

*These COVID-19 Analytical Snapshots are designed to capture the latest information and analysis in a fast-moving environment. Topics will be repeated from time to time as analysis develops. If you have an item to include, please email us at [research@iom.int](mailto:research@iom.int).*

### What is development?

Development, one of the main priorities of the UN, is a [multidimensional undertaking](#) to achieve a higher quality of life for all people, encompassing both economic and social elements.

While there is no established convention for the [designation](#) of developing countries, the [criteria](#) used by the UN include country income, education and health levels, and structural vulnerability to environmental and economic shocks.

64% of the [world's population](#) reside in less developed countries (excluding China), and 13% in the [Least Developed countries](#) that face severe structural impediments to development.

### COVID-19 and equality

“*COVID-19 is not the ‘great equalizer’...but rather an amplifier of existing inequalities.*”

[Heaven Crawley](#), Professor, Centre for Trust, Peace and Social Relations at Coventry University, UK



### Risks for developing countries stemming from the pandemic

[UNCTAD](#) note that 60% of developing countries, and over 80% of the Least Developed Countries (LDCs) are dependent on commodity exports. The [sharp fall](#) in foreign income from these exports, as well as from tourism and remittances, that is expected due to the pandemic will limit the ability of governments in developing countries to support their populations.

The [informal sector](#) is also particularly large in developing countries, with individuals in these countries making up much of the 55% of the global population that have [no access](#) to social protection. As a result, many of the poorest have to [continue working](#) to earn income, despite the risks of contracting and spreading the virus.

Yet it is in these developing countries, where for many self-isolation is [not an option](#), that conditions are most conducive to the spread of COVID-19. Nearly [75%](#) of those in LDCs lack access to soap and water, many of whom live in densely populated [urban slums](#). In addition, [health systems](#) in these countries — which often have less of the [key equipment](#) needed to tackle the virus, such as tests and ventilators — are underfunded and could soon be [overwhelmed](#) by the pandemic.

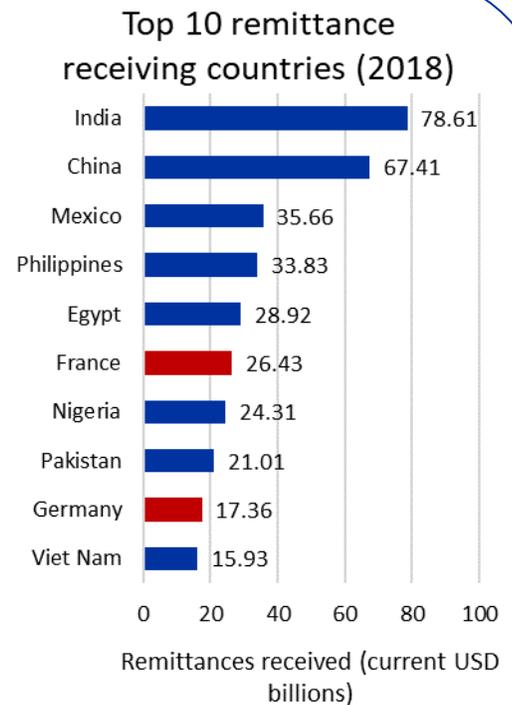
**70%**

of the 47 countries recognized by the United Nations as the Least Developed are in [Africa](#)

## COVID-19 and international remittances

In 2019, migrants sent [\\$551 billion](#) in international remittances to family in low and middle income countries, over three times the amount of official aid received. Remittances have emerged as significant [drivers of development globally](#) as migration has [increased](#) over recent decades. But as destination economies contract, remittances are expected to decline significantly. In one of the major receiving countries of international remittances, [Mexico](#), COVID-19-related economic impacts are expected to reduce by more than 20% in 2020.

In [sub-Saharan Africa](#), the World Bank has projected COVID-19 will cost the region between USD 37-79 billion in output losses in 2020 due to trade disruptions, significantly reduced foreign income (such as remittances and FDI) and other impacts. The first recession in the region for 25 years is forecast.



Source: World Bank, 2019, in the [World Migration Report](#)

## Financial support for developing countries

UNCTAD estimate that developing countries are facing a [\\$2-3 trillion](#) financing gap over the next two years. In response, several international organizations have deployed their resources:

- ⇒ [IOM](#) has launched a \$116.1 million Global Strategic Preparedness and Response Plan to support countries who need additional resources to support their health systems and prevent the spread of COVID-19.
- ⇒ The [African Development Bank](#) has listed the “Fight COVID-19 Social Bond”, which has raised \$3 billion.
- ⇒ The [IMF](#) is providing \$100 billion of emergency funds to support developing countries.
- ⇒ The [World Bank](#) has approved a group of projects to assist 25 developing countries, costing \$1.9 billion.



## Tourism and development

As lockdowns and [travel restrictions](#) have been enacted across the world, the [World Tourism and Trade Council](#) has warned that 50 million jobs in the travel and tourism sector worldwide are at risk. This could have huge implications for development — notably in [Central American](#), [Caribbean](#) and [Asian](#) countries where tourism is particularly large — as the sector has been found to be key to [economic development and poverty reduction](#).

This COVID-19 Analytical Snapshot has been produced by [IOM Research](#) ([research@iom.int](mailto:research@iom.int)).

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