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## Economic and Social Survey of Asia and the Pacific 2021: UNESCAP

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### Why in News

A report '**Economic and Social Survey of Asia and the Pacific 2021: Towards post-Covid-19 resilient economies**' has recently been released by the **United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP)**.

According to the report, **India is estimated to record an economic growth of 7% in 2021-22, over a contraction of 7.7% witnessed in the previous fiscal** on account of the pandemic's impact on normal business activity.

### Key Points

- **Other Observation Regarding India:**
  - **India's 2021 economic output, however, is expected to remain below the 2019 level** despite a robust reduction in new **Covid-19** cases and the start of **vaccine roll-out**.
  - India entered the pandemic with already subdued **GDP (Gross Domestic Product) growth** and **investment**.

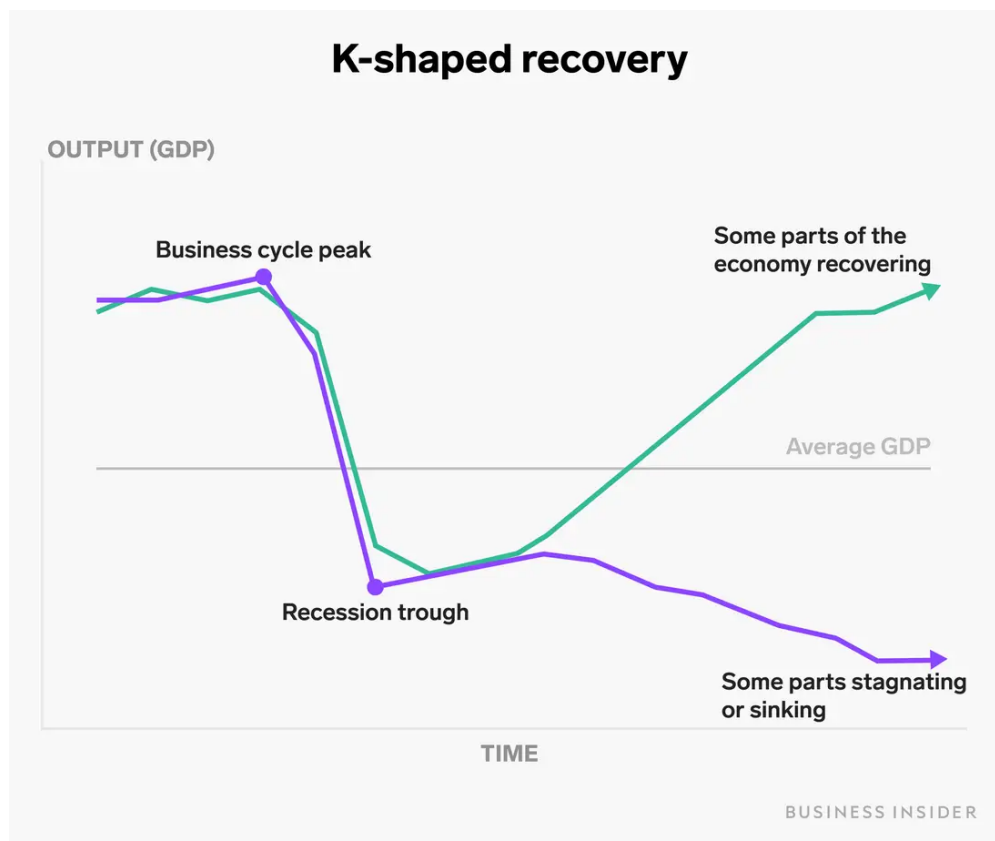
Moreover, one of the most stringent lockdowns in the world caused the severe economic disruptions that the country experienced in the year 2020.
  - A subsequent **change in lockdown policies** and **success in reducing infection rates** supported an impressive economic turnaround in the later months of 2020.
- **Challenges:** The report mentions two major challenges for India on its path to faster recovery.
  - **Maintaining low borrowing costs**, and
  - **Keeping non-performing loans in check**.

- **Observation Regarding Asia Pacific Countries:**

- The **socio-economic impact** of the Covid-19 pandemic was amplified due to **lack of resilience and investments** in people and the planet.
- **China's** swift and effective response to Covid-19 enabled it to become the **only major economy worldwide to achieve a positive annual economic growth rate in 2020**.
- On an average, developing Asia-Pacific economies are expected to grow 5.9% in 2021 and 5% in 2022.
- The prospect of a **K-shaped recovery**, characterized by uneven post-pandemic recovery across countries and **widened inequality gaps within countries**, is highlighted as a **primary policy challenge**.

## K-Shaped Recovery

- A K-shaped recovery occurs when, following a recession, **different parts of the economy recover at different rates, times, or magnitudes**. This is in contrast to an even, uniform recovery across sectors, industries, or groups of people.
- A K-shaped recovery leads to **changes in the structure of the economy** or the broader society as economic outcomes and relations are fundamentally changed before and after the recession.
- This **type of recovery** is called K-shaped because the path of different parts of the economy when charted together may diverge, resembling the two arms of the Roman letter "K."



**Suggestions:**

- For a more **robust and inclusive recovery**, the report calls for a more **synchronised Covid-19 vaccination programme** across countries. There is a need to **leverage regional cooperation**.
- It recommends that **fiscal and monetary support** should be sustained, as premature tightening could increase long-term scars.
- Continuity in **policy support is a must and recovery policy packages** should focus on building resilience and investing in the **2030 Agenda for Sustainable Development**.
- To deal with various economic and non-economic shocks, a more **integrated risk management approach** to planning and policymaking is needed.

# ENHANCING RESILIENCE IS CRITICAL TO SUSTAINABLE DEVELOPMENT OF ALL COUNTRIES

The pandemic will leave long-term scars on economies, societies and the environment



89 million people back to extreme poverty

The Asia-Pacific region faces a complex risk landscape



Adverse shocks reverse hard-won gains across the three dimensions



Vulnerabilities can amplify shocks, but policies can help reduce setbacks

ESCAP proposes a package

Reduce the number of poor by 180 million



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+



+



Building Forward Better

Social services

Digital access

Green development

Selected policy options to meet financing needs



Debt service suspensions



Debt swaps for development



Sovereign bond financing



Public debt management



Emergency financing



Sustainable investing by institutional investors

## Economic and Social Survey of Asia and the Pacific

- Produced annually since 1947, the Economic and Social Survey of Asia and the Pacific is the oldest United Nations report on the region's progress.
- The Survey monitors regional progress, provides cutting-edge analyses and guides policy discussion on the current and emerging socio-economic issues and policy challenges to support inclusive and sustainable development in the region.

- Since 1957, the Survey has also contained a study or studies focusing on a significant aspect or challenge relevant to the economies of the Asia-Pacific region.
- The Survey of 2021 studies the impact of Covid-19 pandemic and provides insights for post-Covid-19 resilient economies.

### **United Nations Economic and Social Commission for Asia and the Pacific**

- The United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) is the **regional development arm of the United Nations for the Asia-Pacific region.**
- It has **53 Member States and 9 Associate Members** from Asia-Pacific Region including India.
- Established: **1947**
- Headquarters: **Bangkok**, Thailand
- **Objective:** To overcome some of the region's greatest challenges by providing results-oriented projects, technical assistance and capacity building to member States.

**Source:IE**