

**ECONOMIC AND SOCIAL COMMISSION FOR ASIA AND THE PACIFIC**

United Nations Building, Rajadamnern Nok Avenue, Bangkok 10200, Thailand

Tel: (+66 2) 2881549 • Fax: (+66 2) 2883007

escap-mpdd@un.org • www.unescap.org

Concept Note and Program

Side event

on

**Forward-looking and targeted poverty reduction for post-COVID recovery:
latest policy experiences from Asia-Pacific**at the third session of the ESCAP Committee on Macroeconomic Policy,
Poverty Reduction and Financing for Development

Jointly hosted by UN-ESCAP, China and Uzbekistan

1230 - 1350 hrs, 20 October 2021

via video conference

Background

The Asia-Pacific region has achieved remarkable success in reducing poverty in the past three decades, lifting more than 1 billion people out of extreme poverty and reducing the overall poverty rate by more than half. Much of this success can be attributed to high economic growth, structural transformation towards productive and labor-intensive sectors, and rural-urban migration. Together, they created enormous economic opportunities for the poor and improved fiscal space for more ambitious public interventions for poverty reduction.

However, the ongoing COVID-19 pandemic has led to a significant setback to the region's poverty reduction progress, erasing years of achievements in many countries. According to ESCAP estimates, an additional 89 million people in the region have been pushed back into extreme poverty by the \$1.90 per day threshold. This figure would more than double if a higher income criterion is used.

It would be important for governments of the region to prioritize poverty reduction and economic inclusiveness in the post-pandemic economic recovery for it to be broad-based and robust. While policymakers may try to continue or replicate the earlier success, a more forward-looking and targeted poverty reduction strategy would be needed keeping in view the changing conditions and emerging challenges ahead.

First, increasing cross-border financial flows, slowdown in the pace of global economic integration, and a disruptive economic transition towards automation, accelerated by COVID-19, are likely to lead to weaker cost advantages of labor-intensive manufacturing and downward pressures on wages. At the same time, the service sector, especially tourism, has taken a significant blow during the pandemic, revealing its inherent vulnerability. Although such sectors would continue to play their role in poverty reduction strategies, focusing on one or two sectors alone may no longer deliver robust and sufficient poverty alleviation in the post-pandemic world. Instead, proactive and carefully designed labor market policies together with the development of multiple sectors and an integrated policy approach for poverty reduction will be needed.

Second, widened economic inequality gaps that accompanied the economic takeoff, especially the wealth inequality, have eroded the poverty alleviation effect of economic growth in many middle and

upper-middle income countries. At the same time, as large-scale labor reallocation from agriculture to manufacturing and services gradually decelerates, economic growth tends to have a diminishing return on poverty reduction. New technological breakthroughs that favor capital and highly skilled labor also add to the challenge. Under these circumstances, closing the last mile in poverty reduction could prove much more difficult in many developing countries. Specifically designed public interventions to effectively target the remaining pockets of poverty would be both a desirable and a necessary strategy.

Last but not least, pollute-first-and-clean-up-later has historically been an accompanying feature of the manufacturing-led, growth-driven poverty reduction strategy. However, the desirability and viability of this strategy is under severe strain given the increasing public awareness of the consequences of runaway environmental deterioration and global commitments to a sustainable development path that prioritizes climate actions. A smarter and greener poverty reduction strategy that is more selective and forward-looking, complemented by targeted environment safeguards, is likely to have a much greater payoff in the long run.

Objective

ESCAP continues to undertake research and facilitate exchange of policy ideas among Asia-Pacific policymakers and researchers through its various publications, policy dialogues and dedicated events on poverty reduction strategies. For instance, to zero-in on the important issue of poverty in the aftermath of the pandemic, ESCAP developed a methodology and provided estimates of increases in poverty levels across Asia and the Pacific in its flagship publication, the [*Economic and Social Survey of Asia and the Pacific 2021*](#). The issue was further discussed during numerous policy dialogues organized in collaboration with regional think tanks. Similarly, during the second session of the *Committee on Macroeconomic Policy, Poverty Reduction and Financing for Development*, held in November 2019, ESCAP and the Government of China jointly organized a special side event on *Closing the last mile: Precise and Targeted Poverty Reduction in China*.

Continuing with such efforts, ESCAP, the Government of China and the Government of Uzbekistan will co-host this side event with the objective to discuss the latest policy experiences from the Asia-Pacific region and shed light on forward-looking and targeted poverty reduction strategies keeping in view the latest challenges. The discussion will be informed by ESCAP's latest work, supported by the Government of China, that takes stock of policies being pursued by different countries with regards to reducing poverty. Uzbekistan has also reached out to ESCAP with a proposal to develop a joint strategy for poverty reduction in Asia and the Pacific.

In this vein, the discussion in this side event will focus on the following questions:

1. What policies and strategies are developing countries of the region pursuing to stem the recent increases in poverty levels, and resume the journey towards the goal of eradicating extreme poverty for all people?
2. What lessons can be learned from experiences of countries that have successfully managed to significantly reduce poverty levels, such as China?
3. Is poverty reduction only about economic growth and income generation? What about access to basic services and other opportunities? How can policymakers approach 'multidimensional poverty'?
4. What should be the broad contours of a forward-looking and targeted poverty reduction strategy, as desired by Uzbekistan?

Tentative Programme and Speakers list

Wednesday, 20 October 2021	Time Bangkok (UTC+7)
<p>Moderator</p> <ul style="list-style-type: none"> - Hamza Malik, Director, MPFD, ESCAP (2-3 minutes) <p>Opening remarks</p> <ul style="list-style-type: none"> - Armida Salsiah Alisjahbana, Executive Secretary of ESCAP (5 minutes) - Ke Yousheng, Permanent Representative of China to ESCAP (8 minutes) - Fakhriddin Sultanov, General and Permanent Representative of Uzbekistan to ESCAP (8 minutes) 	12:30 – 12:55
<p>Expert presentations (7 minutes each)</p> <ul style="list-style-type: none"> - Sweta Saxena, Chief of Macroeconomic Policy and Analysis Section, MPFD - Vijay Naidu, Professor and former Director of Development Studies, University of the South Pacific - Liu Junwen, Director General, International Poverty Reduction Center in China - Aniceto C. Orbeta, President, Philippine Institute for Development Studies - Binayak Sen, Director General, Bangladesh Institute of Development Studies <p>Open Discussion</p> <p>[Time permitting, the speakers will take follow-up question(s) from the moderator and participants to zero-in on key messages/issues]</p>	12:55 – 13:30
<p>Closing Remarks</p> <ul style="list-style-type: none"> - Hamza Malik, Director, MPFD, ESCAP (2-3 minutes) 	13:30 – 13:45
	13:45 – 13:50