Rethinking Inequality, Human Capital, and Well-Being Post-COVID-19 Pandemic

Bali, 6 September 2022—COVID-19 pandemic has exacerbated and shone a light on many issues related to poverty, inequality, human capital, and well-being. As a cross-cutting topic, the importance of this issue is increasing greatly especially due to unprecedented challenges caused by the crisis. As we enter the end of the second year of the pandemic, it is imperative that we need to further rethink these inequality, human capital and wellbeing challenges the world is facing. We may need to reflect on our knowledge regarding these issues in order to fully capture how the pandemic has affected our lives and how we will address the challenges in the post-pandemic world.

Hosted by Task Force 5 (TF5)-T20, this parallel session aims to inform core leaders within the G20 of the importance of redefining our knowledge regarding inequality, human capital, and well-being issues in order to fully capture how the pandemic has affected our lives. This dialogue highlights research and policy work on inequality, human capital, and well-being presented by researchers and scientists based in the G20 nations.

Special Note by Dr. Asep Suryahadi (Lead Co-chair of TF5-Senior Research Fellow, The SMERU Research Institute)

- TF5-T20 proposes a policy direction strategy that aims to reduce inequality, to improve human capital and to increase wellbeing in post-COVID-19 pandemic by making the economy more inclusive and people centered
- Dr. Suryahadi emphasizes three derivative strategies: 1) establishing a comprehensive, inclusive, and innovative social protection system to prepare for future shocks; 2) enabling accelerated and inclusive learning & skilling to achieve resilient education systems and reap demographic dividends; 3) moving beyond GDP as a prosperity measurement

Inequality and Well-Being Trends Post Covid-19 Pandemic by Dr. Dennis Görlich (Program Director, Global Solutions Initiative)

- Inequality between countries for the past 200 years has significantly decreased. However, we observe strong increases in some countries for within-country inequality in many dimensions. This situation calls for redefinition of inequality that is highly focused on income or wealth only
- Dr. Görlich proposes that elements other than income such as solidarity, agency, and environmental sustainability also play equally important role in well-being. He argues for policies that strengthen solidarity and agency in order to prepare countries for future shock as previous evidence shows cohesive and empowered societies are better prepared to manage crises and economic transformation

A Skilled Human Capital for Sustainable Recovery and Growth by Dr. Vivi Alatas (CEO of Asakreativita & Co-chair of Task Force 5 T20)

- Digital technologies allow factors of production work better, but challenges should be tackled in order to avoid creating winner-takes-all phenomena. Education and educational institutions,
schools, universities, and other education institution need to change in all dimensions in order to win the race between skills and technology.

- Dr. Alatas highlights that the change in education and educational institutions should put students in the driver seat and focusing more on career-driven education system, which promotes continuous learning throughout lifetime using short, tailored training courses, and project-based learning. As some jobs will become obsolete and new ones are created, people will have to develop new skills rapidly in order to keep up with the demands of the workforce.

Accelerating Education Recovery to Achieving Inclusive Quality Learning by Dr. Javier Luque (Country Lead at The Global Partnership for Education)

- School closures during pandemic had major impact on education outcomes and student’s development. It is expected that today’s generation of school-aged children face US$ 17 trillion loss in lifetime earnings. Loss of learning today will intensify risks to economic development, food security, peace, stability, and climate change for generations to come.
- The key recommendations for the new normal in a short term are to assess the magnitude of the learning loss, to prioritize key areas of the curriculum, and to develop strategies to address the areas of the curriculum including strong support to teachers.
- The medium to long term recommendations are to take stock of the learnings from the crisis to build resilient education systems by improving the use of ICT in the education and to create a growth attitude, for example, to include the education system within high priority sectors in emergencies.

Beyond Covid-19: Towards More Inclusive and Sustainable Social Protection by Dr. Elan Satriawan (Chief of Policy Working Group at TNP2K and Co-chair of TF5-T20)

- The COVID-19 pandemic is a stark reminder that design of social protection system should be comprehensive, inclusive, and sustainable. Dr. Elan Satriawan proposes several agendas to establish a more comprehensive, inclusive, and sustainable social protection for all.
- Firstly, countries should develop comprehensive beneficiary database by involving various data sources and to ensure interconnectivity between different source of database. Secondly, he emphasizes that inclusivity of social protection can only be achieved through increasing coverage for the marginalized groups particularly elderly, people with disability and at-risk informal workers.
- Thirdly, establishing adaptive social protection would also require strengthening institutional capacity and partnership or coordination across ministries. Improvement of delivery mechanism could also promote the inclusivity of social protection, where Dr. Satriawan argues that utilization of the right technology such as biometrics should be explored to improve inclusivity of social protection programs. Lastly, Dr. Satriawan underlines the importance of sustainability in social protection which can be achieved by expanding country’s tax ratio or transitioning from commodity-based subsidy toward people targeted subsidy.