



RISING INEQUALITY AND RECOVERY FOR ECONOMIC TRANSFORMATION IN THE POST- COVID19*

การเพิ่มขึ้นของความไม่เท่าเทียมและการฟื้นฟูสำหรับความเปลี่ยนแปลงทางเศรษฐกิจ
ภายหลังยุค COVID-19



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Abstract

The COVID-19 pandemic crisis has caused a huge impact, with more than 3.1 million deaths and still rising, 120 million people pushed into severe poverty, and a massive worldwide recession. People have been suffering and poverty has risen. Weak restoration in emerging market and developing economies (EMDEs) have been concern. The impacts of climate change, carbon emissions, habitat destruction, and poor ocean health are already causing immense hardship worldwide, exposing the global economy to further systemic vulnerabilities that might eventually overshadow the present crisis. Despite optimistic indicators from governments, corporations, and individuals, recovery efforts must be more robust. Multiple governments have recognized the need and potential for a sustained recovery. This article reviewed over a rise on inequality, economic recovery, environment concerns, labor market, redistributions, and welfare state also risk of large unemployment rate.

Keywords: Inequality; Economic Recovery; Environment Concerns; Unemployment Rate

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บทคัดย่อ

วิกฤตการณ์การระบาดของ COVID-19 ได้ก่อให้เกิดผลกระทบอย่างรุนแรงต่อสังคม จำนวนผู้เสียชีวิตทั้งหมดนั้นเกินกว่า 3.1 ล้านคนและยังคงเพิ่มขึ้นอย่างต่อเนื่อง ผู้คนมากกว่า 120 ล้านคนต้องประสบกับภาวะยากจนอย่างหนัก เกิดภาวะเศรษฐกิจถดถอยอย่างรุนแรงทั่วโลก จำนวนของผู้ที่ประสบความยากลำบากจากทุกภิกขภัยเพิ่มมากขึ้น อีกทั้งความสามารถในการฟื้นฟูตลาดเกิดใหม่และเศรษฐกิจเกิดใหม่นั้นก็เป็นที่น่าวิตก ในขณะที่ผลกระทบจากความเปลี่ยนแปลงของภูมิอากาศ การปล่อยคาร์บอน การทำลายถิ่นที่อยู่ และความเสื่อมโทรมของมหาสมุทรนั้นยังคงสร้างความลำบากไปทั่วโลก และยังคงแสดงให้เห็นความเปราะบางในเชิงระบบของเศรษฐกิจโลกที่หายนะที่สุดแล้วอาจนำไปสู่วิกฤติที่ร้ายแรงกว่าในปัจจุบัน ถึงแม้ว่าจะมีดัชนีชี้วัดต่างๆในเชิงบวกจากทั้งภาครัฐบาล ภาคเอกชน และตัวบุคคล แต่การฟื้นฟูนั้นยังจำเป็นต้องกระทำอย่างเข้มข้น รัฐบาลในหลายประเทศนั้นได้ตระหนักถึงความจำเป็นและโอกาสของการฟื้นฟูอย่างยั่งยืน บทความนี้ได้ทบทวนวรรณกรรมในเรื่องความไม่เท่าเทียม การฟื้นฟูเศรษฐกิจ ความกังวลด้านสิ่งแวดล้อม ตลาดแรงงาน การกระจายแรงงาน และรัฐสวัสดิการ อีกทั้งความเสี่ยงต่อการว่างงาน

คำสำคัญ: ความไม่เท่าเทียม; การฟื้นฟูทางเศรษฐกิจ; ความกังวลด้านสิ่งแวดล้อม; อัตราการว่างงาน

Introduction

The Covid-19 pandemic has brought about a global health crisis that has affected every aspect of life. The pandemic has highlighted and exacerbated societal inequalities and health and economic impacts. The pandemic has caused widespread job losses, particularly in the tourism, hospitality, and retail sectors, disproportionately affecting lower-income workers. These job losses have disproportionately affected lower-income workers, who are more likely to be employed in these sectors. According to the International Labour Organization (2020), the pandemic could result in losing up to 195 million jobs globally. The situation has resulted in a wage decline for many workers, further exacerbating economic inequality.

Additionally, the pandemic has highlighted existing disparities in access to healthcare and social services. It has caused a decline in economic opportunities for small and medium-sized businesses, which are more likely to be owned and operated by lower-income individuals and communities of color. The increased disparity caused by Covid-19 will have lasting effects. More inequality diminishes



the impact of economic growth on alleviating poverty, suggesting that subsequent economic rise may have less influence on disadvantaged groups, rendering those worse off and confronting increasing inequality than before. If disparities are not addressed, the future economic resurgence will less influence Covid-19-induced poverty reduction. Democratic systems, financial institutions, and diplomacy can play crucial roles in reducing existing disparities and achieving a more egalitarian approach to the short- and long-term effects of the Covid-19 epidemic. Inequalities must be explicitly prioritized and examined through a medium- to long-term perspective.

A Recovery for Economic Transformation

The world's environmental crises are as critical as ever, although they may seem remote amid Covid-19. The instabilities are shown by the pandemic highlight the causes of why environmental concerns had become a top political priority throughout the globe before Covid-19 occurred. Covid-19, since they compose most health care professionals, approximately 70 % worldwide and more than 80 % of the total nurses in most areas (Morgan et al., 2022). Increasing care obligations and economic hardship may diminish female labor force participation since women comprise a disproportionately significant number of service employees worldwide. Covid-19 would likely result in a diversion of health resources away from school closures. It will cause an increase in adolescent pregnancy and dangerous behavior – all of which have significant long-term social and economic consequences for women.

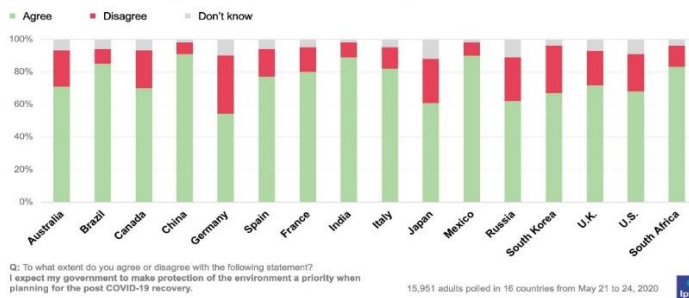


Figure 1 a survey of 16,000 people from May 21- 24, 2020 on Should your government make environment protection a priority in recovery from Covid-19.



According to international Ipsos poll on Figure 1 three-quarters of people in 16 major nations anticipate their government to prioritize environmental protection when trying to recover from the coronavirus pandemic. The highest support is China with 91% followed by India and Mexico with 89%, Brazil (85%), and South Africa (84%). The physical and economic repercussions of global warming are currently being experienced, and some places have suffered severe weather events concurrently with Covid-19 efforts, like Typhoon Vongfong in the Philippines. Without changes to the structure of contemporary economies, the continuous accumulation of greenhouse gases (GHGs) in the environment will have potentially disastrous consequences. While the economic downturn has resulted in frequently publicized environmental gains, such as decreased emissions of greenhouse gases and air and reduced water pollution, these improvements will have no long-term effect. If economic activity restarts as before, they will be brief and swiftly disappear.

COVID-19 lockdowns have been the dramatic improvement in air quality, especially in Europe on Figure 2 shows evidence on lockdown measure on air quality comparison between expected nitrogen dioxide (NO₂) concentration and particulate matter (PM₁₀ and PM_{2.5}) while others, such as household energy consumption may have increased. Furthermore, GHG emissions returned and resumed rising in the aftermath of the most recent financial turmoil (Wang & Wang, 2020). The economic forces driving ecological damage and the obliteration of aquatic biota can have cascading effects on societies. They may raise the likelihood of future zoonotic viruses (those that clamber from animals into humans) because of the expansion of anthropogenic activities resulting in deforestation and the increase in demand for and smuggling of wildlife (Crary & Gruen, 2022). Deteriorations in local environmental quality, such as air and water pollution, may influence the susceptibility of populations to both sickness and the consequences of a less stable climate, with the effects likely disproportionately negatively impacting poorer communities. Governments, corporations, and society have a duty and self-interest to seek short-term solutions to bolster lives and employment and consider the economic and political dynamics that led to the present situation.



Labor Market Redistributions and Welfare State

Targeting policies and programs to marginalized communities in response to Covid-19 inequalities is an approach that aims to ensure that policies and programs are designed and implemented to address the specific needs of marginalized communities. These communities, such as low-income individuals, communities of color, and Indigenous peoples, have been disproportionately affected by the pandemic and have been hit the hardest by the economic and social impacts. Designing policies and programs that meet the specific requirements of marginalized communities include creating policies and programs tailored to their needs. The scheme can include job training and retraining programs for low-skilled workers, targeted stimulus payments for low-income families, and support for small businesses and entrepreneurs from marginalized communities. Furthermore, targeted stimulus payments involve financial assistance to individuals and families affected by the pandemic, focusing on low-income families, communities of color, and Indigenous peoples. The payments can be achieved by providing direct cash transfers, vouchers, or other financial assistance to help these families meet their basic needs and weather the economic downturn.

The dispersion of unemployment vulnerability is more skewed toward the bottom than other social policy welfare, and the odds of being jobless vary dramatically across occupations and talents. Consequently, the unemployment policy has less backing than other social programs. With the epidemic and stay-at-home orders, substantial portions of the labor force needed clarity over their employment. Under the "veil of ignorance" theory, researchers (for example, Ebbinghaus et al., 2022) anticipated a rise in support for the jobless policy in reaction to the initial lockdown. With the growth of part-time work rapidly and generously implemented, massive layoffs were averted, and contract terms were secured for a substantial portion of the labor force, reducing uncertainty. However, posited that not everyone benefited equally. Employees in industries (like tourism or part-time employment) had a much greater likelihood of being fired. As the pandemic progressed, the disparity in risk has expanded for the working-age population, which should have reduced assistance for the jobless.



elucidated that in 2021, it was evident that there was a more significant emphasis on policy innovation, public-private cooperation, and less focus on austerity compared to the financial crisis. Given the requirement for a prompt reaction during the catastrophe, first national policies were imprecise, with modifications implemented to make regulations more focused because of lessons learned. Consequently, the policy reaction was not limited to publicly funded and distributed tools alone. Maintaining family earnings and cash flow amid the economic crisis requires state and private initiatives. Regulations of the labor market are an additional key policy weapon for affecting individual earnings. By establishing a minimum wage, the government improves the market earnings of individuals at the bottom of the distribution, thereby increasing their standard of living and lowering income disparity in the community (Bapuji et al., 2020). Similar wealth redistribution effects are seen for collective pay negotiating: more collective bargaining scope is often correlated with lower market income disparity, conversely (Ashford et al., 2020). In addition to employing a large share of the labor force, the government uses a considerable fraction. Thus, a high degree of public employment boosts the demand for labor, hence decreasing pay disparities.

The Risk of Large Increases in Unemployment

Low-income workers have faced salary inequality during the Covid-19 pandemic. According to research by Tranjan & Block (2020), the average CEO compensation for the 100-leading low-wage firms in us increased by 15% in 2020 to \$13.9 million, while their global median compensation stayed constant. More than 50% of these hundred low-wage corporations manipulated their regulations to inflate CEO compensation, shielding the enormous bonuses of top executives as their people suffered throughout the epidemic (Gneiting et al., 2021). The total number of unionized workers decreased in 2020 due to job losses in all sectors of the economy. However, employees represented by unions in specific hard-hit sectors experienced lower unemployment than their non-union contemporaries or managed to gain jobs, according to an analysis by Shierholz et al. (2022). In commerce, unionized employees gained 24,000 positions, while non-union workers lost 659,000 (Shierholz et al., 2022). Unionized employees have a more



significant role in corporate decision-making, especially concerning issues such as layoffs and redundancy compensation during critical times. While the fortunes of U.S. billionaires are growing, the global recession has affected low-income people the most. According to Parker et al. (2020), the lowest-income group saw the most significant rate of job loss between February 1, 2020, and the conclusion of June 2020, while the highest-income employees experienced the lowest rate. The lowest-income group had just 81% of the employment on February 1, whereas the highest-income cluster had 96% of the occupations they had before the outbreak (Parker et al., 2020). Thus, low-income workers are more likely to be ineligible for unemployment benefits due to their status as part-time, temporary, or contract workers or because they have a limited work history.

Table 1 U.S. employment status of the civilian population by sex and age, seasonally adjusted [Numbers in thousands] (U.S. Bureau of labor statistics, 2022)

| Employment status, sex, and age | 2021 | | | 2022 | | | | | | | | | |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | Dec. | Jan. | Feb. | Mar. | Apr. | May | June | July | Aug. | Sept. | Oct. | Nov. | Dec. |
| Civilian non-institutional population(1) | 262,136 | 263,202 | 263,324 | 263,444 | 263,559 | 263,679 | 263,835 | 264,012 | 264,184 | 264,356 | 264,535 | 264,708 | 264,844 |
| Civilian labor force | 162,410 | 163,633 | 163,862 | 164,301 | 163,950 | 164,278 | 164,002 | 163,990 | 164,714 | 164,619 | 164,646 | 164,527 | 164,966 |
| Participation rate | 62.0 | 62.2 | 62.2 | 62.4 | 62.2 | 62.3 | 62.2 | 62.1 | 62.3 | 62.3 | 62.2 | 62.2 | 62.3 |
| Employed | 156,081 | 157,122 | 157,590 | 158,328 | 157,982 | 158,299 | 158,057 | 158,272 | 158,694 | 158,850 | 158,593 | 158,527 | 159,244 |
| Employment-population ratio | 59.5 | 59.7 | 59.8 | 60.1 | 59.9 | 60.0 | 59.9 | 59.9 | 60.1 | 60.1 | 60.0 | 59.9 | 60.1 |
| Unemployed | 6,329 | 6,511 | 6,272 | 5,972 | 5,968 | 5,979 | 5,945 | 5,718 | 6,021 | 5,770 | 6,053 | 6,000 | 5,722 |
| Unemployment rate | 3.9 | 4.0 | 3.8 | 3.6 | 3.6 | 3.6 | 3.6 | 3.5 | 3.7 | 3.5 | 3.7 | 3.6 | 3.5 |

From Table 1 shows the result of the year 2021 number of the U.S. unemployed people was 6.8 million in the fourth quarter then decrease of 4.1



million from the year 2020. In December 2022 an unemployment rate edged down to 3.5% and remained in a narrow range of 3.5% to 3.7 % since March 2022. Bluedorn et al. (2021) postulated that in 2020, women's employment and labor market participation decreased in tandem with men create a gap between men and women lead to inequality issue. Considering other demographic data, Milovanska (2021) reveals that women's employment declined less initially during the pandemic. Adjusting for industry and profession, Faberman et al. (2022) show that women's work fell more rapidly in the pandemic's early stages, but these disparities disappeared by the end of 2020. In the optimum age range (25 to 54), women performed less well than males. In this age bracket, women's involvement in the workforce decreased, interrupting a five-year rising trend (Danet, 2021). In retrospect, Tüzemen (2021) concluded that Black and Hispanic women of prime age saw a steeper decrease in workforce participation and a slower recovery than other women. Mothers experienced a higher loss in employment than fathers or non-parents during the pandemic recession, which contributed significantly to women's disadvantage among prime-age workers (Danet, 2021). Most job loss among women was attributable to moms without a college degree. During the first nine months of the crisis, Alon et al. (2022) found that being a woman with at least one child under twelve decreased the likelihood of jobs by 3 percent compared to a man with similar characteristics. In contrast, there was only a 1 percent relative decline for women without children under the age of twelve. Piacentini et al. (2022) similarly found that women performed worse than males in non-work-from-home jobs. Thus, occupations requiring close contact and unsuitable for remote work had incredibly steep employment reductions. Minorities have had more economic losses due to the pandemic, particularly in employment and income. In principle, minorities had more significant financial losses due to the pandemic, but, as with women, this disparity diminished substantially by the conclusion of 2020. Milovanska (2021) discovered that during the early pandemic era, the fall in Black employment was 0.6 % more than the decrease in White jobs, and the rise in the proportion of salaried but not working was 0.9 % higher. The corresponding percentages for Hispanics were 2.4% and 0.9% (Milovanska, 2021). Hershbein & Holzer (2021) discovered that Blacks and Hispanics lost more jobs than Whites, and the disparity between Blacks and Whites



diminished by December 2020. Lower labor force participation caused a more profound decline in Black employment since White workforce participation was 0.5% higher in the initial quarter of 2020 and 1.6% higher in the second quarter (Gomez-Salvador & Soudan, 2022). In 2021, the participation gap between Blacks and Whites decreased to levels close to those before the epidemic (Gomez-Salvador & Soudan, 2022). Minority-owned companies were disproportionately impacted by the epidemic, with Black and Hispanic company owners estimated by child protective services decreasing by 41% and 32%, correspondingly, between February and April 2020, contrasted with a 22% decline for the nation (Fairlie, 2020). Most of the difference was due to the dispersion of minority-owned firms by industry.

Furthermore, Atkins et al. (2022) discovered that Black-owned businesses were focused in areas significantly impacted by Covid-19, that the Paycheck Protection Program typically provided 15 to 20 percent of businesses lines of credit in areas where Black-owned companies were focused, and that Black-owned companies had less credit access before the pandemic. In contrast, neighborhoods with a high concentration of racial and ethnic minorities got much more cash per small company under the Paycheck Protection Program than other locations. However, minority populations continue to endure a more significant risk of poverty, unemployment, and inequality than the general population, and the long-term effects of the pandemic on these communities are not yet adequately recognized.

Conclusion

The Covid-19 epidemic has shown the significance of social security policies in combating inequality and poverty. To create more inclusive and equal societies, it has revealed the necessity for policymakers to prioritize these challenges and take action to solve them. Targeting policies and services to vulnerable areas as a reaction to Covid-19 disparities is a strategy that aims to guarantee that the economic and social effects of the pandemic are not focused on a particular group of individuals but are distributed evenly among everyone. In addition, comprehensive policy frameworks, targeting policies and programs in marginalized communities, coordinating across sectors, monitoring and evaluating



policies and programs, and building resilience can strengthen central policy frameworks and sector strategies for recovery to mitigate the inequalities caused by Covid-19. Additionally, it is essential to recognize that tackling the disparities generated by the epidemic requires a comprehensive and multifaceted strategy. To establish a sustainable and fair future for everyone, teamwork and cooperation are necessary across all sectors and stakeholders, including the government, commercial industry, and civil society. It acknowledges that the epidemic has revealed and worsened pre-existing inequities and that tackling them is essential for a fair and inclusive recovery.

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