

COVID-19: Finance, security and peace

Pax Christi International (27 May 2020)

Leaving poor people farther behind

In South Africa, the highest levels of inequality in the world, combined with lockdowns to slow the spread of COVID-19, unemployment, especially among youth, exceeding 50 percent,¹ and the real possibility of corruption and broad supply chain failure are raising concerns about the potential for violence. In a letter to President Cyril Ramaphosa,² civil society organisations called for transparency and accountability in the distribution of emergency funding.

The COVID-19 pandemic is occurring in a global context of inequality.³ “Income disparities and a lack of opportunities are creating a vicious cycle of inequality, frustration and discontent across generations ... The World Social Report 2020 documents deep divides within and across countries despite an era of extraordinary economic growth and widespread improvements in living standards.”⁴

In the Philippines, three years after the siege of Marawi, 80,000 displaced people are asking for the “immediate, safe, and dignified return” to their homes. “COVID-19 has further exposed our vulnerabilities... A lot of promises have been made, and yet, here we are ...Where is the money earmarked for the rehabilitation and recovery of Marawi?”⁵

The coronavirus threatens people and communities without discrimination, but our ability to protect our loved ones and our neighbors varies widely according to our economic status.⁶ For example, billions of people around the world lack access to basics:⁷ water, soap, disinfectants, enough space to maintain a safe distance from other people, adequate food, health care, enough income to meet even basic needs, access to the internet or electronic tools for distance learning.⁸ Whole countries and specific regions within countries lack hospitals, critical care capacity, ventilators, adequate protection for nurses, doctors and other medical personnel and water delivery systems. COVID-19 is likely to leave the poor even farther behind.⁹

Calling for systemic transformation

Amartya Sen: “We have to understand, on the one hand, the role of economic inequalities, social humiliations and political disenfranchisement in generating disrespect and hostility, but we also have to take the concrete steps that are needed for making the hard and often exacting changes in the way that world is organized in order to remove, to the extent possible, the deeper sources of hostility.”¹⁰

An outpouring of solidarity in the form of financial support and projects is necessary and happening, both nationally and internationally. But how that aid is designed and allocated and whether it contributes to more just economic structures will be crucial. COVID-19 has the potential to generate deepening structural and systemic violence and new outbreaks of virulent conflict and war or it can help us begin to create a new, more just global economy.

Clearly, spending massive financial resources on war and preparations for war is a direct affront to marginalized people who are facing the COVID-19 pandemic defenseless, without access to the most basic necessities of life that are essential in the context of this pandemic, among them food, clean water, soap, material for personal protection and health care. But beyond budget priorities, unilateral and multilateral policies related to trade, aid and debt, as well as the activities of the private sector, will have a tremendous impact on those who are most vulnerable to this virus. In every case, Catholic social teaching relevant to economic life must be considered, including the common good, solidarity, a preferential option for the poor and excluded, the social mortgage on private property and care for the earth.

For example, unilateral trade barriers¹¹ and curbs on the export¹² of personal protection equipment, pharma products, hand sanitizer, food and some other products undercut efforts to slow the spread of COVID-19; to treat those who are infected; to avert the famine that lurks on the horizon and to avoid conflict over scarce resources in fearful communities .

Likewise, the negative impact of economic sanctions¹³ on countries (including Iran, Venezuela, North Korea, Syria and Yemen) struggling with the impact of COVID-19 has drawn criticism from around the world, including from the UN Special Rapporteur on the Right to Food, the High Commissioner for Human Rights, and the UN Secretary-General. Some states called for a total lifting of sanctions in a joint letter to the UN Secretary-General and proposing a draft resolution at the General Assembly. Humanitarian exemptions alone have not been sufficient to solve indirect hinderances, particularly “risk-averse behaviors of donors, financial institutions, private companies and humanitarian organizations themselves.”¹⁴

The International Financial Institutions will play a very significant role during and after the pandemic. Recognizing that, Pope Francis’ called for the cancellation or restructuring of the debt of the poorest nations and civil society groups’ and faith communities’ insisted that additional financing be available to support all countries impacted by the coronavirus.¹⁵ The International Monetary Fund (IMF) will lend up to \$1 trillion in response to the COVID-19 crisis. World Bank financing from its \$14 billion COVID-19 support package¹⁶ will bolster countries’ health systems and support projects addressing the economic downturn. The IMF, the World Bank and regional development banks need to carefully consider how financial support and/or projects will ensure the inclusion and address the needs of marginalized groups.¹⁷ Transparency and accountability are essential.

Nonviolence creates space for systemic transformation

The universal ethic of nonviolence demands that we respond as a global community to the immediate financial catastrophe facing billions of people. At the same time, it urges us to do more - to foster a shift to active nonviolence as an engine for constructing a new global order that integrates economic, social, ecological and physical health and well-being for all.

The United Nations’ Sustainable Development Goals represent important steps toward a just, peaceful and nonviolent planet. But the transformation they represent will only be achieved through the mobilization of vast political will, spiritual commitment, and grassroots organizing at every level of every society. It will take one of the greatest movements in human history to generate the necessary traction. The Catholic Church, with its religious and civil society partners around the world, can play an extremely important role in support of this global shift by energizing nonviolent movements to generate people-power for structural change (including in the areas of employment, health care, socio-economic safety-nets, human security and ecological sustainability). The Church can do this through nonviolence education, training and skill-building in the philosophy and strategies of active nonviolence in every corner of the world.

Nonviolence stands against violence, but it also is the antidote to violence.¹⁸ In these times of crisis, it is important to expand exponentially our understanding of and ability to use nonviolence by building its infrastructure, creating constructive nonviolent alternative systems designed to safeguard humanity and the earth – and generating the people-power to bring these systems into being.

1 IMF, Country Focus, Six Charts Explain South Africa’s Inequality, <https://www.imf.org/en/News/Articles/2020/01/29/na012820six-charts-on-south-africas-persistent-and-multi-faceted-inequality>

2 Civil Society Organisations, *Maverick Citizen*, *Mr. President, let us help you keep the vultures at bay* https://www.dailymaverick.co.za/article/2020-05-22-mr-president-let-us-help-you-keep-the-vultures-at-bay/?utm_medium=email&utm_campaign=Weeks%20Articles%2024%20May%202020%20UCT%20Africa%20Month&utm_conte

[nt=Weeks%20Articles%2024%20May%202020%20UCT%20Africa%20Month+CID_7b1de958b8998a6deaa8032cea27e537&utm_source=TouchBasePro&utm_term=Mr%20President%20let%20us%20help%20you%20keep%20the%20vultures%20at%20bay](#)

3 Inequality is rising and can we reverse it? [The Guardian](#)

<https://www.theguardian.com/news/2019/sep/09/inequality-is-it-rising-and-can-we-reverse-it>

4 United Nations Department of Economic and Social Affairs, "Inequality in a Rapidly Changing World"

<https://www.un.org/development/desa/dspd/wp-content/uploads/sites/22/2020/01/World-Social-Report-2020-FullReport.pdf>

5 Rappler 3 years on, Marawi bakwits face another danger – the coronavirus

6 World Economic Forum "Coronavirus makes inequality a public health issue"

<https://www.weforum.org/agenda/2020/04/coronavirus-makes-inequality-a-public-health-issue/>

7 [Mari Elka Pangestu](#) For the poorest countries, the full danger from coronavirus is only just coming into view

<https://blogs.worldbank.org/voices/poorest-countries-full-danger-coronavirus-only-just-coming-view>

8 World Health Organization, "1 in 3 people globally do not have access to safe drinking water – UNICEF, WHO"

<https://www.who.int/news-room/detail/18-06-2019-1-in-3-people-globally-do-not-have-access-to-safe-drinking-water-unicef-who>

9 [Davide Furceri](#), [Prakash Loungani](#), [Jonathan D. Ostry](#), How Pandemics Leave the Poor Even Farther Behind

<https://blogs.imf.org/2020/05/11/how-pandemics-leave-the-poor-even-farther-behind/>

10 Amartya Sen, Peace and Democratic Society pp. 135-137 [https://books.google.co.uk/books/p/pub-](https://books.google.co.uk/books/p/pub-8194589960919624?id=T14U0_lr7XIC&pg=PA69&source=gbs_toc_r&redir_esc=y&hl=en#v=onepage&q&f=false)

[8194589960919624?id=T14U0_lr7XIC&pg=PA69&source=gbs_toc_r&redir_esc=y&hl=en#v=onepage&q&f=false](https://books.google.co.uk/books/p/pub-8194589960919624?id=T14U0_lr7XIC&pg=PA69&source=gbs_toc_r&redir_esc=y&hl=en#v=onepage&q&f=false)

11 Global Trade Alert "Tackling COVID-19 Together: The Trade Policy Dimension"

<https://www.globaltradealert.org/reports/51>

12 ITC Market Access Map, <https://www.macmap.org/covid19>

13 International Peace Institute, Impact of Sanctions on Humanitarian Response to COVID-19

<https://theglobalobservatory.org/2020/04/impact-of-sanctions-on-humanitarian-response-to-covid-19/>

14 International Peace Institute, The Impact of Sanctions on the Humanitarian Response to COVID-19

<https://theglobalobservatory.org/2020/04/impact-of-sanctions-on-humanitarian-response-to-covid-19/>

15 Jubilee USA, IMF: Protect Vulnerable, Prevent Financial Crisis as Covid-19 Spreads, https://www.jubileeusa.org/aa_covid-19_imf_2020_petition

16 World Bank How the World Bank Group is Helping Countries with COVID-19

<https://www.worldbank.org/en/news/factsheet/2020/02/11/how-the-world-bank-group-is-helping-countries-with-covid-19-coronavirus>

17 Bank Information Center <https://bankinformationcenter.org/en-us/update/the-african-development-banks-response-to-covid-19>

18 According to research conducted by Maria J. Stephan and Erica Chenoweth, which culminated in their 2011 book, *Why Civil Resistance Works: The Strategic Logic of Nonviolent Conflict* (Columbia University Press), nonviolent resistance against formidable opponents, including those with predominant military power, has been twice as successful as armed struggle. They examined 323 violent and nonviolent campaigns against incumbent regimes and foreign military occupations from 1900-2006 and found that the nonviolent campaigns succeeded, in terms of stated political objectives, about 54 percent of the time, compared to 27 percent for violent campaigns.