

UNECE Workshop on Harmonization of Poverty Statistics to Measure SDG 1 and 10

30 November 2021



UNDP COVID-19 Socio-Economic Impact Assessments



Summary of SEIAs in ECIS region

Evidence-based response, based on SEIA

1  **HEALTH FIRST:**
Protecting health services and systems during the crisis

2  **PROTECTING PEOPLE:**
Social protection and basic services

3  **ECONOMIC RECOVERY:**
Protecting jobs, small and medium-sized enterprises, and the most vulnerable productive actors

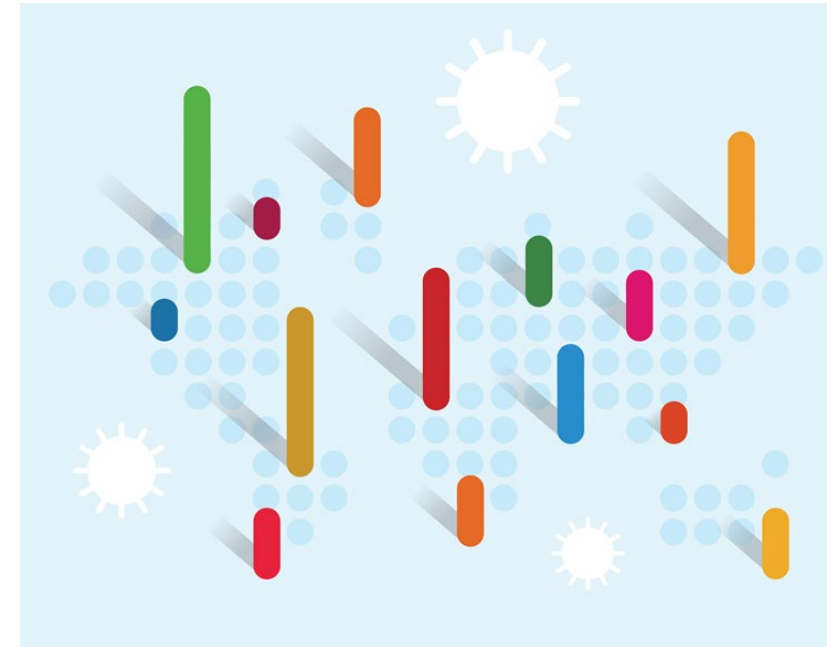
4  **MACROECONOMIC RESPONSE AND MULTILATERAL COLLABORATION**

5  **SOCIAL COHESION AND COMMUNITY RESILIENCE**

Country/territory	Socio-economic impact assessment	SE Response Plan	Country/territory	Socio-economic impact assessment	SE Response Plan
Albania	**	✓	Moldova	✓	✓
Armenia	✓	✓	Montenegro	✓	✓
Azerbaijan	✓	✓	North Macedonia	✓	✓
Belarus	✓	✓	Serbia	✓	✓
BiH	✓	✓	Tajikistan	✓	✓
Georgia	**	✓	Turkey	✓	✓
Kazakhstan	✓	✓	Turkmenistan		✓
Kosovo*	✓	✓	Ukraine	✓	✓
Kyrgyzstan	✓	✓	Uzbekistan	✓	✓

Methodologies for the SE assessments

- **Different context specific approaches**
 - 13 countries **primary data gathering**, 2 countries used **secondary data** only
 - Secondary data collection included high-frequency data, statistics, desk review.
 - Primary data collection focused mostly on vulnerable groups/vulnerability and MSMEs
- Focus on **economy, business, and wellbeing impact**
 - All **13** countries have conducted **MSME surveys**
 - **9** countries also conducted **Household Surveys**
 - **Uzbekistan** conducted municipal (*mahalla*) survey
- **Sensemaking** through combing evidence
 - **Qualitative** studies: expert interviews, micronarratives.
 - Using **Big Data** to sense Covid19 context. (Telecom, satellite)
- **Partnership**
 - SEIA one in close **collaboration** with UNCT and RCO
 - Often with the involvement of other IOs/IFIs
 - Involvement of private sector and associations (AmChamber in Moldova, B4G in Turkey)



Issues emerging from SEIAs



- Differentiated impact on countries: varying case numbers and impact of the pandemic, but all countries are dealing with the intense socio-economic impacts due to supply and demand shocks.
- Similarities in the types of impacts but varying degrees of intensity dependent on different vulnerabilities, e.g. economic structure, viability of social systems, etc.
 - Macro-economic vulnerabilities
 - Household and individual level
 - Micro, small and medium enterprises
 - Social protection systems

Macro-economic vulnerabilities



- Exposure to both external (decline of export and remittances, oil priced) and internal (lockdowns) shocks, in various degrees
- Significant declines in GDP in 2020 and major shocks affecting aggregate supply and demand.
- **Macro-economic vulnerabilities leading to micro-economic impacts** at individual, household and SME level including:
 - Demand: falls in remittance inflows; falls in the incomes of many households during the lockdown period; reduction in demand – tourism, hospitality and services sectors; border closures and inability to operate; increasing HH costs for food and services.
 - Supply: temporary border closures affecting supply/value chains, and movement of people; slump in commodity prices; currency depreciation - raises the costs of imports and increases financial risks and debt servicing costs; fixed costs and weaknesses in micro and small enterprises
- These macro-economic vulnerabilities vary across countries. For example, commodity dependent countries face double shock of lower prices for oil and gas.
- Combined with continuing waves of the infection places higher levels of uncertainty and increasing burdens on public policy and recovery settings – debt and fiscal space.
- Socio-economic impact assessments are highlighting **disproportionate impacts** on vulnerable groups/HHs, smaller enterprises and uneven geographic distribution (urban/rural).

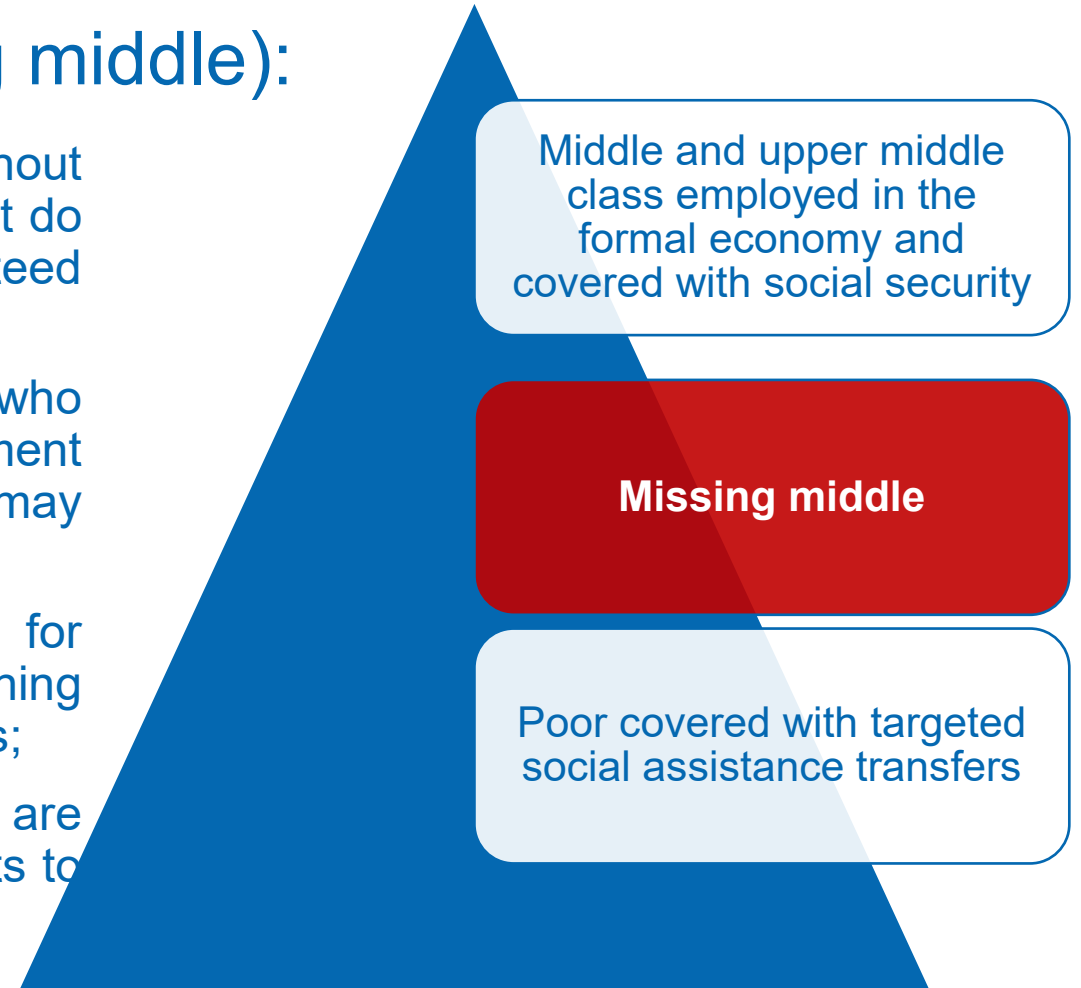
Household and individual level



- **Development gains are unwinding:** the agency of poverty and rising inequality:
 - From an income perspective; increasing unemployment and underemployment (approx. 10% higher in urban areas)
 - Reduced income and increasing costs of food supplies, health costs, utilities eroding savings.
 - Majority of HH between 1-3 months savings
 - While men may make up a larger percentage of the workforce, women are being disproportionately affected in the labor market
 - Multi-dimensional perspectives especially long-term education and health impacts.
 - Gender impacts disproportionately affecting women and girls e.g. unpaid care work, school closures, GBV.
 - Inequalities rising in different groups: entrepreneurs, migrant labor and informal workers. Youth and women seem to be bearing greater impacts.
 - Short-term pain is sensible, long-term damage yet to come—schools closure and ineffective distant learning impact long-term perspectives of children and exacerbate inequalities

Social protection systems

- Time to rethink social protection systems which cover the new classes of vulnerability (the missing middle):
- **FORMERLY NON-POOR INFORMAL WORKERS** without basic security who have lost any possibility to earn, but do not meet property or other criteria for the guaranteed minimum income;
- **OCCASIONAL AND GIG WORKERS**, poor people who receive the guaranteed minimum income, but augment their income through occasional work—which now may also be lost;
- **LONG-TERM UNEMPLOYED** who lost the eligibility for accessing unemployment benefits and with diminishing possibilities of finding a job as unemployment increases;
- **LABOUR MIGRANTS, SEASONAL WORKERS**, who are unable, or will face great difficulties and increased costs to move across borders and to earn money abroad.



Conclusions emerging from SEIA



- If economies are to restart or move out of lockdown with confidence and provide some economic rebound, the role of **health governance** will need significant support even with a vaccine in the future.
- Deepening poverty and inequality are exposing weaknesses in governments services and causing rapid reforms or new forms of support to be developed. **Long-term human development trends are being reversed** and social services and justice coming under increasing pressure, in turn potentially affecting social cohesion.
- **Vulnerabilities in economic models** and high levels of informality are highlighting vulnerable SMEs and sectors and returning to pre-existing conditions is increasingly unlikely. New forms of stimulus and economic conditions may be needed to assist rebounds in 2021
- Debt levels and financial conditions remain long-term factors to be addressed.
- **Digital future:** digitalization and digital infrastructure

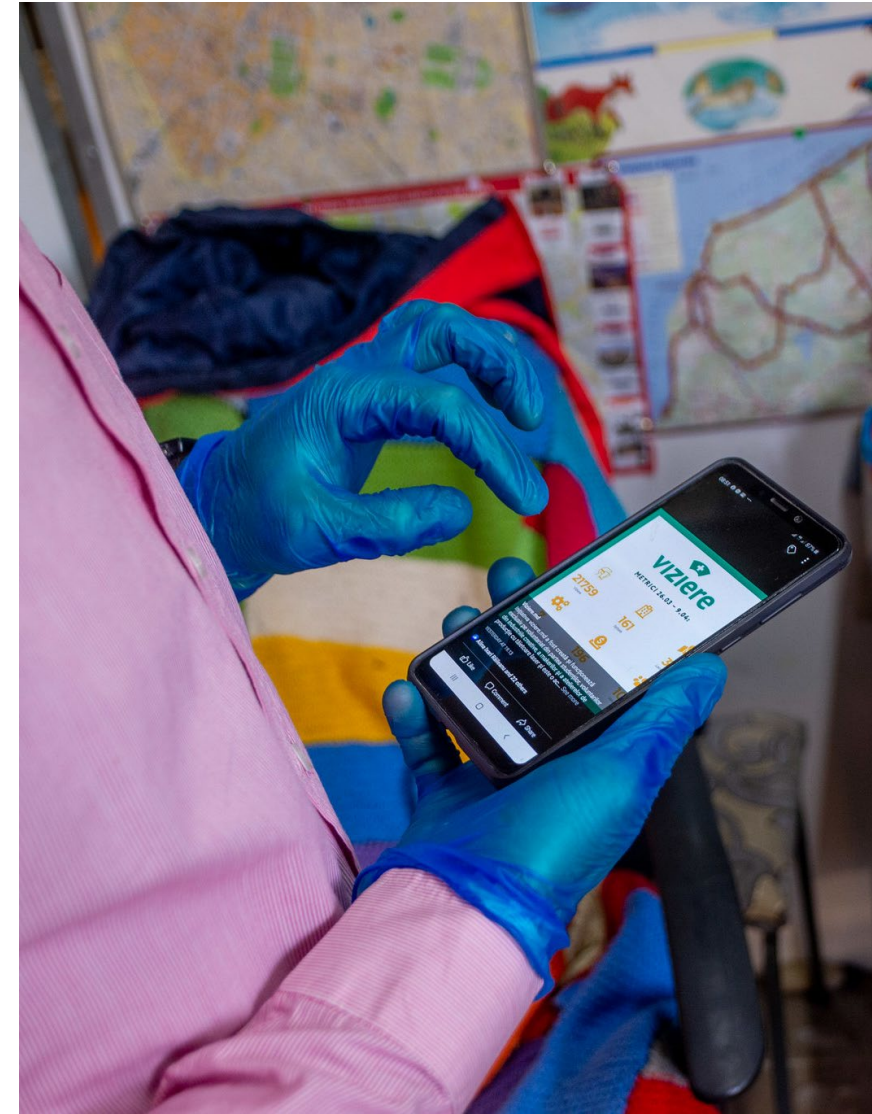
SEIA Challenges

- Doing **primary data collection** right—research methodology, questionnaire design, sampling, targeting vulnerable groups, timing, fieldwork constraints.
- **Data comparability**—possibility of cross-country, regional aggregation, time-series
- **Data sharing** by gov't partners and big data providers



SEIA Best practices

- **Digital SEIA** — KoBo Toolbox is crucial to speed up data processing
- Innovative **Big Data** use — satellite data for mobility and impact on agriculture; Telecom data for human mobility during Covid 19; power use data
- Combining with **Thick data** (Micronarratives) for sense making
- Analysis on **different levels** — country, community (*mahalla* survey), family.
- In-house training and UNDP capacity building on **data product chain** — data collection, processing and use
- Use of **existing high-frequency data** for early warning



SEIA Lessons learnt

- Digital survey tool the online **KoBo Toolbox** offers a great possibility to speed up data collection and processing. It establishes a digital pipeline for data processing.
- Sampling and questionnaires could and should be **standardized** to extent possible. This would promote cross-country learning as well as improve regional comparability of data.
- Previous SEIA research hypotheses would benefit from refinement based on emerging evidence (i.e. measuring digital divide in 2020).
- Making use of **existing high-frequency data**. This requires continues efforts to set up and maintain datasets.
- **Collaboration for data use** requires putting together teams with digital and substantive skills





Thank you