

Global Goals (SDGs) for post-COVID: Dealing with Reversal of Gains and Spectre of Global Poverty

Introduction

The United Nations High-Level Political Forum (HLPF) held in July 2020 meant for 'voluntary' reporting by countries (through Voluntary National Reviews - VNRs) on their progress on Sustainable Development Goals (SDGs), has been, for all practical purposes a virtual reality. The VNRs were prepared at a time when the virus has still not bugged the world and they rightly captured the progress made till 2019. The virus eventually has spread far and wide and is leading to catastrophic consequences. The epicenter of the pandemic has moved from high-income countries of the EU and North America to the middle-income ones in the Americas even as large populous regions like South Asia are eventually going to face a huge burden of the disease with several countries in Asia-Pacific are already

dealing with the 'second wave'. However, some lessons from Asia and Europe offer hope that the pandemic can be somewhat managed until the time an effective vaccine is made available.

Till date, the single most important merit, as well as perceived achievement of the Agenda 2030/SDGs, has been widespread recognition and acceptance of integrated approaches/ composite reporting on localisation of SDGs across many countries. But with COVID-19 integrated approaches may no longer be a careful policy choice as countries struggle to come out of the jeopardy. Therefore, understanding of the SDGs and their implementation has to be revisited in light of COVID-19. The reasons are obvious. The SDGs beyond localisation remains a universal mandate on resource mobilisation, minimising inequalities and climate action. The

RIS *Policy Briefs* are prepared on specific policy issues for the policymakers.

This Policy Brief has been prepared by Dr Sabyasachi Saha, Assistant Professor, RIS and Prativa Shaw, Research Assistant, RIS. The authors acknowledge the comments and encouragement received from Prof. Sachin Chaturvedi, Director General, RIS.



international community is broken and collective resolve for cooperation, however modest, looks uncertain and perhaps shattered till the time the world heals itself of the disease as well as the trauma. A weakened collective resolve at the global level will demoralise national efforts as well. Economic recession is unfolding with immense severity; this may permanently alter terms of global engagement. There are apprehensions that in the ensuing period rising political differences among countries would further weaken joint action for economic recovery. The feasibility of *building back better* is therefore contingent on several known and unknown factors.

Country led initiatives on SDGs, that were modestly initiated, may still survive, but the perception of priorities would change and allocation of resources would be reworked. Lingering effects of the Pandemic would put governments in firefighting mode and strain resources. COVID-19 has exposed vulnerabilities in broad daylight in all countries. The urgency of understanding inclusiveness and resilience in-depth has been reinforced with unprecedented weight that the advocates of SDGs could so far only dream of achieving through outreach and orientation. Fear of the unknown would define policies and strategies henceforth – intelligent but would be on climate change, pandemics, public health, food security coupled with newer and complex relationships between man and technology. But the list could be ever elusive.

Under changed scenarios, the institutional approaches of Agenda 2030 would also have to be modified. While a lot of emphasis was on review

and monitoring, careful interpretation of results from indicator driven reporting mechanisms would be a challenge given the fact that existing divergences in-country contexts would turn sharper. Beyond absolute numbers and averages, relative progress, incremental changes, regional specificities, and the size factor need fuller recognition in all their forms to identify priorities and resource needs. However, the anchors embedded in SDGs in terms of finance and technology as means of implementation are expected to emerge stronger as potential tools irrespective of the context and the country. The mounting challenges facing humanity at large, and the more vulnerable in particular, can be mitigated through resources being made available and technology being used. Resources would need strong commitment and technology would need greater conviction. The next few years would show whether we could get the message right. SDGs may not remain a forceful idea in terms of its comprehensive agenda, but the framework should not be allowed to precipitate, and leadership from platforms beyond the UN, like the G20, would be crucial for mobilising resources and technologies suited to the needs of the countries.

On an optimistic note, some countries have been able to localise the SDGs to a great extent as part of the government policymaking and delivery, and that the message may not fizzle out easily even if there are difficulties in implementation. India is one such example. Therefore, leadership based on performance and commitment should emerge to take forward the Agenda 2030 in the coming decade.

Focus back on Global Poverty

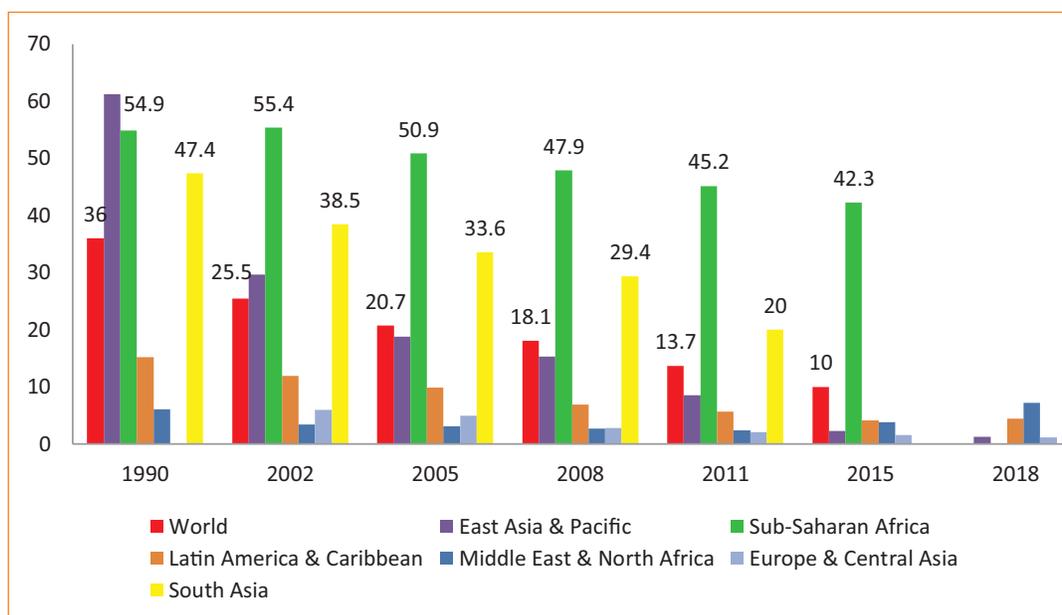
In 1990, well above one third of the world population (around 36 per cent) lived in extreme poverty. The world has achieved marked improvement in poverty eradication, especially after the adoption of the Millennium Development Goals (MDGs – implemented during 2000–2015) that were the first truly global endeavor to strike not only at poverty but also the multidimensionality surrounding it. The MDGs also stand out as the most extensive and relatively successful experiment spearheaded by the UN in the history of global development. However, the MDG outcomes have been uneven across countries and regions and fall in poverty rates has not been uniform. This was definitely because scores of countries failed to catch up economically due to lack of international commitment to help them achieve adequate means in terms of resources and denying them opportunities of greater participation in the dynamic

sectors of the world economy. SDG 1 which extends the MDGs with the aim of zero poverty by 2030 and outlines comprehensive targets on social security with contributing policy support from other interconnected SDGs, faces an uphill task of lowering global inequalities in the first place for an effective outcome on poverty elimination.

The MDG achievement on poverty reduction across regions is presented in Figure 1.

Further, in 2015, equivalent to 10 per cent of the world populations (i.e. 736 million people) were living below the international poverty line set at USD1.90 in 2011 purchasing power parity (PPP). Considering the multidimensional nature of deprivations, once we measure poverty at USD 3.20 as the cut-off, more than one-fourth of the world population and nearly 70 per cent of Sub-Saharan Africa lived in extreme poverty

**Figure 1: Poverty Headcount Ratio at \$1.90 a day (2011 PPP)
(% of the Population)**



Source: World Development Indicators.

**Table 1: Poverty Headcount Ratio at USD3.20 a day (2011 PPP)
(% of Population)**

Region	1990	2005	2008	2011	2012	2013	2015	2018
East Asia & Pacific	85.2	45.1	37.6	26.4	23.5	17.4	12.5	7.6
Europe & Central Asia		11.8	7.5	6.7	6.4	5.9	5.6	4.5
Latin America & Caribbean	29.4	21.3	15.7	13	12	11.3	10.7	10.4
Middle East & North Africa	26.6	18.8	16.7	13.5	13.1	13	15.1	19.8
South Asia	81.7	71.4	67.9	59	56.5	53.9		
Sub-Saharan Africa	75.4	75	72.4	70.4	69.5	68.9	68.1	
World	55.3	42.2	38.4	32.8	31.2	28.9	26.4	

Source: World Development Indicators.

(see table 1). The World Bank suggested that the world would achieve 3 per cent poverty rates by 2030 from 10 per cent in 2015. However, with rising political instabilities across regions and weakening of multilateralism, favorable trends in poverty reduction can no longer be taken for granted.

The realities have changed with the onset of the COVID-19 pandemic. The World Bank (Mahler *et al.*, 2020) has now estimated that due to the pandemic 49 million people may have been pushed into extreme poverty. The study suggests that in India additional 12 million people would fall into ‘extreme poverty’ by the end of this year. A study by UNESCAP-SANEM based on South Asia Computable General Equilibrium (CGE) Model¹ estimates that 132 million people could face extreme poverty (at USD 1.9) in South Asia, the bulk from India, followed by Bangladesh, Pakistan, and Nepal. However, various projections are leading to somewhat disparate estimates even as there is no denial that incidence of extreme poverty would multiply globally with severe consequences for South Asia as well.

Majority of the world population living in extreme poverty lacks social protection and access to public health infrastructure. In 2015 1.23 percent of the world population was potentially pushed below poverty line due to out-of-pocket expenditure with South Asia performing worse than Sub-Saharan Africa (see Table 2). The figure in 2000 was calculated at 2.03 percent for the world. East Asia and Pacific registered significant improvement during this period.

According to the UN SDG Progress Report 2020, in 2016, globally, about 4 billion people (55 per cent) did not have any social protection, and only 22 per cent of the unemployed were covered by unemployment benefits. Estimates from the report suggest that coverage of health services is expected to increase from 39 per cent in 2017 to 63 per cent in 2030 at the global level. Households that were spending more than 10 per cent of their budget on health care services as out-of-the-pocket expenses had increased steadily from 9.4 per cent to 12.7 per cent (927 million people) between 2000 and 2015, which was

projected to reach 12.9 per cent in 2020 equivalent to 1 billion people, globally. The enormity of the crisis surrounding out-of-pocket medical expenses is such that this additional pressure among households shall push close to 90 million² people into extreme poverty with most severe consequences for South Asia and Sub-Saharan Africa.

COVID Crisis and anti-poverty Relief Measures: Case of India

In these difficult times, India with the second largest population and with a per capita GDP of USD 2169 tried to cope with the massive economic fallout and health crisis of the pandemic. The priority has been on cushioning the effects of loss in income in the urban informal sector; the disruption of employment opportunities for daily, casual and migrant labourers; supporting the rural economy; ensuring food security for the low income and vulnerable groups and at the same time ensuring their entitlement to healthcare beyond COVID. In terms of the number of beneficiaries, India has been successfully running some of the world's largest financial inclusion, social security, job guarantee, food security and

health insurance programmes, the scale and scope of such programmes going up manifold in recent years.

The inclusion of digital technologies in the process of financial inclusion for targeting beneficiaries and connecting all stakeholders has ensured enhanced efficiency and success of such programmes. India has leveraged these programmes in recent months to reach the low income and vulnerable groups for cash transfers, distribution of food grains, etc. The governance and digital infrastructure created in these domains have paid off significantly. However, policymakers should be alert of the possibility that, COVID-19 induced shock would have several waves and prolonged consequences; and hence continuous and enhanced resource flows through these channels would be required to ward-off extreme outcomes.

These policies would remain key weapons in India's fight against poverty in the near term. We discuss in brief how four major policy interventions are being leveraged as part of India's strategy to cushion India's vulnerable population against the economic impact of the COVID crisis.

² Progress towards the Sustainable Development Goals, Report of the Secretary-General, 25 July 2019 - 22 July 2020.

Table 2: Proportion of the population pushed below USD 1.90 (\$ 2011 PPP) poverty line by out-of-pocket health care expenditure (%)

Region	2000	2005	2010	2015
World	2.03	1.80	1.50	1.23
East Asia & Pacific	2.16	1.79	1.32	0.82
Sub-Saharan Africa	3.24	1.38	1.64	1.50
North America	0.01	0.00	0.00	0.00
Latin America & Caribbean	0.64	0.69	0.52	0.23
Middle East & North Africa	0.61	0.55	0.26	0.17
Europe & Central Asia	0.23	0.10	0.09	0.05
South Asia	3.69	4.08	3.39	3.06

Source: World Development Indicators.

³ Ministry of Finance, Government of India

⁴ The food is distributed through 0.54 million fair price shops all over the country with a subsidised rate of less than one-tenth of the total economic cost of the government. The huge quantum of food supply was kept operational during the nationwide lockdown, with maximum freight movement by the Indian Railways.

- *Financial Inclusion and Social Security:* Pradhan Mantri Jan-Dhan Yojana (PMJDY) which is one of the largest flagship initiative of the Government of India to provide bank accounts to citizens, as on 1st April 2020, had over 381 million bank accounts opened of which 203 million were for women account holders. PMJDY ensures access to a range of financial services including banking, credit, insurance, and pension and other direct benefit transfers as part of the welfare schemes from the central and state governments. During COVID-19 induced lockdown phase the Government of India has given cash relief of Rs. 500 for 3 months to 200 million women Jan Dhan account holders. Through this mechanism the Government of India has successfully deposited³ Rs. 282.56 billion to 317.7 million bank accounts as part of COVID relief. However, there are concerns that some sections of the vulnerable population may still remain out of reach due to a variety of pre-existing factors.
- *Food Security:* India's National Food Security Act (NFSA), 2013 translates as one of the largest food security programmes, which ensures affordable access as a legal entitlement covering around 813 million people (i.e. almost two-thirds of India's population). Around 97.6 per cent of beneficiaries were recorded under NFSA in 2018-19. Through the Antyodaya Anna Yojana India tried to reach 25 million households from economically weaker sections who are entitled to 35 kilograms of

food grain per household per month and other priority categories who receive additional 5 kilograms of food grain per person per month. The central government announced free provision of 5 kilogram wheat/ rice and one kilogram of pulses till November 2020 to address the consequences of the COVID crises. India launched the 'One Nation One Card' scheme in 2020 to overcome entitlement related gaps due to domicile status among migrant populations spread across the country. At present, 234 million ration cards are digitised.⁴ Additionally, 85 million farmers get direct benefit support of Rupees 6000 annually under Prime Minister-Kisan Samman Nidhi. Further, to catalyze the post harvesting infrastructure management system during COVID, a new scheme has been launched with capital outlay of Rupees 1 lakh crore (USD 13.34 billion) as agriculture infrastructure funds.

- *Employment Guarantee:* The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) provides livelihood security to rural population across the country through 100 days of guaranteed wage-employment per household in a year primarily towards asset building for public use. So far, 136 million job cards have been issued, out of which 54 per cent were for women. In the FY 2019-20, MGNREGA generated 2.64 billion person-days of employment, with an increment of 12 per cent against 2.36 billion person-days generated in FY

2016-17.⁵ Recent estimates suggest that 0.65 million new workers may be demanding work under MGNREGA due to extended lockdown coupled with reverse migration of workers. To meet this increased demand, the central government has identified 116 districts in the country that received most of the migrant workers. Media reports indicate that out of these 12 districts have exceeded their annual targets of job creation reflecting the surge of employment demand in this period.⁶ An additional economic package of USD 5.33 billion (Rs. 400 billion) has been allocated to tackle the job crisis among migrants in the wake of COVID-19.

- *Health Insurance:* The Ayushman Bharat scheme is one of the world's largest government funded health insurance schemes with the aspiration of universal health coverage. The scheme provides health insurance to 500 million people. The scheme is meant for reducing catastrophic implications of out-of-pocket expenditure on health. The two levers of this policy are: transforming primary healthcare and a significantly larger component of health assurance coverage for secondary/tertiary healthcare (Pradhan Mantri Jan Arogya Yojana or PM-JAY).⁷ In the first year since its launch in 2018, PM-JAY achieved 4.64 million hospital treatments. As of July 18, 2020, the total number of e-card issued is more than 70.8 million with a total claim of Rupees 75.64 billion (USD 1 billion). Given that health is a State subject in India, States have been instructed by the Government

at the Centre to utilize Ayushman Bharat for the fight against COVID pandemic with inclusion of free testing and treatment of COVID positive patients.

SDGs for post-COVID Resilience

The biggest lesson from the pandemic is that the challenges facing humanity are not restricted to political jurisdictions. The spirit of SDGs if retained, we can hope to make some progress in facing such challenges collectively. Poverty is one such area, which remains the crudest manifestation of global inequalities. In post-COVID, aggravated poverty, unpredictable employment shocks, widespread informality would be a reality that would challenge economic policymaking in the near to medium term. While quick solutions to the employment situation and disruptions in the labour market may not be available, slippage into deeper income and multidimensional poverty for a large section of the population would be sudden. In such a scenario, enhanced social security would be the only viable policy choice. The SDGs/ Agenda 2030, despite seriously lacking in terms of effective transformative tools for ushering equity, by design is meant to bring in better governance, alignment and integration so that multidimensional deprivations are not lost sight of.

The pandemic has the potential to reverse gains made during the SDG implementation phase since 2016, across parameters like global poverty, maternal and child mortality, access to electricity, alignment of national sustainable development policies and progress made under international agreements

⁵ India's VNR 2020

⁶ Indian Express (2020)

⁷ "Ayushman Bharat PM-JAY is the largest health assurance scheme in the world which aims to cover 107.4 million poor and vulnerable families that form the bottom 40 per cent of the Indian population. The households included are based on the deprivation and occupational criteria of Socio-Economic Caste Census 2011 (SECC 2011) for rural and urban areas respectively." Source: <https://pmjay.gov.in/about/pmjay>

for environmental protection.⁸ Sadly, however, progress on SDG 2 (Hunger), SDG 10 (Inequalities), and SDG 13 (Climate Change) were stalled or reversed until the end of 2019. Globally, public health infrastructure gaps are huge. In 2017, less than half of the global population was covered by essential medical services.⁹ In this context, we must note that SDGs are not meant for VNRs alone. Data should be locally generated and used for better preparedness, nationally appreciated for appropriate policies and widely accessible. While the world travels this unplanned detour through wilderness, SDGs at the end of the decade (of action!) in 2030 should at least score well in terms of reducing vulnerabilities. There could still be many people who are left behind but they should be less vulnerable to any disaster or shock, manmade or natural. To begin with, in the short run, SDGs should encourage global cooperation for a coordinated plan for economic recovery and protection of jobs. Countries alone cannot manage demand and supply shocks of such magnitude. However, despite uncertain

prospects, in the medium-term and long term, SDGs remain the only available opportunity to re-imagine rule making not only for sustainability, but under today's realities even more importantly for global resilience.

Reference

- Government of India. 2020. India VNR 2020 Decade of Action Taking SDGs from Global to Local. NITI Aayog
- Mahler, D. G., Lakner, C., Aguilar, R. C., & Wu, H. 2020. The impact of COVID-19 (Coronavirus) on global poverty: Why Sub-Saharan Africa might be the region hardest hit. World Bank Blog, April, 20.
- World Bank. 2020. COVID-19 Crisis Through a Migration Lens. Migration and Development Brief, no. 32;. World Bank, Washington, DC. © World Bank. <https://openknowledge.worldbank.org/handle/10986/33634> License: CC BY 3.0 IGO.
- Sharma.H. 2020. Rise in work demand: 12 districts shoot past whole fiscal's NREGA work generation budget in under 4 months' *The Indian Express*. July 26.
- UNESCAP. 2020. COVID-19 and South Asia: National Strategies and Sub-regional Cooperation for Accelerating Inclusive, Sustainable and Resilient Recovery.
- United Nation. 2020. Progress towards the Sustainable Development Goals Report of the Secretary-General. High Level Political Forum, New York.

— Policy research to shape the international development agenda —

RIS Reports, Discussion Papers, Policy Briefs, New Asia Monitor, Occasional Papers and RIS Diary are available at RIS
Website: www.ris.org.in



RIS

Research and Information System
for Developing Countries

विकासशील देशों की अनुसंधान एवं सूचना प्रणाली

Core IV-B, Fourth Floor
India Habitat Centre
Lodhi Road, New Delhi-110 003, India.
Ph. 91-11-24682177-80
Fax: 91-11-24682173-74-75
Email: dgoffice@ris.org.in
Website: www.ris.org.in