



**Furthering economic growth by  
ensuring equality for currently  
underrepresented groups**



**G20**

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**Forum:** Group of 20

**Issue:** Furthering economic growth by ensuring equality for currently underrepresented groups

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## Introduction

"The top 10% of income earners take home over ten times more pay than the bottom 10%", ("Inclusive Growth - Economic Growth That Is Distributed Fairly across Society"). This fact, amongst a range of others, can be found on the OECD's website regarding "inclusive growth", a term that will be defined properly in a later section. However, it simply refers to greater economic welfare for all through the consideration of as many groups as possible, therefore also the underrepresented groups mentioned in the issue. These underrepresented groups can vary per member state through differences in diversity within the population and political systems of member states. However, this term commonly refers to women, those with disabilities, people of a higher age range, people of color, people a part of the LGBTQIA+ community, minorities, specific professions/industries or even lower economic classes in some member states.

Through inclusive growth or other forms of an increasing amount of equality for underrepresented groups, better economic welfare could be ensured for all, leading to vast economic growth. This equality could entail equal possibilities in education. In the event where equality is not key from an economic standpoint between two groups, it dissuades welfare for those with a lesser economic power (with the extremity of this naturally being dependent on the actual situation at hand). Economic growth is an issue that can be tackled particularly in the long term, especially in combination with the equality in possibilities and options for all. This is why steps must be taken to ensure that in the near and distant future, this issue is set to be tackled with clarity for all member states.

## Definition of Key Terms

### Economic growth

Economic growth is an increase in the production of goods and services in an economy. Increases in capital goods, labor force, technology, and human capital can all contribute to economic growth.

### **Economic welfare**

Economic welfare refers to the part of social welfare that is increased by economic activity. The health, happiness and fortunes of a person or group are positively influenced by the economy. Economic welfare is dependent on factors like employment, income distribution, labor conditions, leisure time and production, and can be measured by GDP (gross domestic product), literacy rate and access to health care.

### **Inclusive growth**

Inclusive growth is when economic growth is distributed fairly across all layers of society, to enable equal opportunities for all.

### **Equality**

Equality is achieved when all people have the same opportunities, regardless of factors like ethnicity, nationality, age, gender, sexuality etc.

### **Economic power**

Economic power refers to an individual or a group like a company or a nation having access to superior resources and wealth. Economic power can also refer to the ability of countries to make the standard of living better for their nation.

### **Underrepresented groups**

Underrepresented groups refer to a smaller part of the population. These groups become unrepresented when the percentage of the population is not represented in certain sectors. For example, half of the population of the Netherlands is female, but only  $\frac{1}{3}$  of the Dutch Parliament is composed of women.

### **Public sector**

The public economic sector refers to the part of the economy that is controlled by the state.

### **Private sector**

The part of the economy is owned by private groups, and not the state. This is also referred to as the citizen sector, as this part of the economy is controlled by citizens and not the government.

## General Overview

As previously mentioned, the main issue at hand is the inequality between various groups is a stalling factor in economic growth. Without guidelines, the economic growth and welfare of large pockets of the population will be impeded, in various ways. Therefore, the aforementioned equality would need to be in various "sections". Some of these are outlined and explained below.

### Education

For equality to be fostered, equal opportunities should be given from a young age. This starts with the paths and options that are given in education. An example where education has led to a thriving economy is in Singapore. Public education is on par with private education, and the only differentiation between them is the curriculum and school system that is followed. With the improved access to education, this leads to a future improvement of the economy as there are simply more able persons who can work and innovate. This not only helps economic growth for the member states, but also for the development of ideas, products and services all around the world.

Some member states, however, experience problems in the area of education. For example, in the Netherlands there is a lack of teachers in public schools and even private schools to fill the positions required for a growing population, nor enough schools with growing classrooms which makes it difficult for attention to be spent for individual students. Half of the primary and secondary schools in the Netherlands are lacking between 1 to 6 students, that was the figure at the start of this academic year. This leads to some students falling behind with a lack of support from already overworked teachers, and therefore an overall ineffectively understood curriculum. This issue is more prevalent in public schools subsidized by the government, rather than international schools which often have deeper pockets and a larger hiring pool, from outside the given member state. This issue will be addressed in the following paragraph, however this specifically impacts the education system and therefore the future generations. However, this is notably definitely a long-term solution to the issue of inequality, whilst there would be likely large costs for many member states to improve in this area.

### Wages and Industries

The issue mentioned above is also said partly to be caused by the low wages associated with the profession of teaching, especially in the public sector. Should the government want to nudge growth or change in certain areas such as education, a form of government intervention (either an increased amount of wages or another economic policy) would be required to improve situations for

workers in these areas. This would be a means to the end of improving conditions for workers in certain industries, particularly in the public sector. Therefore, medical staff (dependent on the medical industry being in the public sector, private sector, or both), could be helped, along with civil servants as these are all important for a functioning society that is developing. An example of where this may help is Chile which has the lowest rate of employment per hospital per 1,000 people from all those in the OECD, that being 6.91.

Furthermore, the COVID crisis and the recent developments of AI have shown the necessity of certain professions and a lack of necessity for others. Naturally, this is a process that is always experienced, however with the increased rate of innovation such as with AI large pockets of the global population face job threats.

### Politics

For underrepresented groups to receive attention and equality, it is needless to say that they require attention from those who have the power to change policies and adapt regulations to be more inclusive. Therefore, political systems that allow representation like this would seemingly greatly help. Of course, each political system has positives and negatives associated with them, likely along with a tint of an ideology. However, political systems are also a lot harder to change within member states, and it would be time-consuming to consider the effects of each possible change. This would also therefore, be a long-term solution.

## Timeline of Key Events

Date	Event
<b>10th of June 1963</b>	The US adopts the Equal Pay Act
<b>29th of June 2000</b>	The EU adopts the Racial Equality Directive
<b>September 2015</b>	The United Nations adopted the 17 Sustainable Development Goals, of which some focus on quality and equal education, reduced inequalities and economic growth
<b>2016</b>	Luxembourg is the first country in the world to close the gender pay gap
<b>September 2021</b>	The Taliban bans all women from attending high school and university

## Major Parties Involved

### Afghanistan

As is mentioned in the General Overview, inclusive growth starts with equal educational opportunities. Since the Taliban has taken over power in Afghanistan, girls and women have been banned from attending high school and university.

### **Brazil**

In the Latin American nation Brazil, white citizens earn more than their colleagues of color. The difference in wages can build up to a white employee earning up to 70% more than a black employee.

### **South Korea**

The Asian nation of South Korea has the biggest gender pay gap in the world at 31.5%. This means women make significantly less money for the same job that men do.

### **The United States of America**

86% of all companies in the USA are privately owned. Even institutions like hospitals and schools are in private hands. There are public facilities, but the quality of these is oftentimes nowhere near the quality of the private owned companies. Therefore, quality health care and education is unobtainable for people with lower incomes. This issue is reflected by the university system once again, as students who go to a public school have a lower chance of getting into a good university than a student who went to a private school. Public school students go to colleges of lesser quality, which makes obtaining a job far more challenging. This gives them a lower income, making it impossible for them to send their children to a private school, keeping the vicious cycle going.

### **The World Bank**

The World Bank is an international financial institution created in 1944. Their mission is to end poverty and boost prosperity on a livable planet. They supply developing countries with funding and knowledge, to help their economy grow and the quality of life improve.

## **Possible Solutions**

To ensure inclusive growth we need to enable equal opportunities for all citizens of a country and equal representation in the political system. Incorporating a more democratic political system, and increasing the size of the electoral government, could help member states achieve this

representation. Solutions more focused on equal opportunities start by creating equal education. This could be achieved by making all schools public and closing up the private sector. However, how does a government ensure they have enough money to fund all these schools properly? Furthermore, the closing of the gender and race wage gap would be a massive step towards inclusive growth. When thinking of ways to *further economic growth by ensuring equality for currently underrepresented groups*, take your delegation's economic system, political system, constitutional equality and acceptance rate into consideration.

## Further Reading

The Equal Pay Act as was mentioned in the timeline of key events

<https://www.dol.gov/agencies/oasam/centers-offices/civil-rights-center/internal/policies/equal-pay-for-equal-work>

The Racial Equality Directive as was mentioned in the timeline of key events

[https://ec.europa.eu/commission/presscorner/detail/en/MEMO\\_07\\_257](https://ec.europa.eu/commission/presscorner/detail/en/MEMO_07_257)

About the ban of female education in Afghanistan by the Taliban

<https://www.usip.org/publications/2022/04/talibans-ban-girls-education-afghanistan>

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