Tackling Poverty and Inequality during COVID-19
KEY INDICATORS FOR ASIA AND THE PACIFIC 2021
52ND EDITION
BEFORE PANDEMIC: Developing Asia had a remarkable poverty reduction scorecard over the past few decades, contributing less to global poverty.

Developing Asia’s Contributions to Global Levels of Extreme Poverty

Note: Developing Asia comprises 35 developing countries for which data are available. Source: Authors’ calculations using WB’s PovcalNet data.
BEFORE PANDEMIC: As extreme poverty in the region declined, the size of the middle class has increased.
DURING PANDEMIC: Poorer households were more likely to experience reduced consumption due to disruptions caused by COVID-19.

Source: Authors’ calculations using ADBI 2020 Household Survey.
During pandemic: The pandemic pushed millions of Asians into monetary poverty relative to a baseline scenario of no pandemic.

Simulated Distribution of Developing Asia’s Population by Income Group, 2020

Note: Developing Asia comprises 35 developing countries for which data are available. Source: Authors’ calculations using WB’s PovcalNet data.
Survey results on varying consumption decline across socioeconomic classes were projected to Developing Asia’s entire consumption distribution: **Monetary poverty rates are higher if we assume the pandemic caused inequality to increase.**

Simulated Percentage Distribution of Developing Asia’s Population by Income Group (2020), under Varying Inequality Scenarios

<table>
<thead>
<tr>
<th>Scenario</th>
<th>$1.90 %</th>
<th>$3.20 %</th>
<th>$5.50 %</th>
<th>Gini Coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before COVID-19 (2017)</td>
<td>5.2</td>
<td>24.6</td>
<td>51.1</td>
<td>45.6</td>
</tr>
<tr>
<td>No COVID-19 scenario (2020)</td>
<td>2.6</td>
<td>18.5</td>
<td>44.7</td>
<td>46.4</td>
</tr>
<tr>
<td>Neutral distribution assumption (2020)</td>
<td>4.5</td>
<td>22.8</td>
<td>48.1</td>
<td>47.1</td>
</tr>
<tr>
<td>Consumption share of bottom 40% of population in each member economy decreased by 0.5 percentage point (2020)</td>
<td>5.3</td>
<td>23.5</td>
<td>48.6</td>
<td>47.5</td>
</tr>
<tr>
<td>Consumption share of bottom 40% of population in each member economy decreased by 1 percentage point (2020)</td>
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$ = United States dollars.

Note: “$1.90” represents those living on less than $1.90 a day; “$3.20” represents those living on less than $3.20 a day; “$5.50” represents those living on less than $5.50 a day.

Source: Authors’ estimates using simulated data from WB’s PovcalNet database.
BEFORE PANDEMIC: Reduction in the prevalence of undernourishment among Asians has slowed down over the past decade.

Source: KI2021 data.
DURING PANDEMIC: The pandemic caused both food demand and supply shocks, further magnifying food security and malnutrition-related issues in developing Asian countries.

Lao PDR = Lao People's Democratic Republic.
Note: Data on food insecurity and undernourishment are 3-year averages from 2017 to 2019. Data on prevalence of moderate or severe food insecurity are not available for the Lao PDR and Myanmar.
Source: Authors’ estimates using data from ADBI 2020 Household Survey; KIDB; and FAOSTAT Database.
BEFORE PANDEMIC: Better COVID-19 performance were noted in countries with higher scores in coverage of essential health services.

Source: KI2021 data.
BEFORE PANDEMIC: **Learners from lower-income households have lower education completion rates.**

Regional Average Education Completion Rates Compared to Two Lowest Wealth Quintiles

Source: KI2021 data.
DURING PANDEMIC: In select ASEAN countries, poorest households with school aged-children were less likely to have access to schools that offer any type of distance learning programs.

Source: Authors’ calculations using ADBI 2020 Household Survey.
Inequality in access to information prevails, as manifested in the disparity in internet penetration rates among lower- and higher-income economies.
DURING PANDEMIC: Unemployment rates increased by at least 20% in one-third of reporting economies. Collectively, the region lost roughly 8% working hours due to COVID-19 pandemic in 2020.
During pandemic: Poorer households were more likely to report reduced work hours or job loss.

Proportion of surveyed households with at least one person who lost job or had working hours reduced, by socioeconomic status

Source: Authors’ calculations using ADBI 2020 Household Survey.
Access to high quality and timely data is important!
The pandemic has accelerated the use of non-traditional data sets and computation methods for provision of richer and more timely insights on economic activities.

Adoption of technology-based solutions in collecting labor and employment data has contributed to timely release of statistics on work.

Data integration methods are increasingly contributing to enhanced compilation of household income and poverty statistics.

A number of national statistical systems found that the guidelines issued by international data custodians regarding CPI computation very useful, as it was affected by changes in expenditure patterns and missing data on prices due to the pandemic.

ADB’s Statistics and Data Innovation Unit, through a range of statistical capacity building initiatives, is continuously working with national statistical systems to strengthen their capacity to provide timely data.
Key Indicators for Asia and the Pacific: Data Stories and Visualization * Stories behind Data & Statistical Capacity Building

Introduction

To examine the spread of COVID-19, governments have imposed social and economic restrictions causing a recession, sharply reducing consumption and investment. The pandemic has created a serious economic and financial crisis in many developing countries, in particular, lower income and lower middle-income countries, and these countries are not expected to recover from the current crisis for several years. In some countries, the economic downturn is expected to be more severe and profound due to the spread of the virus, with a greater impact on the poor. This is a critical time for low income and middle-income countries, particularly those that have to manage the spread and the impact of the virus and stimulate economies to aid development. Key indicators are needed to inform policymakers about the current situation and trends. This program, however, has created unprecedented challenges for many countries as the virus has caused widespread economic disruptions, affecting growth and employment. Challenges include a global pandemic's impact on the economy, and countries must respond with coordinated policies and strategies to mitigate the impact. The challenge is to implement policies that can help mitigate the effects of the pandemic and achieve sustainable economic recovery.