

Research Report | 30th Annual Session

# Economic and Social Council

Implementing measures to stimulate economies  
affected by COVID-19



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<b>Forum</b>	Economic and Social Council
<b>Issue:</b>	Implementing Measures to stimulate economies affected by COVID-19
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## Introduction

Despite COVID-19 being a relatively new disease with many aspects of it still unclear and under investigation, it is clear that as a result of this pandemic the global economy, and subsequently the economy of many nations has gone into collapse, triggering a global recession unprecedented since the Great Depression in 1929. Many countries are now faced with the dilemma of balancing the need to reopen the economy and society in general while still attempting to prevent the virus from spreading or even a potential second outbreak.

With a variety of different responses and economic policies designed to address the economic downturn from the pandemic, global cooperation is necessary for ensuring that international trade and commerce are conducted to ensure global economic recovery. Furthermore, coronavirus has demonstrated, in general, the inadequacy and inefficiency of many countries dealing and quarantine of the virus, showing the necessity to ensure that preventive measures are in place in a newly reopened economy to prevent or mitigate future outbreaks of not only the coronavirus but also any new pathogen.

## Definition of Key Terms

### Economic Stimulus

An action by the government, usually in the form of tax cuts or transfers of money to encourage private sector growth by giving more purchasing power to consumers. The goal of economic stimulus is to encourage more spending inside the economy and ensure that the circulation of currency in an economy is jump-started.

## **Economic Reopening**

Economic reopening is the action of resuming operations of nonessential businesses and companies as well as the lifting of coronavirus restrictions on travel, assembly, or any other related areas as to further economic growth. The economy could reopen suddenly and quickly, running the risk of a second virus outbreak, or slowly, sacrificing rapid economic recovery yet preventing a second virus outbreak.

## **Preventative Measures**

Preventative measures are a broad term in general representing different measures and procedures put in place as to prevent new coronavirus outbreaks or new pandemics in general. These can range from mild restrictions such as using a mask or social distancing or to more serious measures such as the shutting down of certain economic sectors or businesses.

## **Essential Services/Activities:**

While the exact definition of what qualifies as an essential or a non-essential business, activity or service varies greatly from country to country, essential services/activities could be defined as immediate personal, community, or national needs of pressing importance. Such examples could include but not limited to Pharmacies, Supermarkets, Military Installations, power plants, etc.

## **Non-Essential Services/Activities:**

While the exact definition of what qualifies as a non-essential or a non-essential business, activity or service varies greatly from country to country, non-essential services/activities could be defined as services or activities that are not of immediate or urgent importance, such as but not limited to recreational activities and services, tourism or any similar services.

## General Overview

As of June third, in China, second outbreaks of the virus are being reported, with several cities across the country having to reenter quarantine after citizens were mandated to return to work. On the other hand, as of May, schools began to reopen across France and the Netherlands, following a gradual trend of a slow and cautious reopening of society in many nations across the world. As early as May, the New York Stock Exchange began to make large gains in face of the global epidemic and in June millions of new jobs were created in the United States, thanks in large part to the different coronavirus stimulus bills passed by the Trump Administration, suggesting an effective strategy in restarting economies after covid-19.

Many developed countries are beginning to lift lockdown restrictions after successfully having contained the virus, however the lack of implementing some form of preventative measures to safeguard against future outbreaks and viruses have led to new outbreaks of covid in China and some states in the United States.

However, many lesser developed countries will have a much more difficult time reopening and repairing their economies as due to the lack of materials and expertise required to combat and contain the virus, a necessary measure in reopening the economy.

Despite this many economies and countries have started reopening with protective measures as of June 2020, such as France, The United States, The United Kingdom, and several other countries. With International and national travel slowly starting up once again, it remains unclear whether new preventive measures will be put in place to prevent future outbreaks and pandemics. With the virus now under control and in many countries, the curve has flattened, countries must now focus on reopening and restarting their economy and returning to normality.

## Major Parties Involved

### United States of America

Due to the decentralized nature of the United States, lockdowns and recovery from COVID 19 were left to the discretion of each individual state, which pursued different and at times contradictory responses and economic reopening plans. However, the Federal Government has passed a series of stimulus bills, injecting money into the economy for different types of businesses, ranging from Airlines to small shops, while also giving direct checks of 1200 USD to individuals. As a result, the Wall Street Stock Exchange made gains and unemployment growth seemed to be slowing down, despite recent occurrences in politics or fears of a second outbreak.

### Peoples Republic of China

Despite knowing about Covid-19 already in December of 2019, the Chinese Government did not take action until late January, in which the country was placed into lockdown, in which the entire city of Wuhan was quarantined from late January to early April, along with the entire country. Due to Covid-19, the Chinese economy has seen its lowest growth rate in decades and the Politburo decided not to set economic growth goals for the year 2020. Due to the large government control on the economy, stimulus checks such as in the United States were not instituted and the economy was reopened across the country, with the exact timing varying from province to province. Such a quick reopening of the Chinese Communist Party has improved the economy, however at the cost of second virus outbreaks appearing.

### World Health Organization:

The World Health Organization has repeatedly stated the need for a slow and steady virus de-escalation program, always depending on the national situation for each country. The WHO recognizes the adverse effects of a lockdown on the economy however it states that it is most important to bring the virus under control. In addition to statements made by the WHO, a manifesto released asked that countries recovering from the coronavirus restructure their economies and societies by improving public health care systems, and improving the environment with the goal of improving people's health and wellbeing. However, the leadership and legitimacy of the WHO received a large blow when the United

States of America withdrew from the organization citing its corruption and collusion with the Chinese government

## Timeline of Key Events

Date	Description of Event:
January 23, 2020,	Wuhan and Hebei Province are placed under strict quarantine, shutting down most segments of the economy and normality.
March 8, 2020,	Italy and its 60 million residents are placed under lockdown, shutting down most segments of the economy and normality.
March 11, 2020,	The WHO declares coronavirus to be a Pandemic.
March 13, 2020,	Trump declares a state of emergency in the United States and creates a coronavirus taskforce to address the epidemic
March 25, 2020,	The United States government passes a 2 trillion dollar economic aid and stimulus plan to aid workers, businesses and a healthcare system strained by Covid-19
March 31, 2020,	More than one-third of the world is in some form of lockdown.
May 11, 2020,	Several countries such as Spain, Iran, Italy, Denmark, Israel, Germany, New Zealand, and Thailand start to ease their coronavirus restrictions and lockdowns

May 20, 2020,	Many states across the US start reopening non-essential businesses, parks, and other related locations and activities.
May 29, 2020,	The United States cuts off relations with the World Health Organization, citing that the organization had failed to institute reforms as to be impartial.
June 3, 2020,	Italy reopened its borders to travelers from Europe.
June 8, 2020,	New Zealand reports no cases of Covid-19
June 11, 2020,	Bio-Tech company Moderna begins the final stage of trial development for a coronavirus vaccine
June 16, 2020,	The discovery of a new drug, dexamethasone, a cheap and widely used steroid was found to significantly lower the mortality rate of COVID-19
July 8, 2020,	The United States of America withdraws from the World Health Organization over concerns of impartiality and corruption with the Chinese Communist Party

## UN involvement, Relevant Resolutions, Treaties and Events

- American withdrawal from the World Health Organization, July 2020, United States
- Common European Response, March 2020, The European Union
- Covid-19 Solidarity Response Fund, March 2020, The World Health Organization
- Covid-19 Global Humanitarian response Plan, March 2020, United Nations
- Advice for International Trade and travel, January 2020, The World Health Organization

## Possible Solutions

Possible Solutions to the global economic downturn caused by the coronavirus can feature complex and simple ones, and range from direct economic aid to combating the virus

itself. Any possible solution to improve the individual economies of nations and the global economy must focus not only on the economy but also on combating the virus itself, something many underdeveloped countries may find challenging and difficult to do. On the economic aspect, there are many competing theories on how best to combat an economic crisis, ranging from the abolishment of capitalism to the implementation of laissez-faire economics; however, these different theories would need to be tailored to the specific context of a global pandemic. For example, Keynesian public works programs would have to implement sanitary and precautionary measures until a vaccine could be developed, as well as stores would have to be more strictly regulated to observe guidelines and social distancing measures from their respective governments.

Furthermore, in a world that was and still is to an extent economically, politically, and socially interconnected, global trade and travel will prove itself vital to the reestablishment of the global economy and national economies of countries. As such, it is necessary to implement measures that would facilitate global tourism, trade, and cooperation while also making sure to implement necessary precautionary measures to ensure that Covid-19 and any future virus outbreak. The extent of which economic reforms and actions taken to address the economic downturn will be dependent on the progress made combating Covid-19, with many measures to combat the virus such as lockdowns, business closures and travel bans consequently having the negative effect of contributing more to the national and international global recession. As such, when discussing measures to stimulate economies affected by COVID-19, one must keep in mind the delicate balance between economic reopening and recovery on one side and combating the virus on the other.

As previously mentioned, another aspect of reversing the economic downturn caused by Covid-19 is to directly combat the virus itself and implementing measures to if not eradicate it, to at a minimum bring it under control. These measures can include actions such as but not limited to, social distancing, closure of non-essential businesses and services, mandatory use of masks and disinfection, increased funding for vaccine research and development and many other measures. Needless to say, many measures will harm national and global economies, and for more serious and profound measures addressing national and international economies to be properly implemented, the virus must first be brought under control. With large amounts of uncertainty regarding the future, countries and individuals must work together, and keep the balance between health and direct economic measures to reverse the economic downturn caused by the coronavirus.



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