



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

## 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:**

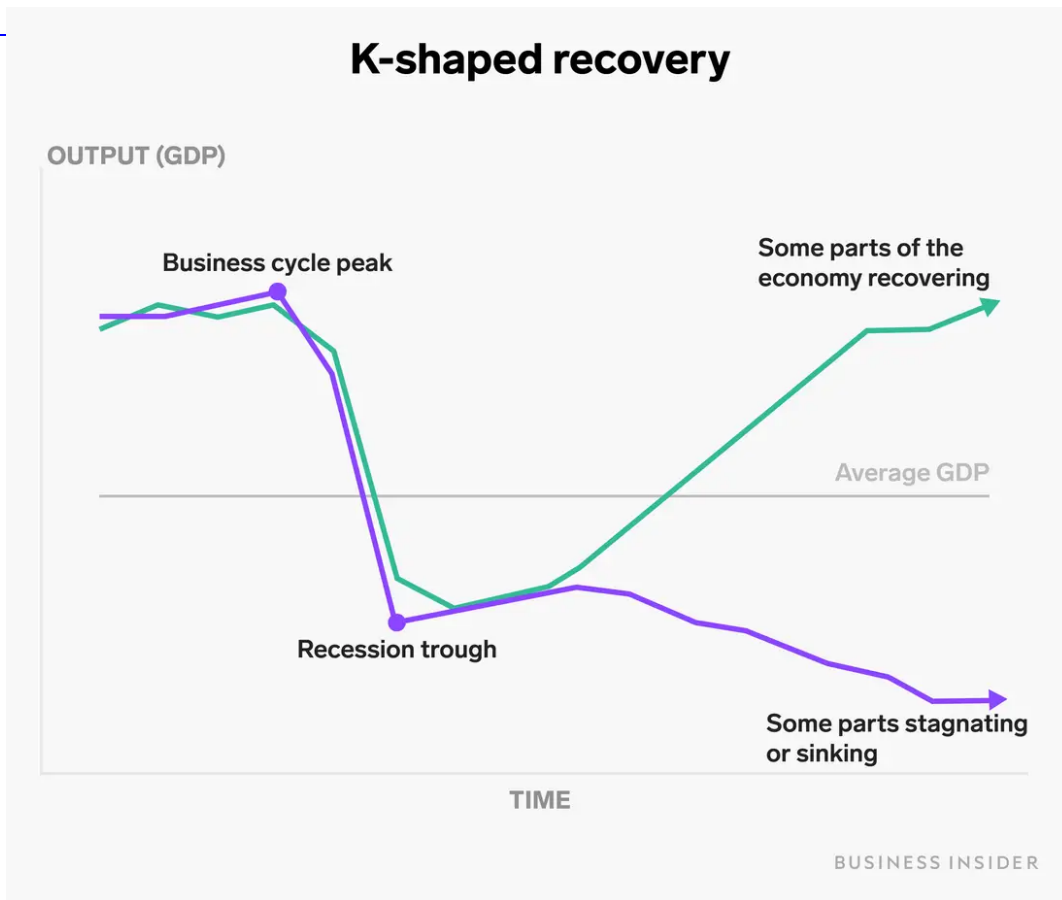
- The **socio-economic impact** of the Covid-19 pandemic was amplified due to **lack of resilience and investments** in people and the planet.
- **China's** swift and effective response to Covid-19 enabled it to become the **only major economy worldwide to achieve a positive annual economic growth rate 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



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**

PDF Reference URL: <https://www.drishtiias.com/printpdf/economic-and-social-survey-of-asia-and-the-pacific-2021-unescap>

