# Pandemic and vaccine inequality have exacerbated global inequality

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Reports by the United Nations and its International Labour Organisation (ILO) provide a searing indictment of the vaccine nationalism and rampant profiteering that have prevented low-and middle-income countries from accessing the vaccine.

Not only has the pandemic dominated the global economy for a second year, making it impossible for employment to recover, but every new outbreak brings setbacks particularly in developing and middle-income countries where access to vaccines is far lower than in developed economies. According to the UN, by the end of last year just 23.9 per 100 people had been vaccinated in the least developed countries compared with 147.4 in the developed countries.

Unequal access to vaccines has widened the differences between countries' abilities to respond to the pandemic via their healthcare and social systems, institutional capacity, tax revenues and employment systems.

The ILO flagship report, "World Employment and Social Outlook – Trends 2022 (WESO)", detailing the impact of the COVID-19 crisis on employment, points out that the pace of economic recovery has varied across regions, countries and sectors. Employment recovery depends largely on the extent to which the virus has been contained and vaccines made available. It insisted that "Equitable access to vaccines is crucial to ensuring a human-centred recovery across the world's regions."

Behind the dense language of these reports, written for the capitalist world leaders and policy-makers and often obscuring as much as they reveal, this was an admission that world output and profits may have at least partially recovered but workers' jobs and incomes have not.

The impact has been particularly severe for those poorer nations that had "higher levels of inequality, more divergent working conditions and weaker social protection systems even before the pandemic."

The ILO notes that job prospects have worsened substantially since its last projections, making it unlikely they will return to their pre-pandemic levels for several years. It predicts that the total number of hours worked globally will be 2 percent below pre-pandemic levels, corresponding to a loss of 52 million full-time jobs (assuming a 48-hour working week), nearly double the fall predicted just six months earlier. Global unemployment, or at least that which is recorded, is likely to be around 207 million in 2022, an 11 percent increase on 2019.

While it does not say so explicitly, the ILO's report makes clear that the refusal to implement an elimination strategy, using both vaccines and stringent public health measures on the basis that it would cost too much, has worsened economic prospects.

Not only are employment levels below those of 2019, they are unlikely to return to those levels in 2023 due to the impact of the pandemic because of broader structural changes to the global economy that are affecting jobs, conditions and wages.

While there was a strong economy recovery in 2021, global growth momentum—and with it employment levels—is losing steam amid new waves of infections, supply chain constraints and rising inflation. This is due, although the report did not say so, to the trillions of dollars handed over to the corporations and super-rich by central banks around the world.

The problems are particularly acute for poorer countries where job creation has not kept pace with population growth and earlier job losses, "amid lower vaccination progress and limited stimulus spending." While the UN's World Economic Situation and Prospects (WESP) report 2022 predicts that full employment will return in the richer countries by 2023, poorer countries in Africa, Latin America and the Caribbean and the Middle East are likely to see a much slower return to pre-pandemic levels of employment.

International financial institutions such as the World Bank, International Monetary Fund (IMF) and UN development agencies had announced various financial packages to help low-income countries, but very little has yet been approved and allocated for healthcare and social support.

The WESP report makes clear that the loss of jobs has had a substantial impact on poverty, dashing any hope of achieving the UN's Sustainable Development Goal of ending extreme poverty (living on less than $1.90 a day in purchasing power parity). Extreme poverty remains well above pre-pandemic levels at a massive 876 million people in 2022, equal to 11 percent of the world's 7.9 billion population. In Africa, the absolute number of people living in poverty is expected to continue rising.

Higher inequality is emerging as a longer-term legacy of the pandemic, with inequality increasing both within and between countries. While GPD per capita is expected to almost fully recover in the advanced economies by 2023, there is no hope of any such recovery in the poorer countries. Trade in manufactured goods has exceeded pre-pandemic levels, but trade in services, particularly tourism and travel on which poorer countries depend, has yet to recover.

Even before the pandemic, inequality was growing as reflected in the declining share of global income earned by workers, disparities in earnings, stagnation in the real value of wages and much greater income insecurity. Again, while the ILO employment report did not say so, workers' incomes have fallen as corporate profits have risen and inflation has eroded their value.

It is the world's temporary workers, without any access to social support or welfare systems, who have suffered most. Temporary workers include:

• Seasonal agricultural workers who may travel from Ethiopia to Sudan to access jobs for 3-4 months, typically with no benefits or paid leave

• Construction workers, where nearly half of all workers are employed on a project basis, even in major industrialised countries such as Germany

• Tourist guides who work on a seasonal basis

• Garment workers in Bangladesh working on a short-term basis to meet short-term requirements for overseas orders

• Casual agricultural labourers in Ecuador, hired daily with a verbal contract and who may be denied pay on the whim of the employer who decides whether the work is satisfactory or not

• High skilled office workers as in the US and other developed countries, hired on temporary contracts but on a long-term or semi-permanent basis

Temporary work is most prevalent in agricultural economies and the informal economy—in the very same countries where employment protection legislation where it exists is unlikely to be enforced, and social support is minimal or non-existent. While it is less prevalent in the advanced countries, it is increasing everywhere. As the WESP report notes, although temporary workers were the first to lose their jobs as the pandemic hit, permanent workers soon follow. Such jobs become available as they are often temporary or increasingly gig or platform work where workers are classified as self-employed. They enable employers to easily impose lay-offs when demand falls.

Temporary workers have little bargaining power and thus are extremely vulnerable to exploitative employers, leaving them trapped in endless cycles of intermittent jobs and forced to cope with irregular income. Having run down whatever savings they had, a further 30 million adults fell into extreme poverty in 2020 as they lost their jobs, while the number of extreme working poor who do not earn enough to keep themselves above the poverty line rose by 8 million.

Temporary workers are typically paid less than permanent workers, suffering a 26 percent penalty compared with the median monthly wage. Temporary employment as a percentage of all employees has therefore been rising steadily. The average temporary employment rate was 28 percent in 2011-19, up from 15 percent in 1991-2000.

The WESP report highlights the role that the central banks have played in all this. Asset purchase programmes (APP) became the primary stimulus tool in the advanced countries, with the US, UK, European Union and Japan adding around $10 trillion to their balance sheets, bringing total "assets" to nearly $26 trillion. Many developing country central banks followed suit, implementing asset purchase programmes for the first time.

The report cautions about the longer-term growth impacts, pointing out that APPs in the 2010s led to little in the way of capital investment but instead went on share buybacks and reduced firms' ability to cope with economic downturn. These APPs threaten inflation and financial stability even as they have disproportionally benefited the wealthy.

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