Abstract
In today’s world in which inequalities were deepened in several domains (income, wealth, healthcare, and so on), as well as fighting against the COVID-19 pandemic, it is necessary to address the danger that the existing inequalities are likely to be deepened due to the pandemic. Even if the measures and the policies implemented at the national, international, and global scales are intended first of all for protecting the people from this pandemic in the short-term, they must be designed in a way to address the medium-term and long-term effects. The conditions that gave rise to today’s world of inequalities were shaped by the events experienced after the 1980s that gained prominence along with the decisive role of globalization and the presence of neoliberal policies. As COVID-19 has the potential to affect the inequalities particularly in income, healthcare, education, and digital domains in a manner to encompass both the short and the long terms, the policies to be implemented by the states and international organizations in the national and global contexts gain importance. In this framework, this study presents the structure of the existing inequalities and covers the policy recommendations.

Introduction
Significant effects of COVID-19 come forward in economic, social, and political domains, particularly in the area of healthcare. It is expected that this healthcare and humanitarian crisis that affects the entire world will be characterized differently for the developed and developing countries particularly in terms of the management of the post-COVID-19 period. The government budget, international trade, the structure of the financial sector, and its weight in the economy are among the basic transmission mechanisms likely to create financial problems for the developing countries considering their place in the global system (UNCTAD, 2020).

By the necessity of social distancing and lockdowns, the output and the tax revenues in general will both be lowered. There might be high costs and losses for firms and consumers with regard to income and profit which also interpret to increased fiscal deficits and public debt (an increase in public spending for all the fiscal and monetary measures but loss in tax revenues) for governments. Therefore, the effect of COVID-19 on public finance should also be taken into account (IMF, 2020a).
Issuing economic bailout packages is perceived as both an emergency and an obligation in the face of the presence and the spread of COVID-19. For instance, Canada brought certain practices into action in the financial field (direct aids offered to the households and firms in relation to taxes and expenditures and reaching approximately 11.6% of the GDP) and the monetary and macro-financial field (by the central bank and financial sector). Likewise, Germany tried to support the economic recovery with two separate supplementary budgetary arrangements. Germany’s temporary extension of the duration of the employment insurance and the parental leave benefits can also be evaluated in this context (IMF, Policy Tracker, https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19). As well as the measures at the national level, the use of Special Drawing Rights (SDR) by the IMF for providing liquidity can be given as an example of the policy practices of the international institutions. The temporary capital controls and the restructuring of the debt repayments are also among the preferred tools (UNCTAD, 2020).

On the basis of labor citizenship, a system relying on the worker and employer contributions against unexpected risks likely to emerge across the lifetime and in the work-life was established in the welfare countries of the post-World War II era. While the welfare states of the 20th century addressed the unexpected/accidental risks (disease, disability, childbirth, old age), the insecurities were diversified and deepened in the 21st century alongside the globalization process and the precedence of the market economy. Therefore, solutions should be found for the risk society of the century, and the tools and policies should be diversified in this direction (ILO, 2004). A pandemic that is encountered in the presence of inequalities created by the diversified and changing risks brings about an impact that deepens these existing inequalities even further.

In interpreting the existing inequalities, attention should be drawn also to the globalization, neoliberal policies, state functions, and the degree of effects which all these factors have on the inequalities and the inequalities have on these factors. While addressing the solutions to any pandemic or crisis, the functions assumed by the state in this domain will also play a determining role.

The process of economic liberalization frequently discussed and experienced after the 1980s, in particular, tends to increase the income inequality generally through financial activities (Kwon, 2018). Along with the debt crisis and structural adjustment programs accompanying the neoliberal policies in the 1980s, particularly the relationship between growth and distribution of income was discussed more extensively. Income inequality affects sustainable development through credit market flows, political-economic structures, and power mechanisms.

The neoliberal policies recommended as a solution for eliminating poverty and unemployment in the region of Latin America and developing countries after the 1980s and aiming at the privatization, trade liberalization, and the promotion of the labor market flexibility in fact affected the income inequalities and living conditions negatively (Castillo, 2003). Upon an assessment made in terms of the struggle and conflict between labor and capital, it was discerned that all these inequalities that came into play alongside the implementation of neoliberal policies were more in favor of the dominant classes in the developed and developing countries (Navarro, 2007).

Considering the role and functions of the welfare states, they’ve implemented social security systems in combination with social assistance and social services to achieve a greater equality level in their societies. Although, by time, the priority and the weight of these mechanisms have changed in relation to the risks and insecurities that occurred (Van Lancker & Van den Heede, 2019:15). For instance, the risks and inequalities that come into being alongside the technological developments will restructure both the modern welfare state and its policies about redistribution. At this juncture,

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1 Likewise, Stiglitz (2020) and Main et al. (2020) advocate that the SDRs used as a support mechanism for overcoming the 2008 financial crisis should be once again used for supporting the global economic recovery. The use of SDRs that refer to the IMF Special Drawing Rights is recommended as a support mechanism to be applied without inflicting a high cost on the developing countries.

2 Another example of this situation is the inequalities in accessing healthcare due to setting up a dual structure as the public and private and allowing the market to provide public goods along with neoliberal policies in Chile in the 1980s (Rotaru & Sakellariou, 2017).
especially the topics such as voter behavior and political decision-making will create also the source of pressure that will affect the policies of the welfare state (Thewissen & Rueda, 2017).

Outcomes can be obtained in the short-run from some tools used in the fight against poverty and income inequality whilst outcomes can be attained through some tools only in the long-run. Thus, the compromise likely to come into play in the implementation of these tools (progressive taxation, cash transfers, human capital investments, inclusive growth strategies, and so on) should also be borne in mind (Bourguignon, 2018:22). The factor that makes this compromise even more important in the current period is the emergency and indispensability of the fight against the pandemic.

Due to the effects of COVID-19, there might be a huge imbalance in the growth dynamics of poor and rich countries that will create a vicious cycle in the fields of production, consumption and employment. This process widens the income and wealth inequality of developed and developing countries. (Korean Times, 2020). In this context, COVID-19 will have a direct effect (income loss due to the disease, out-of-pocket expenses incurred for healthcare) or an indirect effect (income/employment shocks, consumer/producer price effect) on the individuals’ well-being or poverty levels in the economic sense (World Bank, 2020:59).

1. General Overview of the Pandemic

The point that differentiates COVID-19 from the previous crises or pandemics is the direct negative effect of COVID-19 on the human capital component of the production process (Campello et al., 2020). As per the evaluation of the previous examples to be characterized as a financial crisis in the historical process (monetary, foreign exchange, and debt crises) such as the 1997 Asian financial crisis and 2008 financial crisis, it is discerned that they, in general, came into being as a consequence of the technological developments or capital accumulation.

Considering these factors that differentiated COVID-19 from other crises, the policy practices focused primarily on protecting the households against income shocks and the firms against bankruptcies and large-scale employment losses, rather than reviving demand and supply. Moreover, as the propensity to consume becomes lower and also the supply takes on a more elastic structure, the effectiveness and power of the monetary and fiscal policies are likely to fall in the short-run (World Bank, 2020).

While overcoming the pandemics such as COVID-19, societal participation, trust in the institutions, and the low-level income inequality are cited among the factors that are quite supportive of particularly the improvement of public health. It is discerned that the country-level income and wealth inequalities affect the rates of deaths occurring due to COVID-19 (Elgar et al., 2020). In a similar vein, the study by Oronce et al. (2020) explored the relationship between the data about the income inequalities of the US states and the deaths occurring due to COVID-19 and ascertained that, in the US states with high-level income inequality, the number of deaths occurring due to COVID-19 was also higher.

The COVID-19 crisis has effects particularly on the vulnerable parts of the population. Upon the examination of the bank records about the wages and public transfers in Spain, it was discerned that the wage inequality rose by 30%. The fundamental reason for this situation is that the employees with low income lost their jobs or their wages were cut down. On the other hand, the factor that prevented this inequity from exacerbating was the public transfers. What is noteworthy hereby is that these public transfers that were effective in alleviating the inequalities during the pandemic had been lowered in the period before COVID-19 for financial reasons. At this juncture, it was

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3The relationship between the level of income and voter behavior is analyzed in the literature for a better understanding of redistribution mechanism in democratic societies. Any demand to (re)design and (re)structure modern welfare states is significantly based on the dynamics between inequality and redistribution. Therefore, it is important to show which groups (high-income, middle-income) are in favour of redistribution or not in different kinds of welfare states (Huber and Stanig, 2009; Otjes, 2018; Berthet et al, 2020; Rueda and Stegmueller,2016; Larcinese, 2007).
demonstrated that especially the public transfers were quite effective in bringing the inequality to its previous levels before the pandemic (Aspachs et al., 2020).

Graph 1. Changes in the general total public expenditures, EU-27* Countries, 2001-2018, GDP

* As of 1 February 2020

Based on the Graph 1, throughout the EU-27, the share assigned to social protection was 18% of the GDP in 2001. The share of social expenditures that was 19.8% of the GDP in 2009 and 19.7% of the GDP in 2010 following the 2008 crisis was 20% of the GDP in 2013 and had a downward trend until 2018 (19.2% of the GDP). In a similar vein to the share of social expenditures, the level of the total public expenditures that was 47.1% of the GDP in 2001 increased and reached 50.6% of the GDP in 2009 and 50.5% of the GDP in 2010 following the global financial crisis whilst it fell to 46.7% of the GDP in 2017 and 2018. The circumstances in which the interventions of the welfare state in the inequalities decreased or diminished particularly for financial and budgetary reasons are actually proof of this trend. The retreat of the state from these areas inhibits the emergence of an environment in support of the easy solution of a problem like the pandemic which emerges suddenly and deepens the existing inequalities alongside uncertainty about when it will come to an end.

In the presence of COVID-19, one of the controversial issues about these social expenditures is how to distribute them within the various tax systems and debt structure. Due to the pandemic, state interventions in the field of social expenditure might be expanded soon towards a more generous welfare state. Thus, the dilemma here is the necessity to spend more money on health without neglecting other essential areas such as education, and social protection for the sake of higher welfare in the society and viability of welfare states (Greve, 2021; Sandher&Kleider,2020). COVID-19 has emerged the need to reform welfare states because the risks that individuals face have changed. Hence, the way how these risks are distributed among state, market and individual based on the social contract should be rewritten. In particular, the role and the responsibility of the welfare state to their citizens have transformed by implementing and using new mechanisms in the field of expenditures, transfers and the principles they rest on up to now (The Economist, 2021).

2. World of Inequalities: Inequality of What?

The inequality is in general about the disparities observed in the living standards of the overall population (McKay, 2002), and pertains to the relative positions of different individuals or households across a distribution (UNI-WIDER, 2015). Inequality is by definition a societal phenomenon and can be analyzed at national, international, and global levels (Milanovic, 2011).

The societal nature of inequality reveals its relational structure, and the inequality comes forward in economic (income, wealth, consumption level, and so on), social (education, employment, and so on), political (decisions in this field and their consequences), and environmental (accessing the natural resources and so on) domains (EC, https://ec.europa.eu/international-partnerships/sdg/reducing-inequality_en).
Economic inequality is about how the economic variables are distributed between the groups placed in a country or population. The way in which the economic inequalities are addressed from the perspective of the economic development theory focuses firstly on the inequality of opportunities (unequal access to employment or education) and secondly on the inequality of outcomes (income level, state of health, and so on) (Afonso et al., 2015).

The inequality should be accepted as the consequence of economic, political, and social processes, rather than as a reason for them. The disparity between those with the highest incomes and the median income is observed as a consequence of the conditions created by the globalization and technological novelties to the detriment of the low-skilled workers and particularly due to the rising income and wealth of those in the top income groups (Deaton, 2017). Both the global and country-specific factors create inequality. As well as the globalization (liberalization of trade and capital), certain policies and interventions implemented inside the country (healthcare and education policies and the policies reducing the public investments in social protection areas and deregulating the labor market) also give rise to effects that deepen the inequality. Moreover, the social and cultural barriers and discriminatory policies and attitudes have effects on inequality (UNDP, 2013; IMF(a); https://www.imf.org/en/Topics/Inequality/introduction-to-inequality).

It is worth to mention that the share of labor income has been declining for developed countries since the 1980s. This downward trend in income share of labor and increasing concentration of capital on the upper end of the distribution can also be found in emerging and developing countries. The drivers of this income inequality are mainly related with the role of technology and the way how to be integrated into global economy. However, the contribution of these factors differentiates for each group of countries (Chi Dao et al.,2017). Since the 1980s, there has been an increasing trend in income inequality for advanced countries and this trend is also noticeable for developing and emerging countries since the early 1990s (IMF, 2020b; Chancel, 2019).

Even though technology and trade have effects on the income inequality experienced in developed and developing countries, social factors, the societal norms, economic institutions, and the increase in employment also have significant effects on it (Singh & Dhumale, 2000; Keeley, 2015). Besides, the reforms about the labor market, transformation experienced in the household structure, the rising share of capital in the income, and the changes in the tax and transfer structures also affect the income inequality (Ballarino et al., 2012:31).

Ghosh (2019) emphasizes that the worsening income distribution across the world was actually a consequence of the policies that reflected the lobbying activities and political influence of the rich. As a self-reinforcing mechanism, high-level profit margins, low levels of investment, and the deepening inequalities actually give rise to negative conditions for both the economic growth and the existence of democracy. In this vein, the high coverage of public services and social protection schemes and investment in universal social security programs give support to strengthen democracy and fight against these inequalities (Kidd et al, 2020).

<table>
<thead>
<tr>
<th>Table 1. Types of Income Distribution and Their Basic Determinants</th>
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<tbody>
<tr>
<td><strong>External Determinants</strong></td>
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<tr>
<td>Globalization of trade</td>
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<tr>
<td>Financial globalization</td>
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<tr>
<td>Technological change</td>
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<tr>
<td><strong>Internal Determinants</strong></td>
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<tr>
<td>Macroeconomic policies</td>
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<tr>
<td>Labor market policies</td>
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<tr>
<td>Wealth inequality</td>
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</table>
It is not possible to say that COVID-19 affects everyone in the same manner in the world. The pandemic negatively affects the marginal segments of the societies (minorities, the socioeconomically disadvantaged, and old people) in a way to exacerbate their vulnerabilities even further (Ali et al., 2020; Patel et al., 2020). In this context, the inequalities in having access to food, education, and healthcare and the digital inequalities also draw attention as much as the income and wealth inequalities do.

COVID-19 has a large scale to affect all elements (demand, supply, procurement, and trade) of the national and international food systems. With respect to the food supply, the capital-intensive structure of the production (in advanced countries) and the accessibility of inputs will affect the mobility of the labor force and the access to inputs, particularly in view of the lockdowns, partial/complete closures, and the practice of quarantine. The food demand will be affected by the income elasticity of the demand and the food expenses. As both the food demand and supply are affected by the energy prices, credit markets, and the changes in the foreign exchange rates, there will be repercussions that reach out to the global trade (Schmidhuber et al., 2020).

COVID-19 is also important alongside its effect on the four dimensions of food security (food availability, access to food, utilization, and stability). Setbacks in the agricultural production, trade restrictions, and the problems experienced in the nutrition and supply chain can amplify the effect of the pandemic on the aggravation of inequality for the individuals with respect to the continuity of food availability and access to food (Debucquet et al., 2020).

The effect of COVID-19 that aggravates and deepens the digital inequalities should also be not neglected even if it is not mentioned frequently. The digital domain occupies our lives more intensively at present than the period before the pandemic for having distance education and telecommuting, enjoying spare time, and accessing information, goods, and services. However, between the individuals, there are significant inequalities in having the skills for controlling the tools such as internet connection and computers as well as having these tools (Beaunoyer et al., 2020).

As highlighted also in the study performed by Basto-Aguirre et al. (2020) about the region of Latin America, distance education gives rise to inequalities at varying levels depending on the degree of readiness of the schools, administrators, and instructors for distance education in terms of equipment and infrastructure. In this respect, the level at which the households access and use these digital tools has also an effect. In the region of Latin America, 34% of the primary school students and only 41% of the secondary and high school students have a computer with an internet connection at home. Moreover, whether the families have the technological knowledge, skills, and the capacity to support their children in distance education is also an extremely decisive factor.

While quite slow progress was in place even before the pandemic in terms of the fulfillment of the fourth sustainable development goal (SDG 4), the current pandemic aggravates the inequalities in education even further. In the low-income countries, 74% of the children of the richest 20% of households and 34% of the children of the poorest 20% of households can complete the education offered at the schools. The most significant effect of COVID-19 is that 90% of the children were left out of school as the schools were closed down along with the pandemic (UN, https://sdgs.un.org/goals/goal4).

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4 In the Table 1, it is discerned that the personal (household) income is characterized as the primary income (determined by the market and the institutions in the market), the secondary income (primary income minus tax cuts plus transfer payments), and the tertiary income (secondary income plus the expected benefits from the public expenses) as per the conceptualization in the study by Van der Hoeven (2010).

To reach SDG 4 until 2030, low-income and middle-income countries have a financial deficit of 148 billion dollars per year. COVID-19 exacerbated this financial deficit even further and increased it by one-third (UNESCO, 2020). As accessing education will be more difficult and the inequalities in education will be deepened (the fall in the expenditures devoted to education during the crisis and even the emergence of additional costs, and the decline in the prospective financial resources to be allocated to the education sector), problems will be experienced in attaining SDG 4 (Ledoux & Segniagbeto, 2020).

It should also be mentioned that the problem is the high level of inequality within countries and the world in general. According to the Global Wealth Report (2019), while the richest top 10% of adults has 82% of global wealth, the bottom half only gets less than 1% of global wealth. The number of millionaries around the World that equals 1% of adult population possesses the 43.4% of global net worth (Credit Suisse, 2020). Therefore, the wealth tax is one of the controversial issues whether to be implemented in an efficient and optimal level or not. According to Chandrasekhar and Ghosh (2020), in a World after COVID-19, the wealth tax should be materialized for rich and super rich instead of implementing regressive taxes (direct and indirect) on lower and middle income groups which were affected by income/employment losses, level of consumption/spending.

3. Policies to Fight with Inequality during Pandemic

Having success in the process of fighting the pandemic pertains to how the inequalities in the areas of both healthcare and the economy could be coped with. The initial conditions of the countries in all these areas (state of healthcare inequalities, level of preparedness of the country for such a crisis of the citizens in the public sector, degree of reconciliation of the individual freedoms with the societal interests) differ from each other (Stiglitz, 2020). The conditions of developed and developing countries regarding inequalities in the field of health, education, income, and social protection affect their capacity to cope with the pandemic. When the current inequalities within and between the countries deepen this would give harm to poverty reduction strategies especially in the low-income countries due to the lower economic growth on the global level (FAO, 2020).

COVID-19 is placed differently in terms of its effects likely to be felt in the long-run, rather than those experienced in the short-run. It has the potential to deepen the inequalities in several areas of life (food, income, and education). Therefore, as underscored by Stiglitz (2020), skills should be enhanced and education programs should be offered in a manner to be compatible with the changing labor market conditions. In the fight against income inequality, more comprehensive programs are needed, and societal equality and solidarity should be promoted. The focus should be placed on the improvement of the way of redistributing the income created by the market, not on how the income is distributed in the market.

It is an obligation to take measures in the fight against COVID-19 at the international and global levels by going beyond the national level. Besides, providing long-term supports as well as short-term urgent solutions should not be neglected as it is unknown when exactly the pandemic will come to an end. It is discerned that a perspective relying on urgent supports in the short-term, especially in the low-income countries due to the lower economic growth on the global level (FAO, 2020).

\[ \text{The main drivers that affect wealth inequality can be summarized as inequality in earnings (Benhabib et al, 2017), income growth, inflation and interest rates on the long-run (Berisha & Meszaros, 2020), and economic, demographic, social and institutional factors (DiMatteo, 2018). The mutual interaction of these factors have both positive and negative effects on the wealth inequality. For example, the wealth inequality in OECD countries has been increasing since 1970s due to the financial deregulation and a weak taxation on wealth and high income groups (Bonesmo Fredriksen, 2012).} \]

\[ \text{During the pandemic, the number of billionaires (with the newcomers) and their net wealth has shown an unpredictable increase on the global level (Dolan, 2021).} \]

\[ \text{It should be kept in mind that there are some advantages and disadvantages of implementing a wealth tax. The main arguments against the wealth taxes can be summarized as follows: tax avoidance, capital flight, negative discouraging effects on savings and investment (OECD, 2018). Some difficulties can also be found in the implementation of the wealth taxes mainly getting the accurate information about the value of the assets and the total assets that a person has (Pineda et al, 2021).} \]

\[ \text{According to the latest data obtained from UNESCO, school closures due to COVID-19 as of 25 January 2021: 31 country-wide full closures affect 223,754,596 students that correspond to 12.8% of the total enrolled students in the world (UNESCO, https://en.unesco.org/covid19/educationresponse).} \]
improvement- and solution-oriented responses in the medium-term, and continuity in improvement and enhancement of resilience in the long-term is in place (UNDP, 2020a).

The degree and depth of the effects of COVID-19 have been differentiated for developed and developing world. The main difference between these two groups can be found in the structure of labor markets (existence of informal employment, low-paid jobs), coverage of public services and financial resources (FAO, 2020). Therefore, the priority about the policy implementations varies on the national level. In addition to this, there are some policy recommendations from the international organizations to facilitate recovery. For instance, the UN also focuses on five areas in terms of the socioeconomic measures that should be taken at the global scale. These areas of priority are the social protection plans and basic needs, protection of jobs, the most vulnerable groups (women, migrants), societal solidarity and resilience, macroeconomic arrangements, and multilateral cooperation (UNDP, 2020b).

One of the recommendations is to design the policies, and measures against COVID-19 in a way to be more environmentally. The stimulus packages of countries should be evaluated whether they are proper to a green recovery or not. This is an undeniable point to analyze when the nexus between the environment and public health is taken into account especially the emphasis has been on the concept of sustainability on the global scale. A green fiscal spending can support a stronger economic structure and better recovery in delivering a stable supply chain, necessary food supply, energy conservation, and preservation of natural resources. However, high-income countries have some advantages than developing countries to realize this kind of green spending based on their financial resources (OECD, 2020a; OECD, 2021a; Agrawala et al, 2020; O’Callaghan & Murdock, 2021).

In the context of recovery stimulus, capital levies, tax on excess profits and surtaxes on the income tax of high-income groups can be seen as fiscal tools by supporting and financing individuals, households and governments (Klemm et al, 2021). It is worth to mention that “new tax increases” in some countries follow the traditional measures what they had before the pandemic (increase in carbon taxes etc.) or implement new measures such as the transition to progressive tax systems, and an increase on the taxes of high income groups (OECD, 2021b). These stimulus packages have an advantage to reconcile both short and long term objectives. On the one hand the tax base can be expanded by the existence of these progressive taxes, on the other hand it provides finance to get resilience for shocks and risks (OECD, 2020b).

"Temporary Basic Income" and "Universal Health Coverage" programs are among the tools recommended for the fight against COVID-19. By virtue of the supports to be extended by these programs, while the economic recovery is likely to be put in effect in a more resilient manner particularly in the developing countries, it will also be possible to attain a fairer and more equitable social development (Dhaliwal, 2020).

Due to being unconditional and individual, the temporary basic income is analogous to the practice of universal basic income. However, as it is not provided on a permanent basis, it differs from the universal basic income. If the temporary basic income is offered as a minimum income to the vulnerable groups that are just above the poverty line in 132 developing countries, it corresponds to a value even below 1% of the GDP of these countries (Molina & Ortiz-Suarez, 2020). In fact, this percentage is also proof that, in the face of the severity of the ongoing crisis, this practice will not be as costly as it is assumed.

Securing the recommended basic income is actually the arrangement of a universal ground as a ‘human right’. As well as having economic and social policies in place, the political apparatus should also have a goal in this direction so that the basic income can be implemented (ILO, 2004). Even if the permanent or temporary basic income can be a tool to be preferred in the fight against COVID-19, evaluating it on the basis of its likely consequences in the long-run (development of the human capital) will be a more accurate approach.

The implementation of the temporary and urgent measures intended for supporting income and employment gains importance in the second wave of the pandemic as well. The countries apply also discretionary policies as well as automatic stabilizers. The development of the short-term
employment plans, the protection of the incomes of the self-employed, and the elimination of the barriers particularly for the young to enter the labor market have the priority in this context (Eichhorst et al., 2021).

To examine the responses to be given by the countries toward COVID-19 and the similar likely crises, "preparedness" and "vulnerability" analyses of the UNDP put forward crucial results. Thus, while the short-term and long-term socioeconomic effects are followed up, the performance of each country in the fight against COVID-19 in light of the existing inequalities will also be monitored.

### Table 2. Preparedness of Countries to Respond to COVID-19

<table>
<thead>
<tr>
<th>Human development index (HDI)</th>
<th>Health System</th>
<th>Connectivity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Physicians</td>
<td>Nurses and midwives</td>
</tr>
<tr>
<td>Human development index (HDI)</td>
<td>(per 10,000 people)</td>
<td>(% of GDP)</td>
</tr>
<tr>
<td>Very high human development</td>
<td>0.892</td>
<td>30.4</td>
</tr>
<tr>
<td>High human development</td>
<td>0.750</td>
<td>16.5</td>
</tr>
<tr>
<td>Medium human development</td>
<td>0.634</td>
<td>7.3</td>
</tr>
<tr>
<td>Low human development</td>
<td>0.507</td>
<td>2.1</td>
</tr>
</tbody>
</table>

Source: UNDP(a), https://datastudio.google.com/reporting/abd4128c-7d8d-4411-b49a-ac04a074e69/page/QYXLB

To what extent the countries that are in different groups as per their economic development level are prepared for the fight against COVID-19 is shown in Table 2. Table 2 displays the differences in the human development performance and the existing inequalities in the healthcare system (number of physicians, nurses, and midwives, number of hospital beds, the share of expenditures allocated to health in the GDP) and digital domains (expressed as access to mobile phones and internet). The numbers of hospital beds and physicians per 10,000 people are successively 55 and 30.4 in the group of countries with very high human development level whereas the same figures are quite low in the group of countries with low human development level, namely, 6 and 2.1.

A similar table comes forward in terms of the vulnerabilities as well. In 2009-2018, the percentage of the population vulnerable to multidimensional poverty was 4.5% in the countries with high human development whilst the same figure was 62.3% in the countries with low human development (UNDP(b), https://datastudio.google.com/reporting/abd4128c-7d8d-4411-b49a-ac04ab074e69/page/CjbLB). According to the UNDP & OPHI (2020) report, 1.3 billion people are vulnerable to multidimensional poverty in 107 developing countries. Of all these people vulnerable to multidimensional poverty, 84.3% live in the Sub-Saharan Africa and South Asia regions.

10 Multidimensional Poverty Index is calculated through three basic dimensions, namely, education (weight 1/3), health (weight 1/3), and life standards (weight 1/3). Health indicators are measured on the basis of child deaths and nutrition, education indicators are calculated based on schooling and school attendance, and living standards are measured as per the access to cooking fuel, sanitation, drinking water, electricity, assets, and housing. Each indicator actually corresponds to a domain of the Sustainable Development Goals and all indicators act in a manner to support each other (Alkire et al., 2020).
This vulnerability of the countries can also be seen by the report of OXFAM and DFI (2020). The Commitment to Reducing Inequality Index (CRI) tries to measure the commitment of a country to decrease inequality based on three pillars such as public services, taxation, and workers’ rights by the value of some selected sub-indicators. CRI shows that only 26 out of 158 countries could make the recommended health spending as of %15 on their budget in 2020. Although the extension of social protection schemes is for fighting with COVID-19 recommended by international organizations such as ILO, the social protection systems to compensate unemployment and sickness can be found only in 53 countries out of 158. By the existence of informal economies and workers, the conditions of labor markets as atypical and insecure, the necessity of social protection schemes to expand and to cover the majority of people is an essential policy to alleviate the adverse effects of COVID-19.

The concern in this respect is that the pandemic is likely to affect negatively the dimensions of poverty that are different from each other and lead to a setback in these countries and regions by risking the improvements that was launched before the pandemic (especially in terms of the basic capabilities). It is expected that the pandemic will gravely affect two basic indicators of the multidimensional poverty index, namely, nutrition and the children’s access to the schools (UNDP & OPHI, 2020:14; UNDP, 2020c).

Conclusion

The success of the post-COVID-19 process pertains to how all these aforementioned inequalities (income, wealth, healthcare, and digital domain) can be managed. Sen (2020) argues that what the pandemic demonstrated would serve as an option for the solution of the existing inequalities inside the countries and between the countries, and also, despite stressing the priority of having international cooperation and acting through common and public platforms, this study states that no solution would be achieved without respecting the principle of equity.

To eliminate the long-term effects likely to come into play due to the crises or pandemics, having access to supports such as unemployment insurance benefits and aid spending on health is of importance to everyone and particularly to the poor segments of the society. The social assistance programs, the employment-related incentives, and the tools designed for progressive taxation should be applied as a set of policies with protective implications especially in countries with informal employment and self-employment (Dabla-Norris & Rhee, 2020; Furceri et al., 2020).

The neoliberal social policies applied frequently to find solutions to the existing inequalities focus solely on the monetary aspect of poverty and stay away from issues such as wealth distribution, employment, and wage increase that will provide the individuals with autonomy and strengthen them. From this perspective, it should also be borne in mind that they are far from being pro-poor and inequality-reducing policies (Saad-Filho, 2016).

Cooperation extending from the Millennium Development Goals to the Sustainable Development Goals was set out at a global scale. Thus, while endeavoring to have a world with no poverty, the steps would also have been taken toward the fulfillment of a precondition necessary for achieving a world without poverty, namely, the fight against inequality. COVID-19 is a significant source of concern about the loss of improvements and advancements achieved in these basic areas.

Considering the income and wealth inequality both on national and global scale, tax policies in a progressive character and structure can be used effectively. Also, any opportunity to have a better access to well-paid jobs and education is preferred as a tool to fight with these inequalities (WIR, 2018). Besides, any green recovery with the policies to protect the environment will also help to fight with COVID-19 by creating a more inclusive growth under the realm of sustainability. Therefore,

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11 Considering the multidimensional and sophisticated nature of poverty, one of the discussions about poverty pertains to the focus placed on the monetary or non-monetary indicators of poverty. While the monetary indicators focus on the income or consumption expenditures, non-monetary indicators take into account some other factors affecting the individual’s quality of life and living standards (education, healthcare, and the environment in general) by going beyond income and consumption (Gounder & Xing, 2012; Beken, 2006; Mahler et al., 2018).
the policy tools that are going to be used in these stimulus packages are also important. In this sense, the progressiveness of the tax systems is an efficient mechanism to cope with both short-term and long-term inequalities.

Wealth tax is a controversial issue by the existence of its advantages and disadvantages. During the COVID-19 pandemic, both the number of billionaires has shown a significant increase and also the gap between high-income and low-income groups has worsened. Therefore, the implementation of wealth tax is defended on the grounds of strengthening investments in human capital, and encouraging equal opportunity. However, there are some obstacles such as the effects on risk taking attitudes of individuals and entrepreneurs, and tax evasion to implement this tax.

It is common to see some urgent policies and measures that support the income level and employment status of individuals against COVID-19 in most of the countries. However, the policies should go beyond the short term priorities. Here, the important point is both to raise the preparedness of the countries and reduce their vulnerabilities by dealing with pandemic and other risks. In this context, temporary basic income, universal health coverage, green recovery programs are also recommended. By implementing these programs, countries can reduce inequalities, invest in human capital, and also achieve Sustainable Development Goals (SDGs).

**References**


