

UNDP's study on COVID 19 and its impact on poverty

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In news

A new study by the United Nations Development Programme (UNDP) finds that COVID-19 could push extreme poverty to over 1 billion by 2030

Key findings of the study

- The study finds that the severe long-term effects of the COVID-19 pandemic could push an additional 207 million people into extreme poverty by 2030
- The UN study assesses the impact of different COVID-19 recovery scenarios on the Sustainable Development Goals (SDGs), evaluating the multidimensional effects of the pandemic over the next decade.
- The study conducted by the UNDP is part of its long-standing partnership with the Pardee Center for International Futures at the University of Denver.
- This new poverty research highlights, the COVID-19 pandemic is a tipping point, and the choices leaders take now could take the world in very different directions

COVID 19 scenario

- **The 'Baseline COVID' scenario:** Based on current mortality rates and the most recent growth projections by the International Monetary Fund (IMF), would result in 44 million more people living in extreme poverty by 2030 compared to the development trajectory the world was on before the pandemic.
- 'High Damage' scenario: under this scenario where the recovery is protracted, COVID-19 is likely to push an

additional 207 million people into extreme poverty by 2030, and increase the female poverty headcount by an additional 102 million compared to that baseline, says the report.

- **The 'High Damage' scenario:** It anticipates that 80 per cent of the COVID-induced economic crisis would persist in 10 years' time due to loss in productivity, preventing a full recovery to the growth trajectory seen before the pandemic.

On SDG investments

The study also finds that a focused set of SDG investments over the next decade in social protection/welfare programmes, governance, digitalisation, and a green economy could not only prevent the rise of extreme poverty but actually exceed the development trajectory the world was on before the pandemic.

Gender poverty gap:

UNDP says that this ambitious, yet feasible SDG Push' scenario would lift an additional 146 million people out of extreme poverty, narrow the gender poverty gap, and reduce the female poverty headcount by 74 million, even taking into account the current impacts of the COVID-19 pandemic

Suggestions of the study

- The concerted SDG interventions suggested by the study combine behavioural changes through nudges for both governments and citizens, such as improved effectiveness and efficiency in governance and changes in consumption patterns of food, energy and water.
- UNDP said that the proposed interventions also focus on global collaboration for climate action, additional investments in COVID-19 recovery, and the need for improved broadband access and technology innovation