



COMCEC

CCO BRIEF ON POVERTY ALLEVIATION

COMCEC COORDINATION OFFICE
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I. Introduction

Poverty alleviation is an important component of economic and social development. Although most of the developing countries have experienced significant progress in poverty alleviation in the last decades, poverty levels are still high in many countries. Especially, the countries in Sub-Saharan Africa and Asia account for nearly half of the total poor living in developing countries. Twenty-one of the forty-six countries on the list of least developed countries are members of the OIC and poverty is a very serious problem in these countries.

The recent COVID-19 outbreak has disrupted economies and worsened the state of poverty globally. Paralyzing daily life in many aspects the outbreak has devastating impacts on the global economy resulting in recession and downsizing. Most of the companies have difficulties to carry on their activities and a high number of people have lost their jobs. The situation of the poor is much more fragile. Due to the stagnation of business in the agriculture sector as a result of measures like travel restrictions, curfews, quarantines, etc. food products become unaffordable for the poor. Therefore, the epidemic is expected to worsen the poverty numbers worldwide in the coming period. Estimates suggest that the epidemic is likely to cause the first increase in global poverty since 1998 with around 120 million additional poor globally in 2020¹.

Due to rapid spread of Covid-19 along with high hospitalization and mortality rates, most countries adopted several measures including but are not limited to international travel controls, school and workplace closures, restrictions on gatherings and public events, public transport restrictions, internal movement constraints etc.

The extreme measures taken to contain the spread of coronavirus outbreak, which are of course necessary to prevent or slower down the contagion of the virus, had significant adverse effects on both supply and demand of goods and services, resulting in a sharp increase in unemployment claims and a large decline in global economic activity. The Covid-19 pandemic has led to the deepest economic crisis since the 1929 Great Depression, and it has disproportionately hit the most vulnerable groups.

There are many sectors that are seriously adversely affected by the epidemic, from industrial production to education and agriculture, especially the health system, transportation sector and tourism. All these unforeseen economic difficulties also strain the budgets of the states and make it difficult to deliver the necessary aid to the poor and those who lost their jobs, or to the tradesmen and SMEs with decreasing trade volume.

II. Poverty Alleviation Efforts under the COMCEC

Eradicating extreme poverty and hunger in the member countries is the strategic objective of the COMCEC Strategy in the field of poverty alleviation. Considering the devastating influences of the COVID-19 leading terrifying increase in the number of poor globally, the COMCEC Poverty Alleviation Working Group devoted its two meetings in 2021 to discuss about the socio-economic impacts of the pandemic.

Within this framework, since the 36th COMCEC Session the COMCEC Poverty Alleviation Working Group held its 16th and 17th Meetings focusing on the socio-economic impacts of the COVID-19 outbreak.

¹ <https://www.premiumtimesng.com/news/more-news/490187-rising-global-poverty-a-moral-indictment-un.html>

A. Covid-19 and its Adverse Effects on Socio-economic Inequalities in the OIC Member Countries
(16th and 17th Meetings of the Poverty Alleviation Working Group)

The 16th and 17th Meetings of COMCEC Poverty Alleviation Working Group were held virtually on May 24th, and October 7th 2021, respectively, with the same theme of “Covid-19 and its Adverse Effects on Socio-economic Inequalities in the OIC Member Countries”.

A research report with the same theme was prepared for two consecutive COMCEC PAWG meetings (16th and 17th). While the first draft version of the report was submitted to the 16th PAWG meeting, the final version of the report was submitted to the 17th PAWG meeting, held on October 7th, 2021. The report reviewed the global trends in COVID-19 and main challenges for the member countries, highlighted the main data gaps and related statistical issues, evaluate the existing policies to address the urgent needs of the poor, and finally suggested some recommendations.

The report highlighted that the main trends (i.e., ups, downs, and swings) are different among the members of the OIC than the rest of the world. In particular, the boom-bust cycles are not as significant in the OIC countries as they are in the non-OIC countries. Moreover, a substantial level difference is also observed—e.g., the number of new cases and deaths per million are much lower in the OIC countries relative to the rest of the world. These differences suggest that (1) the pandemic may follow different transmission processes in the OIC and non-OIC countries and (2) COVID-19 data quality may be much lower in the OIC countries in comparison to non-OIC countries due to various reasons.

The report also underlined that the nature of shocks hitting the developing countries during the pandemic has some specific features that led to accumulation of socio-economic risks along various dimensions. Those risks are also highly relevant for the most OIC countries. Projected and estimated income/output losses are substantial for economies that extensively draw on exports of commodities, tourism revenues, remittances, and also for the ones with limited fiscal capacities. Moreover, the expected recovery after the sharp initial losses is projected to leave permanent damages on the socio-economic status of disadvantaged groups such as low-skilled workers, women, youth and persons with disabilities. These asymmetric effects have been harmful especially for poverty alleviation, gender equality, education, social protection, forced migrants, slum dwellers, labor market outcomes, remittances, international trade, commodity prices, food insecurity, and tourism dimensions in the OIC economies.

The report identified major challenges on the issue as follows:

- Lack of sufficient support and relief programs,
- Lack of a sound vaccination plan in most OIC countries,
- Job losses and difficulty to return to the labor market,
- Disruptions in the education system,
- High debt burden of the private sector.

In line with these findings the report came up with some policy recommendations to be considered by the member countries. The report is available on the COMCEC website. (www.comcec.org)

During the 17th Meeting of the Working Group participants considered the main findings of the report and shared their experiences on the topic. The participants also discussed the policy options and agreed on a set of policy recommendations to be submitted to the COMCEC Ministerial Session for adoption as follows:

Policy Recommendations for the OIC Member Countries with high institutional capacity:

- Reducing economic damage of the pandemic by applying semi-targeted lockdowns with contact tracing and testing programs instead of full lockdowns,
- Developing food safety strategies, promoting social assistance interventions, unemployment subsidies and alternative job generation policies with the purpose of alleviating poverty especially stemming from the job losses during the pandemic,
- Reducing learning losses to prevent the existing inequalities through keeping suspension of face-to-face classes to an acceptable minimum, applying hybrid education models and introducing innovative methods for promoting self-learning.

Policy Recommendations for other OIC Member Countries:

- Raising awareness of the importance of the measures and benefitting from information systems with a view to ensure effective implementation of public health measures,
- Ensuring equal access to education, employment, and health facilities particularly by women, youth, and unskilled workers through benefitting from online databases, employing job creation policies, and unemployment subsidies,
- Closing learning gaps through remedial educational programs,
- Mitigating internal economic imbalances that could disrupt growth through implementing resilient fiscal measures,
- Increasing the scope and capacity of social protection and assistance programs by allocating more resources and supporting them with digital technologies.

B. COMCEC Project Funding

COMCEC Project Funding (CPF) is the other important instrument of the COMCEC Strategy. Projects financed under the CPF need to serve multilateral cooperation and must be designed in accordance with the objectives and the expected outcomes defined by the Strategy in its poverty alleviation section. Projects also play important roles in realization of the policy recommendations formulated by the member countries during the TCWG meetings.

Under the 7th Call for Project Proposals, 3 projects were selected to be financed by the CCO in 2020. These projects, however, are yet to be completed due to delays arising from international travel restrictions imposed by the COVID 19 pandemic. Hence, these projects are expected to be finalized in 2021.

Benin’s project, titled “TVET Piloting in the Selected OIC Countries”, aims at ensuring better institutional governance and efficient management of TVET institutions in line with system development strategy, with the partnership of the Gambia, Niger and Turkey. In the project, a study visit is planned to the Gambia to learn the skills thought in the Gambian TVET institutions and to observe the relationship between the industrial requirements and job-oriented curriculum. A training is also planned for learning the strategies, governance models and implementation processes of TVET system in the partner countries.

The Gambia’s “Infusing Entrepreneurship Education in School Curricula” project aims at integrating the entrepreneurship and skill development into education curriculum along with providing alternative teaching products to students to increase their productivity. The project partners are Sierra Leone and Nigeria. The project activities are a workshop for drafting of the teaching and learning materials for the school curriculum and preparation of promotional teaching materials on entrepreneurship and skill development to distribute to the targeted regions of the Gambia.

Turkey’s project “Strengthening Health Human Capacity and Creating Intervention Task Force” aims at strengthening the human workforce capacity for the partner countries, Sudan and Niger. The project activity is a training on health emergencies for establishing a common implementation methodology for the partner countries.
