

COVID Economic Recovery Project

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AN INCLUSIVE ECONOMIC RECOVERY

THE GOVERNMENT'S ROLE IN ENSURING A
SUSTAINABLE, EQUITABLE, AND
INCLUSIVE RECOVERY FROM THE
COVID-19 PANDEMIC.

By: Kopal A.



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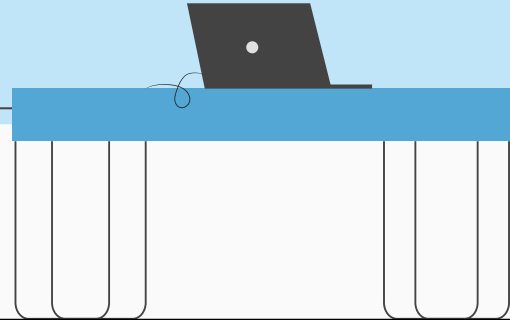
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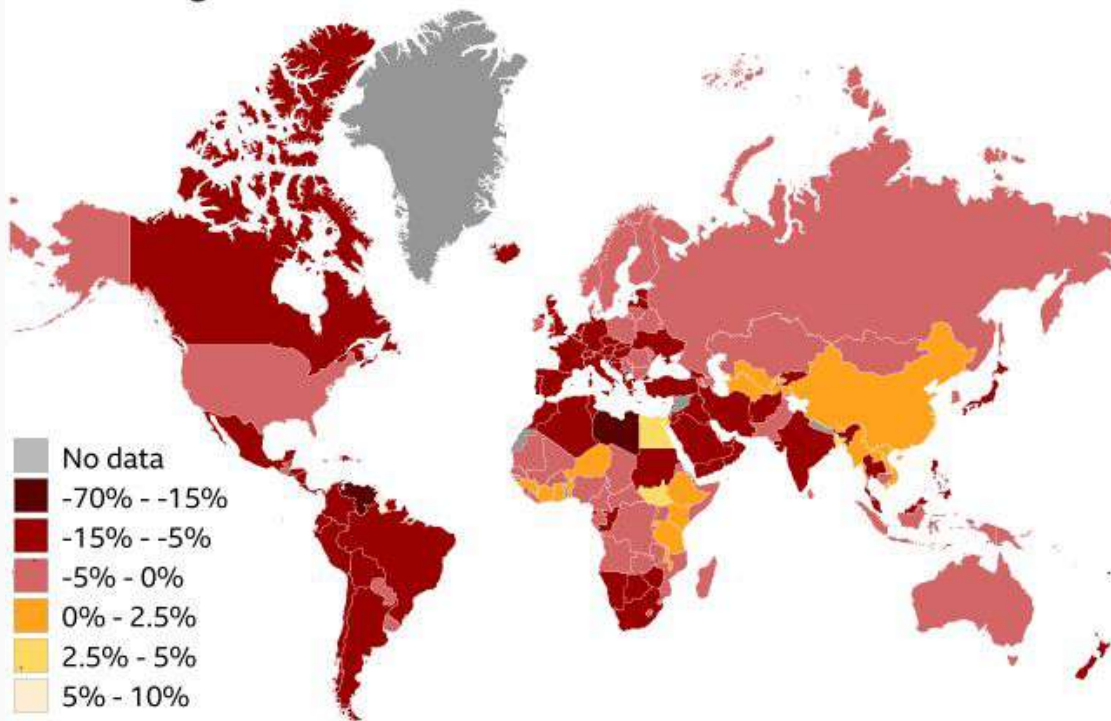
INTRODUCTION

Implications of the coronavirus pandemic to the global economy.



Majority of countries in recession

Real GDP growth

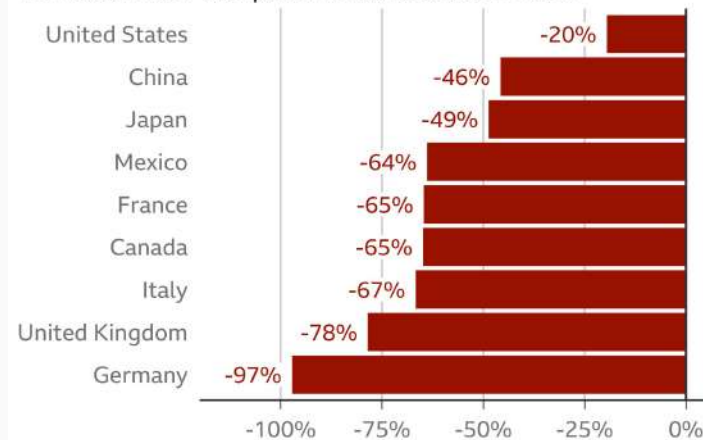


Source: International Monetary Fund



Huge drop in shoppers

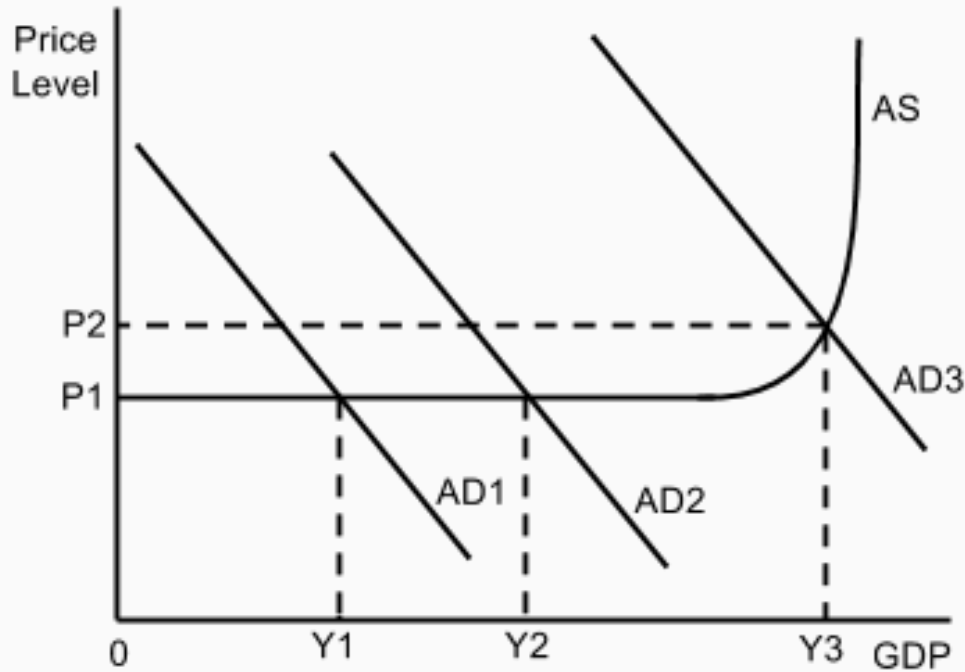
Annual percentage change of footfall, 12-28 Jan 2021 compared to same dates in 2020



Source: ShopperTrak, 24 January 2021, 00:01 GMT



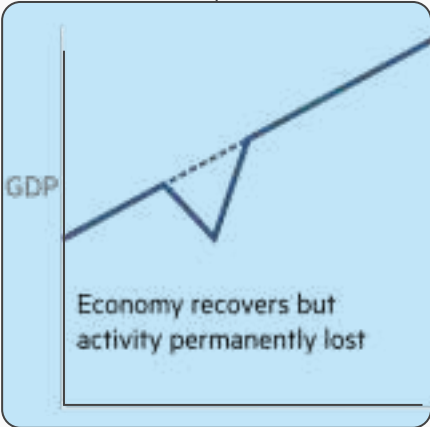
THE KEYNESIAN MODEL



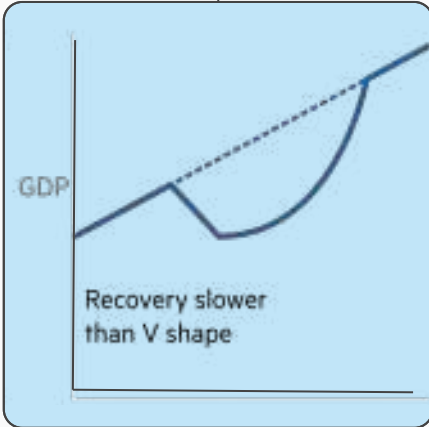
- The economy does not automatically adjust back to full employment
- Wages do not fall easily
- You can get “stuck” at less than full employment indefinitely

CURRENT RECOVERY: UNITED STATES

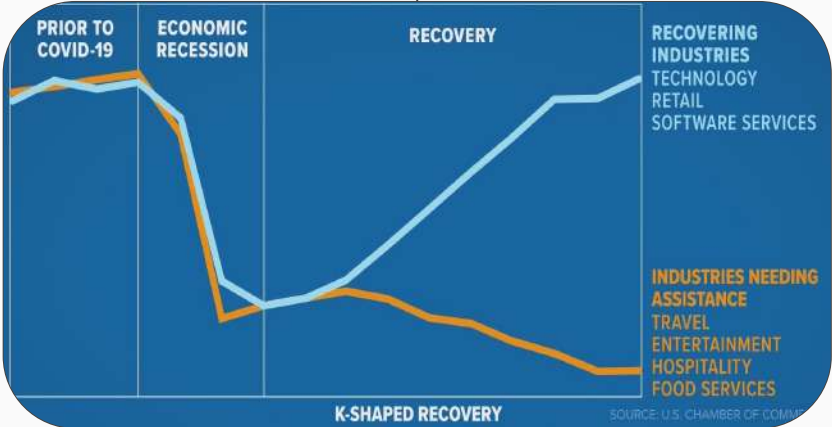
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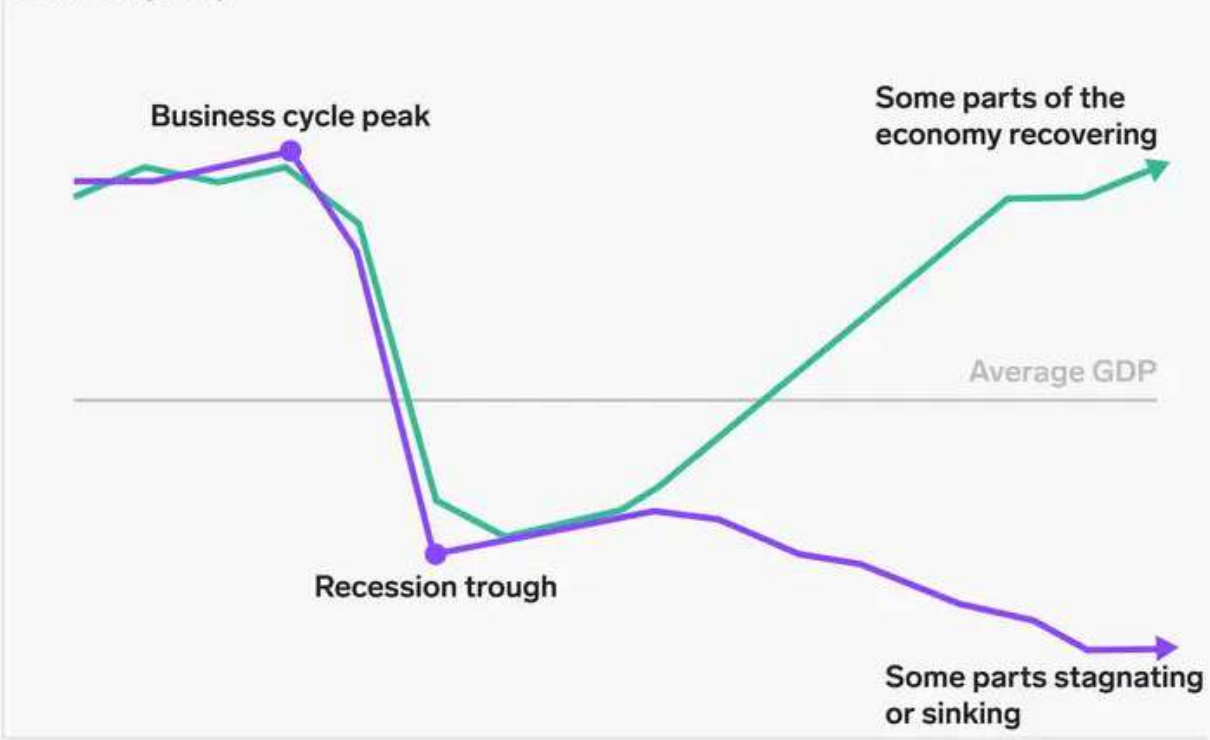


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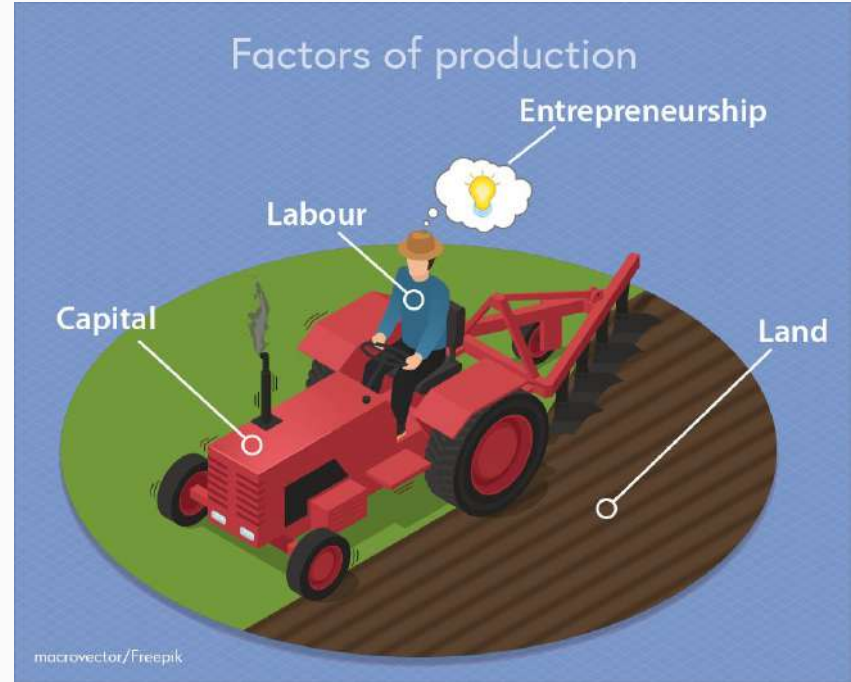
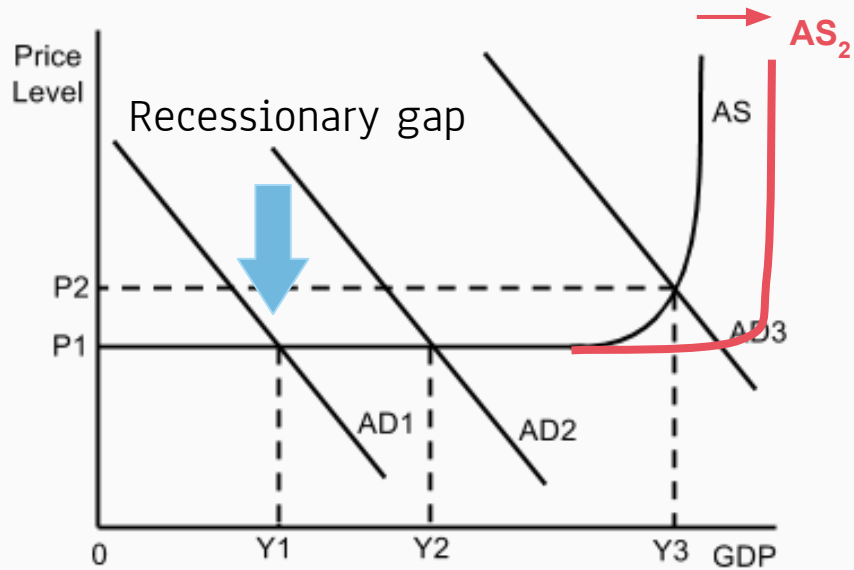
CURRENT RECOVERY: UNITED STATES

OUTPUT (GDP)



TIME

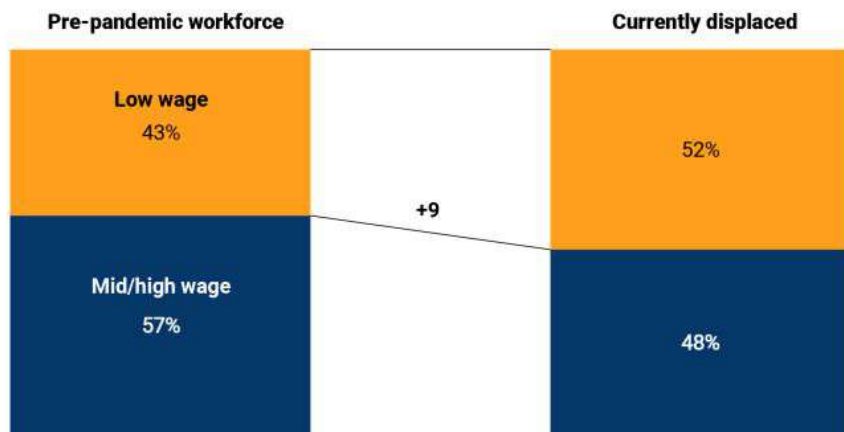
RECESSIONARY GAPS & FACTORS OF PRODUCTION



THE NEED FOR AN INCLUSIVE RECOVERY

Figure 1. Low-wage earners are overrepresented among the displaced

Shares of the pre-pandemic workforce and displaced workforce earning low and mid/high wages before the pandemic



Source: Brookings analysis of Urban Institute and 2014-18 American Community Survey 5-year IPUMS USA microdata.

B Metropolitan Policy Program
at BROOKINGS

Table 2. Leisure and hospitality previously employed 40% of the displaced low-wage workforce

Share of the displaced low-wage and mid/high-wage workforce employed in each industry pre-pandemic

Less concentrated More concentrated

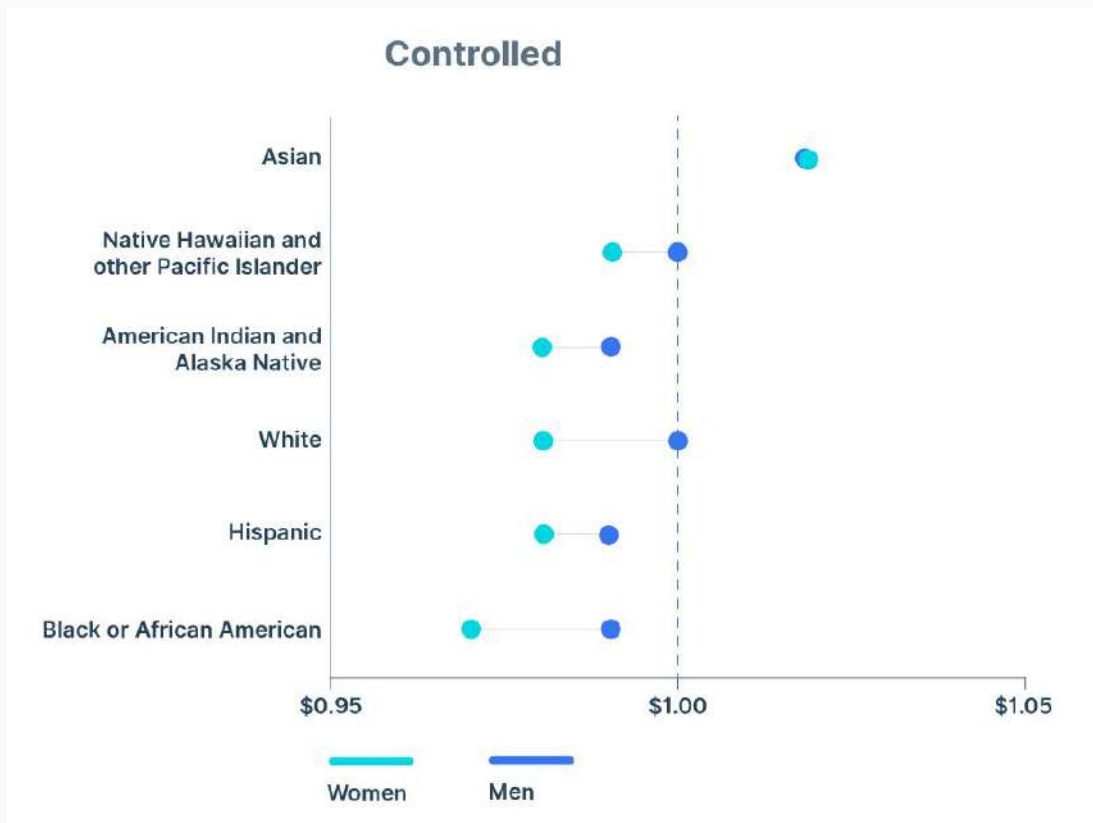
Sector	Displaced		Number of unrecovered jobs
	Low-wage workforce	Mid/high-wage workforce	
Leisure and hospitality	40%	18%	2,181,000
Education and health services	15%	19%	1,028,000
Government	2%	6%	995,000
Professional and business services	5%	6%	633,000
Manufacturing	6%	14%	481,000
Retail trade	11%	7%	303,000
Other services	9%	6%	297,000
Construction	3%	5%	238,000
Wholesale trade	1%	2%	192,000
Information	2%	4%	178,000
Transportation and warehousing	3%	5%	94,000
Financial activities	2%	5%	75,000
Natural resources and mining*	1%	3%	60,000
Utilities	0%	0%	8,000

Source: Brookings analysis of Urban Institute and 2014-18 American Community Survey 5-year IPUMS USA microdata. Number of unrecovered jobs from EPI analysis of Bureau of Labor Statistics' Current Employment Statistics, Establishment Survey public data series.

*This category includes the Agriculture, forestry, fishing, and hunting industries which are not included in BLS monthly jobs report. The number of unrecovered jobs does not account for jobs lost or gained in these industries, only mining and logging.

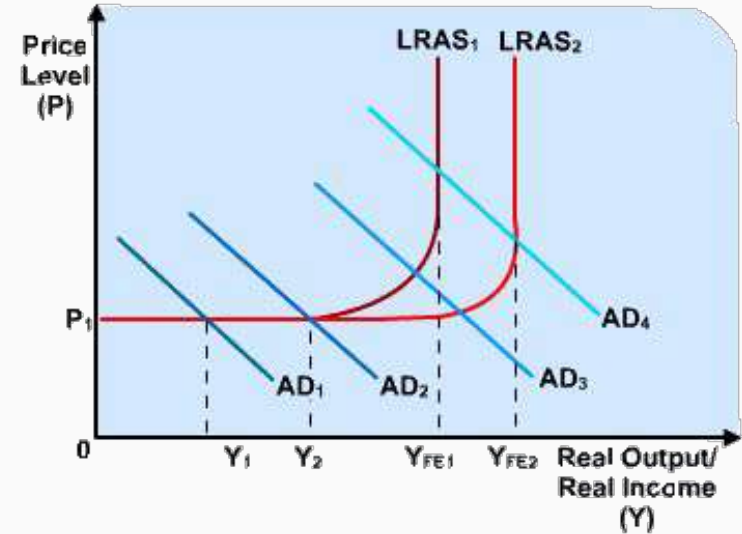
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THE NEED FOR AN INCLUSIVE RECOVERY



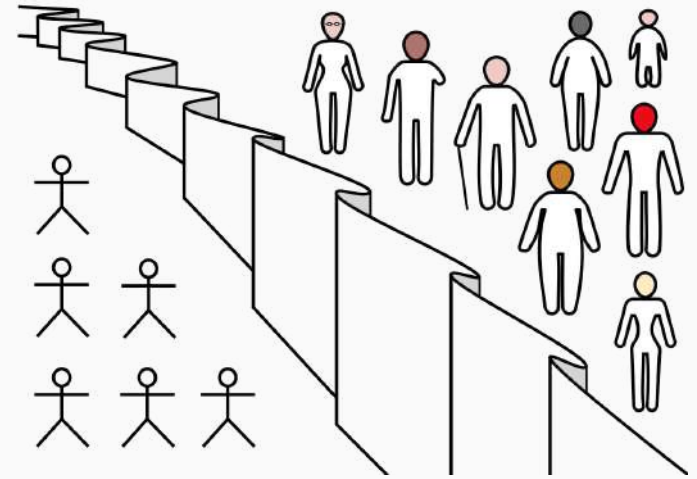
ECONOMIC JUSTIFICATION

- **Long-term economic growth**
 - Shifts in the long-run/Keynesian aggregate supply curve
- **Reduction of inflationary pressures**
 - Long-term growth and short-term growth in aggregate demand



SOCIAL JUSTIFICATION

- **Morality**
 - Wellbeing and living standards as social objectives
- **Theory of Justice**
 - Principles of Justice and the Veil of Ignorance



**WHAT DOES AN
INCLUSIVE RECOVERY
LOOK LIKE?**



COMPONENTS OF AN INCLUSIVE RECOVERY

1 ACCOUNTING FOR MINORITIES

Communities of colour & women

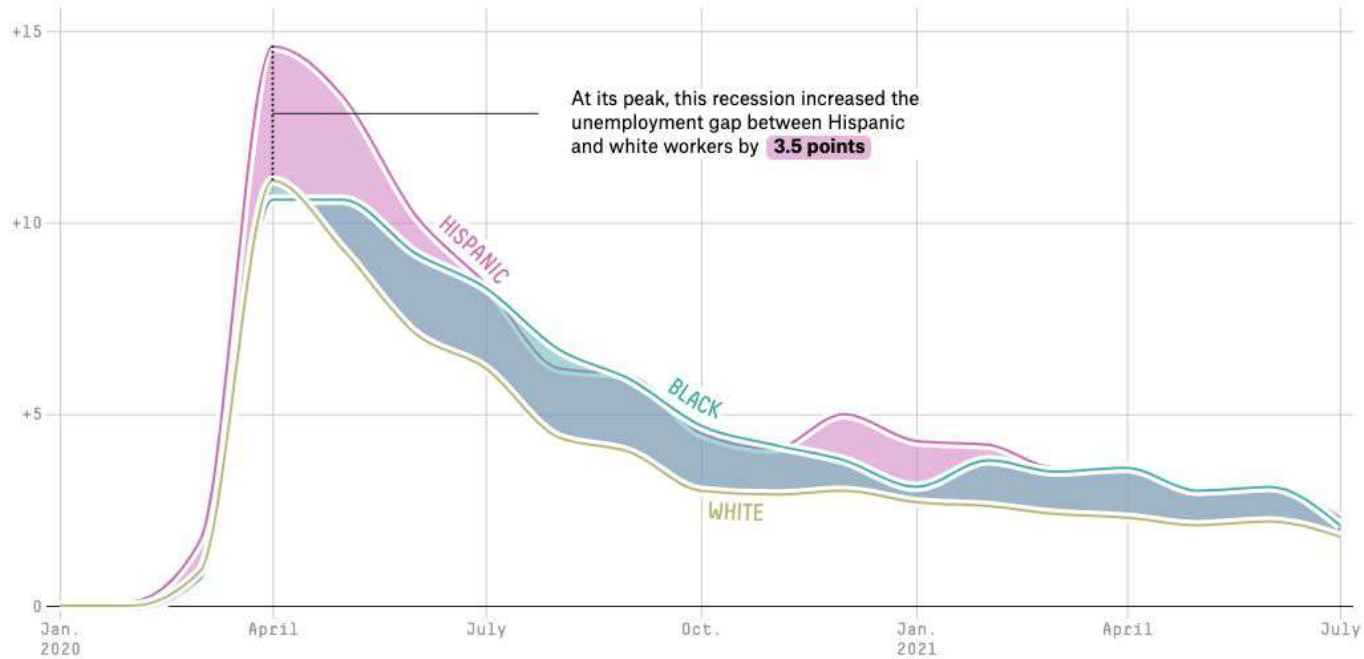
2 REDUCING INFLATIONARY PRESSURES

Growth without harmful inflation

3 EDUCATION AND SKILLS

Tackling structural unemployment

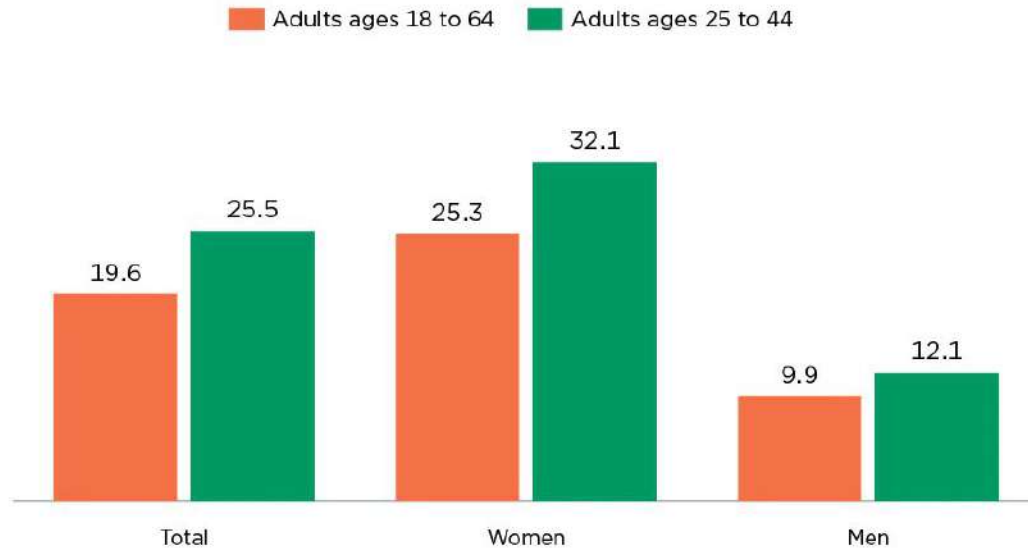
ACCOUNTING FOR MINORITIES



- POC generally in low-wage jobs
- How different sectors are affected
- Strengthening career policies

ACCOUNTING FOR MINORITIES

Percent of Adults With Children by Age Group Who Are Not Working Due to COVID-19 Related Child Care Issues



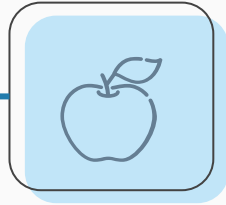
Note: The percentages reflect nonworking adults with children excluding those who are retired or not interested in working.

Source: U.S. Census Bureau, Household Pulse Survey (Week 12: July 16-July 21, 2020).

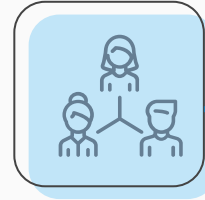
- Disruptions in school and childcare
- “Pink collar” low-wage jobs
- Restructuring the childcare and education systems

USA: THE BIDEN ADMINISTRATION'S PLANS

Universal
schooling
requirements



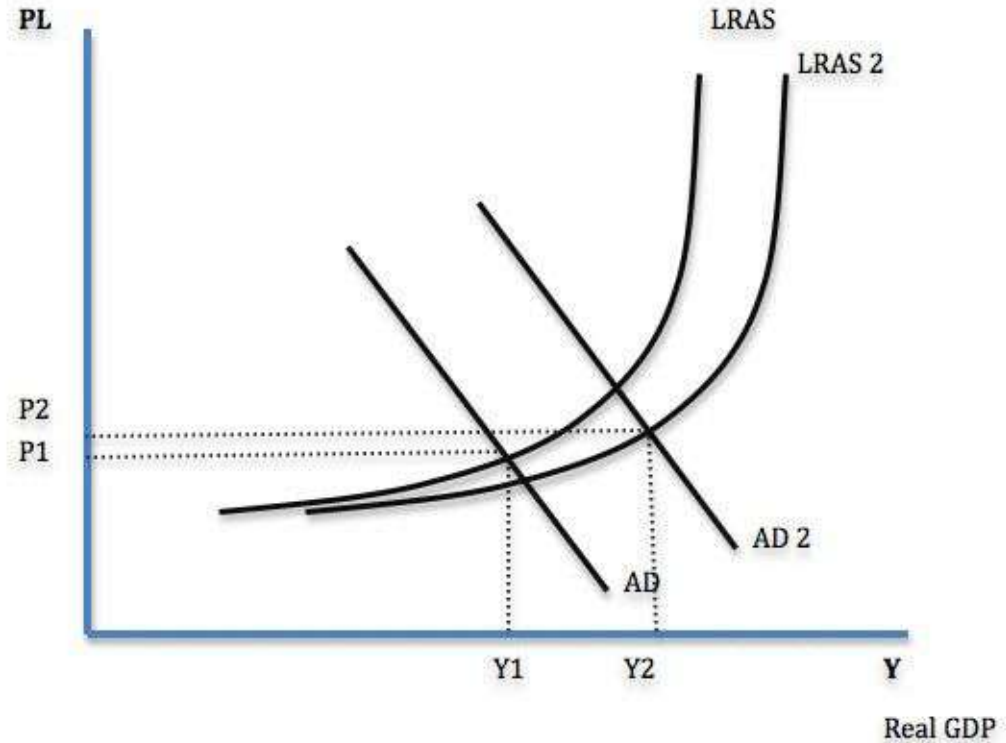
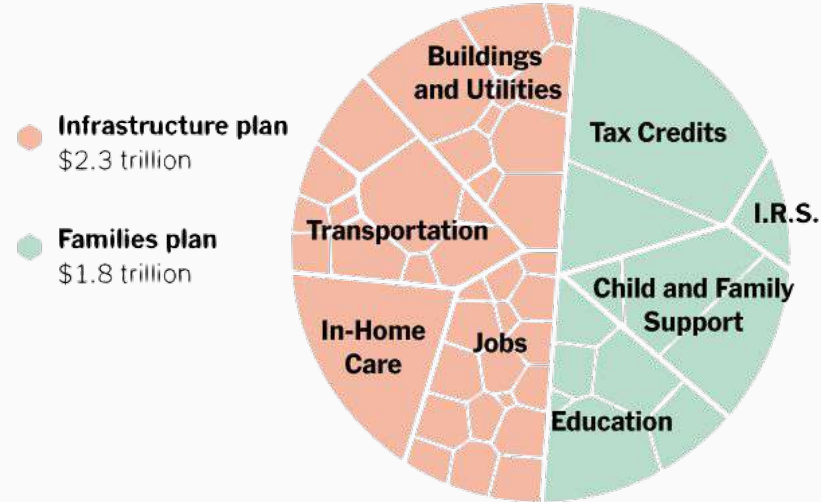
EDUCATION



CHILDCARE

FFCRA, CARES.
Child Tax
Credits

IMPACT OF THE AFP ON THE ECONOMY → REDUCING INFLATIONARY PRESSURES



IMPROVING THE CURRENT POLICIES: CHILDCARE AND RACIAL DISPARITIES



A decorative graphic featuring several blue coins with dollar signs (\$) and small blue stars scattered across the page. The coins vary in size, with the largest one in the center. The stars are also of varying sizes and are positioned around the coins.

EDUCATION AND SKILLS - TACKLING STRUCTURAL UNEMPLOYMENT

EDUCATING THE WORKFORCE

Addressing specific employment barriers

Technological unemployment

AN INCLUSIVE
RECOVERY FOR
THE UNEMPLOYED

Improving the quality of labour

CONCLUSION

- Social justice and morality
- Economic prosperity
- Improving the quality of the workforce for the future



**INCLUSIVE RECOVERY: A
CENTRAL ECONOMIC
POST-PANDEMIC
OBJECTIVE**

SOURCES & FURTHER READING

Here is a list of the articles I used to research for my presentation, as well as to get background information on the topic. I highly recommend browsing these articles if you wish to learn more about inclusive economic recovery in the US:

- <https://www.payscale.com/data/gender-pay-gap#section03>
- <https://www.nytimes.com/2021/05/18/magazine/stimulus-us-economy.html>
- <https://www.brookings.edu/research/the-pandemic-hurt-low-wage-workers-the-most-and-so-far-the-recovery-has-helped-them-the-least/>
- <https://projects.fivethirtyeight.com/us-economy-coronavirus/>
- <https://www.mckinsey.com/featured-insights/future-of-work/covid-19-and-gender-equality-counteracting-the-regressive-effects>
- <https://www.mckinsey.com/industries/public-and-social-sector/our-insights/achieving-an-inclusive-us-economic-recovery#>
- <https://www.bloomberg.com/news/articles/2021-07-06/soaring-u-s-rents-are-the-sticky-inflation-with-staying-power>
- <https://www.economicsobservatory.com/what-will-shape-recovery-tell-us-about-best-policy-response>
- <https://edition.cnn.com/business/us-economic-recovery-coronavirus>
- <https://www.bbc.com/news/business-51706225>

THANK YOU!

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