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"Foresight and risk assessment (based on scenarios) of increasing extreme poverty from the COVID-19 Pandemic at national, regional and local level in relation to job loss"

EXECUTIVE SUMMARY

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The present study aims at a foresight and risk assessment (based on scenarios) of the increase in extreme poverty due to the COVID-19 pandemic at the national, regional and local levels in relation to job loss. The methodology for the implementation of the above objective was constituted by the following methodological steps:

- In a first phase, a bibliographic review of the phenomenon of extreme poverty and the effects of the COVID-19 pandemic on it was carried out. As it turned out, the progress made in recent years in reducing the number of people in poverty is being eliminated due to the advent of COVID-19. For the first time since 1998, poverty rates are going to rise as the world economy recedes and there is a sharp decline in GDP per capita while the COVID-19 crisis is going to have a disproportionate impact on the poor, through job losses, loss of benefits, increasing needs for services such as education and health care. In Greece, the crisis due to the COVID-19 disease will possibly worsen the social situation of large sections of the population and increase income inequality.
- In a second phase, data on poverty were analyzed. For the measurement of poverty in Greece some of the administrative data that contain critical information on poverty are the registers of the Minimum Guaranteed Income (EEE) and the TEVA. The latter, however, is a subset of the former, which is why the EEE has been used as a basis for estimating poverty. In particular, the register used (February 2020) had 433,524 registrations with about half of the end recipients (53%) being unemployed.
- In a third phase, taking into account that people at risk of poverty or social exclusion were mainly in households with very low labour intensity (Eurostat, 2020), the effects of the pandemic on paid work and registered unemployment were analyzed while at the same time a risk assessment on the effects on jobs was carried out by combining the above with the analyses of the International Labor Organization (ILO) and the Bureau of Labor Statistics (BLS).
- In a fourth phase, following a review of the estimates of international organizations for the development of critical measures such as GDP, unemployment and employment, the parameters of the foresight were identified, and seven different scenarios were formulated. In the first two scenarios (Scenario 0-1) the forecast for the number of end recipients of the EEE was based on the actual change of the registered unemployed. The next five scenarios were based on risk assessment by sector of economic activity.

At the national level, the results of the analysis based on the estimates of international organizations translate into an increase from 46,000 (479,524) to 215,000 (648,524) end recipients of the EEE in relation to February 2020, depending on the number of unemployed who will register in the EEE (February 2020: 20.39%). The results of the analysis of the first two scenarios, based on recorded effects of the pandemic, translate into an increase from 34,467 (467,991) to 233,533 (667,057) end recipients of the EEE. The next 5 scenarios are based on a risk analysis by sector of economic activity and translate into an increase from 115,606 (549,130) to 2,094,433 (2,527,957). In the first scenario (ILO, BLS) a percentage (10%) of high risk workers is added to the end recipients of the EEE, in the second (ILO, BLS) a percentage (30%) is added, in the third (ILO, BLS) all high risk workers are added, in the fourth (ILO, BLS) the high and medium risk workers are added, and in the fifth (ILO, BLS) all of the high, medium, low risk workers are added.

The investigation of the fourth and fifth (ILO, BLS) scenario was done even though the numbers at the national level seem very large, because there were cases of Municipalities whose forecasts according to

the 2nd scenario far exceeded the corresponding o ILO-BLS scenarios (Municipality Zakynthos, Municipality of Karpathos, Municipality of Parga, Municipality of Symi, Municipality of Arriana). At the same time, due to the fact that the effects of the pandemic had a strong spatial differentiation, the Municipalities were grouped into 5 clusters in relation to the parameters of the investigation.

In all the investigated scenarios, cluster 3, which included the Municipalities of Rhodes, Zakynthos, Thira, Mykonos, Corfu, Heraklion, Kos, Rethymno, Chania and Hersonissos, presented the highest percentage increase. At the regional level, the Regions of the South Aegean, the Ionian Islands, Crete and Attica were the ones with the highest percentage increase. The analysis at the local level also revealed new Municipalities that are not contained in the above units with a high percentage increase such as the Municipalities of Tanagra, Thermi, Zitsa, Oreokastro, Tempi, etc.

Figure 1 and Figure 2 show the results of the foresight for each cluster of Municipalities and for each region. The scenarios highlight the estimates for the development of poverty in Greece based on the number of end recipients of EEE. These results are available through an interactive dashboard for further navigation at the following link[1]:

https://public.tableau.com/views/PovertyForesightEN/Cluster?:language=en&:display_count=y&publish=yes&:origin=viz_share_link

[1] This dashboard is consisted of 3 different templates (cluster, regions, Municipalities).

Figure 1: Foresight results for the increase in extreme poverty due to the COVID-19 pandemic.

Foresight results (Click Clusters to expand)

	Municipalities	Minimum Guaranteed Income Feb 2020	Scenario 0	Scenario 1	Scenario 1 (ILO, BLS)	Scenario 2 (ILO, BLS)	Scenario 3 (ILO, BLS)	Scenario 4 (ILO, BLS)	Scenario 5 (ILO, BLS)
Cluster 1	80	119,253	127,329	142,155	128,981	148,437	216,533	235,802	274,664
Cluster 2	230	235,629	253,879	353,146	309,663	457,731	975,968	1,139,924	1,506,750
Cluster 3	10	12,977	16,814	88,493	23,074	43,268	113,948	132,399	167,753
Cluster 4	4	34,084	36,386	44,103	45,542	68,458	148,664	187,654	288,821
Cluster 5	1	31,581	33,584	39,160	41,870	62,447	134,466	179,921	289,969
Grand Total	325	433,524	467,991	667,057	549,130	780,341	1,589,579	1,875,700	2,527,957

Figure 2: Foresight results for the increase in extreme poverty due to the COVID-19 pandemic (continued).

Foresight results (Click Regions to expand)

	Municipalities	Minimum Guaranteed Income ..	Scenario 0	Scenario 1	Scenario 1 (ILO, BLS)	Scenario 2 (ILO, BLS)	Scenario 3 (ILO, BLS)	Scenario 4 (ILO, BLS)	Scenario 5 (ILO, BLS)
Attica	66	125,941	133,926	165,278	177,625	280,992	642,778	801,749	1,184,630
Central Greece	25	23,726	25,447	30,709	29,161	40,032	78,080	90,140	106,041
Central Macedonia	38	80,210	86,027	111,017	100,477	141,010	282,876	321,676	413,926
Crete	24	15,529	19,039	58,507	22,580	36,683	86,043	99,132	128,677
East Macedonia and Thrace	22	28,669	30,463	36,848	33,352	42,717	75,497	84,835	103,172
Epirus	18	12,164	13,286	18,567	14,708	19,795	37,600	43,733	55,148
Ionian Islands	7	4,114	5,533	28,087	6,079	10,009	23,765	27,699	33,772
North Aegean	9	8,341	9,205	12,832	9,558	11,993	20,513	23,227	30,062
Peloponnese	26	27,801	30,073	37,164	32,544	42,029	75,229	82,773	101,715
South Aegean	34	6,305	7,567	42,028	10,650	19,339	49,751	57,411	68,005
Thessaly	25	38,873	41,525	49,553	44,538	55,867	95,518	105,683	130,621
Western Greece	19	51,579	54,902	62,278	56,002	64,848	95,809	105,462	127,545
Western Macedonia	12	10,272	10,998	14,189	11,857	15,026	26,120	32,180	44,643
Grand Total	325	433,524	467,991	667,057	549,130	780,341	1,589,579	1,875,700	2,527,957