



Impact of Covid-19 on Sustainable Development Goals In South Asia

Tanushree Dutta¹

¹ Senior Faculty, iNurture Education Solutions.

Introduction:

In the “United Nations Sustainable Development Summit” in September 2015, the 2030 sustainable development agenda, consisting of 17 “sustainable development goals” (SDGs), is of particular importance to the South Asian nations of Bangladesh, Afghanistan, India Bhutan, Maldives, Sri Lanka, Pakistan & Nepal.

The 2030 Agenda is a transformational global development compact that has evolved through the never-forementioned national, regional, subregional and worldwide process of stakeholder consultations. The Agenda is of particular importance to South Asia as it strives to leverage environmental, social and economic developments with synergies and externalities. It offers a unique way for South Asian countries to eliminate poverty and hunger while respecting environmental sustainability and providing life with dignity for all. South Asia has had significant structural imbalances in the past when it was unable to use these externalities. In several development indicators, their countries lagged behind other subregions. Large gaps in social and economic infrastructure continue, with unemployment rises, especially among young people, inequality and widespread famine, amongst other deprivations.

In the informal sector more than 80% of employees in South Asia have almost no social protection. In South Asia, growth could not harness the younger generation and demographic dividend by creating decent and constructive jobs. The structural transformation in South Asia has shifted from agriculture to services, circumventing the industry. This is noticeable in the share in GDP. South Asia is the world's leading food-deficiency country due to land degradation and inability to exploit sustainable agricultural practises to increase crop yields, lower poverty and enhance distribution.

Unable to exploit renewable energy resources and insufficient focus on energy efficiency has resulted in increased hydrocarbon imports which has thus tightened the balance in current accounts and led to energy

scarcity. The inability to manage impacts of climate change has subjected the subregion to increasing natural disaster incidences.

Sustainable development goals are achieved throughout South Asia to certain extent. South Asia, on the other hand, is particularly sensitive to the effects of climate change caused by extreme weather occurrences like floods and droughts.. This is illustrated by more than half of all catastrophe-related deaths in Asia and the Pacific subregion.

A significant increase in economic growth rates, breadth and inclusion is required in closing these development breakdowns. Every effort should be made to narrow these gaps in ecologically sustainable ways to avoid a significant increase of carbon emissions and depletion of natural resources. This will need to be closely integrated with environmental sustainability in South Asia's economic and social development strategy. SDGs therefore provide a unique and integrated path to sustainable prosperity for South Asian countries.

South Asian leaders identified the following important issues for South Asia during their 18th SAARC Summit: Poverty reduction, youth employment, food and agriculture, education and health, energy, women's and children's social safety, blue economy and environment.

Key Priorities

In order to reduce poverty (SDG 1) and other SDGs, economic development (SDG 8) and industrialization (SDG 9) are critical. South Asia has become the fastest-growing sub-region, but the growth of it has created insufficient jobs for its youth, and 80% of the workforce land into the informal sector. A regionally coordinated strategy of industrialization could leverage cross-border manufacturing spillovers, generating productivity through regional value chains across South Asia. South Asian countries have a significant infrastructure gap in their transport infrastructure (SDG9), basic infrastructure such as sanitation and access to drinking water SDG6, the electricity sector (SDG7) and the ICT which, apart from affecting further SDGs, costs the sub-region 3-4 per cent of GDP. South Asia will be able to make a demographic dividend from its young population by investing in human development through universal health coverage (SDG3) with quality training and education for all (SDG 4). The Sustainable Development Goals have been shaped in India, so the national development goals of India are reflected in the SDGs. Indeed, before they were fully crystallised, India was effectively committed to achieving the SDGs.

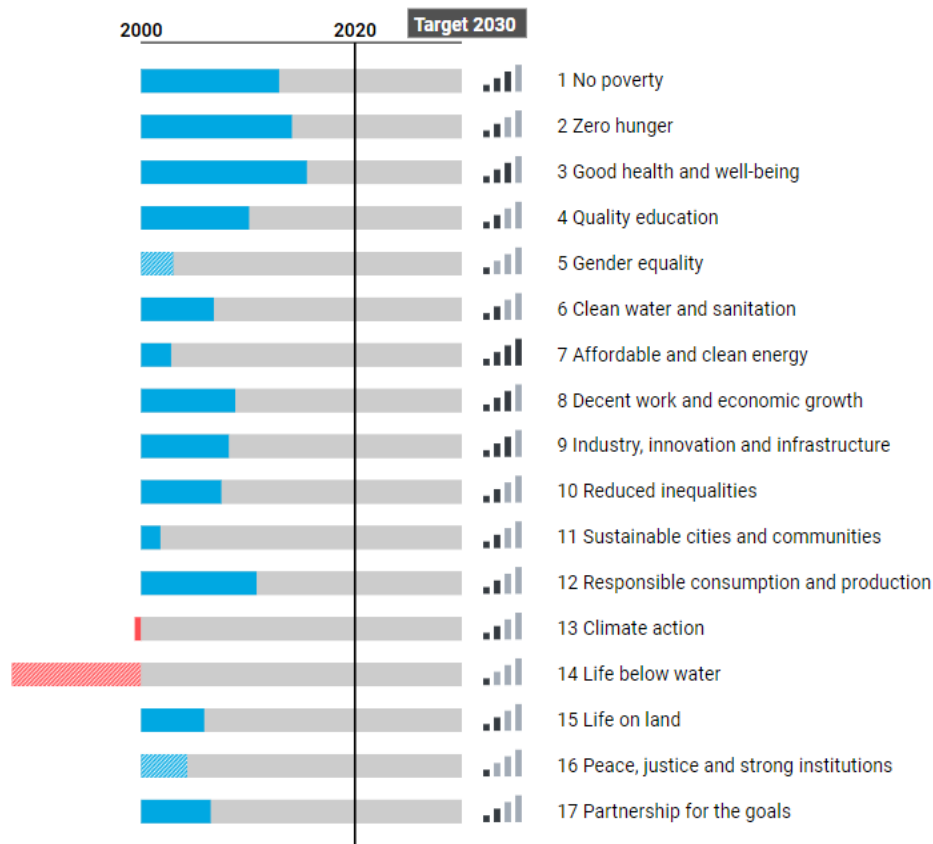
The key tool in every country's arsenal of fighting poverty is rapid growth (SDG 8). It creates well-paying jobs that enable households to access basic needs as food, clothing, shelter, education and public health by giving them the necessary purchasing power. A key strategy to achieve this objective is to create meaningful jobs by agricultural infrastructure development, production assets and livelihood opportunities on the basis of businesses.

Year 2020 started with an unassailable pandemic worldwide. The emergence of COVID-19, the unprecedented, unexpected pathogen, have turned life into a new norm.

Most scientific organisations worldwide that do not participate actively in fundamental research (eg, remedies to Corona virus) and services had to be locked down and field and laboratory investigations were revoked (Chakraborty and Maity 2020).

The UN declared the “Decade of Action” 2020-2030 for Sustainable Development Goals. But in 2020, while on the brink of this new decade, to attain the SDGs as a world and as a human kind, this unpredictable health crisis impacted the world with the effect of an enormous financial consequences and regional polarisation. The pandemic has led to the low international migration, closed borders and economic isolation (Arora 2020). Previous estimates revealed that the global economy could fall by 1% in 2020 (UN 2020 a), but future projections reveal that global GDP could be reduced by up to 5.2%, the biggest decline after the “Great Depression” (UN 2020 b). Severity of this financial debacle would be determined in the future and by the methods for restrictive industrial, financial and human activities, which would limit it to a slight recession, or may lead to occurrence of a deep, long-term recession which will reflect fiscal responses to the crisis (UN 2020 a).

The “UNESCAP’s SDG Progress Gateway” shows that while South Asia has achieved quite well progress on SDGs, as SDG 3 (good health & well being), its achievement of other Goals including gender equality, energy and sustainable cities and communities has been laggard. The subregion has regressed in the area of Life below water & climate action



Literature Review:

Food, Water, Energy, Environment

According to Rasul², The staple food crops in South Asia, rice and wheat, need enormous quantities of water. Due to rise in demand for competing applications and increased uncertainty as a result of climate change, fresh water once abundant is under increasing stress. Access to clean drinking water is not available to about 20% population. The energy required to produce the crops is seriously lacking, for example by pumping groundwater. In this region, per capita energy use is among the world's lowest. South Asia has the problem of making more consumables with equal or less amount of land, less water and higher prices for energy, whistling its resources and uphold the environmental sustainability, with challenges led by growing populations, declining farmland,

² Rasul Golam, 2015, Managing the Food, Water, and Energy Nexus for Achieving the Sustainable Development Goals in South Asia

increasing energy and water resources stress and climate variability. Due to the heavy dependence on energy and water, increased energy scarcity and water stress, increased competition for water, poor operation of irrigation systems and energy from other sectors, rice production sustainability is at risk.

The potential hazards of climatic change on water systems, energy usage, increased competition for land and water for bioenergy and hydroelectricity are aggravating the hurdles of ensuring water, energy and food security. Water, food, and energy are interconnected and actions in one area affects each other. Food production requires water and energy; the extraction, treatment and redistribution of water require energy; and the production of energy requires water. Freshwater services and food production are dependent on water, soil and other natural resources. Water and energy demand are influenced by food choices and agricultural practises. In the same way, different policies, for instance those on agriculture, energy, land use, food, taxes, loans, prices and subsidies, are influencing water, energy and land demand. These are dynamic relationships. However, policies are generally limited in the sphere of food, water and energy policies, as in many developing countries. By neglecting the three sectors' fundamental interdependency policy is often the unwelcome effect of moving the problem from one sector to another; and policies and decisions taken alone can exacerbate resource constraints, without regard for their impact on other sectors.

A significant challenge that South Asian region is facing with competition in resource demand and rising environmental pressure is to find a way to minimise conflicts between the three main sectors food, water and energy and promote synergies in policies and instruments. Policies and instruments are currently being developed without due regard for cross-sectoral effects. The lack of linkage between sectoral agencies has generated a demand and supply imbalance between the sectors. Cross-sectoral efforts, such as consideration of water for food or energy for food, were linear. Although the framework for agriculture policy has contributed to the increase in the production of food grains, it imposes enormous strain on water and energy resources and weakens agricultural sustainability.

Subsidies cause overuse of water and energy, and can even be detrimental. Intensive agriculture, such as water logging, soil salination and increased incidence of waterborne and water-related diseases, could cause negative environmental consequences. In national policies, connections between macroeconomic policies and policies comprising a sector and intersectoral impacts are not internalised. Cross-sectoral externalities have placed additional stress on land, water, energy and other scarce resources and undermined food, water and energy safety in the long term.

The South Asian nations are facing the usual challenge of decoupling of production of food from water and energy use intensity and environmental degradation in order to make it sustainable. The planned “Sustainable Development Goals” of “zero poverty” (SDG 1), ending food insecurity and hunger (SDG2), ensuring water security (SDG6), sustainable economic growth (SDG8), access to modern energy (SDG 7), sustainable consumption and production (SDG 12), and conservation, protection, and sustainable use of marine and

terrestrial resources and ecosystems (SDGs14 & 15) are all closely interconnected. Successful use and water management, energy, land and other natural resources will largely depend on ensuring them. These factors are not just interdependent, but both reinforce and impose constraints on each other.

The objectives are interconnected in various other ways. For instance, attaining food safety objective and ending famine strongly depends on attaining the aim of water and energy security needed to assure the availability of water and energy for production of food. Similarly, the ability to attain the water objective and energy security depends highly on the manner of food production, processing, transport and consumption. Improving water, energy and land efficiency can ease trade-offs and conflicts over resources. However, assuring resource efficiency won't be enough to maintain water, food and energy security in long term without conservation and sustainable use of natural resources and ecosystems. The basis of natural resources and health of ecosystem establish the conditions for sustainable production. Finally, the achievement of this specific goal can not ensure healthy living; it depends on multiple objectives, from water, food and energy guarantees to inclusive growth, healthy ecosystems and environmental protection. The SDGs are intricately linked, like the water, food and energy nexus. So in South Asia there is an integrated approach to water, water, energy security and SDGs.

Despite the intrinsic inter-relationship between food, water and energy, there has been little effort in South Asia to understand the interdependence between resources and policies. Comprehension and management of food, water and energy linkages are essential to formulating policies for resilient and responsive societies.

It is very significant for a "developing" nation such as India that aspires to be "developed" in the next few years, but still has some of the highest numbers of environmental pollution related deaths in the world. India currently has one major share of the world's population, with few of the worst air polluting mega-cities, which lacks access to clean drinking water and sanitation. As a result, policymakers may need to be more resilient with ongoing socio-economic changes and prudent in allocating resources to meet short-term milestones, together with incubating long-term goals for future generations' sustainability.

More than half of the global population still lacks access to clean water for drinking and sanitation, mainly in economically distressed areas, South Asia, and other developing countries.

Over 100,000 people in India die every year from water-borne diseases such as diarrhoea, typhoid, cholera. By different routes, and due to lack of access to clean water, COVID-19 can also transmit as well as the above-mentioned waterborne illnesses. The pandemic has made clean water and sanitation in many parts of the World even more difficult to achieve.

Poverty

According to Asadullah³, Regressive subsidy systems and deep-root governance problems affect countries in the South Asian region. Poor governance has lead to mistakes and leakages which have undermined the effectiveness of social security network programmes in South Asia. There is no strong proof of the effectiveness of microfinance to eradicate poverty. Another promising alternative is the unconditional transfer of assets to extreme poor people which is regarded as “big push for the “economically poor households.” Similar to microfinance, women are transferred assets by BRAC's "Target the Ultra Poor" program. In several countries in South Asia and Africa, this approach has been repeated. Evidences based on random contract evaluation in Bangladesh and Pakistan suggests that the "poverty graduation" model is effective while the impact on income or asset accumulation on South Indian issues is lacking. There are however certain concerns about the program's long-term sustainability impact.

The social aspect of human development includes both development and growth. The Human Development Index (HDI) has been improving over years in social aspect of South Asia, but is relatively and absolutely low in comparison to other economies in the world. Moreover, in the region the poverty and inequality levels have increased sharply, despite an increase of over 6 percent in economic growth. In addition, overall growth in economic and social aspects requires time for sustainable development in the South Asian region. The spread of coronavirus in the world led immediately to an unprecedented decline in social and economic operations, which led to unemployment, and income decline. Various previous studies have also confirmed that the pandemic situation has led to a reduction in socio-economic status of the countries affected.

Buheji, 2020 has studied that 49 million people will suffer extreme poverty and a reduced workforce across all sectors of the economy, which will result in a loss of many jobs in 2020, due to the pandemic in poor communities throughout four continents.

Quality Education:

According to Khan et al⁴, 2016, South Asia, the majority of governments managed to close the gaps of school enrollment rate in comparison to other developing regions. But the increase in enrolment did not result in learning results due to the flat “learning profile,” i.e. a mild relationship between completed school years and South Asia is is going through a learning crisis, as a region (World Bank 2018; UNESCO 2014).

³ M. Niaz Asadullah1 · Antonio Savoia2 · Kunal Sen, 2020, Will South Asia Achieve the Sustainable Development Goals by 2030? Learning from the MDGs Experience

⁴ Khan Anam, Javed Asif, Batool Samavia, Hussain Fazal, Mahmood Hamid and, Ahmed Vaqar, 2016, The role of youth in sustainable development, Perspective from South Asia.

Women's literacy data shows that learning profiles have not improved over time in India, Bangladesh, Pakistan, and Nepal. It is unlikely that only through universal primary school completion can the SDG goal of universal literacy be achieved. With more investment in physical inputs, we cannot solve the problem of low education quality. With more investment in physical inputs, we cannot solve the problem of low education quality.

A meta-analysis of educative intervention evaluations in South Asia has revealed that teacher or school programmes are more effective for better learning performance rather than for education programmes which increase household and community demand.

An exhaustive review of international evidence reveals the consistent and positive impact of structured teaching schemes (e.g., development of subject matter-specific contents, new teaching and learning materials, teacher training schemes in the delivery of new material)

Employment

According to Khan et al, 2016,⁵ young adults still account to half of the unemployed and young people are 6 times more likely to remain unemployed than older people (World Bank, 2016). In particular, women among young people are left behind by: geographical and employment mobility limitations, access to education and training, and discriminatory cultural standards.

Although investment in development of skills is important, the reform of goods and labour markets is essential in order to create new jobs so that economic growth can absorb both existing unemployment and increase in the labour force.

Goal 8 - especially the youth unemployment target - should also be discussed with regard to South Asia. The South Asian region has, according to the World Bank (2016):

- one fifth of the 15-24 year old population;
- the highest number of youth in the world ever to become adults
- Acute youth unemployment rate with a six times higher chance of unemployment among young adults than older people and accounts to half the total unemployed population
- Acute youth unemployment rate with a six times higher chance of unemployment among young adults than older people and accounts to half the total unemployed population

⁵ Khan Anam, Javed Asif, Batool Samavia, Hussain Fazal, Mahmood Hamid and, Ahmed Vaqar, 2016, The role of youth in sustainable development, Perspective from South Asia.

In South Asia, there are two major reasons for the challenges of youth unemployment. First of all, the slow growth of formal jobs compared to growth of the added value of the real sector. Secondly, the skills demanded by employers does not match those of university and education graduates.

In order to satisfy the requirements of a large youth population, current institutions responsible for implementing policy under goal 8 will have to revise their business processes. This may involve legislative changes such as guaranteeing gender parity in schools and workplaces. This could also involve increased management capacity-building for legislative changes, as well as new programs and policies for active and passive labour market reforms.

It is important for reducing poverty and attaining equity goals as well as generating productive employment.

Entrepreneurship development is incentivised through various sectors led by the sectoral ministries. The government seeks ideas regarding entrepreneurs' access to peers and incubators, to support business hubs. The efficient and timely execution of above programmes presents several challenges and constraints. The common perception is that students choose institutes of skills development because they cannot pursue conventional higher education. The attitude of employers regarding qualifications for skills development must also be modified (World Bank, 2016).

Gender Equality

According to Khan et al, 2016⁶, in the important issues of gender equality, such as women's violence and underage marriage, South Asian countries, in particular Bangladesh, India, Pakistan, Nepal, Afghanistan, and share a dreadful record. The largest incidence of girls' marriage in childhood and early teens is faced in this region according to UNICEF 2014. In the MDG era, child marriage was seen as a by-product of poverty and girls' lack of education. The decline in prevalence was less than proportionate to the decline of income poverty while the household wealth were adversely linked with child marriage in South Asia.

In India, 15 states have initiated conditional transfers to address the problem. Interventions involving money transfers, like the conditional transfer regime, overlooked the role of social restrictions and conventions. In India, households continue to opt for early marriages by amending the marriage contract in order to secure the monetary advantages promised by the practise.

At the same time, government of Bangladesh has passed new law allowing wedding of under 18 girls under special conditions. The minimum age for marriage in Pakistan has been increased from 16 to 18 and this has faced immense religious opposition. Capacity of the state also plays a role. In fact, the weak implementation and lax enforcement are routinely damaging existing national policies that prevent child marriage. Records of birth

⁶ Khan Anam, Javed Asif, Batool Samavia, Hussain Fazal, Mahmood Hamid and, Ahmed Vaqar, 2016, The role of youth in sustainable development, Perspective from South Asia.

registration can be manipulated by bribery. Similarly, in India, administrative deficiencies in programmes such as conditional cash transfer can undermine child marriage eradication programmes.

Child Health

The children's environment can have a major impact on survival and health (SDG10, SDG11, SDG13). Environmental health has been identified by the World Health Organization (WHO) as “all the physical, chemical and biological factors external to a person, and all the related factors impacting behaviours. It encompasses the assessment and control of those environmental factors can potentially affect health. It targeted towards preventing disease and creating health-supportive environments” (SDG13, SDG14)

In South Asian and Sub-Saharan Africa, infant mortality remains a major concern (SDG5,SDG 6). UNICEF 2011 reports that 98.6% of deaths among infants under 5 years of age, worldwide, occurred in developing countries (SDG5). More than 80% of all child deaths in the world are contributed by Sub-Saharan Africa and South Asian countries (SDG6& 7). The leading cause of death in children is acute respiratory tract infections followed by diarrheal diseases (SDG8). Infective diseases are prevalent in developing countries among children under five years of age and can have direct and indirect effects on the development. Some of its main reasons are unsafe sanitation practises and unsafe drinking water(SDG9-11). Underweight children also are more likely to develop diarrhoea, malaria and other childhood diseases (SDG12).

In SouthAsian regions, children's health continues to be a major public health concern. ARI and diarrhoea in combination with the high prevalence of underweight, are the major killers of infants in South Asia.

Break of the pandemic and its effects:

According to Srivastava et al.⁷ this unforeseen crisis on behalf of Covid 19 successfully exposed our global system's fundamental weaknesses. It demonstrated the absence of global cooperation in the areas of poverty, education, health and the environment. This crisis caused enormous loss of life in real time, but its long-term impact on sustainable development paths and the world economy can be catastrophic. The pandemic can impact global development and achieving disaster-sensitive SDGs through multiple pathways of political, socioeconomic and environmental routes.. The pandemic is intended to have serious short- and long-term consequences for most SDGs and India could face major challenges in ten of the 17 SDGs . Globally, in 2020 there could be at least 71 million people plunging into extreme poverty, with severe impacts in low-income countries, as well as in South Asia, expected. As a result, the dream of clean water (SDG6) and air (SDG13) being accessed in a unified world is expected to have an obvious impact in the near future.

⁷ Srivastava Ankita, Sharma Raghvendra Kumar,Suresh Arjun,2020, Impact of Covid-19 on Sustainable Development Goals

According to UNESCAP report 2020⁸, the impact of the pandemic in South Asia will be serious as the region's economies are less ready in terms of public and other fundamental health infrastructure (inequalities, sanitation, drinking water, and broadband connectivity). The loss of employment and reverse migration of millions of workers have been the main factors leading to extreme poverty and inequality. Therefore, the government role in large relief packages and inclusive and effective policy repercussions for recovery and improvement of the economic and social aspects on the ground are extremely important to alleviate the pandemic challenges. Furthermore, various sectors of society should work, for example, experts in the fields of finance, economics, healthcare, academics, various welfare bodies and international leaders.

According to Mukherjee et al⁹, Phenomena such as climate change and environmental pollution could occur at a much lesser pace than a pandemic but it may pose a greater risk of human survival, if not mitigated over a period of time. The direct effect of the pandemic may be envisaged in a business-as-usual scenario, whereas sustainability is a long-term objective. Through this pandemic, the process to achieve these objectives may be delayed, but the way these objectives can be achieved may not be greatly altered. The pandemic's unprecedented financial burden, however, has led to a slowing down of unexpected socio-economic developments, that could influence priorities for development and ways to achieve the SDGs, even at decadal scale, if continued over a longer period.

Long-term policy action on poverty and the reduction of income inequality should be taken along with immediate policy actions; efforts should be made with respect to distribution policy, sustainable rural and urban development (in terms of improved financial aid, growth policies, profitable projects, farming practises as well as the development of sufficient opportunities like availability of improved crop security, improved technology, availability of necessary resources and improved living conditions). Efforts should be made to improve the education structure, professional education programmes, easy capital access, simple documentation processes and trouble-free tax structures to reduce the unemployment rate.

Research Methodology: Secondary data have been used to analyse the impacts of Covid 19 in the South Asian countries. Theoretical study of the existing Literature has been done thoroughly. Quantitative data has been represented by help of pie charts and graphs.

⁸ COVID-19 and South Asia: National Strategies and Subregional Cooperation for Accelerating Inclusive, Sustainable and Resilient Recovery, UNESCAP-SSWA

⁹ Abhijit Mukherjee, S Suresh Babu & Subimal Ghosh, Thinking about water and air to attain Sustainable Development Goals during times of COVID-19 Pandemic

The Covid 19 impacts on SDGs

Growth: For the first instance in this decade, economies in South Asia will probably be shrinking.

The fact that Corona Virus has driven the global economy into the worst downturn ever since the 1930's "Great Depression" has now been widely recognised. The IMF (2020) plans a 6% drop in global production in 2020, from the economic growth of +3.0% previously expected to decrease by -3.0%. "The United Nations Department of Economic and Social Affairs" (UNDESA) expects a loss of production of almost \$8.5 trillion during 2020 and 2021, wiping away almost all previous four years' output gains. The World Bank's recent projection shows that the world's GDP will decrease by 5.2% in 2020, the worst hit in last 80 years. The outbreak of pandemic is also validating the perseverance of Southern Asia economies that even after the global financial crisis kept growing at relatively robust rates. For the first time over four decades, the subregion will probably have its economy shrinking

The lockdown measures have hampered the growth trajectory of the South Asian countries. The growth in almost all the South Asian countries have reached negative territory except for Bangladesh.

The following figure presents growth projections for South Asian countries for 2020 made by the IMF in October 2019 and April 2020, the UNESCAP's estimates based on emerging trends, and the latest estimates of World Bank. A growth comparison estimates before the outbreak of COVID-19 crisis and after, shows a large difference from 4.3% to -5.4% for whole South Asia, representing a contrast of 9.7 percentage points. It is a significant financial impact for the South Asian nations, and will have serious social ramifications for people's livelihoods and well-being, as will be discussed later. Maldives is expected have the worst effects with a -28% squeeze in GDP compared to +6.9% pre-COVID projection(2019), followed by India with an estimated -8.5% GDP growth projection compared to 4.2% pre-COVID projection(2019). Bangladesh may still experience economic growth in marginal rates. Such forecasts, on the other hand, presume that the pandemic will be contained and economic activity will be restored quickly, and that the incidence will be staggered.

Growth of South Asian Economy in the wake of Covid 19

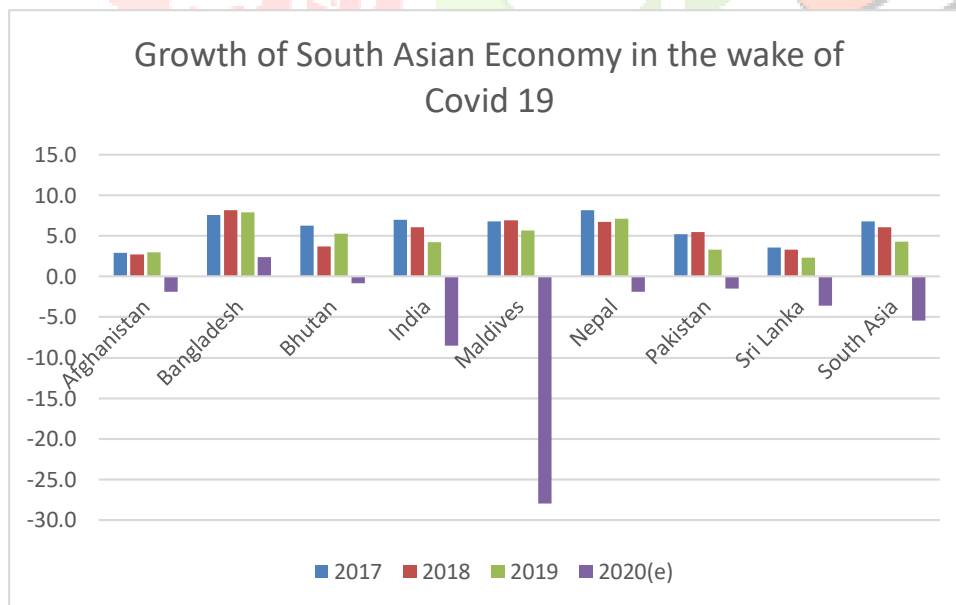
Nations	2017	2018	2019	2020(e)
Afghanistan	2.9	2.7	3.0	-1.9
Bangladesh	7.6	8.2	7.9	2.4
Bhutan	6.3	3.7	5.3	-0.8
India	7.0	6.1	4.2	-8.5
Maldives	6.8	6.9	5.7	-28.0
Nepal	8.2	6.7	7.1	-1.9
Pakistan	5.2	5.5	3.3	-1.5
Sri Lanka	3.6	3.3	2.3	-3.6
South Asia	6.8	6.1	4.3	-5.4

Note: The fiscal year figures have been converted into calendar year data to estimate the regional aggregate by taking the two consecutive year averages for Bangladesh, Bhutan, Nepal and Pakistan for which quarterly GDP data is not available.

. (e)=estimate

Source: World Bank.

Projecting the above data graphically we find that India and Maldives are the worst hit counties in terms of growth.



MSMEs were the worst effected:

MSMEs play a key role as regards contribution to GDP, employment generation and export income in South Asia's economic performance. MSMEs contribute 52% to GDP in Sri Lanka, 35% to total jobs and 20% to exportation. MSME, which generated 20 million jobs in 2013 by as many as 99% of non-farm enterprises in Bangladesh. India employs a staffing of 63.38 million MSMEs (21% of total employed), employing 1110 Lakhs people and contributed 48% of country exports in 2018-19. In South Asia, micro- and small-sized enterprises are highly dispersed, labor-intensive and most of them are informally active in the unorganised sector.

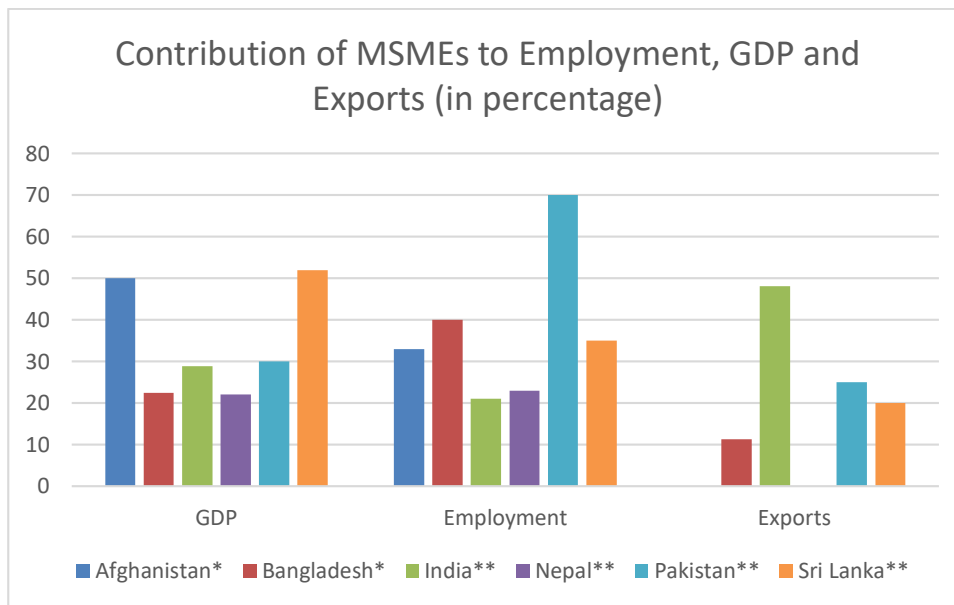
The low cash flows, low working capital, and high informal operations have hit MSMEs most because of COVID-19 restrictions. 75 percent of the respondents to the “UNESCAP-SSWA” survey indicated that output losses from MSMEs could exceed 50 percent owing to the COVID-19 crisis. Crunch of liquidity, supply chain disturbances and shortages of labour could make it very tough for MSMEs to deal with shocks imposed by COVID-19 and restore business activity. The segments of consumer goods and automotive industries (garments, boots, utensils etc.) are estimated to suffer from reduced demand as private use slows down. The export-oriented sectors, like electronics and consumer durable, pharmaceutical and textile industries, which depend on high imports (raw materials or medium products) are facing bottlenecks because of a significant global fall in demand.

MSMEs are the key indicator of a country's economic performance. The following figure indicates that Afghanistan, India, Sri Lanka, and Pakistan have suffered severe consequences, as MSMEs make a significant contribution to GDP, exports and jobs.

Contribution of MSME's to GDP, Employment and Exports (in percentage)

Nations	GDP	Employment	Exports
Bangladesh*	22.5	40	11.3
India**	28.9	21	48.1
Afghanistan*	50	33	NA
Nepal**	22	23	NA
Pakistan**	30	70	25
Sri Lanka**	52	35	20
Source: UNESCAP depending on different national sources			
*=2014			
**=2018			

The following figure projects the MSME's contribution to GDP and exports graphically.



People are being pushed into extreme poverty due to loss of jobs and livelihoods.

With the lack of social security, job losses and employment income particularly for informal workers tend to drive them into extreme poverty. Because of COVID-19, people who live just above the line of poverty can also fall into extreme poverty. Marginal people are susceptible to poverty traps by increasing infection risks of due to current poor health, constrained access to sanitation and water, poor access to healthcare and testing and a lack of public healthcare. As the pandemic has a direct or indirect effect in the face of low overall readiness, it is likely that current extreme poverty rates, particularly among vulnerable and disadvantaged households and marginalised people, will raise even in the short term.

Simulations conducted under “UNESCAP-SANEM CGE” model suggest that, due to the COVID-19 related measures, up to 132 million people in the five countries of South Asia covered in the model can be driven into extreme poverty (USD 1.9/day poverty measures). India with population of 108 million, accounts for a large proportion of South Asia's potential new poor. The rest will be Bangladesh, Nepal and Pakistan, with 260,000 potentially poverty-stricken Sri Lankan people. These figures are broadly consistent with a recent UN/WIDER study, which estimated that COVID-19 may cause extreme (\$1.9 per day) poverty between 40.5 and 209.2 million people in South Asia.

Inequalities may increase as vulnerable groups are more adversely affected

For some sectors of the population such as slum people, women, senior citizens and people with disabilities, the impact of COVID-19 is likely to increase.

In families without safe drinking water, girls and women are at higher risk of contracting Corona Virus as the responsibility of collection, storage and management of water bestows upon them. In Nepal and Afghanistan, for instance, women of 80% poor families travel over long distances to access medical care. Nearly 90 percent of those in Afghanistan and Nepal from the poorest communities and 70 percent in India and Pakistan suffered a basic lack of water and soap for hand washing.

In Afghanistan, Bangladesh, Nepal, India and Pakistan, this pandemic will pose a major challenge, as there is a lack of appropriate sanitation and hand washing facilities.

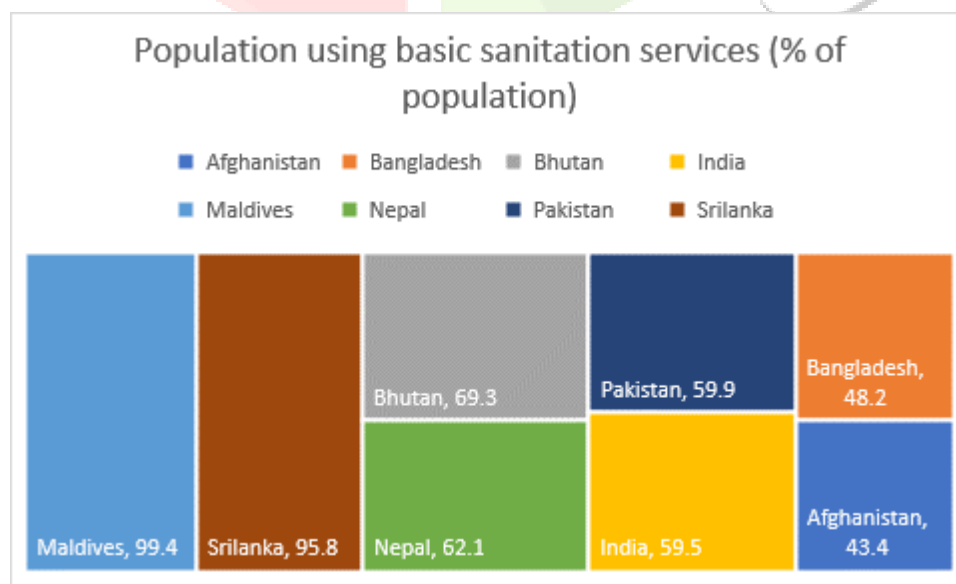
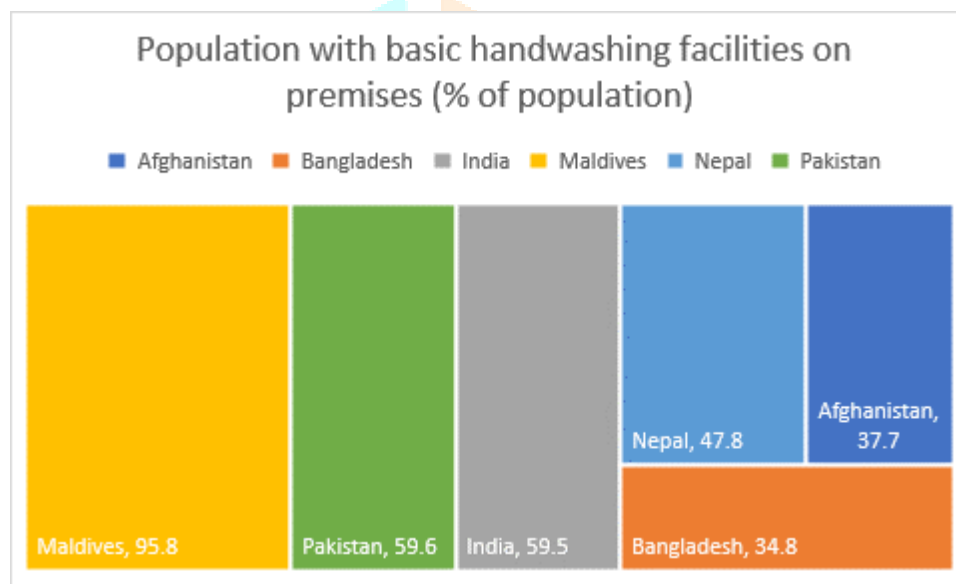
Time period		2015	2016	2017
Area				
Series: Population with basic handwashing facilities on premises (% of population)				
Indicators: 6.2.1 Safely managed sanitation services				
Afghanistan		37.6	37.7	37.7
Bangladesh		34.4	34.6	34.8
India		59.3	59.4	59.5
Maldives		95.8	95.8	95.8
Nepal		49.8	48.8	47.8
Pakistan		59.5	59.5	59.6
Series: Population using basic sanitation services (% of population)				
Indicators: Access of household to basic services				
Afghanistan		40.7	42.1	43.4
Bangladesh		45.7	47	48.2
Bhutan		67.3	68.3	69.3

India		54.3	56.9	59.5
Maldives		99	99.2	99.4
Epal		55.7	58.9	62.1
Pakistan		56.6	58.3	59.9
Srilanka		94.4	95.1	95.8

[© Methodolgy and detailed information](#)

The percentage of Population in South Asia with basic handwashing and sanitation facilities in premises

is represented as following:



Increasing food insecurity due to disruptions to the food chain could have long-term health impacts

Due to seasonal workers' unavailability, transport restriction, the COVID-19 global epidemic has already triggered some interruptions to farming and supply chain activities. The short-term shocks caused by the pandemic can generate complex links to malnutrition and food insecurity, which have long-term effects on health, in particular infants and women. The effect of COVID-19 can force the people in acute food insecurity to increase by 130 million to 265 millions by 2020, compared to 135 million in 2019 as per the latest World Food Program (WFP) projections. Afghanistan, one among ten most seriously hampered nations due to facing food crises, at least 35% of its population, was hit severely by the current COVID-19 crisis with repercussions on aid from travel constraints, closures of the frontier with Pakistan that lead to an increase in food price volatility, and a large number of Afghanistan's returnees from Iran.

Unsufficient food access or even temporary price spikes as the pandemic rages throughout South Asia lead to large sections of people living next to the poverty line and depending on casual, informal work that has been affected by the pandemic, to starve. A widespread food insecurity and hunger could result. In Afghanistan prices for wheat flour and cooking oil have increased by 23% due to shortages of supplies, and in Pakistan, similarly, with panic buying due to reports of probable lockdown. The prices of foodstuffs with exception of cereals, increased abnormally in India, in the first week of April, as compared with March 2020 for bottlenecks and transport restrictions.

In Bangladesh in April 2020, during a national lockdown, the rice price was at its highest in two years. This sudden surge in food costs can be disastrous for lakhs of financially distressed households, particularly financially vulnerable groups, such as daily wage earners and workers in unorganised sectors who already struggle with income losses and livelihoods, in rural and urban areas.

In South Asia, households and communities are not well prepared for the challenges of nutrition that COVID-19 might pose, with limited capacity of the health and food systems. The crisis could have broad and adverse repercussions on the nutritional status, both during and after the crisis, on vulnerable groups, especially women and children. This could be done via multiple mechanisms such as loss of earnings and unemployment from governmental lock downs and quarantines; school feeding programmes being hampered by the school closures; a disintegration of the food markets by demand-supply shocks and the diversion of resources from measures of improving nutrition to COVID-19 combatting actions. In the midst of COVID, due to induced food shortage and volatility in prices, more than seven million children in Afghanistan are starving, while about one third of the population will face acute shortages of food in the coming days.

A recent study in Bangladesh has shown that, because of the associated COVID-19 economic shock, 32% of rural households have reduced food intakes.

In South Asia, loss of income for many households means a loss of access to food and in the light of the pandemic, decline in income in vulnerable households may force to give up foods that contain nutrients such as dairy, eggs and vegetables and to look for less cheaper nutrient substitutes that have a detrimental effect on the quality of their diets and malnutrition in infants. About 3680 lakh children worldwide may miss school meals as a result of closures due to COVID-19. 30 lakh children are estimated to no longer receive school meals in South Asia, which could have negative consequences for nutrition, particularly for girl children, given skewed intra-family dynamics and increased stunting rates.

Concerning the transient decrease in nutrient supplementation programmes, and neonatal, antenatal and essential infant, maternal and child healthcare services, resulting in adverse consequences for mother and child health. COVID-19 mitigation and re-orientation (e.g. the expansion of dedicated COVID-19 hospitals) to public health and re-orientation of auxiliary health workers (accredited Social Health Activists and “ASHA” and workers at “anganwadi” in India) could have indirect effects on the health care system.

In order to ensure the stability of price and access to food for vulnerable groups, adversely effected by the crisis - displaced migrants, pregnant and nursing women, young children, as well as older people - the impacts of COVID on food system make it vital for governments in southern Asia to respond adequately and efficiently via food distribution and safety net programmes. Government pandemic relief measures shall be connected to the long-term food and nutrition security responses, including the expansion of “Food based Safety Net” (“Khaddo Bandhob” in Bangladesh) programmes and “Integrated Child Development Services” (ICDS) in India, to ensure that the hunger ending goals (SDG 2) do not fall behind.

Older population and Persons with disabilities will be affected:

The pandemic will affect the most vulnerable of the population such as persons with disabilities, older persons, and migrant workers. India, Bhutan & Pakistan will face serious consequence as most of their population is out of social protection system.

SDG Indicators Data

Indicators: 1.3.1 Social protection floors/systems

Time period	2016	2017	2018	2019
Area				
Series: Mothers with newborns receiving cash benefits (Percentage)				
Bangladesh	20.9			
India	41.5			
Sri Lanka				100
Series: Employed population (percentage of employed population) covered in the case of a job injury				
Bangladesh				12.5
India	3.7			
Nepal				3.8
Sri Lanka		80		
Series: Proportion of the population above the statutory retirement age who receives a pension (percentage population)				
Bangladesh	33.4			
India	25.2			
Sri Lanka	25.2	21.5		
Series: Vulnerable population receiving social assistance cash benefit (% of population)				
Bangladesh	4.3			14.9
Bhutan				5
India	10.4			



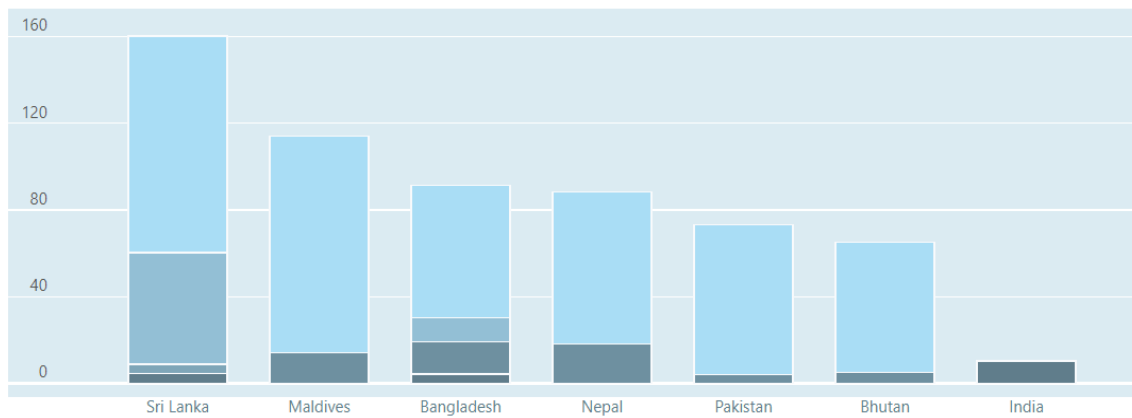
Maldives					14
Nepal					18.3
Pakistan					4
Sri Lanka		4.4		4.4	
Series: Poor population receiving social assistance cash benefit (% of population)					
Bangladesh		11		61	
Bhutan				60.2	
Maldives				100	
Nepal				70.1	
Pakistan				69.2	
Sri Lanka		51.5		100	
Series: Population with severe disabilities receiving disability cash benefits (% of population)					
Bangladesh		18.5	18.3		
India		5.4	2.8		
Maldives					48.2
Nepal					3.9
Sri Lanka		20.8		20.7	

[© Methodolgy and detailed information](#)



SDG Indicators Data

Indicators: 1.3.1 Social protection floors/systems



The challenges in Achieving “Sustainable Development Goal” for each country in South Asia

South Asian countries have taken measures like closing of borders, shutting up of educational institutions, closing non essential businesses and restriction in transit.

Nepal (93), Afghanistan (84), and Bangladesh(82) has most stringent measures followed by Pakistan (80) and India (79).

Steps taken by the South Asian Governments to combat spread of COVID-19 in 2020

	Stringency	Lockdown measures	International Borders/ travel restrictions	Air Travel	Land Transport	Maritime Transport
Afghanistan	84	Complete Lockdown 22 March till 24th May	Closed, open only for immigrants	PR	PR*	ND
Bangladesh	82	26th March to 16th May and extended further to 30 th May. Hotspot lockdown was imposed	Closed	Domestic flights resumed from 1st June International flights started from 15th June. Cargo flights only.	Cargo trains	EG only**
Bhutan	74	Restrictions on tourist entry from 6th March-international borders were sealed. Lockdown from April 1st to 21st	Closed	Not allowed	EG only**	NA
India	79	25th March to 31st May. Lockdown extended till 30th June in containment zones. Various activities were allowed after 8th June 2020.	Closed	Domestic flights started but PR for international flight	PR	ND
Maldives	NA	Public Health Emergency declared on 19th March. Lockdown from 1st April to 12th June in greater Male.	Closed	Permission Required	NA	A
Nepal	93	23rd March to 2nd June. Extension to 14 June	Closed	Permission Required	Conflicting information	NA
Pakistan	80	1 April to 9 May. Lockdown lifted.	Closed	International flights allowed. Cargo flights only	P	A
Srilanka	77	Public Holiday declared from 15th March Lockdown from 20th March to 11th May	Closed	Cargo flights	P	ND

Challenges in meeting the SDGs in the context of the pandemic:

Due to the outbreak of pandemic and to save lives, locks-downs and other strict measures have been taken by the governments in South Asian nations. But these measures have heavy impact on the economies.

For the first time in four decades, South Asian economies are likely to decline:

The pandemic tests South Asia's economic dynamism and resilience. Comparisons of South Asia growth estimates in 2020 show a significant loss of 8.8 percentage points after the outbreak of COVID-19 crises. Losses of such a size may have serious social repercussions for people's livelihoods and well-being.

The collapse of global trade had a negative impact on South Asia as export orders for major labour-intensive items like clothing, leather footwears, crafts and shrimps from South Asian nations are cancelled or suspended which cause a widespread loss of employment and income. Tourism was a major sector in all the economies of South Asia, particularly the Maldives, and the lives of millions of people dependent upon it and activities related were severely damaged. Foreign exchange remittance that accounts for more than 30% of Nepal's GDP and has major share in Bangladesh, Sri Lanka & Pakistan could reduce by 22% on average.

MSMEs, the major industry in South Asian economy which contributes significantly to employment, GDP, and exports and large informality in operations was severely affected as a result of the pandemic. Crunch of liquidity, disruptions of supply chains, labour scarcity, and a collapse in demand could lead to MSMEs losing over half their production in South Asia, making it hard for them to reconfigure their enterprises.

Job loss and livelihoods could lead to extreme poverty for up to 132 million people:

Disturbance of business activities, export order cancellations, shutdown of enterprises, workers returning from outside and adverse effects on MSMEs could make millions of people jobless and endanger their livelihoods.

Huge fiscal deficit of the South Asian Country:

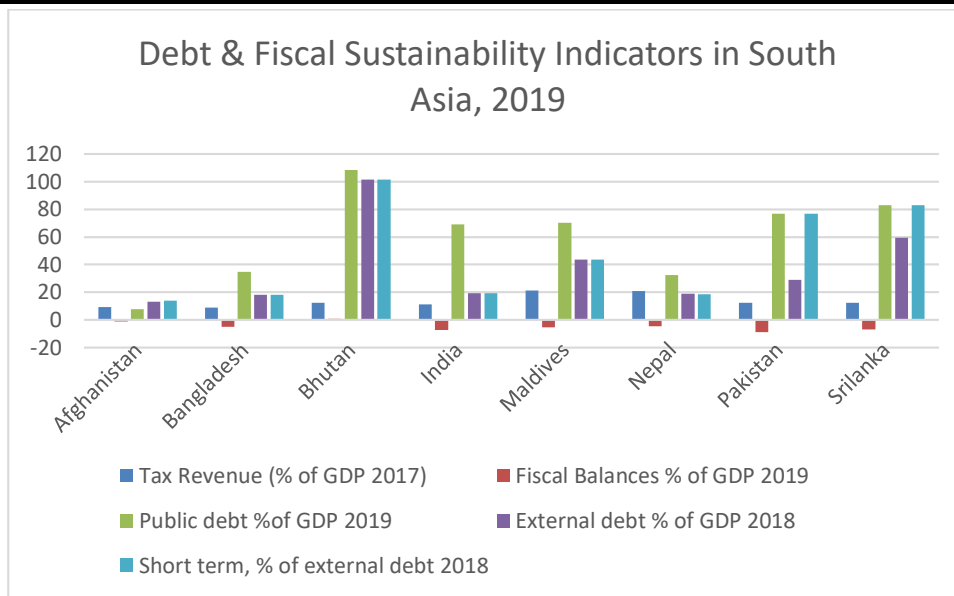
South Asian Countries have high fiscal deficit which make it difficult for them to undertake high fiscal response measure. Countries especially Maldives, Pakistan, Sri Lanka and Bhutan will have problem in increasing government expenditure in these trying times and thus it will be an obstacle in meeting the SDGs.

Indicators of Fiscal and Debt Sustainability in South Asia, 2019							
	Fiscal Sustainability		Debt Sustainability				
Nations	Tax Revenue (% of GDP 2017)	Fiscal Balances (% GDP 2019)	Public debt (% GDP 2019)	External debt (% GDP 2018)	Short term % of external debt 2018	Risk of Debt distress	DSA year
Bangladesh	8.8	-5.2	34.6	18.1	18.1	Low	2019
Maldives	21.2	-5.6	70.1	43.8	43.8	High	2020
Afghanistan	9.3	-1	7.6	13.1	14	High	2020
India	11.2	-7.4	69	19.2	19.2		2019
Bhutan	12.5	0.6	108.6	101.4	101.4	Moderate	2018

Source: UNESCAP, based on various DSA reports, IMF Fiscal Monitor (April 2020), World Development Indicators and Fiscal Space Dataset (April 2020).

Note: Tax (% of GDP) data for Bangladesh for 2016. For two groups of countries, the IMF/World Bank uses a different debt sustainability analysis: those that rely heavily on concessional financing, for which a high, moderate, or low risk of debt distress rating is given, and those that have substantial access to market, mostly developed economies and emerging markets, for which no rating is given.

In following figure the fiscal sustainability indicators and the Debt sustainability indicators of South Asia are graphically represented.



References:

- Alauddin, M., Quiggin, J., 2008. Agricultural intensification, irrigation and the environment in South Asia: Issues and policy options. *Ecological Economics*, 65(1), 111–124.
- Atapattu, S., Kodituwakku D., 2009. Agriculture in South Asia and its implications on downstream health and sustainability: A review. *Agricultural Water Management*, 96, 361–373.
- Shah, T. 2007. The groundwater economy of South Asia: an assessment of size, significance and socio-ecological impacts. *The agricultural groundwater revolution: Opportunities and threats to development*, 7–36.
- Chaudhury, A., 2009. The Energy Crisis and the South Asian Security An Indian Perspective. *India Quarterly: A Journal of International Affairs*, 65(2), 137–151.
- Babel, MS Wahid, M., 2008. *Freshwater Under Threat South Asia: Vulnerability Assessment of Freshwater Resources to Environmental Change*. Nairobi: United Nations Environment Programme (UNEP)
- Bazilian, M; Rogner, H; Howells, M; Hermann, S; Arent, D; Gielen, D; Steduto, P; Mueller, A; Komor, P; Tol, S; Yumkella, K., 2011. Considering the energy, water and food nexus: Towards an integrated modelling approach. *Energy Policy* 39(12): 7896–7906
- Hussey, K, Pittock, J. 2012. The energy–water nexus: managing the links between energy and water for a sustainable future. *Ecology & Society* 17(1): 31
- FAO, 2014. The water-energy-food nexus: A new approach in support of food security and sustainable agriculture, FAO, Rome
- Hermann, S; Welsch, M; Segerstrom, R; Howells, M; Young, C; Alfstad, T; Rogner, H; Steduto, P., 2012. Climate, land, energy and water (CLEW) Interlinkages in Burkina Faso: An analysis of agricultural intensification and bioenergy production. *Natural Resources Forum* 36: 245–262
- Scott, C; Pierce, S; Pasqualetti, M; Jones, A; Montz, B, Hoover, J (2011) Policy and institutional dimensions of the water-energy nexus. *Energy Policy* 39(10): 6622–6630
- Pingali, P., 2007. Agricultural growth and economic development: a view through the globalization lens. *Agricultural Economics*, 37(s1), 1–12.
- Shah, T., 2009. *Taming the Anarchy: Ground Water Governance in South Asia*. Washington, DC: Resources for the Future Press

- Weitz, N., Nilsson, M., and Davis, M., 2014. A Nexus Approach to the Post- 2015 Agenda:Formulating Integrated Water, Energy, and Food SDGs, *SAIS Review*, vol. 2, pp. 37-50.
- Newell, B., Marsh,D. Sharma, D., 2011. Enhancing the resilience of the Australian National Electricity Market: taking a systems approach in policy development. *Ecology and Society* 16(2):15.
- Banerjee, A., Duflo, E., Goldberg, N., Karlan, D., Osei, R., Parienté, W., Shapiro, J., Thuysbaert, B., Udry,C. (2015). A multifaceted program causes lasting progress
- Buera, F. J., Shin, Y., Kaboski, J. P. (2016). Taking stock of the evidence on micro-financial interventions.In *The economics of asset accumulation and poverty traps*. National Bureau of Economic Research
- Roy, S., Ara, J., Das, N., & Quisumbing, A. (2015). Flypaper effects in transfers targeted to women: Evidence from BRAC's "Targeting the Ultra Poor" program in Bangladesh. *Journal of Development Economics*, 117(C), 1–19.
- Banerjee, A. V. (2013). Microcredit under the microscope: What have we learnt in the last two decades,what do we need to know? *Annual Review of Economics*, 5, 487–519.
- Gardin, C. (2016). Poverty and ethnicity in Asian countries. In ADBI working paper No. 624.
- Asadullah, M. N., & Chaudhury, N. (2015). The dissonance between schooling and learning. *Comparative Education Review*., 59(3), 447–472.
- Pritchett, L. (2014). *The rebirth of education: Schooling Ain't learning*. Washington: Center for Global Development.
- Sandefur, J., Pritchett, L., Beatty, A. (2016). Learning profiles: The learning crisis is not (Mostly) about enrolment. In Society for research on educational effectiveness conference paper.
- Kaffenberger, M., & Pritchett, L. (2016). Schooling completion and learning: New evidence from the financial inclusion insights data.
- Asadullah, M. N., & Savoia, A. (2018). Poverty reduction during 1990–2013: Did millennium development goals adoption and state capacity matter? *World Development*, 105, 70–82.
- World Bank. (2018). *The World Development Report 2018: Learning to Realize Education's Promise*. Washington DC: The World Bank.
- UNESCO. (2014). United nations educational, scientific and cultural organization's education for all global monitoring report 2014.
- Asim, S., Chase, R. S., Dar, A., & Schmillen, A. (2016). Incentives for education in South Asia: Findingsfrom a decade of impact evaluations. In *World Bank Research Observer*, published online on October 23. <https://doi.org/10.1093/wbro/lkw006>
- World Bank. (2016). *Moving up the ladder: Poverty reduction and social mobility in Nepal*. Kathmandu:World Bank.
- Solotaroff, J. L., Pande, R. P. (2014). Violence against women and girls: Lessons from South Asia. In *South Asia Development Forum*. Washington, DC: World Bank Group.
- UNDP. (2010). Power, voices and rights. A turning point for gender equality in Asia and the Pacific. In *United Nations Development Programme Technical Report*. Macmillian Publishers India Ltd., Sri Lanka.
- Khanna, T., Verma, R., & Weiss, E. (2013). *Child Marriage in South Asia: Realities, responses and the way forward*. Bangkok: UNFPA Asia Pacific Regional Office.
- Male, C., & Wodon, Q. (2017). Child marriage and early childbirth: Trend and profile for 25 countries.In *Education global practice*. Washington, DC: The World Bank.
- Sekher, T. V. (2012). Ladlis and lakshmis: Financial incentive schemes for the girl child. *Economic and Political Weekly*, XLVII(17), 58–65.
- Amin, S., Asadullah, M. N., Hossain, S., & Wahhaj, Z. (2017). Can conditional transfers eradicate child marriage? *Economic and Political Weekly*, 52(6), 26–28.

- Asadullah, M. N., & Wahhaj, Z. (2016). Child marriage law and freedom of choice: The battle against early marriage in Bangladesh. *Economic and Political Weekly*, 51(3), 16 Jan
- Gupta, S. D. et al. (2008). Knot ready: Lessons from India on delaying marriage for girls. International Centre for Research on Girls (ICRW). <https://www.icrw.org/wp-content/uploads/2016/10/Knot-Ready-Lessons-from-India-on-Delaying-Marriage-for-Girls.pdf>.
- Ahmed, Vaqar (2012) 'Towards a South Asian model of inclusive and sustainable growth', in D. Bhattacharya and M. Rahman (eds), *Global recovery, new risks and sustainable growth: repositioning South Asia*. Dhaka: Centre for Policy Dialogue
- Khan, S.A. and Ahmed, Vaqar (2014) 'Mainstreaming migration into development agendas of South Asia: Pakistan's experience' in Saman Kelegama (ed.), *Mainstreaming migration into development agendas of South Asia*. Sri Lanka: Institute of Policy Studies.
- Wahab, M.A., Ahmed, V. and Javed, A. (2013) 'Human resource development, government spending and productivity of human capital in Pakistan', *SAARC Journal of Human Resource Development* 9(1).
- Ahmed, Vaqar and Talpur, M. (2016) 'Corporate tax reforms in Pakistan'. Working Paper 155. Sustainable Development Policy Institute.
- Ahmed, Vaqar, Suleri, A.Q. and Adnan, M. (2015a) 'FDI in India: prospects for Pakistan' in Nisha Taneja and Sanjib Pohit (eds), *India-Pakistan Trade: Strengthening Economic Relations*. Springer.
- Atteridge, A. (2015) 'Financing for sustainable development'. Background Paper 2. Independent Research Forum, February 2015.
- Martin, M. and Walker, J. (2015) *Financing the Sustainable Development Goals*. Government spending watch 2015 report. Oxfam UK.
- World Bank (2016) Portal on 'youth in South Asia' (<http://ow.ly/ZKqi8>), accessed 21 March 2016.
- Blanc, D.L. Towards Integration at Last? The Sustainable Development Goals as a Network of Targets; DESA Working Paper No. 141; United Nations Department of Economic and Social Affairs (UN DESA): New York, NY, USA, 2015.
- Srivastava, P.; Hopwood, N. A Practical Iterative Framework for Qualitative Data Analysis. *Int. J. Qual. Methods* **2009**, 8, 78–84.
- Halsnæs, K.; Garg, A. Assessing the Role of Energy in Development and Climate Policies—Conceptual Approach and Key Indicators. *World Dev.* **2011**, 39, 987–1001.
- Irum Shaheen, South Asian Association for Regional Cooperation (SAARC): Its Role, Hurdles and Prospects
- Golam Rasul, 2015, Managing the Food, Water, and Energy Nexus for Achieving the Sustainable Development Goals in South Asia
- Brijesh Mainali, Jyrki Luukkanen, Semida Silveira and Jari Kaivo-oja, 2018, Evaluating Synergies and Trade-Offs among Sustainable Development Goals (SDGs): Explorative Analyses of Development Paths in South Asia and Sub-Saharan Africa
- M. Niaz Asadullah¹ · Antonio Savoia² · Kunal Sen, 2020, Will South Asia Achieve the Sustainable Development Goals by 2030? Learning from the MDGs Experience
- Ankit Anand and Nobhojit Roy, 2016, Transitioning toward sustainable Development goals: The role of household environment in influencing child health in sub-saharan africa and south asia Using recent Demographic health surveys
- Khan Anam, Javed Asif, Batool Samavia, Hussain Fazal, Mahmood Hamid and, Ahmed Vaqar, 2016, The role of youth in sustainable development, Perspective from South Asia.