

# Economy: in the United States, extending support and lowering regulatory barriers could energise the recovery from Covid

09/07/2020 – Swift action by the U.S. government has helped shield households and businesses from the immediate economic shock of the Covid-19 pandemic, even as efforts continue to bring the spread of the virus under control. Continuing this exceptional support to unemployed workers and struggling firms – while taking steps to lower barriers to labor mobility and competition – would help to strengthen the recovery, share the benefits across society, and reduce the risk of long-lasting scars, according to a new OECD report.

The latest [OECD Economic Survey of the United States](#) says that even as some businesses reopen with the lifting of coronavirus confinement measures, hard-hit sectors like hospitality and leisure will continue to need support, as will newly unemployed or displaced workers who may need to look for jobs in different sectors. The recent extension of the US Paycheck Protection Program by five weeks to August 8 is a welcome move to help small businesses struggling with the crisis. Extending exceptional unemployment benefits beyond the end-July cut-off date would offer a similar lifeline to the millions of households at risk of falling into poverty, as would assistance for job search (such as employment placement services) and support for geographic mobility.

“The U.S. economy is battling a health and economic shock that threatens to set back the significant economic achievements of the past decade and leave permanent scars,” said **OECD Secretary-General Angel Gurría**. “Exceptional support to people and businesses should be continued as long as it is needed. And helping people to return to work by removing unnecessary regulatory hurdles to employment and mobility would energize the recovery and help ward off a drop in living standards and equality.” [Read the full speech](#).

The Survey projects only a gradual recovery after the Covid-19 pandemic brought a decade-long expansion to an abrupt halt and knocked the employment-to-population ratio to its lowest level on record. The best-case scenario sees GDP growth recovering to 4.1% in 2021 after a drop of 7.3% in 2020, whereas a second wave of outbreak scenario would see GDP growth at just 1.9%

in 2021 after an 8.5% drop in 2020.

Improving health policy co-ordination across levels of government, ensuring health insurance systems do not let large population groups fall through the gaps that exist between different programs, and reducing regulatory barriers, would all help to tackle the ongoing health crisis from Covid-19. To minimize the risk of a second wave prompting another large-scale lockdown of the economy, developing testing, tracking, tracing and isolating procedures will be key. Augmenting the capacity of health systems and identifying people who have acquired antibodies will help mitigate the economic impact of a second wave.

On the economic front, all efforts should focus on reviving growth and jobs for the long-term, with concrete policy measures to remove barriers hindering access to employment and future opportunities.

Addressing occupational licensing and non-competition covenants in job contracts that impose barriers to job mobility on roughly one in five workers, particularly those from low-skilled or disadvantaged groups, is a top priority. While regulation is important to ensure the safety and quality of services for workers and consumers, state-level labor market regulation has contributed to a decline in labor market fluidity since the late 1990s, alongside a period of sluggish productivity growth. (See Survey Chapter 3 for an analysis of variations in licensing stringency by state.)

States should be encouraged to delicense occupations where there are limited concerns for public health or safety and act against anticompetitive behavior. Federal law can be used to impose recognition of out-of-State licensures, allowing States to set stricter requirements only if they can prove it is necessary to protect the public. People who face difficulties finding work, for example those without a college education, should be supported through more flexible rules on job qualifications and access to adult training.

Restrictive building policies have also created a barrier to labor mobility just as a shift from industry to high-tech and services is changing the country's economic geography and creating a need for more elastic housing supply. In the current climate, it is all the more important that people can move easily to take up new jobs. Tax incentives can be a way to loosen over-restrictive building laws, the Survey says.

The Survey also notes that vulnerabilities in the highly leveraged corporate sector will need to be monitored. Over time, given the pre-existing pressures of an ageing population, reforms to pension and healthcare spending to reduce cost pressures and inefficiencies and measures to broaden the tax base will be needed to ensure long-run sustainability of public debt.

See an [Overview of the Survey](#) with key findings and charts (this link can be included in media articles)

For further information or queries, journalists are invited to contact [Miguel Gorman](#) in the OECD Washington Centre.

*Working with over 100 countries, the OECD is a global policy forum that promotes policies to improve the economic and social well-being of people around the world.*

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## [Service and Sacrifice: Guinean peacekeepers make their mark in Mali](#)

As the sun rises over Mali's vast desert, a group of 20 peacekeepers prepare their equipment and line up to receive instructions before heading out for their first patrol of the day on one of the most dangerous roads in the region.

They are Guinean Blue Helmets from the United Nations Multidimensional Integrated Stabilization Mission in Mali ([MINUSMA](#)) based in the volatile town of Kidal, in the north.

Following the outbreak of the conflict in 2012, explosive hazards and complex attacks have become a new threat in the country, with wide ranging and detrimental effects on the safety and freedom of movement in the central and northern parts of Mali.

**“Dropping your guard can be fatal” – Guinean Blue Helmet**



MINUSMA/Harandane Dicko

Among other activities, the Guinean contingent ensures the safety of the civilian population, thanks to its monitoring of the vehicles which return through checkpoints to the city of Kidal.

They are ready. Guinean peacekeepers climb into two armoured personnel carriers (APC), that would rumble out of the UN base soon.

For Guinean Sergeant Mamady Keita, the threat of landmines is always present, “No mission can be done without our presence, the road is sandy and easy for the insurgents to hide explosive devices underground,” he said standing outside his APC, his best defence during the operation.

Under a blazing sun the temperature is reaching its peak, the so-called ‘Search and Detect’ Guinean team, on foot, carefully search for explosive devices and hiding places for these bombs, looking at the sandy roads. “Out here, dropping your guard can be fatal, there is always a chance that the situation gets a turn to the worst”, Lieutenant Maurice Brehemon said.

No mission can be done without our presence, the road is sandy and easy for the insurgents to hide explosive devices underground  
*Sergeant Mamady Keita*

All Guinean soldiers, like all military contingents joining MINUSMA, have to go through intense in-country pre-deployment training on explosive threats and risks. They must be prepared for anything when they arrive in Mali.

These pre-deployment training measures help to better equip the peacekeepers with skills to protect them, help them protect others and improve resilience and safety to aid in the delivery of MINUSMA’s mandate.

The job comes with daily challenges. This morning patrol was uneventful, and the Blue Helmets returned safe and sound to the base. But the next day, a UN vehicle ran over a mine. Fourteen peacekeepers were injured.

Almost 850 peacekeepers from Guinea are serving in Mali. Guinea is one of the largest contributing countries to MINUSMA. Mamady knows he is risking his life while promoting peace. Guinea is a neighbour country with strong ties to Mali. Its soldiers are often called “brothers in arms” in a regional sense.

Established in 2013, MINUSMA supports the Malian peace agreement by helping to restore the State authority, advance diplomacy, strengthen security and promote human rights.

## **Fully committed for peace**



MINUSMA/Harandane Dicko

The Guinean contingent of MINUSMA is composed of 850 soldiers, including 16 women, and is based in Kidal in the extreme north of Mali. Seen here, a Guinean UN peacekeeper takes up position in the town of Kidal.

Every day the women and men of the United Nations mission in Mali are on the frontline to protect civilians and promote peace in one of the most challenging missions in the world. Since July 2013, 103 peacekeepers have been killed in hostile incidents.

For Pelagie Diawara, one of the 16 women of the Guinean battalion, the beginning of her first mission with the United Nations was difficult. She missed her family and the intense desert heat was a challenge. “It was a tough decision to leave my family, but I am proud to be here in this neighbouring country to help our brothers and sisters from Mali to make peace in this country. “

Between landmines and improvised explosive devices, driving on the roads of northern Mali is a dangerous exercise. Today, some 14,000 UN peacekeepers

from more than 56 countries are serving in Mali.

These women and men are working in an extremely dangerous environment, far away from their families, and very conscious of how their personal sacrifice is crucial to helping build a durable peace.



MINUSMA/Harandane Dicko

The Guinean contingent conducts mine search and improvised explosive device activities on the roads used by MINUSMA vehicles. Shown here a member of the Guinean Search and Detect team of UN peacekeepers surveys a road in Kidal in the far north of Mali.

[Find original story by the UN mission in Mali here.](#)

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## [Drug laws must be amended to 'combat racial discrimination', UN experts say](#)

At every stage of the criminal justice system, people of African descent around the world are discriminated against, including death sentencing for drugs-related crimes, United Nations human rights experts [said](#) on Thursday, calling on Member States to do more to “combat racial discrimination”.

In fighting the global drug problem, the [UN Working Group of Experts on People of African Descent](#) underscored that States must acknowledge and amend the devastating impact of judicial policies on people of African descent, who are more likely to be stopped, searched, arrested, convicted, and harshly

sentenced for drug crimes, in many countries.

“The global war on drugs has disproportionately targeted people of African descent and disregarded the massive costs to the dignity, humanity and freedom of individuals,” they stressed, ahead of a high-level meeting in Vienna of the [Commission on Narcotic Drugs](#), which will review the [Political Declaration and Plan of Action](#) to combat the illegal trade in drugs.

Countries must redress racial discrimination in law enforcement and accepting stark racial disparities in prosecutions and incarcerations.

The global war on drugs has disproportionately targeted people of African descent – *UN experts*

“The pretext of fighting the world’s drug problem has been used to justify excessive surveillance, criminalization and the targeting of people of African descent worldwide”, they argued.

According to the experts, people of African descent are “disproportionately penalized and denied access to treatment or alternatives to being locked up”.

Furthermore, despite decades of what they called “enormous investment of resources” worldwide, neither trafficking nor narcotics use have diminished.

The UN experts spelled out: “The war on drugs has operated more effectively as a system of racial control than as a mechanism for combating the use and trafficking of narcotics”.

The criminal justice system reflects racial disparities and stereotypes grounded in history, explained the UN experts, saying that concern over narcotics “cannot excuse racism in the development of policy or the deployment of resources”.

Moreover, many adolescents have had experiences with the criminal justice system that have rendered them permanently barred from employment, educational opportunities and a range of other benefits.

And these may be even more extreme in intersectional populations, including women; migrants and refugees; and members of the lesbian, gay, bisexual, transgender and intersex (LGBTI) community.

“Member States should collect adequate data to measure these disparities and their potential improvement over time”, the experts advocated, adding that “evidence-based” treatment services that are respectful of individual rights should be ensured for all.

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# Make this the year of 'transformative solutions' to avert disastrous climate change: UN Deputy Chief

It is within our power to make 2019 the “year of transformative solutions” and “avoid the disastrous effects of climate change”, which threaten ecosystems, the global economy, health and security, the UN Deputy Secretary-General told delegates gathered in Nairobi for the [UN Environment Assembly](#), on Thursday.

[Amina Mohammed](#) said that she had been inspired by the ideas discussed at the conference – the world’s highest-level decision-making body on the environment – in support of UN environment’s ([UNEP](#)) #SolveDifferent campaign to find innovative solutions to environmental challenges.

She urged the audience, which included Heads of State and government ministers, to “reshape the global economy into one that rewards careful stewardship and punishes waste and pollution.”

Addressing the main topic of the Assembly – the need to shift to sustainable forms of consumption and production – the deputy UN chief reminded the audience that we are all living with negative consequences of the current “Take, Make and Dispose” global economic model.

Examples include the harmful environmental and health impacts associated with the extraction of metals used in mobile phones; the millions of tons of plastic waste flowing into the oceans; and the huge amount of electronic waste generated every year.

*“Every day we live with the shortcomings of a linear economic model based on ‘Take, Make, and Dispose’”* Amina Mohammed, UN Deputy Secretary-General

The UN’s solution to breaking out of an unsustainable system that is wreaking havoc on the environment, said Ms. Mohammed, is to change the perception that it is necessary to deplete natural resources in order to grow the economy: “We can in fact achieve greater economic benefits from innovative approaches to how we eat, purchase, travel, and discard waste.” This major shift would mean moving away from a model of built-in obsolescence, creating products that last longer, and ensuring that all products can either be recycled or reused

The Deputy Secretary-General gave specific examples showing how governments, the private sector and civil society are making a positive change. She noted that several large hotel chains are committed to reducing water consumption and waste by 50%; countries including India and Costa Rica are committed to eliminating single-use plastics; and she cited a project in the Kiribati



Islands, which is providing families with a unique hydroponic system to make food without soil.

It is time, she added, to take a “big ambition leap,” in the build up to the [UN Climate Summit](#) in September, convened by [Secretary-General António Guterres](#), which will aim to inject momentum into the fight against climate change.

Ms. Mohammed said the UN chief expects world leaders to come to the Summit “not with a speech, but with a plan”, that will explain how countries expect to drastically reduce emissions, create decent “green jobs”, and build sustainable cities. The plans, she said, must be credible and ambitious enough to “convince all the people taking to the streets, that they are taken seriously.”

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## [United States: UN human rights office welcomes California moratorium on death penalty](#)

The UN human rights office ([OHCHR](#)) has welcomed the signing of an executive order by the Governor of California, in the United States, to impose a moratorium on carrying out the death penalty, which grants a reprieve to 737 inmates, up to end of his term in office.

According to news reports, although the state hasn't executed anyone since 2006, California's death row holds the highest number of prisoners, more than a quarter of the country's total, and six out of 10 of them are people of colour.

[OHCHR](#) spokesperson Marta Hurtado, said in a statement to journalists that the executive order “consolidates a trend in the US towards the eradication of the death penalty – in law or in practice – over the last decades,” as 20 US states have already abolished it. California now joins three other states whose Governors have put an executive hold on executions.

However, the order can only prevent sentences from being carried out, but the law still empowers prosecutors to request capital punishment, and allows judges to sentence convicted prisoners to death.

“We hope this moratorium will encourage other states to follow suit, and be followed by a complete abolition of capital punishment at the state and federal level,” Ms. Hurtado added, stressing that with this decision, “California joins the international trend towards the reduction and eventual abolition of the death penalty.”

The decision of the California Governor, Gavin Newsom, comes after the states' voters rejected attempts to abolish capital punishment and approved in 2016 a ballot measure to actually speed up executions.

In a public statement, Mr. Newsom said "I do not believe that a civilized society can claim to be a leader in the world as long as its government continues to sanction the premeditated and discriminatory execution of its people," adding that the death penalty was "inconsistent" with the "bedrock values and strikes at the very heart of what it means to be a Californian."

The Governor cited a report estimating that 1 in every 25 people on death row is innocent. "If that's the case, that means if we move forward executing 737 people in California, we will have executed roughly 30 people that are innocent", Mr. Newsom said. "I don't know about you. I can't sign my name to that. I can't be party to that. I won't be able to sleep at night."