



INTERNATIONAL WEBINARS AND LIVE EVENTS

UN DESA Webinar: Economic and social impacts of COVID-19*

9 April 2020

* Moderated by Ms **Naiara Costa** (UN DESA)

The medical emergency and the public response to it is having a dramatic impact on economic activity. The United Nations Department of Economic and Social Affairs (UN DESA) has launched 3 briefing papers targeting the social, economic and financial impacts of COVID-19 as well as public policy recommendations. The webinar was organized to present the main findings of these briefings.



Mr Elliott Carlton Harris, UN Assistant Secretary-General for Economic Development and Chief Economist, presenting **Introductory Remarks**.

The **main challenges** of this unprecedented health crisis:

1. Every country might strengthen the capacity of its health system.
2. Unprecedented economic downturn – supply chain disruptions, first in China, then elsewhere. Entire sectors have been compromised. According to the ILO¹, more than 4 out of 5 people (81%) in the global workforce are affected by full or partial workplace closures.
3. The need to ensure a coordinated global response. The coordinate response is critical.
4. The need for response measures to set stage for recovery that is better than pre-crisis situation.
5. The biggest challenge: to prevent this crisis from deepening the existing inequalities and divides.



Ms Wenyan Yang, Chief, Global Dialogue for Social Development Branch, Division for Inclusive Social Development (DISD), presenting the **UN DESA Policy Brief N° 58: [Addressing the social crisis through fiscal stimulus plans](#)**.

The **social impact** will be felt in months and even years to come: Employment losses and direct burden of disease (health costs, inability to work) will lead to increased poverty, higher inequalities. In turn, this will lead to impacts on trust in institutions.

Fiscal stimulus packages – social measures: 127 countries have so far announced or put in place fiscal stimulus, including measures to support businesses (focus on SMEs), measures to protect individuals and household, and measures to strengthen public health systems.

Policy responses: WHAT: Health emergency first → Protecting people and jobs → Promoting the recovery. HOW: Increased social spending, Fiscal stimulus plans.

Key issues: (1) To reduce poverty and inequality, stimulus plans must be in place quickly & be phased out slowly. (2) Ad-hoc measures address short-term needs. But most of them leave beneficiaries just as vulnerable to future shocks once they are removed. (3) Comprehensive social protection systems, when in place, play a much durable role as they act as automatic stabilizers.



Mr Hamid Rashid, Chief of Global Economic Monitoring Branch, Economic Analysis and Policy Division (EAPD), presenting the **UN DESA April 2020 Briefing N° 136 [The World Economic Situation And Prospects: COVID-19: Disrupting lives, economies and societies](#)**

Timing and sequence: We barely recovered from the previous crisis. Containment measures: flattening the curve vs. threatening the economy. Less imported goods, less tourism, less investment and more outflow of capital. Many developing countries are already in economic crisis. Like the pandemic the economic crisis has symptoms and causes

Three **interrelated factors:** Lockdowns, Mitigation (universal access to testing, cases tracing), Stimulus packages. Many developing countries still have a window of opportunity to avoid the worst consequences of the economic crisis.



Ms Shari Spiegel, Chief, Policy Analysis & Development Branch, Financing for Sustainable Development Office, presenting the **UN DESA Policy Brief N° 59: [Corona crisis causes turmoil in financial markets](#)**. **Market volatility** across markets: Covid-19 is causing investors to flee to safety leading to equity volatility, widening bond spreads, depreciating currencies; setting stage for debt and financial crises → Enormous uncertainty always leads to panic.

¹ [ILO: COVID-19 causes devastating losses in working hours and employment](#), Press Release of 7 April 2020



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Unprecedented **capital outflows**. High risk in markets **prior to pandemic** – low interest rates led to high borrowing. Changes to the financial regulatory system after a crisis focus on preventing a recurrence of past problems, while future shocks may have different causes & transmission channels.

Particularly worrisome is the prospect of a **new global debt crisis**: Covid-19 has enormous fiscal impacts and exacerbates risks of a debt crisis: 44% of LDCs and other LICs were already at high risk or in a debt crisis; 25% of public revenue was used for debt payments in frontier economies.

Need for immediate and longer-term actions and building back for sustainable development.

Announcing [2020 Financing for Sustainable Development Report \(FSDR\)](#) by the Inter-agency Task Force on Financing for Development, led by UN-DESA, with the IMF, WBG, UNDP, UNCTAD and WTO in leading roles.

Other issues covered by the speakers: The disproportionate impact on **women**: the sectors in which women are working were affected first. 75% of frontline workers – including in the healthcare – are women, risking their own health and lives. **Climate change** dimension should be added to recovery. **Young people** are losing jobs – youth are disproportionately affected.

***How is DESA working?** UN DESA works closely with the Member States in New York. The work is directed to inform the policy decisions. Analytical work supports countries in their decision-making. It also supports intergovernmental processes, helps to strengthen international cooperation and global solidarity. DESA also implements capacity-building activities at a country level.*