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World Leaders Summit: Dialogue on inequality – Is the COVID-19 crisis really a game changer?

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Summary prepared by the UNCTAD secretariat

1. This dialogue addressed inequalities and whether the coronavirus disease (COVID-19) pandemic had led to policy changes, to build resilient economies for a world of shared prosperity.
2. The panel was composed of the following: Prime Minister, Barbados; Secretary-General, Caribbean Community; President, European Investment Bank; Executive Director, Oxfam International; Deputy Secretary-General, UNCTAD; and United Nations High Commissioner for Human Rights.
3. During the dialogue, several panellists highlighted that the pandemic had exacerbated prevailing global inequalities. A few panellists noted that the digital divide had widened, and one panellist emphasized that the pandemic had disproportionately affected certain groups of people, requiring a human rights-based approach, to implement targeted policies addressing such differential impacts. A few panellists noted the challenges, including the acute challenge of food insecurity, faced in small island developing States, the economies of which had contracted during the pandemic at about three times the global rate.
4. According to UNCTAD estimates, as cited by one panellist, 120 million people worldwide had fallen below the poverty line; investments had started to recover, yet over 80 per cent of the value of recovery investments was in developed countries and not targeted at sustainable development or climate adaptation. A few panellists noted the asymmetries in resources available for recovery, with the least developed countries mobilizing 2.6 per cent of gross domestic product in direct and indirect fiscal support, compared with 15.8 per cent in developed countries.
5. Many panellists stressed the need for a fundamental rethink of the international financial architecture and for better debt-relief measures and instruments to give fiscal space to developing countries and the least developed countries to adopt countercyclical measures. Many other panellists noted that significant, broad debt reduction was needed for all developing countries, including vulnerable middle-income and high-income States, to relieve debt-servicing pressures, and that the Group of 20 debt service suspension initiative should be extended beyond end-2021. A few panellists emphasized the need for a more



appropriate measure of development and determining access to concessional financing. One panellist stressed the need to operationalize a multidimensional vulnerability index and, to this end, for the United Nations to intensify collaboration with relevant regional institutions.

6. Several panellists noted that access to vaccines was highly unequal. A few panellists highlighted the need for technology transfers and the removal of trade barriers to essential products, including intellectual property rights waivers with regard to vaccines. One panellist stated that vaccines should be a global public good and that support should be provided for a global vaccination plan. Another panellist emphasized the need for global moral and strategic leadership and collective action, as self-protection policies could bring only short-term relief.

7. In addition, several panellists stated that women and girls had been disproportionately affected by the pandemic. One panellist stressed that women should be involved in policymaking and implementing national-level recovery plans, and another panellist stated that a gender-responsive recovery plan was needed. One panellist emphasized the need for universal health care, education and social protection, to address economic, social and gender-based inequalities, advocating for a minimum 25 per cent corporate tax rate. Another panellist highlighted the need to support businesses, provide decent working conditions in more redistributive value chains and strengthen regional markets such as the African Continental Free Trade Area.

8. One panellist stated that the response to current crises should be a testament to the strength of multilateral ties, highlighting the commitment of the European Investment Bank to supporting climate adaptation, innovation and development, as all three needed to be inseparable in approaches to advancing transitions to a sustainable economic system.

9. To address climate vulnerabilities, one panellist advocated for wealth taxes and targets to achieve zero emissions, the phasing out of fossil fuels and investing in low-carbon sectors, and another panellist stated that Governments should honour commitments to reducing emissions and limiting global warming. Many panellists stressed that small island developing States had been marginalized; technical, financial and institutional capacities to adapt to climate change needed to be strengthened. Lastly, a few panellists called for increased support and simplified access to climate funds.
