TOWARDS POVERTY ALLEVIATION UNDER COVID-19 AND OIL PRICE DECLINE: THREE SCENARIOS FOR ACHIEVING SDG 1 IN IRAQ

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ABSTRACT

This article highlights the effects of the compound shock caused by low oil prices and the cessation of economic activity due to steps to combat the outbreak of the Corona pandemic on poverty in Iraq via three scenarios. We use the foresight methodology based on secondary data gathered from local and international officials and reports during 2018-2020. The findings indicate that the Iraqi economy faces a combined shock from (low oil prices, the Corona outbreak) and the internal political crisis. Under the first scenario, the economic growth will be gradually improved. However, the GDP will be decreased by 36%. The second scenario is expected to return economic activity, and the oil market prices are expected to increase by 26%. The pessimistic case scenario would lead to a deterioration of output by about 43% with the collapse of oil markets and a sharp drop in Iraq's exports under the OPEC agreement (+). The findings also indicate that the poverty rate will reach 22.8% (9.120 million people) and consumption will decrease by 20%, and the poverty rate will increase to 25.6% (10.240 million people). This study provides more understanding for policymakers on the potential effect of the compound crisis.

Keywords: Poverty in Iraq, Compound Crisis, COVID-19, Oil Price Decline, UN SDGs **JEL Classification Code:** M23, E24, M40, M41, Q56

INTRODUCTION

Eliminating poverty in all its manifestations remains one of humanity's biggest challenges. Though poverty declined by over 50% in the 1990s, more than half of the world's population remained stuck in dire circumstances because they did not have enough money or resources to achieve basic human needs (Pontusson & Weisstanner, 2018). Approximately \$1.90 a day or less per person is the minimum amount of money required to survive adequately; by 2015, about 636 million people were without food, safe water, and basic sanitation (Castañeda et al., 2018). However, economic development in countries such as China and India has seen improvements in millions of people's living conditions, but no great leap forward for everyone. Since women earn less than men because they have a smaller share of the population, are limited to work because of property, and have lower levels of education, the two sexes end up in poverty at different rates (Graham & Pinto, 2021). All progress has been severely impacted, except progress in the lower- and middle-income countries, or 'LAM' as they are called, such as South Asia and Sub-Saharan Africa, which contains 80% of the global poverty (Azolibe & Okonkwo, 2020). These new problems created by climate change, war, and concerns about international food supply demand additional attention to improve people's living standards. The SDGs are a powerful acknowledgment of the importance of solving the fight against poverty, as well as a promise to achieve this goal by the year 2030 (Kroll, Warchold & Pradhan, 2019). It includes prioritizing the most vulnerable populations, increasing access to

essential infrastructure and services, and assisting communities impacted by violence and climate-related disasters. After a decade of unrelenting and continuous efforts, both locally and internationally, to reduce the poverty problem in Iraq, a sudden, unexpected, and compound shock has struck the Iraqi economy.

It was pretty impactful in terms of the current recession, as the financial crisis significantly affected their demand and income levels (Amagtome & Alnajjar, 2020). Not only, but also expected to have an impact on the quality of some of the goods consumed. This shock has led to unprecedented adverse effects on the level of poverty in Iraq, resulting in economic, social, political, and security turmoil. Therefore, it has become mandatory for researchers and academics to pay attention to this critical issue in estimating the size of poverty following these recent events. The aim is to give decision-makers and policymakers a clear picture of how they can tackle this problem or reduce its harmful effects (Al-Wattar, Almagtome & AL-Shafeay, 2019). The Coronavirus outbreak (COVID-19) in Iraq coincided with an unprecedented fall in crude oil prices, which contributed to a rapid drop in Iraq's revenues from oil exports (JasemAlnasrawi, Abed & Muslm, 2020). Oil exports are the primary source of funding up to 95 percent of the public budget and more than 40 percent of the gross domestic product.

In contrast, the number of HIV infections and deaths does not reflect the severity of the problem. However, the global crisis is followed by the collapse of Basra's oil prices from 54.5 dollars per barrel when the first injury was reported in Iraq to 20.59 dollars per barrel on April 21. The Iraqi economy is now faced with a complex shock (a decrease in oil prices and the spread of the Coronavirus, as well as an internal political crisis) (Almagtome, Khaghaany & Önce, 2020). This article focuses on a fundamental question: 'What is the impact of the combined shock caused by the fall in oil prices and the economic collapse caused by the outbreak of the Corona pandemic on poverty in Iraq?' The article analyzes this effect through the lens of three examples that illustrate the crisis's potential implications.

LITERATURE REVIEW

By necessity, a pandemic response is motivated by day-to-day "firefighting" and the need to stay current with an ever-changing supply of intelligence (Hameedi, Al-Fatlawi, Ali & Almagtome, 2021; Masenya, 2020). In general, public emergency management is concerned with establishing operational and programmatic principles and crisis management structures (Rose, Murthy, Brooks, & Bryant, 2017). A pandemic, on the other hand, such as COVID-19, is not an extreme case. Apart from the immediate shock to economic structures, the pandemic would undoubtedly have long-term ramifications for countries' social, technical, economic, environmental, and political environments, as well as indirect effects on economic growth (Lambert et al., 2020). These habitats can influence a country's and a single population's susceptibility to the virus's short- and long-term impact (M. Ali, Hameedi & Almagtome, 2019; Amagtome & Alnajjar, 2020)). Multiple nations have also pursued distinct policies, culminating in a range of divergent and unforeseeable futures, spanning from economic system collapse to the pandemic serving as a mechanism for financial system modernization (Han et al., 2020). Even if the desired scenario occurs, countries will face new problems and threats, as shown by the growing debate around data protection as fractured players leverage technology to battle against the virus (Ienca & Vayena, 2020).

The statement 'COVID-19 is not discriminatory' has been used several times (Khaghaany, Kbelah & Almagtome, 2019; Al-Fatlawi, Al Farttoosi & Almagtome, 2021). However, it is a dangerous illusion that obscures the heightened insecurity of the most socially and poor. In reaction to the pandemic, UK officials placed a state of lockout on the country's 66 million inhabitants, a measure unprecedented since World War II (Khan, Naushad, Akbar, Faisal & Fahad, 2020). While these measures were implemented for the general good, they have shown a disdain for economically vulnerable populations (Patel et al., 2020). Until now, lawmakers have singled out those with various comorbidities as the most disadvantaged. However, this medical model of the disease runs the risk of overlooking social causes that can

increase susceptibility to and mortality from coronavirus disease (COVID-19). COVID-19's economic effect begins with a negative supply shock (Hausmann, 2020). Two stuff happen. To start with, workers become infected, resulting in decreased production capability. According to Atkeson (2020), if 10% of the population becomes tainted, critical financial and economic resources will face severe staffing shortages. Second, operation controls are necessary for disease suppression. As previously stated, a reduction of up to 75% of interpersonal interaction could be needed to get COVID-19 under control. These factors will eventually result in a market shock (Almagtome, Al-Yasiri, Ali, Kadhim & Bekheet, 2020; Guerrieri, Lorenzoni, Straub & Werning, 2020).

Eichenbaum, Rebelo & Trabandt (2020) indicate that disease prevention strategies will save lives but exacerbate the severity of economic recessions. Long-term consequences could include unemployment hysteresis and supply-side chain disruption. A contraction will impoverish millions of people. A quick simulation of 138 emerging and 26 high-income economies reveals that COVID-19 could impoverish an additional 85 million people even in the most benign scenario (Andrew Sumner, Chris Hoy & Eduardo Ortiz-Juarez, 2020).

DATA AND METHOD

This article assesses the effect of COVID-19 and the decline of oil prices on poverty in Iraq in this paper using a foresight approach and secondary data obtained from local and foreign officials and studies between 2018 and 2020. The primary data sources include the Iraqi Ministry of Planning, the Iraqi Ministry of health, the Monetary Bank, and the Poverty Monitoring and Assessment Survey (SWIFT) for 2018. When linear vision is insufficient and uncertainty reigns, foresight is an essential method for planning for the future. Although forecasting aims to make near-term forecasts based on historical patterns (Rees, Crampton, Gauld & MacDonell, 2018), foresight is a collection of methodologies that aims to map drivers of transition, trends, and areas of uncertainty over a 20–50-year period (MATTERS, 2020). Policymakers should use these resources to generate scenarios, create a shared vision, devise plans for mitigating threats, cope with uncertainty, and capitalize on new opportunities (Gariboldi, Lin, Bland, Auplish & Cawthorne, 2021). It is a technique often used in foresight that involves developing a strategy backward from a potential view. The foresight methodology covers several techniques are:

- Methods of Input.
- Analytical Techniques.
- Methods of Interpretation.
- Prospective Techniques.

The analytical techniques of foresight methodology are used in this paper to generate three potential scenarios for poverty rate levels under the compound crisis to achieve the first goal of the UN sustainable development agenda in Iraq.

RESULTS AND DISCUSSION

Economic systems and planning in the conventional sense are often founded on a rationalist and evidence-based paradigm that claims authority and therefore does not adequately allow for the effects of external forces on the economic environment (Fazekas, Ettelt, Newbould, & Nolte, 2010). It will result in short-sighted financial strategies that cannot address the longer-term complexities of non-linear transitions or radical structural transformations, as the COVID-19 pandemic demonstrates.

Implementation of Poverty Foresight as a Response to SDG-1

The Coronavirus outbreak (COVID-19) in Iraq coincided with an unprecedented decline in crude oil prices. Moreover, the sharp decline in Iraq's revenues from its oil exports, on which it relies to fund the general budget by up to 95 percent and the development of the gross domestic product by more than 40 percent. The first infection was identified in Iraq on 24 February 2020. It was not shocking at more than one point, given the proximity of the distance between Iraq and Iran, which was one of the mainstays of the virus in the world. All assumed that the appearance and outbreak of the virus in Iraq was a matter of time. In two months, the number of casualties in Iraq increased to 1928. Meanwhile, the overall number of deaths reached 90, and 1171 recovered (Organization, 2020).

Nonetheless, the number of injuries does not indicate the severity of the issue. The government has announced steps to tackle the crisis by enforcing a broad ban on social activities and events. In addition to introducing social fragmentation initiatives since mid-March, the bulk of economic and social operations have been completely halted. Such procedures, however, left poor groups without income, mainly because the government's acts did not include compensation for lost revenue, except for the announcement of a minimal financial grant of 30,000 dinars. The number of families applying for a government emergency grant reached 2758,694 households, *i.e.*, 13017339 people, according to data from the Ministry of Planning (Fakhir & Farhan, 2020). As for oil, when the first case was identified, the price of Basra Light crude was around \$54.5 per barrel. However, it started to decline slowly to reach \$32.7 on the ninth of March, and then rise marginally to \$43.25 on the 13th of March. After that, it went down sharply on April 21 and hit 20.59 dollars a barrel. Basra's heavy oil dropped in the same direction from \$52.8 on March 26 to \$20.54 on April 22. These prices and all other oil prices are projected to fall further due to a variety of factors, including

- The decline in global energy demand.
- More people need to stick to the optional block.
- Enforcement of procedures to protect major producers from new oil price crashes and balance the oil market, which the effects of the corona pandemic have hit.
- The strategies of Saudi Arabia and Russia are linked to the price war.

Indeed, the price of Brent crude dropped to \$27.95 per barrel, and the OPEC basket to \$26.04 per barrel (Sharif, Aloui & Yarovaya, 2020).

The Iraqi economy faces a double shock in 2020 (low oil prices and Coronavirus outbreak). The repercussions of this crisis are exacerbated and continued, which would lead to a further downturn in economic activity. However, improving the conditions beginning in the second half of this year would reduce the negative impact of the two shocks. Since April 19, the government has started to ease domestic quarantine procedures. Nonetheless, oil prices are still below the point of sufficient returns to fulfill the government's financial obligations. Therefore, the near future threatens more adverse impacts on economic growth, which, in turn, would adversely impact people's lives and their ability to cope with the repercussions of the crisis. To foresee the consequences of the Corona crisis for economic activity, we introduce the following three scenarios:

Scenario 1: The Current State. The government's embargo procedures would be adequate in this case. The economic activity slowly recovered its strength from the beginning of May, with broad social distancing continuing over the following months to November. Social movements and events are expected to continue to be limited while restricting travel between governorates. Therefore, economic activity is forecasted to decline, primarily influenced by lower oil prices and decreased government spending. It would increase the government's probability of reducing workers' wages in the public sector.

Scenario 2: The Optimistic State. This scenario means putting an end to the processes for social isolation and the restoration of economic activity. The government is moving towards adopting the experience of China is coping with the outbreak, the reduction of quarantine procedures, and the gradual start of steps to end social division by the end of May. However, this includes policy steps to help the economy, provide cash liquidity, create short-term job opportunities, and encourage economic recovery by ending the procedures for closing the economy and fostering economic growth in the second half of this year. Improving the world's conditions and increasing prices, thereby raising Iraq's financial returns, may lead to this scenario.

Scenario 3: The Pessimistic State. This scenario assumes that economic closures will occur until the end of the current year and until the first quarter of 2021. In addition, standard conditions are expected to return from the second quarter with drugs to cure the disease and vaccines to improve People's Immunity. The occurrence of this scenario would lead to a complete collapse of the Iraqi economy. The following table 1 summarizes the three possible outcomes of the compound crisis.

Table 1 SUMMARY OF THREE SCENARIOS				
Scenario	Details	Indicators		
	Economic closures	Completely mid-March to the end of April		
		Partially until November (six months)		
	The travel ban, including foreign travel	100%		
	Impact on economic activity	Internal and external tourism activities continue to stop.		
The Basic	- ·	The decline in service activities.		
State	Oil revenues	42 trillion dinars		
	Impact on the gross domestic product (2020)	The gross domestic product (169) trillion dinars		
		Decreased by (36%) compared to last year		
	Economic closures	End the financial closure at the end of May.		
	The travel ban, including foreign travel	Allow travel, including travel abroad.		
	Impact on economic activity	Partial return of tourist activities.		
		Complete return to service activities.		
Optimistic	Oil revenues	46 trillion dinars		
State	Impact on the gross domestic product (2020)	The gross domestic product (195) trillion dinars		
	impact on the gross domestic product (2020)	Decline by (26%) compared to last year		
	Economic closures	Completely mid-March to the end of April		
	Economic closures	Completely until March 2021		
	The travel ban, including foreign travel	100%		
		Internal and external tourism activities continue to stop.		
Pessimistic	Impact on economic activity	The decline in service activities.		
state		Scarcity in essential commodities.		
_		Rising prices.		
	Oil revenues	35 trillion dinars		
	Impact on the gross domestic product (2020)	The gross domestic product (150) trillion dinars		
	impact on the gross domestic product (2020)	Decline (43%) compared to last year		

The GDP scenario is based on the following assumptions

- The amount of gross domestic product obtained in 2019 is approximately 262.9 trillion dinars.
- The number of crude oil exports in the current year will be close to that of the previous year (2019) for the first quarter of the year. According to the OPEC (+) Agreement, it will decline by 1,060 barrels per day.
- This year, the price of Iraqi oil exported would fall to \$30 in the first scenario, \$36 in the second scenario, and \$20 in the third scenario.
- There is a lack of an economic rescue program.

Our prediction indicates that in 2020 table 2 we could face the risk of losing up to a quarter of 36% of GDP compared to last year's project, which is the lower-case or lowest-case, compared to our prediction from last year, of facing up to a 43% of GDP.

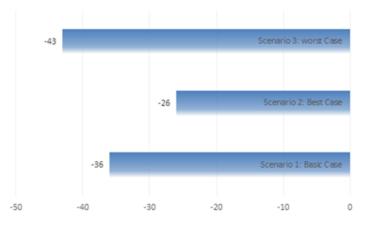


FIGURE 1 THE IMPACTPF THE COMPOUND CRISIS ON GROSS DOMESTIC PRODUCT (2020)

Table 2				
	GDP ESTIMATES FOR THE THREE SCENARIOS 2020			
Economic activities	2019	Scenario 1: the essential state	Scenario 2: the optimistic state	Scenario 3: the pessimistic state
Agriculture, forestry, hunting, and fishing	8766710.8	6575033.1	7451704.1	6575033.1
Mining and quarries	114449716.6	57329488.6	68774460.2	
	38324289.3			
Crude Oil	114031195.5	57015597.7	68418717.3	38010398.5
Other types of mining	418521.1	313890.8	355742.9	313890.8
Manufacturing industry	5257100.3	3942825.2	4468535.2	3942825.2
Electricity and water	7628374.1	5721280.5	6484117.9	5721280.5
building and Construction	10731311.9	8048483.9	9121615.1	8048483.9
Transport, communication and storage	26005487.9	19504115.9	22104664.7	19504115.9
Wholesale and retail trade, hotels, and the like	20449657.2	15337242.9	17382208.6	15337242.9
Money, insurance, and real estate services	20307088.3	15230316.2	17261025.1	15230316.2
Banking and insurance	5138808.9	3854106.6	4367987.5	3854106.6
Home ownership	15168279.4	11376209.5	12893037.4	11376209.5
Social and personal development services	52595124.2	39446343.2	44705855.6	39446343.2
General government	44923791.3	33692843.4	38185222.6	33692843.4
Personal services	7671332.9	5753499.6	6520632.9	5753499.6
Total by activities	266190571.3	171,135,129.6	197,754,186.7	152,129,930.3
Less: calculated service fee	3273421.3	2455066.0	2782408.1	2455066.0
Gross domestic product	262917150.0	168,680,063.6	194,971,778.6	149,674,864.3

Estimates of Poverty before the Crisis

The effect of Iraq's poverty has been gauged over several years, but years and this past; it has been covered by a report done by actual people who attempt their data and analysis in the 1970s, 1980s, and by publications in the 1980s and 1990s. These estimates were calculated in the light of the abnormal conditions that the country experienced in those contracts, mainly since these estimates of poverty and deprivation was based on family economic and social surveys that were not originally intended to measure poverty in Iraq. As for the most recent figures, it was included in the poverty assessment area surveys carried out by the Central Statistical Organization for the years 2007, 2012, 2014, and 2018, the Poverty Monitoring and Evaluation Survey table 3 (SWIFT) (Phadera, Sharma, & Wai-Poi, 2020).

INDICA	Table 3INDICATORS OF POVERTY IN IRAQ FOR THE YEARS 2007, 2012, 2014, 2018				
Year	Poverty line	Headcount index indicator	Number of poor people		
2007	76896	22.4	6648768		
2012	105500	18.9	6465123		
2014	105500	22.5	8101125		
2018	110880	20.5	7370430		
2007	76896	22.4	6648768		

Estimates of poverty during a Compound crisis

It was necessary to estimate poverty in the current situation due to the Corona pandemic and subsequent measures to prohibit roaming in all Iraqi governorates to prevent the disease's spread. It has had a significant effect on the economic situation of Iraqi citizens, especially those on low incomes. It was achieved in three different scenarios, based on low income or consumption. According to a recent report investigating the effect of the pandemic on global poverty prepared by the United Nations University (United Nations University) (Andy Sumner, Chris Hoy, & Eduardo Ortiz-Juarez, 2020), a reduction in income or consumption of (X) percent contributes to a rise in the poverty line (Z) by the following formula:

Z=(1-X)(1)

The study shows that a crisis will reverse a decade of global progress in poverty reduction, drive tens of millions of people into severe poverty and fail to meet their basic needs. It would also contribute to a rise in deprivation of about 400-600 million people worldwide due to a 20% decrease in per capita consumption in developing countries. Depending on the methodology set out above and the assumption that the conditions prevailed in the three scenarios, poverty in Iraq can be estimated in three methods:

The Poverty Rate under Scenario 1- The Basic state

Reduced income or consumption by 10%, and the poverty line for 2020 is forecast at 123,200 thousand dinars per person per month. Therefore, the estimated poverty rate is 22.8%, and the number of poor people is approximately 9120,000. Such figures are based on the projected population of Iraq in 2020 of 40 million people.

The Poverty Rate Under Scenario 2- The Optimistic State

The termination of procedures for social separation and restoring economic activity and rising income or consumption by 5 percent. According to the poverty line for 2018, which is forecast at 110,880 thousand dinars/person/month, the poverty line for 2020 will reach 116,700 thousand dinars/person/month. The projected poverty rate will then be 21.6 percent, and the number of poor people will be about 8.640,000.

The Poverty Rate Under Scenario 3- The pessimistic state

Income or consumption is expected to decline by 20%. The poverty line for 2020 is estimated at 138,600 thousand dinars/person/month. Therefore, table 4 the estimated poverty rate is 25.6 percent, and the number of poor people is around 10240,000.

Table 4 POVERTY ESTIMATION FOR THE THREE SCENARIOS 2020				
Scenario	The effect of income and consumption	Poverty line (thousand dinars/ person/ month)	Poverty rate (%)	Number of poor people
The first: the primary case	10% decrease in income or consumption	123.200	22.8	9120000
The second: The best case: ending the procedures for social separation and the return of economic activity	5% decrease in income or consumption	116.700	21.6	8640000
The third: the worst case: the return of the pandemic	Third: 20% decrease in income or consumption	138.600	25.6	10240000

Poverty Analysis at the Local Governorates Level

Suppose we presume that the relative importance of the number of poor people per governorate remains the same according to the results of the SWIFT Survey for 2018 (Cohesion, 2018). In that case, the estimates of poverty in the governorate of Iraq will be shown in table 5. We note that the number of poor people among the governorates of Iraq varies significantly according to the three scenarios. According to the first scenario, Nineveh Governorate ranks first in terms of the number of poor citizens, with a population of 1.7 million. According to the second scenario (the best case), the number of poor people in the governorate is reduced to 1.6 million. Then the number of bad returns will rise according to the third scenario (the worst case) until it reaches 2 million. Baghdad is the second governorate in terms of the number of poor. Compared to the first scenario, the number of poor people is around 1 million. According to the second scenario, the number of the poor is reduced to 0.96 million (the best case). Then the number of the week returns increases according to the third scenario (the worst case) until it exceeds 1.1 million individuals. The third governorate in terms of the number of poor people is Dhi Qar Governorate. According to the first example, the number of people living in poverty is about 900,000. Still, it is estimated to fall to around 854,000 if things continue according to plan (the optimistic state). Then the number of week returns rise according to the third scenario (the worst case) until it reaches about 1 million individuals. It should be noted that the three governorates of the Kurdistan region were the least about the number of poor people in all of Iraq. Table 5 shows the number of poor people in each governorate.

Table 5					
ESTIMATE THE NUMBER OF POOR PEOPLE PER GOVERNORATE 2020					
Provinces	Poverty rate%	The first scenario	Provinces	Poverty rate%	
Dohuk	1.55	141360	133920	158720	
Sulaymaniyah	1.34	122208	115776	137216	
Erbil	1.73	157776	149472	177152	
Nineveh	19.57	1784784	1690848	2003968	
Kirkuk	1.69	154128	146016	173056	
Diyala	5.13	467856	443232	525312	
Anbar	4.19	382128	362016	429056	
Salahuddin	3.98	362976	343872	407552	
Baghdad	11.15	1016880	963360	1141760	
Babylon	3.19	290928	275616	326656	
Karbala	2.34	213408	202176	239616	
Wasit	3.59	327408	310176	367616	
Najaf	2.58	235296	222912	264192	
Al-Qadisiyah	8.58	782496	741312	878592	
Almuthana	5.91	538992	510624	605184	
Dhi Qar	9.89	901968	854496	1012736	
Maysan	7.03	641136	607392	719872	
Basra	6.56	598272	566784	671744	
Total	100	9120000	8640000	10240000	

CONCLUSIONS

Iraq's economy is being slammed by a combination of external shocks (low oil prices, the Corona outbreak) and a domestic political crisis. This article aims to predict the likely consequences of the complex crisis precipitated by the Coruna outbreak and the fall of oil prices to poverty levels in Iraq. To this end, the article addresses three possible outcomes for Iraq's poverty rate, including the baseline (current situation), the best (optimistic) scenario, and the worst (pessimistic) scenario. In light of this, the article demonstrates that the crisis cell in Iraq's protective measures, including quarantine with the possibility of wandering in whole or in part, has resulted in a significant decline in income and consumption rates. Additionally, the fall in crude oil markets, Iraq's lifeblood, has resulted in a large fiscal deficit. On this basis, the government is likely to reintroduce more austerity policies, including substantial cuts to government budgets, staff compensation, and all other measures that decrease revenue or usage. The third scenario, which calls for a 20% cut in income or demand, is the most plausible. Indeed, a sizable proportion of the population is classified as being close to the poverty line. As a result, any abrupt shock to the Iraqi economy results in hardship. However, the effect on GDP would be significant, with the GDP falling by 36%. In the best-case scenario, demand will decline by 26% due to the cessation of social distancing steps and the resumption of economic activity, which will also be dependent on oil market conditions. In the most harmful example, demand will decline by approximately 43% due to the crash of oil prices and a dramatic decline in Iraq's exports under the OPEC agreement (+). While poverty has existed in Iraq for an extended period, it is predicted to escalate in the aftermath of the pandemic, and based on the most recent figures from the Poverty Monitoring and Assessment Survey (SWIFT) for 2018. Given the previous scenarios, household consumption would be affected differently depending on the situation. As the researchers assumed a 10% fall in consumption, the poverty rate was 22.8 percent (9.120 million people). Consumption would decline by 5% in the positive case situation, bringing the poverty rate to 21.6 percent (8.640 million people). In the worst-case situation, demand falls by 20%, and the poverty rate rises to 25.6%. (10.240 million people).

In brief, several reasons contribute to the vulnerability of the socially deprived to COVID-19. Possible causal factors include increased viral exposure, poverty-related depression,

comorbidities, and decreased access to health services. Policymakers in the United Kingdom quickly recognized individuals with various comorbidities as especially vulnerable. They must, however, broaden their concept of susceptibility to include social factors as potential risk factors for COVID-19. The pandemic has emphasized society's stark disparities and is expected to worsen them. To overcome the disadvantages of society's socially vulnerable members, governments must enact long-term social protection regulations.

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