

Forum: The United Nations Economic and Social Council

Issue: Addressing the Rapid Increase of Worldwide Unemployment as a Result of Covid-19.

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Introduction

After the official announcement of the COVID-19 pandemic by the World Health Organization in March 2020, the world has plunged into some of the worst socio-economic times seen in history. The consequential massive fall in the stock market and the on-going oil price crisis have all resulted in financial institutions announcing an economic recession measurable in impact to the Great Depression.

Although the new social distancing characteristics of our lives have had their own profound impact on society, one of the most pressing effects of the pandemic and the economic crisis is the unfathomable increase in worldwide unemployment. Most financial institutions, including the International Labor Organization, predict that unemployment might reach up to 22% as the crisis rises. Such a great unemployment figure has not been seen since the Great Depression, which was the single worst economic period of modern civilization.

International Organizations and governments have been working closely over the past months to introduce fiscal and supply-side policies to reduce the impact of the pandemic on unemployment as well as encourage businesses to choose other cost-reduction strategies over downsizing. The establishment of the COVID-19 Solidarity Response Fund has also marked some of the greatest international efforts to resolve the crisis.

The world is on the brink of massive changes. If the crisis is to continue, the global economy and the whole modern financial system may collapse. Member States must work together in a collaborative international spirit to bring an end to rising unemployment globally.

Definition of Key Terms

COVID-19 Economic Crisis

International Organizations and major financial institutions have acknowledged the presence of the COVID-19 economic crisis and the rise of the on-going economic recession to be directly linked to the pandemic. The economic crisis refers to the major fall in the stock market, the massive fall in international trade and the rapid increase in the unemployment rate across the globe caused by the changing business landscape subject to the progressive Covid-19 pandemic.

Downsizing

Business cost-reduction strategy that involves reducing the total workforce in the organization in order to spend less on variable costs of labor or to improve the overall efficiency of business production.

E-commerce

E-Commerce is a type of business activity in which the transactions and sales are handled through online media and in which digital communication and online platforms are used to make the sale between the consumer and the seller happen.

Fiscal Policy

A governmental policy that involves using the governmental revenues and capital budget to invest back into the economy and stimulate the supply and demand of goods and services, therefore investing in their national economic activity.

Governmental Budget

Also known as the national capital reserve, the governmental budget refers to the financial reserves of the governments of individual countries that were saved from the positive economic activity of the nation. Governmental budgets are typically used to support their local

economy and to provide social welfare benefits to the citizens as well as improve the Balance of Payments (BoP) situation of the economy.

G-Cube Analysis

G-Cube Analysis is a unique economic computer model that can make accurate predictions about future occurrences considering the presence of a number of factors. This model was used widely by Covid-19 financial analysis and economists.

International Labor Organization

The International Labor Organization (ILO) is the United Nations body for international labor force management that produces policies pertaining to the worldwide employment of the working class and the appropriate fair treatment of workers in business organizations. The ILO has been working closely with the World Trade Organization (WTO) and ECOSOC to produce solutions for the on-going employment crisis.

International Monetary Fund

The International Monetary Fund (IMF) is the International Cooperation of 189 countries aimed to manage the global financial situation and to provide the groundwork and financial regulations for the global economy to operate on. The organization has been working closely with the WTO, the ILO and ECOSOC to manage the financial and unemployment crisis that arose due to the pandemic.

Less Economically Developed Countries (LEDC's)

Also known as developing countries, these are nations that have low national income and have poor economic activity that results in significant poverty. LEDCs typically have low standards of living and because of their dependency on international support, they typically have significantly less political and global economic influence in the world.

More Economically Developed Countries (MEDC's)

These are countries that are financially successful and have a large capacity of wealth and economic activity to support their growth and development. The successful economic position of these countries also typically allows them to have a more significant political and economic influence on the world. MEDCs are also known as developed countries.

Supply-Side Policies

Use of governmental or international restrictions on trade and local production to reduce or increase supply to stimulate or discourage economic activity. The use of taxation or subsidies is also considered to be an example of a supply-side policy.

Trade Restrictions

Trade restrictions are barriers placed on the quantity, type, or source of traded goods between countries in the world. Trade restrictions can be placed independently by countries directly involved in the trade process or reinforced by the WTO and other international trade bodies.

World Trade Organization (WTO)

The World Trade Organization (WTO) is the United Nations body for managing international trade rules and regulations. The WTO is responsible for enforcing laws pertaining to the legal and fair practice of trade worldwide and ensures the fluid management of trade with respect to on-going economic, health, social and political circumstances in the world.

Key Issues

The COVID-19 pandemic has brought about some of the hardest international restrictions on economic activity in the 21st century. In most countries, governments have imposed major restrictions on open business activity in order to limit the amount of interaction between consumers and producers, as well as between employers and employees. Meeting the health standards needed to eradicate the Covid-19 pandemic has come at a great price of a major global economic downturn, unparalleled unemployment levels, and collapse of trade relations between developed and developing nations alike.

Health Requirements

COVID-19 is one of the most volatile viruses seen to date and despite having a low lethality rate per infected person, it has a very wide base of infection and therefore the virus persists into causing a major pandemic. In most countries, governments have introduced major

movement and social activity restrictions to mitigate the volatile spread of the pandemic as well as ensure that the virus is maintained under control. In most cases, the governmental regulations also applied to nearly all business activity, meaning that firms are now obliged to meet health requirements in the workplace and during direct interactions with consumers. Business activity has changed already with the new regulations, but in many cases, these governmental restrictions have led to an online integration of businesses into [e-commerce](#) firms. The 21st century is not new to technology, but such unpredicted changes have led to major impacts on economic activity and employment structures.

Failure of Adaptation to E-Commerce

Utilizing the Internet for its major marketing and communication capabilities has been the focus of many companies long prior to the COVID-19 pandemic. Indeed, most companies nowadays have integrated themselves into the online business and host websites and social media accounts to sell over the wide web. However, only 650,000 stores globally make monthly sales of over \$1,000, according to E-commerce Journal Magentician. Most other businesses host websites and social media accounts but do not utilize the same for sales strategies. As a result, when the pandemic has pushed large proportions of businesses into online platforms, there was major economic mayhem. Not only were these businesses forced to adapt swiftly to new business strategies, but they were also limited in communication with their employees, who were forced into their homes by the pandemic. Today countries report thousands of business closures within the premises of their land, and most are assessed to have failed either because of major fall in demand or lack of adaptive strategies to new business models. In general, the most affected by lack of flexibility were small businesses that have not previously availed from online market opportunities and have instead focused on physical sales. This typically includes family businesses, personal objective businesses, as well as nearly all minor companies in developing countries. This is directly linked to unemployment because as these businesses fail, whoever they employed are immediately laid off with doors to long-term employment closed for near months to come.

Temporary Bans on Movement

During the heat of the pandemic when infection rate per day in the world was at its highest, most governments were forced to introduce movement and activity restrictions temporarily to ensure that medical institutions could deal with the incoming rate of new cases. As a result, people were forced out of their regular physical jobs, commercial activity had halted, and social interaction had temporarily gone to null. In spite of these regulations being only temporary, they have had their major blow on all businesses across the globe. Companies always have costs to cover, and therefore the complete collapse of demand due to people staying at home and not spending has led to prolonged absence of revenues. Many companies that did not reserve capital for force major have closed completely, resulting in the layoff of all their employees. Other businesses that did make cash reserves have introduced [downsizing](#) measures and reduced their total workforce. This led to a major spike in unemployment and most companies were not able to employ workers back after the movement measures were lifted. This is largely caused by the significant debts into which most companies entered during the pandemic and the severe insufficiency of revenues during the [economic crisis](#).

Reduced Consumer Demand

The fuel of any business is demand for their products. Financial analysts at Harvard University predict that consumer retail expenditures will drop by some \$550 billion worldwide, mainly due to the reduced stigma to socially interact as a result of the pandemic. Reduced demand is further fueled by the on-going economic crisis in which people lose certainty about the future stability of their job, encouraging them to save rather than spend. This reduced consumption of products in turn leads to more significant closure of firms worldwide, which only increases unemployment. As such, a loop of continuous economic degradation is created worldwide that can only be resolved through third-party intervention from governments or international bodies like the [International Monetary Fund](#) or the [World Trade Organization](#).

International Pressure

The COVID-19 pandemic was officially announced to be a pandemic by the World Health Organization in March 2020, and since then international measures have been taken to contain the spread of the virus and find medical treatment for the same. Most governments

were encouraged by the United Nations not to 'publicize' the virus and instead contain it with administrative measures. In most cases, it was not the sole decision of the government to impose the devastating restrictions on consumers and producers alike; rather, it was the international pressure of the United Nations and other International Organizations for governments to control the spread of COVID-19.

International Trade Restrictions

In order to prevent the spread of the virus and contain COVID-19 in their own areas, many countries have imposed nearly complete trade and communication restrictions internationally. For many weeks, only the essential goods were traded, and airline industries have all but nearly collapsed, funded by cash reserves and, in some cases, governmental finance. Now, trade has been reestablished, but the preventive measures stand, and exchange and delivery of goods have become a significantly more complex and slower process. As a result, many businesses have lost their competitive advantage and are now on the brink of collapse due to reduced revenues. In most cases, companies have focused on downsizing and debranching in order to reduce operation costs, but this was met with increased unemployment and reduced talent acquisition. In general, the unemployment rate stands at 9.47% and is expected to increase as per the [International Labor Organization](#) (ILO)'s expectations. If international trade would not restart properly within the upcoming months, economic devastation may be unfathomable.

Governmental Budget Drains

Speeches by major UN representatives in March and April 2020 have all encouraged governments to financially support the survival of their economies in order to reduce the rate of business closures and national unemployment. Although most governments have very large capital budget reserves, world trade has reduced severely, and national incomes have fallen consequently. As per the June reports of trade volumes in the first semi-annual period of 2020, trade has reduced by 18.25% in the March-June period compared to 2019. Consequently, this means developed and developing countries alike earn significantly less on international trade, reducing their national revenues. Resultantly, increased governmental spending on reducing unemployment and financing the survival of businesses in the economy are increased costs for the

government, and trade loss is decreased income. Many governments are facing severe economic crises with regards to this and seeing that the pandemic is nowhere close to ending, WTO expects the situation to only get worse in the second half of 2020. It is also important to note that if governments stop financing business survival, unemployment will only increase. If unemployment increases, governments will be forced to spend more on unemployment benefits, and eventually, there simply will be no finance to support the unemployed as well.

Impacts of Increased Unemployment

Although the COVID-19 pandemic has caused several issues variable in its socio-economic impact, one of the most impactful outcomes of the pandemic is certainly unemployment. Nowadays it is difficult to pay for reasonable living conditions unless one is employed with a full-time job. The situation is made worse by the large proportion of middle-class workers with families and the elderly remaining in the workforce, who all have great financial burdens to withstand. The pandemic and its consequential economic crisis have also barred the youth from fluent employment upon finishing their education, therefore resulting in the stagnation of the economic workforce and a likely long-term impact on the economic prosperity of the coming generation. Although the impact of increased unemployment can be visualized in all countries, it is important to also note the differences in the effect of unemployment in both developed and developing countries.

Impact of Unemployment in Developed Countries

Developed countries typically have larger national budgets that governments can now use to support the unemployed more so than developing countries do. However, developed countries also usually have higher costs to meet related to increased urbanization, industrial fixed costs, transportation management, etc. The severe reduction in trade and international communication, as well as the consequent collapse of the tourism industry, have all resulted in a significant reduction in national revenues for developed countries. As a result, when unemployment spiked in [More Economically Developed Countries](#) (MEDCs), there was widespread concern about the future well-being of the economy and how long it will take for the world to economically recover from the recession. Governments will not be able to fully drain their capital budgets and compromises will have to be made to reduce unemployment in MEDCs.

Impact of Unemployment in Developing Countries

The United Nations Development Programme estimates that the total losses incurred to developing countries so far has been over \$220 billion. Although this might seem like a relatively insignificant figure to developed countries where wealth is counted in trillions, for developing countries such losses are unfathomable. Some developing countries nearly wholly relied on tourism for their economic income, which is an industry that collapsed completely during the pandemic. Some nations have had significant losses incurred as a result of reduced trade and communication capabilities, therefore resulting in economic degradation. In many developing countries, COVID-19 preventive measures were not even put into place, ergo resulting in absolute losses of human labor. The lack of healthcare and underdevelopment of emergency Covid-19 treatment led to even greater losses and for developing economies, this spells disaster. It can be quite easily deduced that for developing countries, where small-scale business is predominant and where governmental support is incredibly scarce, the COVID-19 pandemic has led to some major humanitarian and economic disasters. Increased levels of unemployment are only making this situation worse by creating a continuous loop of economic losses incurred due to reduced production that is in turn caused by downsizing.

Major Parties Involved

United Nations Foundation

Partnering with the World Health Organization (WHO), the United Nations Foundation (UNF) was the leading body in establishing the United Nations COVID-19 Solidarity Response Fund. This fund was meant to financially support governments in their fight against the pandemic and to minimize the economic impact of the virus on the world. The UNF has a long-lasting history of financially supporting the operations of the United Nations since its initial establishment by Ted Turner, who initially invested a billion dollars into supporting the UN. Since the crisis has

led to significantly larger expenditures from all governments, there has been a major increase in the need for finance while industries and international trade are temporarily halted. This makes the efforts of the UNP in establishing the COVID-19 Solidary Response Fund essential for providing a better future for our world. The Response Fund focuses on the collection of free-willing donations from private organizations and individuals as well as the finance supplied by the UNP directly. As such, this makes the range of effect the Response Fund has much broader, which makes this step into the future an even bigger one.

[European Bank for Reconstruction and Development \(EBRD\)](#)

The European Bank for Reconstruction and Development (EBRD) has been deeply involved in supporting the economic survival of many companies across the world by financially supporting them temporarily during the pandemic. The first step of EBRD to dispense a total of 1 billion Euros to companies suffering from losses due to the pandemic, therefore easing the strain on [governmental budgets](#) as well as ensuring the long-term diversity of economic activity in the world. Having announced the beginning of its 'Solidary Package' campaign in March, EBRD has already supplied significant sums to Eastern Europe, the Caucus, Russia, and Western parts of Europe, in order to reduce the impact of reduced trade and tourism in these regions. Working closely with the World Trade Organization (WTO) and the International Labor Organization (ILO), the Bank has been able to estimate likely expenditures for the second part of 2020 and is already hosting further monetary donation campaigns to ensure the long-term ability of the Bank to support companies in the aforementioned regions.

[International Labor Organization](#)

The International Labor Organization (ILO) has also been working closely in line with other institutions and governments to reduce the impact of COVID-19 on global unemployment. After announcing that the pandemic has brought "the world to its knees," the ILO has hosted the Global Summit on COVID-19 in which representatives of Member States have worked to devise strategies on how best the unemployment can be dealt with during the pandemic. Furthermore, the ILO is directly responsible for ensuring the healthy treatment of the working class internationally as well as ensuring that governments do their best to support the unemployed worldwide. Large financial institutions make use of [G-Cube](#) models to make predictions about the future of unemployment, and in some cases, simulations show that

unemployment may rise to as high as 22.5% in the future. This figure was not seen even during the Great Depression, which is to date considered to be the worst condition in which the global economy has ever been. This raises significant questions with the ILO and other International Organizations as to how they will deal with the rising crisis. The ILO has so far managed to respond with some serious resolutions, such as the ILO Covid-19 Standards Resolution that encouraged governments to install preventive measures in both public and private workplaces.

United States of America

Being economically and politically one of the strongest nations in the world, the United States of America (USA) has had a significant role to play in finding the best solutions to the crisis at present. Along with Europe and the North Atlantic Treaty Organization (NATO), the country has been able to drive science forward into researching some practical vaccines to the novel Sars-Cov-2 virus (the scientific name for COVID-19). Furthermore, the USA has the single largest number of infected people and its economy has been hit the most compared to the rest of the nations. This means that not only is the USA more involved in trying to combat the impact of COVID-19 on unemployment and other economic implications of the virus, but the success of the USA to resolve the rising crisis will directly affect the rest of the world, as seen during the Great Depression. The global economy still largely depends on the US oil dollar for its operations and exchange rates, hence a crash in the US economy can send a devastating ripple across worldwide economies. The USA also has some of the greatest volumes of resources available to combat the socio-economic impacts of COVID-19, hence the United Nations greatly relies on the success of the USA to revive the global economy.

People's Republic of China

The People's Republic of China, or most known as China, was one of the first countries to have the COVID-19 outbreak and was ergo one of the first nations to successfully battle the first wave of the virus. China is a very important example for the world to follow in order to prevent the harsh collapse of their economies as was seen in China during its peak of infection. It is also important to note the efforts to which China has gone to battle their economic crisis and how their GDP has already increased by 3.2% following the restart of their economy. China also has a very important role to play as a role model for the world because of

its high density of population and the need for it to employ many more workers than most other nations. As a result, if China can succeed in fluid employment of workers following the pandemic, other countries need to implement similar economic policies to achieve the same. China was furthermore involved in developing the vaccine to COVID-19 and is currently on Phase III of testing the vaccine on human specimens in the United Arab Emirates (UAE) and in China, which are breakthrough steps in resolving the present crisis. Similarly to the USA, China has also been deeply involved in providing humanitarian aid to other nations economically suffering from the pandemic, which highlights the role of China in the global resolution of the crisis.

Development of Issues / Timeline

Date	Event	Outcome
January 4th 2020	Discovery of several pneumonia cases in Wuhan, China, caused by unknown variables.	The World Health Organization (WHO) immediately took note of this cluster of pneumonia cases because of how volatile the cases were. Initial reports of a potential virus similar to SARS virus have started to emerge.
January 10th 2020	WHO publishes a comprehensive package for governments on how they can prevent and detect COVID-19 cases.	This was one of the first signs that a new type of coronavirus might be the first-ever pandemic, raising alarm in financial institutions and encouraging governments to start making budget reserves to meet future demands of declining economies.

January 13th 2020	The first recorded case of COVID-19 in Thailand, which is also the first recorded case of the virus outside of China.	Governments of countries like the USA and Europe began COVID-19 preparation campaigns and developed socio-economic strategies for how to combat the rising pandemic. WHO and the World Trade Organization (WTO) began to introduce international COVID-19 pandemic management plans.
January 22nd 2020	WHO agents travel to Wuhan and speak to the Chinese health officials to assess whether COVID-19 volatility have the potential to cause major international health and economic crisis.	After the meeting it was officially confirmed that COVID-19 has some of the most severe volatility rates and therefore will likely have some of the greatest health impacts on the world unless preventive and treatment measures are not put into place by international institutions and governments.
February 11th 2020	WHO announces the official name for the novel coronavirus, which is now the widely accepted COVID-19.	After the official announcement of the new virus present in the world, economists and financial analysts began to run uniform prediction models and situational analysis of

		the Chinese economy to predict the outcomes for the world economy. The most notable prediction models were G-Cube and national prediction models ran by the USA.
February 19th 2020	S&P (mutual bond of the 500 largest companies in the USA) closes at a historic record high with the greatest number of sales per period.	Despite being one of the most secure mutual bonds on the stock market, S&P is also one of the most expensive bonds in the world as well, therefore overly large investment into it is considered to be a cause of concern for financial institutions and stock markets. More from the stock market is to come in the coming week as well.
February 28th 2020	The global stock market reports the single largest weekly decline since the 2008 economic crisis.	After the 2008 crisis, there have been minor recessions and economic adjustments like the 2012 and 2013 economic falls. Never has the stock market dropped during this decade than it has in February 2020. Most economic institutions took their investments out of the

		<p>stock market and began to invest in gold reserves.</p> <p>Governmental fiscal policies were sent out for adjustment to the predicted major economic recession.</p>
March 3rd 2020	<p>Federal governments across NATO and the European Union lower federal funds interest rates.</p>	<p>As a step to reduce the economic impact of the pandemic on business activity and financial independence of ordinary people, federal governments of many nations reduced the bond and loan interest rates in order to encourage people and businesses to engage in economic activity and ensure the short-term survival of the global economy under the given pandemic circumstances.</p>
March 11th 2020	<p>WHO officially announces the COVID-19 outbreak to be a pandemic and countries begin entering temporary lockdowns as recommended by the International Organizations.</p>	<p>The official announcement of the COVID-19 outbreak to be a pandemic marked the historic point of no-return for the world and the inevitability of socio-economic impacts of the virus on the world was now widely accepted.</p> <p>Governments issued their</p>

		<p>first outlooks on the future of education, business activity and social interaction for the coming time until the pandemic is completely resolved.</p>
March 13th 2020	<p>WHO and the United Nations Foundation launch the COVID-19 Solidarity Response Fund that aims to collect finance for battling the pandemic and the economic crisis.</p>	<p>By using the resources supplied by the United Nations Foundation, the COVID-19 Solidarity Fund was launched to collect finance from organizations and free-willing individuals to financially support businesses and the governments affected by the COVID-19 pandemic. This was one of the most impactful international steps taken to financially reinstate the economy.</p>
March 16th 2020	<p>Federal Bank of the USA approves an action plan to reduce the discount and interest rates on bonds and loans in the country.</p>	<p>The USA is widely accepted to be a financial leader of the world whose fiscal policy serves as an accountable example for the rest of the world to follow as well. Resultantly, the actions of the US Federal Banks largely shaped the future fiscal policies of other countries</p>

		in NATO, Europe, and the Organization of Petroleum Exporting Countries (OPEC).
March 25th 2020	Mathematical models make use of social distancing and lockdown enforcements to predict that the COVID-19 infection curve will flatten out more with prolonged lockdown restrictions.	Models like G-Cube have made accurate estimations about the spread of COVID-19 in the past as well and therefore many governments use these mathematical models to reliably assess their next steps. In this case, prolonged lockdown enforcements might be a reality, which might result in further economic downturns and employment turbulence for the world.
April 8th 2020	The World Trade Organization (WTO) publishes a report describing their steps to limit trade but at the same time ensure the global survival of the economy.	The WTO was directly responsible for managing the trade relations of the world during this pandemic, and their actions directly impacted major industries and employment inside them. The limited trade seen during this pandemic affected governmental budgets and entire

		industries, therefore creating an influx of unemployment worldwide.
April 14th 2020	The International Monetary Fund (IMF) announces that the G7 countries are already entering some of the deepest recessions since the 2008 economic crisis.	G7 countries host some of the greatest economies in the world. As a result, the announcement of economic recessions hitting all of the G7 nations is a sign for the rest of the world to brace themselves for a financial crisis measurable to the 2008 economic recession. Unemployment rates were also predicted to increase up to 20% by the IMF in 2020.
April 22nd 2020	Hydroxychloroquine is officially deemed to be an impractical and ineffective cure against COVID-19.	The previously assumed medical treatment for COVID-19 is officially recognized to be ineffective against the virus and WHO announces that further trial of new medicine needs to be operated in order for the pandemic to be mitigated in its impact on the world.
April 23rd 2020	China announces that further funding of \$30 million into WHO will take	WHO is one of the leading bodies in finding the cure to COVID-19, hence

	place over the upcoming period.	funding the organization is one of the most essential steps for breaking the world out of the on-going recession.
May 6th 2020	Moscow announces that 2% of its population is infected (capital of Russia), bringing about international financial support supplied to Eastern Europe and Russia.	The work of the European Bank begins in the Eastern parts of the world as well when Russia announced its extremely large figure of infected cases. The economy of Russia and Eastern Europe continue to fall and therefore the European Bank is forced to intervene.
May 22nd 2020	China announces that it has no new domestic cases, flattening out the curve of the COVID-19 cases within its borders.	This was one of the first integral signs to the world that through adequate quarantine measures, the COVID-19 pandemic can be resolved and despite temporary economic losses, the future of international trade and employment can be maintained through the implementation of required measures.
2nd June 2020	G-Cube analysis and other predictive models utilized by the ILO predict that the	The Great Depression has been the worst the economy has been hit in

	unemployment rate across the world will rise more than during the Great Depression and will flatten out at 22% during COVID-19.	human history, hence a figure of unemployment larger than that during the Great Depression raises serious alarm among financial institutions and International Organizations about the security of the global economy in the future and the total stability of the modern financial system in the coming years.
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Previous Attempts to Solve the Issue

COVID-19 Solidarity Response Fund

The establishment of the COVID-19 Solidarity Response Fund likely marked one of the greatest international efforts to fight the economic crisis that followed the rise of the pandemic. The partnership between the World Health Organization and the United Nations Foundation has led to the establishment of a free-willing open donation source that raises finance for governments and businesses to use to mitigate the economic impacts of the pandemic. Not only has the money collected being round up to a \$100 million per month, but there has also been a massive success in encouraging other international organizations and non-governmental organizations to do the same in this united battle against COVID-19. The Solidarity Response Fund has also distributed finance to governments who use up their capital budget to raise unemployment benefits as well as ensure the survival of the unemployed during this pandemic. Although the impact of the Solidarity Response Fund has not been comparable to the budgets of governments, it is still a substantial form of aid provided to the international economic community and is also a healthy gesture of cohesion that is shared by all countries during this pandemic.

Youth Employment Policy

The World Programme for Action for Youth (WPAY) has been keen on investigating the likely impact of the pandemic on youth unemployment and was able to deduce based on historic records of past economic crises that youth will be affected abnormally in terms of employment by the pandemic. As a result, in order to ensure that the future generations fluidly enter the future workforce, WPAY has been working closely with governments of all nations to ensure the provision of adequate education and socio-economically secure employment opportunities for youth across the globe. Digital learning in many cases is quite effective but there exists an undeniable digital divide in the world (especially in developing countries), therefore governments need to adapt their education systems to ensure that all students continue to access the same level of quality of education as prior to the pandemic. Furthermore, WPAY has been integrating Youth Employment Policies across the globe to ensure that governments do all within their power to provide adequate employment to the youth working segment of their population, thus ensuring that mistakes of the 2008 economic crisis are not repeated. The policy does not, however, aid the fully employed population, which creates divides between the youth and the fully economically active.

Social and Governmental Response

In most countries, governments have readily realized that the COVID-19 pandemic is not yet going anywhere and therefore the economic impacts of the pandemic need to be fought against as one. As a result, many governments after their discussions in the ILO and WTO have decided to issue financial support to individuals and businesses alike to ensure that the unemployed remain economically stable and that the unemployment rate reduces by financing unprofitable business as well. This was the course of action in most developed and even developing countries as well, but in developing countries governments do not hold as large capital reserves as available to developed countries and therefore they are unable to provide the same magnitude of financial aid. Furthermore, the social response to financial problems of different countries has also been quite immense with major NGOs in different nations raising funds to support the failing industries during this pandemic. Although these actions are not impactful enough to resolve the uprising economic and unemployment crisis across the globe, they still provide substantial aid for the world economy to at least remain afloat.

Economic Policy of the European Bank for Reconstruction and Development

The European Bank for Reconstruction and Development (EBRD) has been an important organization in the past efforts to stabilize the European and Central Asia economies. This organization has been keen on providing the socio-economic support to countries in this region during the COVID-19 pandemic as well and experts say that the financial aid provided by EBRD is quite measurable to be some of the most impactful of all other international efforts. EBRD has provided significant finance to Russia when it announced its 2% infection rate in Moscow, and the organization has also been working closely with states in Western Europe when those were hit hard by the pandemic. Although unemployment is something that is difficult for international organizations to resolve because of how dependent it is on governmental policy, EBRD has been able to provide the financial support to governments needed for them in turn to adjust their policy to cater to the unemployed. Furthermore, the EBRD has been keen on providing financial support for governments to inject money back into their economies to ensure the survival of small and large businesses alike. Such international intervention is critical to the globalized mitigation of the economic impacts of the COVID-19 pandemic. Despite being a healthy step, the EBRD does not aim to assist the entire world and therefore the ECOSOC Council should install measures that can genuinely help the rest of the developed and developing world.

Possible Solutions

Increasing International and Individual Pharmaceutical Funding

The on-going economic and employment crisis is taking place mainly due to the COVID-19 pandemic. Although the virus is novel to the world of medicine, there has been quite a lot of successful progress in the finding of the vaccine and cure to COVID-19. Despite the relative success of some institutions and countries, there is insufficient funding of international pharmaceutical departments to actually find the cure or the vaccine. As a result, the world is at a standstill of making the financial sacrifice now and investing more heavily in finding the cure or stagnating the pandemic for longer and forcing the world to find the vaccine more slowly. Most mathematical models, such as G-Cube, have predicted that investing greater sums into pharmaceutical development will be healthier for the economy in the long and short run, hence this should be the focus of international funds and individual governments. The International Monetary Fund (IMF) has already announced its campaign for financially supporting the

COVID-19 affected businesses and governments, but the IMF and other organizations or able governments should focus on eradicating the root of the economic crisis – the pandemic itself.

Lowering the Minimum Wage and Individual Base Pay

In most cases, businesses focus on downsizing strategies to reduce costs and ensure that operations remain profitable during these low-demand periods of the market. Although downsizing is an effective strategy for the business in the temporary run, it results in unfathomable spikes in unemployment and therefore the government becomes significantly more burdened financially to support the unemployed. As a result, a strategy to consider is to encourage companies to reduce salaries to a livable rate to ensure that despite having lower wages, people remain employed and still have the base pay needed to live comfortably during these difficult times. This can be achieved through the small temporary lowering of the minimum wage and by governments inculcating policies to encourage companies to reduce the individual base pay of all workers instead of downsizing. Such a strategy has been practiced in some companies across the world but international movement to do the same can have a much more considerable positive impact on the global unemployment rate. Definitely in countries that already have lower minimum wages it will be difficult to ensure such economic policies will work effectively. However, for developing countries to battle the impacts of the pandemic-related economic crisis, international efforts are a requirement and therefore countries should cooperate to support the less-economically developed countries.

Reduction of Taxation

Governments have a lot of financial burdens to carry at the moment. Limited trade and increased funding of pandemic-related medical development has resulted in lower incomes and higher costs for governments to meet worldwide. However, the ILO and the WTO have all affirmed that it is the responsibility of all governments to meet losses in order to ensure the survival of their economies. Crises are only fought through reduction of interest rates and the improvement of the taxation policies, hence governments need to recognize that at this point capital budgets have to be drained in order for the global economy to survive and in order to ensure the thriving of the modern financial system long into the future. It is due to these factors that it is essential for governments who charge taxes to reconsider their policies and ensure that more money goes to the people to increase demand for consumption and to improve the survivability of companies across all sectors of production. Reduction of taxation also needs to

be combined with lower interest rates issued on global funds and banks owned by the IMF, which will allow governments to take out loans now in order to inject the money back into the economy.

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