial crisis. The extreme volatility of global markets caused by COVID-19 induced market instability and fears of a recession has had several adverse outcomes such as a rise in unemployment, collapse of the tourism and hospitality industry, and increased government debt. Although many economists say the crash was a long time coming with the pandemic acting as an accelerator, the role of global lockdowns in slowing down economic activity cannot be ignored. Economies also currently face the risk of the pandemic's economic effects being felt in the long term, also known as the hysteresis effect. The current economic depression and a general downturn in economic growth can lead to a country's reduced productive capacity in the future. Unemployment rates could continue to rise despite growth in the economy, as seen previously in Greece following the global financial crisis in 2009.

### **Impacts on Income Inequality**

Not only have minority groups suffered from COVID-19's health impacts disproportionately, but socioeconomic factors have reduced their ability to deal with the pandemic's health and economic effects. Increased instances of underlying diseases, poverty, and lower private health insurance rates have ensured that minority groups, already battling an uneven playing field, will be increasingly vulnerable to the negative impacts of COVID-19.

Additionally, minority groups are disproportionately employed in low-paying occupations, which have been disrupted by COVID-19 lockdowns and cannot offer the same job security and benefits as in higher-paying occupations, further increasing income inequality, and are often among the first to be let go. In the USA, for example, poverty rates among Black Americans (20.8%) and Hispanics (17.6%) are higher than among white Americans (8.1%). The unprecedented nature of the ongoing recession has exacerbated these existing disparities in income and wealth because of differentials in occupational employment among racial groups. This combination's likely outcome is an increase in income inequality that is borne in large part by minority communities.

### **Impacts on rural communities/families:**

The pandemic has not only affected the food system but has laid bare its weaknesses. Border closures, trade restrictions, and confinement measures have prevented farmers from accessing markets, and agricultural workers from harvesting crops, disrupting food supply chains and reducing access to healthy diets globally. The pandemic has also decimated jobs and placed millions of livelihoods at risk. As breadwinners lose jobs or fall ill, millions' food security is under threat, especially for those in low- income countries and marginalized populations.

Although millions of agricultural workers feed the world, they regularly face high levels of working poverty, malnutrition, and poor health and suffer from a lack of safety and labor protection. With low and irregular incomes and a lack of social support, many are spurred to continue working, often in unsafe conditions, thus exposing themselves and their families to additional risks. Migrant agricultural workers are particularly vulnerable because they face troubles in their transport, working, and living conditions and struggle to access support measures put in place by governments. Guaranteeing rural agriculture workers' health and safety and ensuring equitable incomes and protection is critical to protecting public health, people's livelihoods, and food security.

## **Key Issues**

### **Supply-Side Issues**

The speed of development of the crisis in its unknown nature also means that outlooks change often and quite profoundly, making it difficult at best to predict and prepare for the situation. Suppliers also face this challenge following the globally increased use of equipment to fight the virus and 'panic buying,' wherein the general public bought large quantities of essential goods due to fears of a shortage

or price hike. Supermarkets worldwide saw shelves cleared of essentials such as toilet paper, bottled water, and food. Although this shortage was fuelled by mass hysteria and the spread of inaccurate information, causing people to buy in large quantities revealed the nature of supply chains worldwide and their adaptability when put under stress.

Supermarkets relying on just-in-time ordering saw themselves facing temporary shortages, and some have even had to introduce limits on the number of goods bought to curb hoarding. These supply-side shortages reveal the inherent flaws of a market economy in terms of equity. Grossly marked-up bottles of hand sanitizer and face masks could be found online for sale by people who had bought in large quantities leaving behind little to none for others at reasonable prices. While those willing and able to pay the exorbitant prices for these necessities may purchase them online, those who do not have the means may be left behind and excluded from accessing essential protective equipment required to fight the virus in any capacity due to the rival nature of these goods. In contrast to this, economies that are subject to a healthy amount of government intervention saw the subsidization and rationing of these products, ensuring that these scarce resources' allocation was more equitable in comparison. The inaccessibility of these goods to some in market economies is a classic example of market failure wherein buyers and sellers influence the supply and price of a product and abuse market powers.

Along with shortages in essential goods, healthcare workers worldwide also face the challenge of limited personal protection equipment, the demand for which has risen 100-fold with prices 20 times higher as well, according to WHO's Director-General. Adding to this, he noted that this situation had been worsened by widespread inappropriate use of PPE outside of hospitals and patient care. This further highlights the issue of inadequate resource allocation due to the abuse of market powers by buyers and sellers, where there is a high private benefit for those buying in large quantities and high social cost impacting essential workers and others that may not be able to access those goods due to a shortage.

## Environmental Issues

Although the crisis has had dire effects on the global economy, it has also affected energy demand and consumption, cutting CO<sub>2</sub> emissions. Estimates suggest that the pandemic could cause CO<sub>2</sub> emissions to be cut by 2,000 million tonnes in 2020, the equivalent of 5.5% of total global CO<sub>2</sub> emissions in 2019. The European Space Agency has also noted an impressive fall in pollution across European skies with a substantial reduction in emissions reported across industrial hubs worldwide. This slash in greenhouse gas emissions comes from lockdowns posed on entire populations that cause offices and factories to limit their activities, road traffic to decrease, and flights reduced by 60% to 90%. The use of public transport in cities worldwide has also fallen by 50-90%, resulting in substantial revenue

losses for operators further exacerbated by costly investments in heightened hygienic practices on public transport and inappropriate social distancing measures.

The combination of reduced global production and air traffic has resulted in a temporary dip in greenhouse gas (GHG) emissions, which encourages the hope that our global society may be able to reduce emissions substantially enough over the long term to mitigate climate change. However, the risk of emissions rising to previous levels with the return to economic activity as the crisis resolves. Thus, many environmental activists are demanding bailout packages to include provisions for large emissions reductions in transportation companies and industrial manufacturers' future operations.

Although the reduction in GHG emissions stands to be a positive externality stemming from the coronavirus pandemic, there are negative externalities and spillover effects on society due to an economic transaction due to the increased use of nonrecyclable waste utilized in the fight against the virus. To curb the spread of the virus, food retailers have resumed using plastic bags at checkout points and for produce sale, increasing single plastic use in addition to the high volume of single-use plastic being utilized for food delivery. This increased burden on local recycling centers in conjunction with operations running at limited capacity due to the virus has led to local waste problems creating acute challenges for the waste management industry. The choices made by businesses and civil societies to increase their usage of single-use plastic to combat the spread of the virus has generated a negative externality on waste management services in the form of increased burdens.

## Major Parties Involved and Their Views

### World Health Organization (WHO)

The World Health Organization is a United Nations agency specialized and responsible for international public health. Working with other partners such as governments and non-governmental bodies aims to provide universal health coverage, protection during outbreaks, and ensure better health and well-being. During the pandemic, they have played a central role in identifying, mitigating, and managing risks, supporting the development of tools necessary, and supporting essential health services in fragile settings. This is through research conducted in collaboration with significant bodies and regular media briefings and the establishment of dedicated resources and 'myth-busters' to dispel rumors during the outbreak of COVID-19.

### International Monetary Fund (IMF)

The International Monetary Fund works to foster global monetary cooperation, secure financial stability, facilitate international trade, promote high employment and sustainable economic growth, and reduce poverty worldwide. Its primary purpose is to ensure the global monetary

system's strength—the method of exchange rates and international payments that enables countries and their citizens to transact with each other. It does so by keeping track of the global economy and member countries' economies, lending to countries with balance of payments difficulties, and giving practical help to members. In response to the worldwide recession as a result of the COVID-19 pandemic, the IMF has doubled access to emergency financing, allowing it to meet the demand of about \$100 billion in the funding, and offered direct grants for debt relief, aimed at the most vulnerable members to cover their debt obligations for initially and helping them channel more of their scarce financial resources towards vital emergency medical and other relief efforts. The IMF has also called for the suspension of debt service that can free up scarce money that can instead be used to safeguard lives and livelihoods and adjusted existing lending arrangements to accommodate urgent new needs arising from the coronavirus, thereby enabling existing resources to be channeled for the necessary spending on medical supplies and equipment and containment of the outbreak.

### **World Bank**

The World Bank is an international financial institution that provides loans and grants to the governments of low and middle-income countries to pursue capital projects. As countries around the world work to contain the spread and impact of COVID-19, the World Bank has been at the forefront of taking action to help developing countries strengthen their pandemic response, increase disease surveillance, improve public health interventions, and help the private sector continue to operate and sustain jobs. This is through making available up to \$160 billion in financing tailored to the health, economic and social shocks countries face. It's emergency support operations help over 100 developing countries, home to 70% of the world's population, save lives and detect, prevent, and respond to the pandemic. In addition to ongoing health support, operations emphasize social protection, primarily through cash transfers and poverty alleviation and policy-based financing. The World Bank is also working to restructure, redeploy, and reallocate existing resources in projects it finances.

### **United Nations Capital Development Fund (UNCDF)**

The United Nations Capital Development Fund (UNCDF) is an important autonomous body of the UN that has the aim of helping the poor of the world's LDCs. It is also the organization to which the topic of this report refers to. The organization holds sessions three times a year and consists of 36 member states which are chosen from regional categories and serve on a rotational basis. Its Executive Board is roughly made of two-thirds of countries in which the UNCDF has programs and the rest are donor countries. The UNCDF has a diverse range of sustainable programs that

aid LDCs' economies in their recovery from the financial impact of COVID-19. Their "finance models that unlock public and private resources, especially at the domestic level, to reduce poverty and support local economic development." UNCDF's work is accomplished through three main models. Firstly, the organization creates an "inclusive digital economy" which connects citizens and groups with financial resources so they can manage financial matters and be alleviated from poverty. Secondly, its projects develop local finance, increasing the competency of localities through monetary decentralization, creative local finance policies and organized project funding. Their third channel is called "investment finance," which quickens economic structuring, aims to de-risk, and uses capital to enable SDG impact.

## China

Located in East Asia, China is the world's most populous country and also where the novel case of SARS-CoV-2 was detected. What came to be known as COVID-19 first occurred in Wuhan, Hubei province, in late December 2019. Immediately afterward, Wuhan was placed under a strict lockdown that lasted 76 days with public transport suspended, 14,000 health checkpoints established, and school re-openings delayed. China's swift and effective response to the outbreak of a novel virus is one that leaves a blueprint for other countries, many of which still find themselves with a high number of new cases every day. While other economies worldwide have contracted, China's economy has seen a growth of 4.9% between July and September alone. By implementing similar economic and business tactics, other countries can also follow in China's lead to contain the virus and put their economy back on the track to recovery.

## United Kingdom

With over 1.15 million cases of COVID-19 in the UK, economic data showed that it had officially entered a recession after two consecutive quarters of negative growth in 2020. Social distancing measures that were in place from the end of March until July erased around a quarter of GDP in 2020, primarily driven by a decline in household spending and investment activity. The halving of output in travel, tourism and accommodation led to the services sector experiencing the largest decline in output across all sectors in March. As the economy gradually reopened from May, there has been a mild recovery across sectors, which accelerated in June and July. Companies listed on the London stock markets have also fallen in value. The British Government was called on to provide support to businesses affected by the virus and provide an economic stimulus package to prevent the British economy from falling into recession. To stimulate the economy, the Bank of England cut its bank rate of interest from 0.75% to 0.25% and then to 0.10%—the lowest rate in

the bank's history. The Government also introduced a Coronavirus Jobs Retention Scheme, which provides furloughed workers with 80% of their pay, up to a maximum of £2,500 a month.

## Timeline of Relevant Resolutions, Treaties and Events

Date	Description of event
December 31st, 2019	<p><b>First Case Reported</b></p> <p>Novel Case of COVID-19 reported in Wuhan, Hubei province in China</p>
March 9th, 2020	<p><b>“Black Monday”</b></p> <p>‘Black Monday’ - The worst day for stock market losses since the Great Recession, fueled by investor panic over the COVID-19 pandemic and the oil price war between Russia and Saudi Arabia.</p>
March 11th, 2020	<p><b>A Declared Pandemic</b></p> <p>The World Health Organization (WHO) has declared the Novel-Coronavirus outbreak a global pandemic.</p>
April 4th, 2020	<p><b>Growing Cases</b></p> <p>WHO reported that over 1 million cases of COVID-19 had been confirmed worldwide, a more than tenfold increase in less than a month.</p>
April 20, 2020	<p><b>Crude-Oil Prices</b></p> <p>The price for a barrel of West Texas Intermediate (WTI) crude oil, the benchmark used for pricing oil, fell to negative \$36.20 a barrel.</p>

## Relevant UN Treaties and Events

- Comprehensive and coordinated response to the coronavirus disease (COVID-19) pandemic, 10 September 2020 (A/74/L.92)
- COVID-19 response, 19 May 2020 (WHA73.1)
- Global solidarity to fight the coronavirus disease 2019 (COVID-19), 3 April 2020, (A/RES/74/270)

- International cooperation to ensure global access to medicines, vaccines and medical equipment to face COVID-19, 21 April 2020 (A/RES/74/274)
- United response against global health threats: combating COVID-19, 14 April 2020 (A/74/L.57)

## Evaluation of Previous Attempts to Resolve the Issue

### Response in United States of America:

Response to the economic havoc caused by COVID-19 in the USA mainly took the form of slashed interest rates by 0.5% as well as a \$2.2 trillion aid package, the largest in US History, in the way of the Coronavirus Aid, Relief, and Economic Security (CARES) Act signed in March. The bill, designed to support the economy and combat the economic fallout of the COVID-19 pandemic, aims to make direct payments to Americans, loans to small businesses, and aid to large corporations and state governments. It aims for \$1200 to be given to every adult American with an income of less than \$75,000 or couples less than \$150,000 and \$500 for every child under the age of 17. It also increased unemployment compensation by \$600 per week, widening the eligibility to benefit the self-employed and independent contractors. Small and large businesses were also to be given \$500 billion in loans and an additional \$377 billion to provide small businesses with loans and grants specifically. The package, making up 10% of the USA's GDP, also considers the healthcare and agricultural sectors, has been criticized for providing 'bailouts' for the rich in the forms of payments however, lacking the guardrails to ensure that public money is directed toward saving the jobs, wages, and benefits of typical workers rather than the wealth of shareholders, creditors, and corporate executives.

### Response in United Kingdom:

In the UK, £20 billion in fiscal support has been issued to save UK businesses, along with Chancellor Rishi Sunak announcing a £330 billion package of emergency loan guarantees to help those in financial difficulty. The package of measures includes deferring VAT and income tax payments, 12-month business rates holiday for all retail, hospitality, leisure and nursery businesses in England, small business grant funding of £10,000 for all business in need of relief as well a new lending facility from the Bank of England to help support liquidity among larger firms, helping them bridge coronavirus disruption to their cash flows through loans. In addition to this package, The Bank of England has cut interest rates to 0.1%, an unprecedented response, in an attempt to dampen the effects of COVID-19 as well as an effort to maintain the confidence of unnerved investors. Although these measures on paper seem satisfactory, Commons Public Accounts Committee's chairman Labor MP Meg Hillier felt this had not been enough, saying, "The economic strategy was of necessity rushed and reactive, initially a one-size-fits-all response that's leaving people - and whole sectors of the economy - behind."

## Response in China:

Reflecting containment measures, the Chinese economy contracted by 6.8% in the first quarter of 2020. However, starting in mid-February, the government has gradually removed mobility and activity restrictions, prioritizing essential sectors, and specific industries based on ongoing risk assessments. Most businesses and schools have reopened nationwide, but social distancing rules remain at the micro-level and foreign entry remains restricted to contain imported cases. With normalizing economic activity, real GDP rebounded by 3.2% in Quarter 2 and continued to recover by 4.9% in Quarter 3. An estimated RMB 4.6 trillion, 4.5% of GDP, of discretionary fiscal measures, have been announced, which include increased spending on epidemic prevention and control, accelerated disbursement of unemployment insurance and extension to migrant workers, and public investment. The People's Bank of China has also provided monetary policy support and acted to safeguard financial market stability by providing the equivalent of \$240 billion to maintain bank liquidity. Along with this, the government has also taken multiple steps to limit tightening in financial conditions, including measured forbearance to provide financial relief to affected households, corporates, and regions facing repayment difficulties with key measures including encouraging lending to be small and medium-sized enterprises (SMEs), supporting uncollateralized loans from local banks, and establishing an evaluation system for banks' lending.

## Possible Solutions

### Social Economy

A social economy is traditionally a set of associations, cooperatives, mutual organizations, and foundations whose activity is driven by values of solidarity and democratic and participative governance - prioritizing people over the capital. What distinguishes social economies is its focus on economic practices that are sustainable and inclusive, and this is done by addressing and prioritizing societal needs, using participatory and democratic governance, including and integrating local grassroots organizations, and by working in close co-operation with relevant stakeholders. The social economy has played a vital role in addressing the short and long-term socio-economic effects of the COVID-19 crisis. In the short term, social economy organizations have supplied innovative solutions to strengthen public services to complement government action, assisting recovery from initial shocks. In the long term, however, social economy organizations show massive potential to reshape the post-crisis economy by advocating and promoting inclusive and sustainable economic models. With its unique underlying principles, the social economy can inspire models of social innovation to firms operating in the market economy.

### Fiscal and Monetary Policy Tools

Traditionally, social economies have been called upon to 'repair' social problems such as homelessness and labor market exclusion. However, in a post-COVID economy, social economy organizations can utilize their experience to achieve resilience and efficiency in global economies and transform them into more inclusive and sustainable ones. In the past, social economy actors have pioneered social and economic innovations that have been subsequently mainstreamed, such as fair trade, organic food movements, and ethical financing. By giving importance to and collaborating with local stakeholders such as citizens, civil society, policymakers, entrepreneurs, researchers, social economy organizations also have the potential to address pressing environmental and societal challenges that have arisen due to the pandemic and put into place concrete policy measures in the form of legal frameworks and resources. Some recommended actions include: developing an action plan to transition to a more sustainable and inclusive development model, promoting social innovation practices and co-operation through funds, and creating and sharing tools to provide data on the social impact that can document progress and show trajectory. Social economy enterprises are a clear example of how business efficiency can coexist with social responsibility and, in essence, is needed now more than ever.

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## Appendix or Appendices

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