South Asia’s prospects of achieving the SDGs in view of the COVID-19 pandemic

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Sustainable Development Goals (SDGs), a set of 17 comprehensive goals adopted in 2015 for sustainable global peace and prosperity to be achieved by 2030, is facing a major blow from the COVID-19 pandemic. The incredibly ambitious goals include, inter alia, poverty elimination, reduction of inequalities, good health and well-being, quality education, clean water, affordable and clean energy, decent work and economic growth.

While the COVID-19 pandemic has imposed a major roadblock in the progress along the achievement of the goals, the progress of the world with regard to SDGs was already under criticism. For instance, the SDG Summit in 2019 did not find the progress made in the first four years satisfactory. Likewise, according to The Sustainable Development Goals Report 2020 of the United Nations, no country was on track to meet the target, even before the pandemic. The coronavirus pandemic, which is described as the “worst human and economic crisis of our lifetime” by the UN Secretary General, has exacerbated the already slow progress.

The pandemic-led rise in unemployment and disruption in global supply chains have increased poverty and hunger severely, pushing tens of millions of people into extreme poverty. South Asia, which was already lagging in the progress towards achieving the SDGs, is now severely affected by the pandemic.

South Asia and the SDGs: pre-COVID scenario

Some South Asian countries made notable improvements in human development in the past decades. Countries such as Bangladesh, Nepal and Sri Lanka achieved many targets of the Millennium Development Goals (MDGs) in areas of food security, poverty reduction, primary school enrolment, infant and under-five mortality ratio and immunization coverage. However, there were also countries in the region that were laggards in achieving the MDGs.

South Asia scores poorly in the multidimensional poverty index and the region has the second lowest human development index in the world, just above sub-Saharan Africa. Against this background, SDGs for South Asia were keys to address the major development challenges and fulfil the uncompleted MDG agenda.

However, South Asia’s progress regarding the SDG agenda has not been satisfactory. Before the pandemic, South Asian countries were performing below the global average in
more than half of the SDGs, including good health and well-being (SDG 3),
gender equality (SDG 5), clean water
and sanitation (SDG 6), and affordable
and clean energy (SDG 7). In fact, the
overall performance of South Asia was regressing in some indicators such as
sustainable cities and communities
(SDG 11), climate action (SDG 13), and
life on land (SDG 15). Among other
things, the region’s existing inequalities
in terms of caste, gender and class
are impediments to the achievement of
the SDGs.

Nevertheless, some improvements
were visible in the region. In 2018, no
South Asian country was in the list of
top 100 countries ranked according to
the SDG Index. In 2019, two countries
in the region—the Maldives and Sri
Lanka—made it to the list and one
more South Asian country—Nepal—
made it to the list in 2020. Notably,
these countries were performing
above the global average in goals such
as poverty alleviation (SDG 1); quality
education (SDG 4); industry, innova-
tion and infrastructure (SDG 9); and
decent work and economic growth
(SDG 8).

Impact of COVID-19
on SDGs in South Asia
South Asia, which was struggling to
meet the SDG targets, is now seriously
affected by the impact of COVID-19.
The large number of people living
in the margins, fragmented social
protection coverage, high number of
informal employment and economic
activities, and underdeveloped public
health infrastructure have exacerbated
the impact. Besides affecting the lives
and livelihoods of the people living in
the region, the economic contraction
is going to leave governments with
a hole in the pocket that will affect
budgetary commitments towards
SDGs.

South Asia’s relatively good
performance on poverty reduction of
the past five years is now immensely
affected. Shutdown of economic activ-
ities for months has caused massive
job losses and resulted in millions of
people falling into absolute poverty
in the region. As many as 132 million
more people will be pushed into ex-
treme poverty in South Asia and bulk
of them will be in India, according to a
simulation exercise presented in a re-
port published by the United Nations
Economic and Social Commission for
Asia and the Pacific.4

Similarly, according to the United
Nations Children’s Fund (UNICEF),
around 120 million more children
in South Asia will be pushed into
poverty in the current year.5 Decades
of hard earned progress in the field of
children’s education, health and other
vital priorities will be wiped out by
this pandemic. Because of the reduc-
tion in incomes of many families due
to job losses both within the country
and abroad, expenditure on nutrition,
health and education will plummet.
A survey by UNICEF in Bangladesh
and Sri Lanka revealed that around
30 percent of families have reduced
their food consumption due to un-
affordability. Government spending
on health, nutrition and education
also appear to be affected as resources
need to be diverted towards counter-
ing the pandemic.

Moreover, South Asia has high
inequality in access to quality internet
connection and electricity. Especially
during the pandemic, when online and
long-distance education have become
the norm, this inequality is going to
affect a large number of children who
do not have access to quality internet
and electricity. This will further the
existing social, economic and regional
inequalities in the South Asia region.

Millions of people in the region
lack basic services such as access to
clean water and sanitation facilities,
especially in growing urban slum are-
as. Large investment required to solve
this problem is now in jeopardy due to
the shrinking government revenues.

South Asia was already underper-
forming in the SDG concerning gender
equality and the pandemic has made
the matter worse. Women are more
affected than men due to the pandem-
ic in all markers like health, economy,
social protection and access to food.6

Unpaid care work for women has
increased due to the proliferation of
disease and domestic violence during
the lockdown period.

South Asia might see its worst eco-
nomic performance in the past forty
years with at least half the countries
projected to experience deep recession
according to the World Bank.7 The
collapse of international trade has
caused huge economic losses in major
labour-intensive sectors such as leather
products, garments, handicrafts
and shrimp in South Asia. Similarly,
tourism and hospitality sectors, which
have been heavily affected by the pan-
demic, are sources of major income
for many countries in the region.
International remittance inflows, which
are significant sources of South Asia’s
economies and livelihoods, appear to
reduce drastically due to the pandemic.
Likewise, the backbone of South
Asian economies—the micro, small
and medium enterprises (MSMEs)—are
also heavily affected by the supply
chain disruptions, liquidity crunch,
demand collapse and labour shortag-
es. The resulting loss of incomes and
jobs due to all these factors will have
a long term impact on South Asia’s
journey towards the achievement of
the SDGs.

Way forward for South Asia
Existing high levels of fiscal deficit
and public debt gives limited fiscal
space to South Asia’s governments
to finance the achievement of SDGs.
India alone needs an investment of
US$2.64 trillion to meet the SDG tar-
gets by 2030 according to the Standard
Chartered SDG Investment Map.8 It is
time high to integrate new sources of
private capital with scalable and inno-
vative approaches to fill the invest-
ment gap as it is not possible for the
public sector alone to fund this gap.
Financial guarantees should be scaled up to attract private capital in these countries and reduce investors’ exposure to risks. Financial bonds are another tool for bringing additional capital to fund the SDGs. National governments should issue new green, social and sustainability bonds. This is an opportune time to rethink South Asia’s current economic growth path, which is coming at a heavy cost to the people and the planet. The region has a large number of countries most vulnerable to climate change and also the world’s most polluted cities. Against this background, economic growth in the region should be achieved keeping a long-term vision with the goal of long-term sustainability. Accordingly, economic stimulus packages should have social inclusion and environmental sustainability as major objectives.

The region’s fossil fuel subsidy, which is higher than the investments in renewables, should be changed in a manner that will align with the environmental goals of the SDGs. Governments should also utilize the advantage of current low crude oil prices and higher taxes on petroleum products to fund projects that will build greener and sustainable energy systems.

More public funds should be channelized to boost health infrastructure in the region. Increasing annual health expenditure and introducing universal health coverage will help not only in meeting SDG 3 (Good health for all), but also to build resilience to future risks. Advanced purchase agreements will lead the private health sector to develop and research solutions that will directly help the lower income populations.

Universal social protection systems can play the role of automatic stabilizers during crises by providing basic income. Scaling up of existing social safety net programmes such as the National Rural Employment Guarantee Act (NREGA) programme in India and Benazir Income Support Programme (BISP) in Pakistan will help to cover the more vulnerable groups, including women. Employment created by these programmes can be used for building local infrastructure and facilities in critical areas such as food, health, education, safe drinking water and sanitation.

Massive public work programmes can be introduced in areas of waste recycling, building new clean-energy systems based on solar and wind energy, climate smart and organic farming practices, transforming waste to energy and creating environment friendly public spaces. This will not only help in job creation, but also in creation of public goods of long-term value and contribute to de-carbonization of the region.

Governments should also reskill their workforce by providing digital literacy and exposure to future growth sectors. The urbanization strategy in South Asia needs to be reconfigured with a more balanced approach that will reduce the pressure from existing urban centres. MSMEs should be kept afloat by deferred payment of taxes, infusion of new funds through stimulus packages and monetary measures.

Regional and sub-regional cooperation is important for South Asian countries in managing the pandemic’s impact and to recover in a sustainable manner. Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC), South Asian Association for Regional Cooperation (SAARC) and Bangladesh-India-Bhutan-India-Nepal (BBIN) should be strengthened to harness the potential of cooperation through various joint programmes and projects. The potential of intra-regional trade should be utilized for accelerating recovery and development in the region. Freight corridors in the South Asian region should be strengthened by simplifying documentation formalities, digitization and joint infrastructure building and upgradation.

The world should provide support to South Asia to bridge its gaps in progress towards SDGs. This is critical for the success of the entire world in meeting the SDG targets by the end of this decade.

Notes


9 Green bonds are any type of bond instruments where the proceeds will be exclusively applied to finance projects with clear environmental benefits.

10 Social bonds are exclusively used to finance projects that aim to mitigate or address any specific social issue or to attain any positive social outcomes.

11 Sustainable bonds are bond instruments where the proceeds will be exclusively used to finance a combination of green and social projects.