Social Costs of the COVID-19 Pandemic

Background paper 9
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The views expressed are those of the authors and do not necessarily reflect the views of the Independent Panel for Pandemic Preparedness and Response.
Key Messages

The COVID-19 pandemic has resulted in massive loss of life and an unprecedented economic crisis, with far-reaching social impacts: increased poverty and inequality, loss of livelihoods, educational losses and greater gender vulnerabilities, including higher levels of gender-based violence.

The social impacts of the pandemic will hit where vulnerabilities and inequalities are greatest. Countries will face different challenges and their capacities will determine their roads to recovery.

Pre-existing inequalities in socio-economic status have made the hardship of the pandemic more critical for certain populations, increasing their risk of infection, as well as limiting their means to navigate restrictions imposed.

The international system is in a unique position to accompany countries in shaping their recovery paths, helping them understand emerging challenges.

The pandemic also offers opportunities to rethink growth and development in a more integrated manner, ensuring that, as economies are rebuilt, they are stronger, more inclusive and greener.
1. Introduction
The Independent Panel for Pandemic Preparedness and Response commissioned a background paper to guide discussions and inform recommendations on the wider impacts of the Covid-19 pandemic. This background paper focuses on some of the most pressing social dimensions, beyond the direct health effects. It draws primarily on and synthesises information and analysis from key multilateral institutions, including the World Bank, IMF, ILO, UNDP, UNICEF and UNESCO, regional development banks and global think tanks, such as the OECD.

To contain the spread of the virus, governments have implemented a range of mitigating measures – social distancing, locking down economic activity, school closures and travel restrictions. These measures are having a substantial impact on individual well-being, in addition to the already extensive direct health impacts. Around the world, people have had to adjust to these new circumstances, some of which will last beyond the immediate health emergency. Prioritising and redirecting resources, public and private, will be a hard task given the breadth and spread of the pandemic’s impact across the social and economic spectrum. The pandemic has disrupted the way we live, work and interact with others, whether loved ones or complete strangers.

Beyond the health effects of the pandemic, the reduction in economic activity has resulted in a fall in employment and income and a rise in poverty and inequality. This will have a long-lasting impact beyond the immediate health consequences and containment measures. The effects on education have been devastating. A recent World Bank Report finds that Covid-related school closures risk pushing an additional 72 million primary school age children into learning poverty, unable to read or understand a simple text by the age of 10 (World Bank, 2020f). Although we are yet to learn about the full extent of this disparity, evidence already shows women and girls across the world are disproportionately being impacted by the pandemic (ILO, 2020d; Alon, et al., 2020a, b; Russell and Sun, 2020), adding to the already existing gender disparities and rising cases of violence against women (UN Women, 2020; CIDH/IACHR, 2020). People’s circumstances, family configurations, the sectors in which they work and the social environments in which they live shape their ability to adapt, resulting in wide variations in impact between socio-economic groups and across countries.

While the pandemic has struck every country, some are better positioned to help their economies and populations. However, financing flows¹ not been directed to countries with the greatest Covid-19-induced poverty impacts (Centre for Disaster Protection, 2020). The countries that have received more funding tend to have high levels of per capita GDP, and acute income losses are unlikely to drive increases in poverty levels. Thus, managing the global economic fallout needs to also address increases

¹ The Center For Disaster Protection tracks lending from the IMF, WB Group, and Regional Banks, humanitarian assistance provided through the UN; and G20 commitments to bilateral debt relief (Center For Disaster Protection, 2020).
in poverty levels. Competing resources and limited fiscal space implies prioritizing responses. Redirecting resources for activating the economy is necessary, but this often means that people who were already in situations of vulnerability will be hit the hardest and are the ones in greater need. As Shabia Mantoo, spokesperson at UNHCR, put it, “no one is protected unless everyone is protected” (in DEVEX, 2021).

The paper is in three main sections: 1) Context and background data; 2) Analysis of the consequences of the pandemic on selected social dimensions; and 3) Building back through integrated and resilient systems. The analysis highlights regional differences and specific country or regional examples to illustrate the issues in the social dimensions discussed in this paper. The social dimensions of Covid-19 impacts that this background paper covers are: income losses and poverty levels; the labour market; education and gender dimensions. For many people across age groups, backgrounds and geographies the pandemic has compounded other dimensions of vulnerability, making the challenges of navigating the pandemic more acute. These overlapping vulnerabilities are highlighted throughout the paper.

2. Context and background data
Beyond its health impacts, the Covid-19 pandemic has highlighted serious challenges in individual livelihoods. Some of the socio-economic effects are already apparent, and past experience can help in anticipating further effects, even if evidence on the extent of the pandemic’s impact is still being collected and analysed. As early as June 2020, the World Bank warned that the pandemic would trigger the deepest global recession since the Second World War (World Bank, 2020b: vi).

This emergency will have an impact on the size of economies, and will take a toll on their capacity to grow after the shock has passed. The inequalities that will result from this shock should also be a primary focus of the analysis and response, as they greatly interact with, and in most cases exacerbate, the vulnerabilities of some groups more than others. ‘People in the informal markets, small and micro entrepreneurs, women in precarious employment conditions, historically excluded groups, such as indigenous and afro-descendants, must be at the center of the response’ (López-Calva and Meléndez, 2020: 6).

The depth and breadth of this pandemic is the worst we have seen in decades. Globally, the WHO reports that, as of 10 March 2021, there have been over 117 million confirmed cases, including the around 2.6 million deaths. However, the pandemic has behaved very differently across regions, hitting developed countries particularly hard, not just in number of cases per 100,000 inhabitants, but also in number of deaths, as shown in Figure 1 and 2. These two figures provide a broad visual snapshot to grasp the depth and breadth of the current pandemic. While there are visible regional differences, it is difficult to think that not everyone has been affected, not only in the short run while the pandemic is

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2 Numbers are rounded with data from March 10th, 2021: https://covid19.who.int/.
contained, but economic and social impacts that will have deep impacts in populations and their livelihoods.

**Figure 1:** Number of Covid-19 cases per 100,000 inhabitants

Source: https://covid19.who.int/

**Figure 2:** Number of Covid-19-related deaths per 100,000 inhabitants

Source: https://covid19.who.int/
The pandemic is exceptional in its depth and breadth, and countries face familiar trade-offs in planning their response, selecting between support and incentives, generosity, and fiscal sustainability (OECD, 2020d). Strained fiscal spaces and a focus on self-recovery may reduce flows of international aid to those most in need. Solidarity runs short when impacts are so widespread, but if aid does not reach the most vulnerable, impacts will be deeper, and recovery is likely to take longer. State capacity has been put to test in many fronts. Fiscal constraints, operational challenges to reach affected populations, as well as the trust in the authorities have affected the capacity to enforce containment measures. For example, the lack of information, the limited or inadequate social protection registries and the difficulties identifying people outside the formal social protection system (i.e., the self-employed and those in the informal economy) have all been a barrier to extending mitigating measures and programmes to populations in need (López-Calva and Meléndez, 2020; Gentilini et al., 2020; OECD, 2020a; Archibald et al., 2020b).

While all countries are having to face some of the same challenges due to the pandemic, the variations in state capacity are considerable. State capacity not just affects the extent and ability to sustain containment measures in the short-term but will be crucial for the recovery and mitigation of the severe long-term social impacts of the pandemic. However, international financing resources have tended to flow towards those countries that have suffered the highest impact in terms of cases, deaths, and economic impacts, and not towards those countries that will struggle the most during the recovery phase.

The global emergency will not be over until the majority of the global population in every corner of the globe is vaccinated. So far, close to 270 million doses of the Covid-19 vaccine have been administered, but we are a long way from universal access. The unequal allocation of vaccines between countries and regions is still a major challenge. “Billions of individuals around the world might not have access to COVID-19 vaccines in 2021, which could prolong the pandemic and raise the risk of further mutations of the virus emerging, possibly undermining the efficacy of existing vaccines” (Wouters et al., 2020: 1027-1028). While the international community has created a global allocation mechanism called the COVAX model, it needs substantial funding to purchase vaccines. A greater threat to equitable allocation comes from national procurement strategies (primarily from high-income countries) that might leave COVAX with inadequate supply (ibid).

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3 Of the cash transfer programmes implemented in Latin America and the Caribbean in response to the pandemic, 81% used pre-existing information to register and select beneficiaries, and 73% to route the payments (Cejudo et al., 2020).
4 For more detail (Center For Disaster Protection, 2020): https://static1.squarespace.com/static/5c9d3c35ab1a62515124d7e9/t/5f730f543a0ad95f91bdf392/1601376137970/covid19%2Bfinancial%2Btracking%2BSeptember%2B%2BFINAL.pdf
5 Numbers are rounded with data from March 10th, 2021: https://covid19.who.int/.
6 “As of February, 2021, governments and other partners have committed around $4 billion in funding for COVAX, but Gavi and WHO estimate that a further $6-8 billion will be needed for COVAX to procure and deliver at least 2 billion doses by the end of 2021.” (Wouters et al., 2020:1028)
Social protection systems have played an important role in reaching vulnerable populations, including through cash transfers and social insurance, and have been instrumental in improving the health and livelihoods of the people they cover (Cecchini and Soares, 2015; Cejudo et al., 2020). Countries with more developed social protection systems (either social assistance or social security) could reach those registered faster in initial phases of the response, as they had better information and means for reaching their beneficiaries. In most countries, pandemic-affected people extend far beyond the coverage of existing social registries, which has raised important challenges. New and non-traditional approaches for identification and registration of pandemic-affected populations have been used, though these may raise new concerns over privacy laws and consent (e.g., mobile phone data for geographical targeting or behavioural information).7 Furthermore, the pandemic has accelerated the use and penetration of alternative payment methods. Digital account-based models, electronic money and non-account digital payments have gained momentum, particularly in contexts where guaranteeing liquidity and avoiding concentration in cash-out venues is difficult. Payment service providers (PSPs) include ‘banks (Brazil); mobile phone operators, electronic money providers (Jordan); e-wallets (Namibia and Togo); financial inclusion agents (India); blend configurations (Colombia, Bangladesh); points of sale, and Unique-Code based payments in non-account schemes (Guatemala and Peru) ... [Across options], remote onboarding, simplified customer due diligence, increased transaction limits, and interoperability all helped enhance the speed and inclusiveness of cash transfer payments globally (Gentilini, 2020: 18).

Around the world, 61% of mitigation measures have been in the form of social assistance, 24% social insurance and 14% labour market measures. Wealthier nations tend to rely less on social assistance (48%) and implement more social insurance and labour market measures (30% and 22% respectively). In low-income countries, the figures are 88% for social assistance, 8% for social insurance and 4% for labour market measures (Gentilini et al., 2020: 3). Cash transfer programmes have largely been a secondary measure, but in countries with large informal sectors, such as in Latin America and the Caribbean, cash has been an extensively used means of intervention (Cecchini and Soares, 2015). However, uptake has been slow in low-income countries (Jerving, 2020).

Many countries utilised existing social assistance programmes to roll out mitigation measures to respond to Covid-19,8 and several reports have suggested that, if countries had had better social protection systems pre-pandemic, they would have been able to respond and deliver aid more swiftly (Archibald et al., 2020b; López-Calva and Meléndez, 2020; OECD, 2020a; Rutkowski, 2020a; b), extending coverage or using established delivery mechanisms and institutional resources (see Box 1). Conversely, ‘[r]egions with more advanced social insurance systems were able to draw heavily on those mechanisms in response to COVID-19’ (Archibald et al., 2020b:10).

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7 For more detail on the use of digital technology in social assistance, refer to Gelb and Mukherjee (2020).
8 Gentilini et al. (2020) provide an extensive compilation of efforts and measures across countries.
Good social protection systems will also be important for the recovery phase and beyond. While the horizontal expansion of social assistance in response to Covid-19 has reduced some of the gaps in coverage, many of these measures are temporary, and many of the newly poor and/or vulnerable are still excluded (Archibald et al., 2020b: 9). To cope with the current crisis, the recovery and to deal with future pandemics, more comprehensive, resilient, adaptive and inclusive social protection systems are needed (ibid.). There is enormous variation not just in the evolution of the disease, but in what countries have done to address the health and socio-economic impacts (Gentilini et al., 2020). This level of heterogeneity will be important to understand how different measures and responses have and will lead to different results in the medium and long-term. Having more information and evidence can help countries and the international system with tools to better prepare in the case of a new crisis.

3. The social effects of the pandemic

3.1 Income loss and poverty

World poverty had been steadily falling for almost a generation. Covid-19 will set us back at least three to five years in these efforts (World Bank, 2020a). While estimates of the impact of Covid-19 on global poverty continue to be adjusted and estimated as the crisis unfolds, the World Bank (ibid.) suggests that it is likely to have pushed between 88 million and 115 million people into extreme poverty — those living below $1.90 a day — in 2020, rising to 150 million by 2021, depending on the severity of the crisis. Figure 3 shows the regional distribution of Covid-19-induced poverty. These impact estimates are based on growth contraction projections in 2020 of 5% (baseline scenario) and 8% (downside scenario). South Asia is the region which will experience the greatest absolute numbers of increases in poverty in all three poverty lines — mostly showing the effect of India due to the size of its population — with higher concentration in the 3.2 dollars per day poverty line. Except for Sub-Saharan Africa, the rest of the regions show an increasing number of people as the poverty line increases. In Latin America and Asia Pacific, it is those within the 5.5 dollars per day threshold which concentrate a higher number of the new poor. To a much lesser extent, Europe is experiencing the same pattern.

These scenarios raise important challenges, as they not only affect short-term options and decisions to cope with such a shock, but also because they have long-lasting consequences in crucial dimensions such as education, nutrition, health, and work, which affect the prospects of peoples’ livelihoods. UNDP estimates that the impact of the crisis on health, education and income will be equivalent to a loss of six years of gains in the Human Development Index (López-Calva and Meléndez, 2020).

Figure 3: Regional distribution of Covid-19-induced poor, 2020 (millions)

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9 Some estimations forecast even more severe economic contractions. For example, estimates in Latin America range between 9.1 (IMF) and 9.4 (ECLAC) percentage points (in Lustig et al., 2020: 43).
The World Bank (2020a) estimates that a considerable proportion of the world’s new poor due to Covid-19 will be living in middle-income countries (India and Nigeria will most likely head that list). The new poor are more likely to live in urban areas, in homes with better access to infrastructure, and with more basic assets than the chronic poor (ibid.). As portrayed in Table 1, compared to the chronic poor, the new poor who are over 15 years of age are more likely to be paid employees and work in non-agriculture jobs (manufacturing, services, commerce). They also tend to be better educated than the chronic poor, but significantly less than the non-poor.

Table 1 Profile of new and existing poor by type of employment

<table>
<thead>
<tr>
<th>Type of employment</th>
<th>Poverty status in 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paid employee</td>
<td>17.05</td>
</tr>
<tr>
<td>Unpaid employee/family worker</td>
<td>27.45</td>
</tr>
<tr>
<td>Employer</td>
<td>5.77</td>
</tr>
<tr>
<td>Self-employed</td>
<td>45.57</td>
</tr>
<tr>
<td>Other (non-classifiable)</td>
<td>4.17</td>
</tr>
</tbody>
</table>

Source: Nguyen et al. (2020)

The pandemic is also having an impact on inequality. For the past two decades, reducing inequality has proven difficult, and progress has been slow (the GINI coefficient declined on average only gradually from 44 to 41 during this period (WEO, 2020: 34). This situation may be hardened in current pandemic trends. For some countries, the hardships imposed by the current pandemic will compound with pre-
existing inequalities, representing important challenges for recovery. Before the pandemic, in emerging market and developing economies the total income of the top 10 percent earners was on average twice as large (100% more) as the total income of the bottom 40 percent, compared to an average of only a quarter (25% more) distance between these two groups in advanced economies (ibid).

However, the situation in this pandemic has not only affected those at the bottom of the distribution, but also other segments of the income distribution. While some studies suggest that job losses and business closures are higher at the lower end of the income distribution (Bottan et al., 2020), others have found indications that income losses have been greater in the middle of the income distribution (Lustig et al., 2020). Lustig et al. (2020) suggest that one explanation for this finding is that, in some cases, social assistance was reaching people at the bottom of the distribution. Countries that have been able to substantially expand existing social assistance programmes (e.g. Brazil) or create new ones (e.g. Argentina) will be better equipped to offset a significant share of the poverty caused by the pandemic (Lustig et al., 2020: 42–43). Finally, the poverty offsetting effects of the extension of social assistance programmes will be greater for populations in situations of vulnerability prior to the pandemic (ibid.: 44–46).

Real-time information is urgently needed on the socio-economic impact of the pandemic. To monitor the impacts on household welfare, the World Bank, in collaboration with national institutions, has implemented a series of rapid-response, high-frequency phone surveys. Results from these surveys are starting to produce useful preliminary information about the impacts and coping mechanisms people have resorted to in response to the pandemic:

- In Ethiopia, Indonesia and Papua New Guinea, rates of job loss among middle- and high-income earners appear to be similar to or higher than for the bottom 40% of the income distribution. In contrast, Cambodia seems to be experiencing the opposite effect, reporting greater job losses for workers in the bottom 40% of the income distribution.

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10 Online survey of households in 17 countries in Latin America and the Caribbean. Sample size 230,540. Questionnaire recorded whether total household income was reduced during the past week and asked whether a household member had lost their job or closed a business (randomised recall period between 1 week, 2 weeks, 1 month), among other questions.
11 Lustig et al. (2020), using microdata from household surveys in Argentina, Brazil, Colombia and Mexico, select individuals whose income is ‘at risk’ because they work in sectors where lockdowns have reduced or halted activity, and aggregate this income at the household level. They simulate two extreme cases: one where a smaller proportion of household’s members lose a large share of their income, and another where a larger number of households lose less income.
14 Preliminary in the sense that the surveys have the advantage of providing rapid tracking but with all the shortcomings and biases of information collected by phone.
• The pandemic seems to be affecting more people in urban areas, where individuals tend to be more exposed due to population density, and where dwelling crowding may make social distancing more difficult.

The composition of the labour market is another source of inequality. Labour market informality is positively correlated with loss of livelihood (Bottan et al., 2020), as people in informal work tend to fall outside social protection systems; they are typically not covered by social insurance (Gentilini et al., 2020), it has proved difficult to reach them with assistance (ILO Monitor, 6th edition, 2020d) and they are over-represented in sectors which are less amenable to working from home (Hatayama et al., 2020).

Additional effects include decreases in the flow of remittances due to work restrictions. This is likely to particularly affect low-income families, for whom remittances constitute an important source of income. Flows are expected to fall by one-fifth in 2020, down by $109 billion from $554 billion in 2019 (World Bank, 2020b: 8). Remittances are projected to continue falling in 2021.\(^{15}\)

Concerns have also been raised around food security resulting from income poverty and disruptions in value chains (FAO, 2021; Chronic Poverty Advisory Network, 2020; Wylde, 2020). In Nigeria and Indonesia, 50% and 68% of households, respectively, reported reducing their food consumption (Siwatu, et al., 2020).\(^{16}\) Half of the daily calories consumed in the Arab region come from imported foodstuffs, and disruption of value chains and spikes in the prices of staple foods raise concerns regarding food security in the region (UN/ESCWA, 2020a). One recent report found that, in Asia and the Pacific, Covid-19 will undermine efforts to improve the diets and nutrition of nearly two billion people already unable to afford healthy diets prior to the pandemic (FAO/UNICEF, 2021). In some countries, vulnerable populations depend on community food networks which have been severely disrupted (Chronic Poverty Advisory Network, 2020; Bodewig et al., 2020). School closures have halted school feeding programmes, with long-term effects for the well-being of affected children.

Taken together, the evidence suggests that generalisations need to be made cautiously; impacts are not homogenous, and policy responses for the recovery phase need to account for these heterogeneities. As more evidence becomes available, understanding of the short- and long-term impacts of the pandemic on people’s livelihoods will need to be refined. In the meantime, there is a clear consensus in the reviewed literature: vulnerable populations will face larger challenges during the recovery phase, as previous conditions and hardships are compounded by the new challenges imposed by this pandemic.\(^{17}\)

As such, it is paramount to better understand how these different populations are reacting and

\(^{15}\) World Bank (2020d); Adhikari (2020); Busquet et al. (2020); Garcia Mora and Rutkowski (2020); Ratha (2020).

\(^{16}\) Cited in World Bank (2020a: 92).

\(^{17}\) Given time and scope restrictions, we could not develop specific sections for different types of vulnerability. Some literature suggestions (which are by no means extensive): for impacts of the pandemic on conflict-affected regions and displaced populations: Busquet et al. (2020); indigenous populations (Millalen et al., 2020); migration (World Bank, 2020d; García and Rutkowski, 2020).
adjusting to their new circumstances in order to design better responses to mitigate the impacts of the pandemic and build more solid and equitable societies.

3. 2 Labour markets
The pandemic has triggered the largest and most widespread crisis in labour markets in recent history. It has caused major disruptions in the way we consume goods and services, with significant effects on occupations, which may bring about permanent shifts in the labour market and will thus require reskill programmes and training. While some occupations will be able to restart operations in pre-pandemic modalities once human proximity restrictions are lifted, others are likely to have adapted on a more permanent fashion, as some businesses have found advantages; for example, further automation, acceleration of e-commerce, hybrid and remote work models, and reduced business travel (McKinsey & Co., 2021). However, these options may depend not only on the occupations, but also in the organization of production and technology adoption contexts (see Box 1).

The ILO estimates that 8.8% of working hours globally, equivalent to 255 million full-time jobs, were lost in 2020 (ILO Monitor, 7th edition, 2021). While in the previous edition of the ILO Monitor anticipated sharper losses of 12.1% for the third quarter, a stronger-than-expected rebound, especially in middle-income countries, produced a revised estimate of 7.2% (Figure 4 shows the revised estimates). Even so, losses were four times greater than during the global financial crisis in 2009.

Lower-middle-income countries have been hardest hit, with estimates of losses for the second quarter of 2020, when the pandemic was at its peak, being revised up from 16.1% (5th edition) to 23.3% (6th edition) to 29.0%. (7th edition). “In developing economies, the more limited opportunities for teleworking, the greater impact of the crisis on informal workers, the more limited role played by public sector employment, and resource constraints on the implementation of Covid-19 response measures...all appear to be exacerbating the effect of the downturn, thereby creating new labor market challenges” (ILO Monitor, 6th edition, 2020: 5). “The relatively lower working-hour losses in low-income countries may reflect the greater importance of informal and agricultural employment and the fact that most people there need to work in order to survive. Additionally, while low-income countries acted swiftly to close their borders and implement public health restrictions in the second quarter of 2020, they subsequently lifted them more quickly than wealthier countries.” (ibid.)

Figure 4: Quarterly working-hour losses, world and by region and income group (percentage)
ILO projections for the fourth quarter of 2020 are presented in three scenarios, with losses projected to be 8.6% in a baseline scenario, 5.7% in an optimistic one and as severe as 18% in a pessimistic one. These estimates were calculated before the appearance of new strains of the virus, and before lockdown measures were reimposed in some countries, and so these projections could be conservative. In any case, all estimates show a much more difficult picture than in the last quarter of 2019. Considering a second pandemic wave, as we are currently observing in Europe, unemployment is estimated to increase 12.6% on average across the OECD (7.3 points higher than 2019) (OECD, 2020a).

According to ILO, focusing only on unemployment can be misleading. Working hour losses can be broken down into various components: shorter hours, being employed but not working, unemployment, inactivity. Reduction of hour losses have accounted to close to 50% of the total working hour losses. The remaining half (approximately 114 million) is due to employment loss, of which 33 million represent shifts to unemployment, and 81 million shifts to inactivity.

All countries exhibit a larger increase in inactivity than in unemployment, which tends to hit younger and older people particularly hard. Young people were already finding it difficult to transition from school to work even before the pandemic. Within this group (youth not in employment, education and training, or NEET), women are more affected, particularly in contexts of higher gender inequality. Experience from earlier crises shows that engaging inactive people back into work — particularly the youth — is harder than re-employing the unemployed (ILO Monitor, 2020d: 9). Some countries have implemented activation policies, but these are not extensive: around 16.6% of labour-related mitigation measures were classified as activation (training) measures, implemented in only one-fifth of the countries studied by Gentilini et al. (2020: 12). The WEO 2020 recognises the importance of educational

and vocational training in jobs that will be in high demand during the recovery phase, and which can help prepare them for future shocks (i.e., emergency first-responders, nurses, lab technicians, as well as digital literacy more broadly) (IMF, 2020: 25).

Businesses have implemented a variety of strategies in the face of the pandemic, including reducing hours or alternating shifts, telecommuting, paid leave, reduced-pay leave, layoffs or permanent closures. However, not all strategies are available to all businesses because of economic or regulatory constraints. In cases of emergency, policy makers should also address labour market rigidities and reduce barriers to entry that may hamper redeployment of resources to growing sectors, as the pandemic’s impact on smaller firms may reinforce the trend of broad-based increases in concentration and market power across the economy, posing a risk to dynamism and innovation (IMF, 2020: 25).

In terms of mitigation measures, Gentilini et al. (2020) suggest that subsidies have been the lead labour market instrument (58% of measures). Other measures include adjustments to labour market regulations (17.75%), for example the inclusion of tele-working in the labour code in Bolivia; activation incentives (16.6%), such as training and intermediation services, particularly in East Asia; and shorter-time arrangements (7.1%), for example in public works employment in Nepal.

The type and generosity of subsidies differ substantially between high-, middle- and low-income countries. The estimated fiscal stimulus gap is around US$982 billion in low-income and lower-middle-income countries (US$45 billion and US$937 billion, respectively) (ILO Monitor, 2020).^{19} Given their larger fiscal space, high-income countries have tended to use more broad-based subsidies (sectors and firms within sectors); in the latter two cases, subsidies have tended to be targeted (by specific sectors or firm size, for example). However, even in more developed economies the challenges ahead are considerable. How individuals have adjusted to their changed circumstances has also varied greatly depending on their socio-economic circumstances, and the sector in which they work. For workers who have been able to keep their jobs, most have had to comply with lockdown measures, while coping with work demands. Neri (2020) estimates that, in Brazil, reducing hours of work as an adjustment strategy (as opposed to layoffs) allowed an “attenuation-effect” on the contraction of the employment rate. Unemployment (set at 9.9%), could have had been greater (up to 22.8%), if working hours had been kept constant. Neri suggests that reducing number of hours worked as a job-saving process was a strategy more intensely used by women and the poorest private employees.

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^{19} Fiscal stimulus refers here to “above-the-line” measures, which include unemployment benefits, wage subsidies and other transfers, tax cuts and deferrals of tax payments. This gap represents the level of resources that these countries would need to match the average level of stimulus relative to working-hour losses in high-income countries. Significantly, the estimated stimulus gap for low-income countries is less than 1 per cent of the total value of the fiscal stimulus packages announced by high-income countries” (ILO Monitor, 6th edition, 2020: 2).
Coping strategies are not available to all. While in some cases digital technologies have helped mitigate the impacts of the pandemic on work (Gelb, 2020), the rise in remote working has also thrown the digital divide into the spotlight (Azuara et al., 2020). Furthermore, the pandemic has highlighted the need to think about work and how we measure it from a different and broader perspective (see Box 1).

**Box 1: World Bank’s Global Working from Home (WFH) measure**

Hatayama et al., (2020) from the World bank created a global WFH measure using skill surveys that aims at capturing country differences in their amenability to working from home. They argue that existing research relies on U.S.-based measures of the types of tasks required by different occupations, and that the same occupations in other countries may vary in their task-intensity due to differences in how production is organized or in the level of technology adoption.

The Working from Home measure classified skills of surveyed people based on four components:

- **Physical/manual work**, to capture tasks that are more likely to be location-specific and cannot be done at home. Related to tasks that require physically labour, repairing equipment or operation of heavy machinery.

- **Face-to-face (F2F) intensity**, which captures tasks such as supervision of or contact with the public. Related to tasks that require supervising others or contact with customers, public, or students.

- **ICT use at work**, reflecting the fact that some interactions can be handled remotely. Related to tasks that require low or no computer use at work, and/or low or no cell phone use at work.

- **Internet connection at home**, as workers in developing countries who may use ICT at the workplace do not necessarily have access to the same resources at home.

The following graph shows the WFH measure using an OECD’s skills survey of 35 countries.

In general, after the analysis of skills survey data from 53 countries, the authors find a strong association between the amenability of jobs to WFH, GDP per capita, and internet penetration.

Source: Hatayama et al. (2020)
Due to the important challenges and changes that have been brought by the pandemic, further understanding the different contexts and conditions in which people have been affected and their capacity to adapt to the rapid changes in the labour market will be crucial when designing policies and interventions for the recovery phase.

The nature of the pandemic means that the sectors and occupations affected tend to differ from past recessions, which may require an overhaul of reskilling programmes. Women tend to be over-represented in less amenable jobs, such as hospitality, household activities as employment, services and administration. The impacts on labour also appear to be more severe in countries with large informal sectors and weak social protection systems (OECD, 2020a; IADB, 2020, Bottan et al., 2020). Assistance to registered non-wage workers has been more common in advanced economies (France, Germany, Greece, Italy, New Zealand). Some low- and middle-income countries have explicitly supported informal workers (Argentina, Cabo Verde, Ecuador, Egypt, Mauritius, Morocco, the Philippines, Rwanda), typically through social assistance (cash transfers and sometimes public works) (Gentilini et al., 2020).

In addition to measures such as unemployment benefits and paid sick leave, a large number of countries have adopted measures related to the social security system, including reforms affecting contribution rates, including reductions, temporary suspensions and deferrals, and loosening regulations on pension withdrawals (Gentilini et al., 2020: 11). These measures have eased some of the short-term economic effects of the crisis, but the long-term costs should not be overlooked, and will differ depending on the type of pension system each country has. Irrespective, the costs of these measures will be potentially substantial in terms of permanently reduced retirement benefits or sizeable budget deficits in the future (OECD, 2020b; Gentilini et al., 2020: 11; Rutkowski and Garcia Mora, 2020).

Workers in informal employment have been hit even harder than in past crises. According to UNDP: ‘[The pandemic has evidenced] the vulnerability of the 1.6 billion informal workers globally (as estimated by ILO) – most of whom are women located in developing countries – working with limited or no labour law protection, social benefits coverage such as pension, health insurance or paid sick leave, with lower wages, [very little savings] and in unsafe conditions’ (UNDP, 2020a: 2).

This effect will be specially felt in emerging and low-income countries, where informality tends to be more prevalent. Informal workers tend to be daily-wage workers, self-employed, mostly urban, and with

\[\text{Using a household survey of 230,540 respondents in 17 developing countries in Latin America and the Caribbean, Bottan et al. (2020), find indications that the impacts of the pandemic are stronger in countries with higher rates of informality. Not only are households from high-informality countries losing their livelihoods at higher rates, but they are also less resilient to these shocks.}\]

\[\text{Defined Benefit systems (DB) will have an immediate visible impact on the fiscal performance of a pension scheme with no immediate impact on future pension levels. In Defined Contribution (DC) systems there is no added cost to the pension system, but there will be an impact on individuals’ savings and future benefit levels (Gentilini et al., 2020: 11).}\]
occupations that have more limited opportunities for teleworking and are less amenable to social distancing. They are also less likely to have savings to tide them over during periods of hardship. The characteristics of informality also mean that response measures are more difficult to implement for this segment of the workforce. A key challenge for extending assistance to informal workers relates to gathering enough information to set up a reliable delivery system to reach them, as they are neither covered by the (formal) social insurance system, nor by extended social assistance programmes (Díez et al., 2020: 5), or what López Calva called the ‘missing middle’ (López-Calva, 2020). Given the high prevalence of informality in the region, in Latin American countries responded in different degrees to address these challenges as detailed in Box 2. In sum, “…the governments that established ‘demand-driven’ eligibility criteria and allowed individuals to self-identify and apply [to receive aid] came close to closing the protection gap” (Blofield, 2020: 8).
Box 2 Latin America and reaching the ‘missing middle’

In Latin America and the Caribbean, given the limited coverage of the contributory social security system, Cash Transfer Programs (CTP) were the most used response to the pandemic. From the 64 CTP implemented in 24 countries, only around half of them were new emergency bonuses and almost all benefited only less than 10% of the population with total payments lower than each country’s monthly minimum wage (Cejudo et al., 2020).

In cases where additional cash assistance was provided to households which were where already part of government databases, the delivery was rapid and uncomplicated (Blofield, 2020: 22). Most countries in the region used existing information to register and select beneficiaries, which tend to leave out informal workers, or the ‘missing middle’ (López Calva, 2020). The limits and fragmentation of social protection systems in Latin America implies that peoples’ information tend to be dispersed and that significant segments of the population are not included in these registries, making the extension of assistance to broader populations (called horizontal extension) more challenging (Cejudo et al., 2020). To overcome some of these challenges, several countries in the region established more inclusive ‘demand-driven’ mechanisms, where individuals would self-identify as in need and apply for assistance (Brazil and Argentina outstanding in these efforts), while others (as Ecuador and Colombia) maintained restrictive eligibility, or others did not extend or implement any new program (as the case of Mexico) (Blofield et al., 2020). For their efficiency and breadth, the cases of Argentina, though its Ingreso Familiar de Emergencia (Emergency Family Income) and Brazil, through Auxilio Emergencial (Emergency Help) stand out (Blofield, 2020; Cejudo et al, 2020; Lustig et al., 2020).

Some demand-driven mechanisms faced some challenges, as bottlenecks reviewing and approving applications, which in some cases resulted in long-lines, contravening measures to contain health risks—or online systems which did not have the initial capacity for the overwhelming demand (Blofield et al., 2020: 23). In any case, demand-driven mechanisms allowed low-income individuals or households that had lost their income and were not included in existing social protection programs (again, the “missing middle”, which a large proportion are informal workers) to self-identify and apply, but also allowed governments to assess the extent of need more accurately, and more rapidly and effectively reach those who needed assistance (ibid: 25).
The IMF estimates that if governments were to implement a theoretical two-month transfer to cover food and energy needs of informal workers, it would cost about 2.2 and 5.7 percent of annual GDP in the median emerging economies and lower-income countries, respectively (Díez et al., 2020: 7). Figure 5 illustrates these estimates of the fiscal cost of a 2-month targeted transfer for food and energy consumption by region. This would imply an additional stretch in the already shrinking fiscal envelope in some emerging markets and low-income economies, which tend to be the ones with larger informal sectors, and where the more limited role of public employment contributes to exacerbating the effect of the downturn (ILO, 2020d:5).

To a greater or lesser extent, all countries have implemented measures in response to labour market disruption: either in the form of supplementary income (as seen in previous sections), or through subsidies or stimulus to avoid massive layoffs. One major takeaway from this pandemic is that it has highlighted the insecurity of informal employment. In the path to recovery, countries will have to face a balancing act between providing support during the crisis and allowing flexibility for adjustments enabling new structures and sectoral readjustments within the labour market (Gentilini et al., 2020; OECD, 2020).

3.3 Education
COVID-19 has created the biggest disruption to education that the world has ever seen, putting at risk decades of progress and potentially denying hundreds of millions of children their right to a quality education. It is the poorest and most vulnerable who will suffer the most. Extended school closures have already hugely exacerbated existing inequalities (Global Partnership for Education, 2020).

The impact of the pandemic on education globally, at all levels, has been severe. Temporary school closures in more than 180 countries kept nearly 1.6 billion students out of school at the peak of the
pandemic, equivalent to 91% of the world’s enrolled students. For nearly half of those students, school closures have lasted longer than seven months (Azevedo, 2020). Schools have always played an important role in reducing inequality of opportunities by giving everyone, including the poor, a space for learning—a space that has been lost for many. Despite the resumption of some form of in-person learning in many countries, in mid-2020 almost 900 million children were still out of school (Saavedra, 2020).

Even before school closures, the world was in the midst of a learning crisis. According to World Bank estimates, 53% of 10-year-olds in low- and middle-income countries either had failed to learn to read with comprehension or were out of school entirely, in what the Bank defines as ‘Learning Poverty’ (Azevedo, 2020).

While school closures aim to protect the health of students, their relatives and teachers, the cost in terms of children’s future prospects is extremely high (Saavedra, 2020). Estimates by the World Bank suggest that school-age children affected by closures stand to lose $10 trillion in earnings over their working lives (Azevedo et al., 2020). Many students (7–10 million, according to World Bank (2020f) estimates) will end up dropping out of the system entirely. In Latin America, where even before the pandemic reduced transitions to secondary education was a major problem, preliminary calculations indicate a 17% increase in educational exclusion: 1 million students will stop attending school (Perez Alfaro et al., 2020).

Figure 6: School closures
The Covid-19 pandemic is also exacerbating gender inequalities in education. UNESCO estimates that 11 million girls and young women may not return to school. This can be linked to the economic hardships caused by the pandemic, which results in greater value being placed on a girl’s domestic and economic role in struggling households. Households already in poverty may engage in negative coping strategies requiring girls to work in small-scale buying and selling, take up care work and home chores or marry early (UNICEF, 2020).

There is evidence indicating that school closures are contributing to an unintended rise in adolescent pregnancy, the consequences of which are multiple and serious, including termination of education, reduced job and career prospects, and increased vulnerability to poverty and exclusion. This trend is linked to the rise in child marriage and child abuse during lockdown, as well as the loss of access to sexual and reproductive health and family planning, including for adolescents given saturation of health systems (Save the Children, 2020).

School closures have highlighted how important schools are in organising education service delivery, equalising learning opportunities and skills acquisition, providing nutrition and other non-education services and enabling labour markets and societies to function better (Saavedra, 2020).

For the most vulnerable children, the days of lost schooling are not only measured in lost learning and socialization, but in a loss of a safe haven from violence or conflict, loss of a hot meal every day (39 billion lost school meals since schools shut down), as well as loss of social and emotional support (GPE, 2020).

School closures are taking a toll on deprived children’s opportunities to obtain the nutrition, water, sanitation, hygiene, technology and connectivity that they lack at home. There is growing evidence that a majority of children in low- and middle-income countries who depend on free school meals face adverse impacts on their nutrition, particularly as food insecurity is expected to be higher during the pandemic (Mayurasakorn et al., 2020). The pandemic has also highlighted how school closures can affect how a society as a whole functions, for instance by performing an important childcare function, enabling parents and other caregivers to work (World Bank, 2020f). As a result of the pandemic there has been a reduction in women’s labour force participation (Alon et al., 2020).

School closures have also exacerbated child protection risks given that many children, particularly the most vulnerable, found in schools a safe space to learn that they do not have at home (UNICEF, 2020). Movement restrictions, loss of income, isolation, overcrowding and high levels of stress and anxiety are increasing the likelihood that children experience and observe physical, psychological and sexual abuse at home – particularly those children already living in violent or dysfunctional family situations. And while online communities have become central to maintain many children’s learning, support and play,
it is also increasing their exposure to cyberbullying, risky online behavior and sexual exploitation. The situation is aggravated by children’s lack of access to schoolfriends, teachers, social workers and the safe space and services that schools provide. The most vulnerable children – including refugees, migrants, and children who are internally displaced, deprived of liberty, living without parental care, living on the street and in urban slums, with disabilities, and living in conflict-affected areas – are a particular concern. For many, growing economic vulnerability will increase the threat of child labour, child marriage and child trafficking (UN, 2020).

Children from more disadvantaged backgrounds may not have home environments that are conducive to learning, a device or internet connectivity or even any reading material. These children may also be suffering from stress and mental health issues, particularly if parents do not have the skills or mental space to provide a supportive environment. Children with disabilities find it even more difficult to access the services they need. Others might suffer from various forms of abuse (Saavedra, 2020).

Without minimising the social impacts on children, the most evident result of school closures is lost learning. As a result of the pandemic, learning poverty – being unable to read and understand a simple text by the age of 10 – could increase in low- and middle-income countries, from 53% pre-pandemic to a record 63% (Saavedra, 2020). According to the World Bank (2020f), most of the potential increase in learning poverty resulting from Covid-19 will be felt in regions with already high levels of learning poverty, such as South Asia (which had a 63% pre-pandemic rate of learning poverty), Latin America (48%) and East Asia and the Pacific (21%). In sub-Saharan Africa and low-income countries, where learning poverty was at 87% and 90% before Covid-19, increases would be relatively small, at 4 and 2 percentage points, respectively. This reflects the fact that most learning losses in these regions will affect students who were already failing to achieve the minimum reading proficiency level by the end of primary: that is, those who were already learning poor (Azevedo, 2020).

The huge long term costs resulting from the loss of education are mainly human, but they are also economic. While the precise learning losses are not yet known, existing research suggests that the students in grades 1-12 affected by the closures might expect some 3 percent lower income over their entire lifetimes. For nations, the lower long-term growth related to such losses might yield an average of 1.5 percent lower annual GDP for the remainder of the century. These economic losses grow as schools are unable to re-start quickly. The economic losses will be more deeply felt by disadvantaged students. All indications are that students whose families are less able to support out-of-school learning will face larger learning losses than their more advantaged peers, which in turn will translate into deeper losses of lifetime earnings (Hanushek and Woessmann, 2020).
To cope with school closures, many countries rushed to implement remote learning plans. These have generally been multiplatform programmes combining online, TV, radio, paper material and take-home packages for parent- or caregiver-guided education (Dreesen et al., 2020). However, according to UNESCO about 40% of low- and lower-middle-income countries have not taken any measures to support learning. In France, up to 8% of students had lost contact with their teachers after three weeks of lockdown (UNESCO, 2020). While 55% of low-income countries opted for online distance learning in primary and secondary education, only 12% of households in least-developed countries have internet access at home. Even low-technology approaches cannot ensure learning continuity. Among the poorest 20% of households, just 7% owned a radio in Ethiopia and none owned a television.

The scale of school closures caused by Covid-19 has rendered even more visible the uneven distribution of the technology needed to facilitate remote learning. It has also highlighted the lack of preparedness and low resilience of systems to support teachers, facilitators and parents/caregivers in the successful and safe use of technology for learning (World Bank, 2020f). Household access to technologies varies widely both between and within countries. While internet use is widespread in everyday life and work for many in high-income countries, this is not the case in most low- and middle-income countries. In 71 countries (out of 183 with data), less than half the population has access to the internet. TV and radio access also varies considerably between and within countries.

On average, in the 28 countries with data, only 65% of households from the poorest quintile have electricity, compared to 98% from the wealthiest quintile. Taken together, and given large differences in access to technologies, these results show that no single delivery channel for remote learning is
sufficient to reach all children, and the rural poor are far more likely to be left out by technology-enabled remote learning (Dreesen et al., 2020). In African countries, online and offline learning tools, platforms and materials benefit only a small proportion of students. Additional financial support to the education sector has largely been from national stimulus or special funds and from external sources, particularly from major international and regional development organisations.

While responses to the crisis have tried to maximise the existing but limited infrastructure for different forms of remote learning, education systems must be better prepared for future crises. To support this, countries need to build their capacity to provide virtual education. Teachers must be equipped to manage a wide range of IT devices in the event of a future lockdown. Using the post-pandemic context to rebuild education systems and make them resilient is a priority. At the same time, it is important to build a future education system that will not be subject to lost learning during the next pandemic (Donnelly and Patrinos, 2020).

3.3.1 Fiscal response to education
Countries worldwide have invested $11.8 trillion as a fiscal response, mostly in high-income countries (84% of the total investment). Most fiscal responses have been aimed at saving lives and livelihoods. Among social sectors health has been a priority, but education has not: UNESCO estimates that the share of the fiscal response allocated to education represents only 0.78%, or $91 billion, of which $73 billion was spent in high-income countries. Europe and North America allocated the largest amount to education ($56.9 billion), followed by Asia and the Pacific ($30.5 billion). Other regions may have spent around $3.8 billion altogether (UNESCO, 2021b). Many countries have excluded education and training from their lists of stimulus priorities; the impact of this fiscal neglect is felt hardest in low- and middle-income countries, which already faced a learning crisis even before the coronavirus crisis. Before Covid-19 hit, annual global spending on education was approximately $4.7 trillion, just $22 billion (0.5%) of which was spent in low-income countries, compared to $3 trillion (65%) in high-income countries, despite the fact that the two groups have roughly equal numbers of school-age children (OECD, 2020e).

Pre-Covid, there was a $148 billion annual financing gap in low- and lower-middle-income countries to achieve the Sustainable Development Goal for education (Goal 4) by 2030. The additional costs due to school closures increases this financing gap by up to one-third, or $30–45 billion. Low- and middle-income countries especially will face the dual challenge of ensuring that all previously enrolled children return to school when they reopen, while continuing their efforts to bring pre-existing out-of-school children and young people into the education system. If implemented successfully, remedial and re-enrolment campaigns and programmes could reduce the additional costs of achieving Goal 4 by as much as 75% (OECD, 2020e).

As the world deploys enormous fiscal stimulus, it is crucial that it does so in a way that addresses deep-seated inequalities, increases societies' resilience to shocks and accelerates economic recovery.
Investing in education is central to this. According to the Global Partnership for Education (GPE), the individual rate of return to education is approximately 9%. In low-income countries, the rate increases to 9.3%. For women, it increases to at least 10%. There are very few investments in the world that deliver a higher return than education. As such, education should be a priority sector in economic stimulus packages that governments are rolling out to spur recovery. Fiscal stimulus through education has the potential to spread benefits more widely than any other sector.

By making investments a societal & educational infrastructure that matters for the longer term. these a central part of our recovery plans as we chart a path out of the pandemic, we could not only boost educational opportunities but boost employment opportunities for millions of young people around the world.

3.4 Gendered impacts of Covid-19
The impacts of Covid-19 are exacerbated for women and girls in almost every socio-economic dimension, by the sole fact of their gender, compounded by other vulnerability characteristics. The literature highlights two areas in particular: economic impacts in the form of participation in the labour market, and the precariousness of feminised occupations; and violence against women and girls.

3.4.1 Specific economic impacts for women
Women are more likely to shoulder increases in unpaid care work resulting from school and childcare closures and elderly care, taking a corresponding toll on women’s labour participation. The relative decline in employment is greater for women than for men in all countries (with some exceptions, such as France, Israel and Mexico) (ILO, 2020d). Research suggests that women are more exposed to the risk of unemployment, particularly during the immediate crisis. Women are more likely than men to work in social sectors, such as service industries, retail, tourism and hospitality, which require face-to-face interactions; they are more likely than men to be employed in the informal sector in low-income countries; women tend to do more unpaid household work than men; and the pandemic put women at greater risk of losing human capital, particularly in developing countries, where young girls are forced to drop out of school and work to supplement household income (Georgieva et al., 2020).

Human rights organisations have raised concerns about working conditions in sectors disproportionately occupied by women, which may put them at higher exposure and risk of contagion, for example

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22 For example, the compound effect of being a female migrant (Ramírez Bolívar and Castro Zaldúa, 2020).
23 Data from the Bureau of Labor Statistics in the US shows that a large share of men (52%) work in telecommutable and/or critical occupations, compared to women (39%). Women accounted for close to 60% of the payroll decline in March 2020 (in Alon et al., 2020b).
24 Alonso et al. (2019) calculate that, in normal times, unpaid work (caring for children and the elderly and household chores) is disproportionately shouldered by women, with on average two more hours per day than men, with large differences across countries.
domestic and health workers (CIDH/IACHR, 2020). According to the ILO, women account for 70% of health sector employment and are disproportionately represented in the frontline treatment and care of Covid-19 patients, inside and outside institutional responses (ibid.). Income losses and the slowdown of economic activity during the pandemic may feed into existing levels of poverty and inequality affecting women, particularly for female-headed households.

Global evidence indicates that as a result of the pandemic, overall workload on families has increased and women are bearing the heaviest burden. A study conducted in the United States found that the number of hours spent on household tasks rose from 30 to 59, with mothers spending 15 hours more on average than fathers (OAS, 2020). This has contributed to an increase in women’s unemployment. In the United State, for example, women have lost a net of 5.4 million jobs during the recession—nearly 1 million more job losses than men (Boesch and Phadke, 2021). There is, however, also some evidence indicating that in certain contexts, some shift in care giving patterns may be emerging. Alon et al. (2020 a; b) suggest that, due to the nature of the crisis, some households have had to shift roles among couples, for example where the woman works in a critical sector which requires physical presence (i.e. health services or retail), while the man is required to stay at home (telecommuting or temporarily out of work), thus becoming the primary care-giver. They estimate that, in the US, in about 9% to 12% of couples the father has assumed the role of primary care-giver. Also using data from the US, Russell and Sun (2020) provide evidence that the closure of childcare centres affected women more than men. They find that, in the early period of the pandemic, single women with small children (0–5 years of age) reported having to stop working, but as the pandemic evolved married women with school-age children and younger appear to have absorbed the greater burden (see Figure 8).

While it remains to be seen whether shifts in gender roles will remain during the recovery phase and beyond, Alon et al. (2020 a; b) suggest that, if supported in the right way, the crisis could bring about important cultural changes in favour of gender equality in the medium and long term. In the short term, however, acute gender disparities will need to be addressed.

Figure 8: Percentage of mothers aged 18–64 by marital status who reported not working due to Covid-19 childcare issues

25 Hupkau and Petrongolo (2020), with data from the UK, also find an important share of households where fathers have become the primary childcare provider.

26 In the period analysed (23 April–26 September), Russell and Sun find that the percentage of women reporting not working due to Covid-related childcare issues ranged from 9.4% (week of 23 April) to 11.2% (week of 26 September), with the peak (12.7%) approximately mid-period. In contrast, the percentage of men reporting the same ranged from 2.6% to 1.6%, with a peak of 3.2% near the beginning of the period (Russell and Sun, 2020).
3.4.2 Violence against women and girls

In 2019 there were 243 million abused women and girls across the world (UN Women, 2020). There have been reports of systematic increases in gender-based violence, as even as access to support services (health, social, justice and police) has become more constrained as resources have been reoriented to address the health emergency, or services have been closed due to lockdowns (UN Women, 2020; UN/VAWG, 2020). Home is the primary place where violence against women occurs. Exposure to abusers has increased with lockdown and containment measures requiring people to stay at home. As the economic situation tightens, so do the stressors associated with domestic violence (security, health

27 In France, reports of domestic violence have increased by 30% since the lockdown on 17 March; in Argentina, emergency calls related to domestic violence have increased by 25% since the lockdown there on 20 March; helpline calls have increased in Cyprus (30%) and Singapore (33%); increases in domestic violence and demand for emergency shelter have been reported in Canada, Germany, Spain, the UK and the US (UN Women, 2020). In Brazil, reports of domestic violence have increased by 17% (CIDH/IACHR, 2020). There are press reports of increased violence elsewhere around the world, for example in China (Wanquing, 2020; Taub, 2020) and Russia (HRW, 2020). HRW Women has documented increases in violence against women in the context of the Covid-19 pandemic (HRW, 2020).

28 Studies have shown that domestic violence increases when families spend more time together (Hester, in Taub, 2020). ‘Crises – and lockdowns – can trigger greater incidence of domestic violence for reasons including increased stress, cramped and difficult living conditions, and breakdowns in community support mechanisms. Crises can often further limit women’s ability to get away from abuse, and place victims in an environment without appropriate access to services, such as safe shelter away from abusers and accountability for abuse’ (HRW, 2020) https://www.hrw.org/news/2020/03/19/human-rights-dimensions-covid-19-response#_Toc35446584
and money worries heighten tensions and strains are accentuated by cramped and confined living conditions (UN Women, n.d.: 2)). There is also some evidence of an increase in sexual assaults since lockdown measures were introduced. For example, in the first 17 days of the lockdown, 34 women were raped, of which 27 were girls, which represented an increase of this type of violence from previous numbers (CIDH/IACHR, 2020). Girls are also at greater risk of adolescent pregnancy, early and forced marriage, as well as female genital mutilation (FGM) with the closure of schools and the suspension of many social programs due to Covid-19 (UN/ESCWA a; b). Some emergency services have halted (shelters, arrests of perpetrators), as well as important preventative care (sexual and reproductive rights) and women’s health services.

As the pandemic has a clear gender dimension, so should the mitigation measures. The COVID-19 pandemic threatens to roll back gains in women’s economic opportunities, widening gender gaps that persist despite 30 years of progress (Georgieva, et al., 2020). Prevalent economic disparities by gender exacerbate the impacts of COVID-19, as women tend to earn and save less than men, hold more insecure jobs and tend to be overrepresented in precarious occupations (UNDP, 2020a). Emergency measures to deal with the pandemic may displace resources away from important preventive health—particularly sexual and reproductive health—which have long-term impacts not only on mothers, but also on children.

29 Since the Covid-19 lockdown came into effect in India, leading matrimony websites have reported a 30% surge in new registrations as families arrange marriages to secure their daughters' futures (Georgieva et al., 2020).
4. Building more integrated and resilient systems

The Covid-19 pandemic has exacted a huge toll on lives and well-being across the world. In addition to the loss of life resulting directly from Covid-19, and indirectly from over-burdened health systems, the pandemic has had an unprecedented economic impact, and its social impacts will outlast the health emergency: UNDP estimates that global human development — a combination of education, health and living standards — could fall for the first time since 1990, when measurement began (UNDP, 2020b). Oxfam estimates that the crisis could push half a billion people into poverty (Oxfam International, 2020).

The pandemic, and the measures taken in an effort to contain it, have changed the way we live, work and interact with each other in significant ways. Some of these changes will be permanent, and will require rethinking how we respond to both pre-existing and new challenges. This requires implementing appropriate mitigation measures and policies that minimise the human cost, mitigate adverse social impacts and preserve macroeconomic stability.

The pandemic is also changing the development landscape around the world, as well as the paths countries can take. The ability of the international system to quickly pivot, realign and redirect activities and funding to support lower income countries to respond to the health emergency and manage the socio-economic impacts of Covid-19 will be crucial.

The capacity to understand and adapt to emerging new contexts is strongly influenced by structural preconditions, including endemic inequalities, compounded by other vulnerabilities. While the extent and manner in which these structural preconditions have impacted people and their livelihoods is yet to be fully grasped, there are already indications that rapid, one-size-fits-all responses may lead to inefficient and ineffective policies at a time of extremely strained resources.

Given the enormous amount of global experience, technical and programmatic expertise and compilations of lessons learned, the international system is equipped to help countries shape their recovery paths, helping them understand these emerging new contexts, and coming up with an array of policy options that guide countries in choosing their recovery paths. The international system is also in a unique position to provide access to reliable evidence to inform decision-making so that urgent priorities do not displace important trends that, if unattended, could have long-lasting or irreparable effects (e.g. access to nutritious foods; education; climate change).

Choices along the recovery path must be underpinned by reliable data. For example, UNDP has launched a new Covid-19 Data Futures Platform30—an open access and interactive platform that, in alignment

30 The platform is a collection of data, analysis, visualizations, insights, and interactive tools that can support the analysis of strategic policy questions in the five areas of Policies and Programmes, in alignment with the ‘UN framework for the immediate socio-economic response to Covid-19’ – Health First,
with UN’s Covid-19 five streams of work or pillar, pulls socio-economic data, analysis, visualizations, insights, and interactive tools from the UN, non-profits, academia, private sector partners, development partners and countries around the world (UNDP, 2021). The international system could commission analytical work that is comparable across countries and regions – a focus on Leave No One Behind, vulnerability, exclusion, discrimination and the effects of pre-existing inequalities stands out at as a strong unifying theme (UNDP, 2021). International organisations will be key in ensuring that interventions maintain a clear line towards a more inclusive, resilient and sustainable recovery (World Bank, 2020b: 9).

Building back stronger, more equitable and resilient institutional structures can be supported by an international system that reminds governments and people of crucial long-term goals that transcend administrative boundaries and terms. In 2015, the global community set out to achieve the SDGs by 2030. The SDG agenda is facing important setbacks as a result of the pandemic. For instance, while Goal 1 is to ‘end poverty in all its forms everywhere’, the World Bank estimates that COVID-19 will throw approximately 115 million people into extreme poverty (World Bank, 2020a). Similarly, while Goal 4 is a commitment to ‘ensure inclusive and equitable quality education and promote lifelong learning opportunities for all’, 168 million students globally have stopped going to school, many of whom will not return once schools reopen (UNICEF, 2020).

Yet, despite throwing progress toward the SDGs off track, the pandemic has highlighted the importance of bringing together global efforts to achieve these goals, as they encompass almost every aspect of human and planetary wellbeing. Meeting the 2030 Agenda would not result in a stable and prosperous life for every person and ensure the health of the planet, but it would mean being better prepared to address adversities along the way. The World Bank has set out an ambitious plan for a “resilient recovery stage” that entails taking advantage of new opportunities to build a more sustainable, inclusive and resilient future in a world transformed by the pandemic” (World Bank, 2020b: vii). Efforts during the recovery must focus on saving lives through emergency health interventions; protecting the poor and vulnerable through solid social responses; saving livelihoods, preserving jobs and ensuring more sustainable business growth and job creation through a robust and well-planned economic response; and, overall, rebuilding better by strengthening policies, institutions and investments (World Bank, 2020b).

To reduce extreme poverty, many countries urgently need to step up public investments in education, digital connectivity, health and nutrition, social protection, water, sanitation and hygiene – sectors that are also critical in developing resilience to future pandemics (Manuel et al., 2020); but these

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Protect People, Economic Recovery, Macro Response and Social Cohesion. Data is integrated from various trusted sources, including data collected by or supported by UNDP and other UN Agencies, Governments, and development partners. The platform will also feature existing dashboards, integrating indicators, insights, and knowledge products. For more information: https://data.undp.org/about/
Investments need to be innovative and reflect an awareness of sectoral interconnections. Covid-19 is forcing citizens and leaders across the world to think through how to foster a different type of development that balances economic, social and environmental progress as envisioned by the 2030 Agenda and the SDGs. Only through integrated solutions will it be possible to build a greener and more inclusive future to help countries meet the 2030 goals (UNDP, 2020b).

UNDP has recently published an analysis of how specific strategic investments in governance, social protection, green economy and digitalisation can still achieve a reduction in the number of people living in extreme poverty by 2030 and narrow the gender gap. These achievements will be possible only through an ambitious set of interventions that require behavioural changes on all levels of society. Governments must improve their effectiveness and efficiency. Citizens must change consumption patterns in food, energy and water. And global collaboration on climate change must improve – including on carbon taxes and fossil fuel subsidies (UNDP, 2020c). Opportunities exist to harness co-benefits for pandemic recovery and climate and disaster resilience. To leverage climate and disaster resilience finance, especially during the Covid-19 response, decision-making needs to be more risk-informed and incorporate risks from multiple threats (Quevedo et al., 2020).

International organisations are also key to giving voice to those that usually fall between the cracks of existing assistance and participatory mechanisms. The Covid-19 crisis has affected everyone, irrespective of the country they live in, the sector they work in or their socio-economic status. However, capacities to cope and adapt to Covid-19 containment measures have highlighted and compounded with previous inequalities and vulnerabilities, which will impact people’s abilities to overcome the aftermath of the pandemic. The social impacts of the pandemic will not only be present where the virus has hit hardest, but also where pre-existing vulnerabilities and inequalities are greatest. In this context, ‘[o]nly the application of principles of universality and equity will be sufficient to enable the world to come out of this crisis together’ (IPPPR, 2021: 4), which means that no one is safe until everyone is safe. ‘COVID-19 did not start in the poorest countries, but they are suffering the greatest collateral damage, and they need enhanced solidarity and support from the international community’ (IPPPR 2021: 6).

The pandemic has already pushed governments to make changes and implement actions that were not thought possible only a year ago. For example, temporary basic income has been introduced in Lebanon and Brazil. Ground-breaking digital solutions in Colombia helped reach over 2 million people with a new social protection scheme in a few weeks. Energy pricing reforms appear imminent to increase fiscal space. And the burden on women to carry out unpaid domestic work during lockdown has triggered calls for investments in the care economy (UNDP, 2020c). Change is possible.

Financing this progress will be challenging in a context of reduced economic growth, but analysis shows possible ways through a combination of increased tax efforts to bolster national spending, alongside donors prioritising aid and meeting the 0.7% aid target (Manuel et al., 2020).
Finally, it is paramount to keep people at the centre of the discussion about recovery measures, promoting participatory mechanisms to ensure that people are being heard. Policies and measures should include a gender perspective and special consideration of inclusion of vulnerable populations to ensure a more equitable economic recovery. This level of integrated progress will only be achieved through the combined efforts, not only of national governments and local institutions, but also community-based organisations and international cooperation. Good governance and participatory mechanisms will be crucial, particularly at a moment where priorities need to be set, and when solidarity is required. To push for a human-centred, robust recovery, governments and international organisations will need to find mechanisms for citizens’ participation (social dialogue) centred on rights.
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