

COVID-19 will hit poor people hard. Here's what we can do about it.

The Covid-19 is a crisis like no other the world has faced in recent decades in terms of its potential economic and social impacts.

We estimate that the pandemic could push about 49 million people into extreme poverty in 2020.

A large share of the new poor will be concentrated in countries that are already struggling with high poverty rates, but middle-income countries will also be significantly affected. Almost half of the new poor (23 million) will be in Sub-Saharan Africa, with an additional 16 million in South Asia.

The measures taken to contain Covid-19 will affect families in many ways, including job loss, higher prices, rationing of food and other basic goods, and interruptions to health care services and education.

While the impacts will be felt by most households almost immediately, they will likely be deeper and longer-lasting among the poor, who are more vulnerable for several reasons: where they live, where they work, their limited savings, their high dependence on public services, particularly health and education.

The experience of affected countries suggests that the incidence and impacts of COVID-19 can vary significantly across space and over time, with urban areas being the hardest hit initially.

Stringent health containment measures have brought a large share of economic activity to a halt, leaving many urban poor and vulnerable without a way to make a living.

Policies needed to mitigate poverty will have to respond to each country's context and circumstances. Having said that, the numbers above suggest that across affected countries:

- An effective response in support of poor and vulnerable families will require significant additional fiscal resources;
- Any support package will need to quickly reach both the existing and new poor;
- Decision-makers need timely and policy-relevant information on impacts and the effectiveness of policy responses.