

EU global response to COVID-19: Forging a path to an equitable future

May 2020

Today our world is in crisis. As the new coronavirus rages across the globe, it should no longer be possible to ignore and maintain the structural inequalities that over the last decade have kept our societies in a stranglehold and placed people's well-being in deep peril. **Inequalities were blighting the world well before the outset of COVID-19.** As we stated in our report *'Inequalities unwrapped. An urgent call for systemic change'*, economic, social, environmental and political inequalities had already reached staggering heights, further compounded by gender inequality.¹ In 2019, this led to a multiplication of protests, marches and social unrest in all four corners of the world.

While these are still early days to know the full impact COVID-19 will bring, we already see that **the pandemic, as is common in disaster situations, brutally exposes and exacerbates various forms of inequalities within and among countries.** As the very wealthy are shielded from the financial and economic impacts in ways that the rest of the global population is not, the wealth and income gaps between people widen. Access to much needed basic social services differs, discrimination rises and socially constructed norms risk privileging some groups over others, as we see for example with gendered roles. People and states across the globe have unequal access to political decision-making, whilst civil society space shrinks further. Compounding the existing unequal impacts of climate change and some COVID-19 related environmental setbacks, these various forms of inequalities leave the implementation of the 2030 Agenda for Sustainable Development at high risk of delay or of retrogression.

Estimates by the UN University World Institute for Development Economics Research show that, regardless of the scenario we head into, **global poverty** could increase for the first time since 1990, reversing the world's progress in reducing poverty by about 10 years, in some regions even by 30 years.² On the opposite side of the spectrum, we see that the **world's billionaires'** fortunes do not make them immune, but can make it easier for them to insulate themselves. While some of the world's richest people have seen their wealth surge to new heights in the wake of COVID-19, for example due to increased e-commerce, online video conferencing or food delivery, others' wealth and income seems severely hit. At the end of February, Bloomberg already stated that the combined fortunes of the world's 500 richest people fell by \$444 billion because of the spread of the coronavirus.³ But, looking back at 2008, when they also seemed seriously hit by the financial crisis, their fortunes bounced back very rapidly and even more than doubled since then.⁴ If we walk a similar path out of this crisis, the gap between the richest 1% and the 99% others is bound to reach cosmic proportions.

Over the past decades, austerity policies pushed by the international financial institutions in which EU Member States sit, have weakened public services and systems, including in the health sector. The ongoing crisis, however, clearly highlights the **importance of a well-functioning state able to provide essential and inclusive public services to all people living in the country.** Bringing whole social systems back from the brink, combined with economic bailouts and emergency response will create massive holes in public budgets and increase public debt. A vicious circle of more austerity measures in the future in areas key to fighting inequalities such as **health, education and social protection**, in the name of fiscal orthodoxy, must be avoided at all costs. Furthermore, the mushrooming and siloed public-

¹ <https://concordeurope.org/blog/2019/11/18/inequalities-report-2019/>

² <https://www.wider.unu.edu/publication/estimates-impact-covid-19-global-poverty>

³ <https://www.bloomberg.com/news/articles/2020-02-28/world-s-richest-lose-444-billion-after-hellish-week-for-markets>

⁴ <https://www.oxfamindia.org/blog/coronavirus-and-inequality>

private partnerships in the health sector might have helped fight specific diseases, but it came at the cost of undermining public and general health systems, privatising benefits and socialising costs, leaving governments incapable of responding in any meaningful way to the COVID-19 crisis. As stressed by the UN High Commissioner for Human Rights, “*the universality of the threat from this virus provides the most compelling argument there has ever been for universal and affordable access to health care*”.

In many countries, people are told to ‘stay at home’, but not everyone can do this safely. The UN Special Rapporteur on the right to **adequate housing** is deeply concerned about the people living in emergency shelters, homelessness and informal settlements on the one hand, and people facing job loss and economic hardship which could result in mortgage and rental arrears and evictions on the other.⁵ One billion people live in slums or informal settlements, with limited access to basic services, like water or electricity. Forty percent of the world’s population, 3 billion people, lack access to basic hand-washing facilities in their homes.⁶ With hand-washing being one of the most important strategies to prevent the coronavirus spreading, what if you do not have water?

At this moment there are millions of people out of work and thus left without income. The International Labour Organisation warned that almost 2,7 billion workers are affected due to COVID-19 worldwide, 25 million jobs could be lost, precarious workers are being pushed to the edge, social protection systems fail vulnerable groups, and young workers and small and medium-sized enterprises are hit hard by the economic fallout.⁷ The consequences for the **labour market** and the position of workers therein will be severe, with clear risks for labour rights across global value chains, as we can already observe, for example, in the garment sector in South East Asia, in flower farms in East Africa or in the mining sector in South America.⁸ Some businesses use the outbreak of COVID-19 as an excuse to violate labour laws protecting employment, to hamper freedom of speech and assembly, cut wages or increase working hours of workers around the world. The unchecked use of subcontractor relationships in complex supply chains allows them to benefit from lower costs in times of growth yet avoid responsibility in times of crisis, to the detriment of workers in increasingly insecure situations.⁹ According to the ILO, without appropriate policy measures, workers face a higher risk of human rights violations and falling into poverty and will experience greater challenges in regaining their livelihoods during the recovery period.

Environmentally, the coronavirus exposes how loss of ecosystems and overexploitation of natural resources in the Global South increase the risk of zoonotic disease outbreaks, such as Ebola, AIDS, SARS, MERS, Zika, avian influenza and swine flu.¹⁰ In addition, setbacks are occurring linked to countries’ coronavirus response policies, such as reduced emission standards or temporarily suspended environmental regulations, which can further increase environmental inequality.¹¹

⁵ <https://www.ohchr.org/EN/NewsEvents/Pages/DisplayNews.aspx?NewsID=25727&LangID=E>

⁶ <https://www.wri.org/blog/2020/04/coronavirus-water-scarcity-hand-washing>

⁷ https://www.ilo.org/wcmsp5/groups/public/@dgreports/@dcomm/documents/briefingnote/wcms_740877.pdf ; https://www.ilo.org/global/about-the-ilo/newsroom/news/WCMS_738742/lang--en/index.htm ;

<https://iloblog.org/2020/03/20/precarious-workers-pushed-to-the-edge-by-covid-19/> ;

https://www.ilo.org/global/about-the-ilo/newsroom/news/WCMS_739678/lang--en/index.htm ;

[https://www.euractiv.com/section/economy-jobs/news/ilo-warns-of-devastating-consequences-of-covid-19-on-labour-markets/?utm_source=EURACTIV&utm_campaign=1df78f178c-](https://www.euractiv.com/section/economy-jobs/news/ilo-warns-of-devastating-consequences-of-covid-19-on-labour-markets/?utm_source=EURACTIV&utm_campaign=1df78f178c-RSS_EMAIL_EN_Daily_Update&utm_medium=email&utm_term=0_c59e2fd7a9-1df78f178c-114974295)

[RSS_EMAIL_EN_Daily_Update&utm_medium=email&utm_term=0_c59e2fd7a9-1df78f178c-114974295;](https://www.ilo.org/global/about-the-ilo/newsroom/news/WCMS_739678/lang--en/index.htm)

<https://iloblog.org/2020/04/15/young-workers-will-be-hit-hard-by-covid-19s-economic-fallout/>

⁸ <http://www.industriall-union.org/covid-19-an-existential-crisis-for-the-garment-industry>

⁹ <https://www.fidh.org/en/issues/globalisation-human-rights/don-t-wash-your-hands-of-human-rights-obligations-corporate-due>

¹⁰ <https://wwf.be/assets/IMAGES-2/CAMPAGNES/COVID-19/the-loss-of-nature-and-rise-of-pandemics-protecting-human-and-planetary-health.pdf>

¹¹ <https://www.forbes.com/sites/nishandegnarain/2020/04/16/ten-areas-where-covid-19-responses-are-leading-to-environmental-setbacks/#14211d094252>

Politically, the crisis comes with further risks for increased inequality. It is being used as an opportunity to consolidate power, legitimising crackdowns through evoking an existential national threat under authoritarian regimes. Other examples, in democracies, include emergency measures to address public health, such as state of emergency declarations or measures to increase surveillance of citizens, which undermine transparency, inclusiveness and accountability.¹²

The nature of inequalities being impacted by the new coronavirus thus covers all four dimensions of sustainable development - economic, social, political and environmental. Understanding the ways in which those **dimensions interrelate** is key to effectively addressing inequalities. Furthermore, different groups of people are impacted in different ways by the COVID-19 crisis.

Women and girls bear a particularly heavy burden. Women make up the majority of the workforce in the health sector worldwide (about 70%) as well as in other primary service sectors like social work and in the retail industry. They are at higher risk of intimate partner violence and other forms of sexual or domestic violence, which the UN has warned has increased due to heightened tensions in the household. Some services, such as for sexual and gender-based violence survivors and sexual and reproductive health, are de-prioritised, disrupted, or simply become more difficult to access, strongly impacting women's and girls' health and rights.¹³ Most women - 58% worldwide and up to 92% in developing countries - work in the informal economy and in more precarious employment schemes. Earning their living day by day, they lose their income and risk hunger due to the lockdowns.¹⁴ When at home in lockdown, they are largely responsible for taking care of children, elderly and sick relatives, which creates physical and psychological stress and disproportionately exposes them to the virus and pandemic-related risks. Since women are taking time off work to care for others and the low-paid sectors in which female workers dominate cut back hours and staff, advances in closing the gender pay gap are at risk of being reversed. In some countries, with the closure of schools, they have assumed children's home education. In others, the requirement of washing poses an extra burden to women, especially in water-scarce areas, given that the task of fetching water generally also falls to them. However, despite the multiple impacts of such a crisis on women, they are underrepresented in decision-making to guide us out of this crisis.

Children face extra challenges too. Closing schools, not only disrupts children's learning, but also their access to food programmes, social support, personal assistance or medical care, which are often available through schools. Without schools' protective and social environment and associated services, many children are facing heightened risks, with no recourse to alternative prevention and support measures. Moreover, this situation disproportionately affects children deprived of family settings or in dysfunctional family situations (for example, owing to regular conflict, child neglect or abuse and domestic violence), and further undermines their wellbeing and developmental prospects. The crisis also exposes the digital divide between countries and people, with increased risks for children without access to online learning of falling behind in their education during lockdown. The Ebola crisis research showed that even once the immediate crisis is over, children and adolescents living in countries with weak educational structures face more barriers to education in the aftermath. Combined with increased economic instability, many of them were forced to join the labour market, teenage pregnancies spiked and the number of child marriages increased.¹⁵

While **persons with disabilities** already faced major access barriers to healthcare, education, income-generating employment and social support schemes, COVID-19 exacerbates these challenges. People with disabilities face higher risks of contracting the coronavirus and developing serious complications,

¹² <http://epd.eu/2020/04/06/joint-statement-democratic-principles-in-a-time-of-crisis/>

¹³ As members of CONCORD, Caritas Europa and CIDSE support the collective work of the confederation, but do not (fully) endorse the SRHR language used in this statement.

¹⁴ https://www.ilo.org/wcmsp5/groups/public/---ed_protect/---protrav/---travail/documents/publication/wcms_711798.pdf

¹⁵ <https://plan-uk.org/blogs/ebola-putting-young-lives-on-lockdown>

yet often face obstacles in accessing prevention and response measures (e.g. inaccessible information and communication, barriers to accessing essential health services and facilities, limited capacity of health workers and caregivers to continue working with persons with disabilities, risk of exclusion from education due to inaccessible remote learning programmes, disrupted support systems). They experience discrimination in triage, or are denied care altogether.

Due to protracted crises and ongoing conflicts, UNHCR has been recording a growing number of **migrants and refugees**, many of whom are now living in even more precarious circumstances. It is impossible to implement physical distancing and hygiene measures in overcrowded refugee camps, whether in partner countries or in Europe.

Countries in the Global South face far worse challenges. Health systems are often extremely weak with public services offering entire populations only a dozen Intensive Care Units (ICU) and private health being too expensive for the poor. Additionally, social protection systems are often weak or non-existent. Fifty-five percent of the global population have no social protection whatsoever to mitigate the socio-economic impact of sickness and unemployment.

Many other groups could be added to the list of people particularly vulnerable to the pandemic and its secondary effects, such as the elderly, people with health conditions, poor people, ethnic minorities, indigenous peoples and the list goes on. **Moreover, different social identities (e.g. gender, race, ability, age, income, sexual orientation, ethnicity, religion or belief, socio-economic or migratory status), which are often grounds for discrimination, intersect and overlap**, leading to increased restrictions and deprivations, which perpetuate and entrench inequalities.¹⁶ CONCORD appreciates the fact that the European Commission sets out to support the countries and people most at risk in its global response to the pandemic. However, to address inequalities comprehensively and systematically, its response must be underpinned by a multidimensional and intersectional analysis of inequalities in partner countries .

CONCORD believes that **tackling inequalities and building an inclusive and sustainable economy should therefore be on top of the EU and Member States' priority list**. COVID-19 responses must align with human rights obligations and the commitment to leave no one behind. They should focus on developing the resilience of people at risk, particularly in disproportionately impacted countries. To take this forward, **CONCORD recommends the EU and its Member States to:**

1. **Put the fight against inequalities on top of your international cooperation and partnerships' priority list**, making it a clear priority with targeted actions in policies, geographic and thematic programmes and bi-regional partnership agreements.
2. **Mainstream inequalities in international cooperation by:** conducting a multidimensional and intersectional analysis of inequalities in partner countries to be able to target those furthest behind or most at risk; developing ex-ante inequality impact assessments to inform the drafting of country-specific programmes and projects (including in the emergency response to and recovery from COVID-19); gathering disaggregated data to support equality monitoring and evaluation; fostering local ownership of equality and mainstreaming equality in all policy dialogues; and developing guidelines, tools and training for staff in headquarters and delegations.
3. **Act in solidarity, by boosting aid levels in support of partner countries** disproportionately hit during the crisis, the recovery period and thereafter, with a view **to preventing rising inequalities between countries**. Commit to an ambitious response to the COVID-19 crisis and avoid redirecting funds from essential programmes, critical to the response (education, employment, livelihood, social protection, etc.). Instead mobilise new resources, reach the committed 0,7% Official Development Assistance (ODA) of GNI target and surpass it where possible. International financing

¹⁶ <https://concordeurope.org/blog/2019/11/18/inequalities-report-2019/>

of countries' response and recovery should be in addition to, and not instead of, support to countries dealing with the impacts of the climate crisis.

4. Focus on **long-term and massive investments in human development**: social protection, universal coverage and access to good quality public services for all, especially in the areas of health and education, water and sanitation, and housing - all necessary tools to mitigate external shocks and increase equality.
 - a. Provide **equal opportunities to all**, ensure non-discrimination and accessibility for all in these key areas of human development to increase resilience and reduce inequalities across the board.
 - b. Accelerate support to partner countries' **universal, gender-transformative, and life-cycle based social protection systems**, for people, societies and economies to weather the current crisis and crises to come, and provide support to a Global Fund for Universal Social Protection.
 - c. Support governments at all levels to **protect housing adequacy, affordability, accessibility and stability** by enforcing eviction bans and protecting tenants who have difficulty in paying rent; providing safe, secure and adequate provisional shelter for homeless people; delaying mortgage payments and freezing rents; and banning utility shut-offs of electricity, heat, and water so that people are safe in their homes.
5. Ensure the response to COVID-19 does not reinforce harmful **gender** norms, discriminatory practices and inequalities. It should ensure the prevention, protection and response to sexual and gender-based violence and should more broadly guarantee the access to services that are essential to gender equality, such as sexual and reproductive health and rights. Analyse the direct and indirect impacts of the virus and of the response to the outbreak on gender equality, include gender-related indicators in country-level response systems and routinely collect robust **data disaggregated by sex and age**. Finally, include female healthcare workers and local women's rights organisations in decision-making to ensure that responses to the COVID-19 outbreak adequately secure the **rights of women and girls**.
6. **Promote labour rights and environmental standards** through policy dialogue and trade negotiations. Align with the International Labour Standards in defining the response strategies. Focus policy responses on two immediate goals: health protection measures and economic support throughout the whole value chain. Trust and dialogue are crucial in making policy measures effective. Social dialogue is essential to fine-tune policy packages so that they best serve those most in need. All stakeholders, including workers' legitimate representatives, need to have a seat at the table. Social dialogue, furthermore, safeguards democracy and decreases risk for social unrest.
7. **Support the progressive collection of taxes, closing of loopholes and addressing of tax avoidance** in order to maximize states' own resources to provide quality services to the population. Increase aid spending on progressive domestic resource mobilisation and step up capacity-building programmes for civil society in partner countries, enabling its effective engagement in dialogue and monitoring national fiscal policies and public financial management. When engaging in budget support, make sure that assessments of national tax policies include analyses of potential impacts not only on revenue generation, but also on economic and gender inequalities. And ensure that multilateral programmes supported by the EU, particularly those led by the IMF and OECD, are aligned with commitments to promote progressive taxation.
8. Work with EU Member States in the IMF, World Bank and other relevant international spaces such as the G20 to ensure **debt cancellation**, and no imposition of conditionalities or austerity which are so detrimental to equality.
9. **Invest in economic sectors or industries contributing to sustainable development and equality** so they can grow and create jobs; divest from those sectors with negative environmental or social

impacts or which encourage unsustainable consumption (oil, gas, mining, advertisement, fast-fashion, aviation, to name but a few). Since the crisis has caused economic turmoil in almost every country, now is the moment to steer away from the current global focus on GDP growth, given that it does little to create well-being for all, has not supported investment where it is clearly needed and is highly vulnerable to shocks. This crisis offers an opportunity to consider what kind of economic development should be pursued.

10. Focus support for the private sector on **local micro, small and medium-sized enterprises as well as mission-driven enterprises** (instead of profit-driven) guided by sustainable and inclusive business models, as often observed with actors in the social and solidarity economy. These actors are strongly committed to providing livelihood opportunities and general assistance to people in precarious and marginalised situations, and to strengthening the resilience of people, communities and economies to future shocks.¹⁷
11. **Demand more from companies, both in social and environmental terms.** The financial support to business during the crisis and recovery should be limited to companies which genuinely need support and have been compliant with key conditions around tax, labour rights, sustainability and due diligence. Companies and their owners asking for state aid should commit to abstain from dividend pay-outs to shareholders, share buybacks and bonuses, until the end of 2021. They cannot be using offshore structures to avoid paying taxes domestically or have accumulated significant capital, assets or profits. To avoid far worse human rights violations and environmental impacts across corporate supply chains, all companies should be legally required to exercise human rights due diligence in a gender-responsive manner.
12. **Safeguard and increase direct and flexible support to civil society** for their vital contributions to responding to the new coronavirus, to reducing inequalities at local, national and regional levels and to building the resilience of people most at risk. Besides the delivery of essential services to marginalised and excluded people to complement governments' actions, they play a watchdog role and exert pressure to demand accountability. Worryingly, the space for people to organise themselves and speak up against inequalities and injustice is shrinking around the world, including within Europe. The EU and Member States should counter this trend, by promoting fundamental freedoms and an enabling environment for civil society now more than ever, particularly through consulting and partnering with a wide range of civil society organisations, including grassroots and social movements and those from more remote areas. Efforts by civil society to monitor the accountability of states during the emergency should also be supported.
13. To reduce the increased exposure of people in the Global South to future zoonotic disease outbreaks or climate crises, action to **tackle the drivers of nature loss and climate change** should also be prioritised. Furthermore, land use change and environmental degradation are often driven by inequalities, where communities lack secure access to their lands and resources, which should also be considered in a just and equitable COVID-19 response.

The EU and its Member States should grasp the unique opportunities this unprecedented crisis creates to forge a path towards a more equal and sustainable world, one in which we are all ready and able to cope with challenges thrown at us, from a position of strength, collectively and in solidarity.

¹⁷ <https://www.thenews.coop/tag/covid-19/>