



## COVID-19 and its Socio-Economic Challenges in Bangladesh

*Dr. Hoimonti Barua* provides an overview on the COVID-19 induced socio-economic challenges in Bangladesh. She further explains the health care scenarios and COVID-19 management issues in the country.

### Summary

Pandemics are by and large outbreaks of diseases that become widespread due to human-to-human transmission of the contagion. Currently, the world is experiencing a global health emergency that is decimating lives and spreading agony. Existence of billions of people is upended by the coronavirus pandemic across the globe. It is a human, social and economic crisis; an onslaught on the fundamental essence of societies. The corona virus-related crisis pummeled on health, society, economy, and security of Bangladesh. The purpose of this paper is to highlight its impacts on Bangladesh which is more than a health crisis. The paper discusses the pandemic's effect on the economy of Bangladesh which has had collateral consequences on the social aspects and community living in this developing country. Bangladesh with steady economic growth was predicted to become a middle-income nation. This paper explores the limitations and challenges in the context of the current scenario. At a moment when there is no cure at hand, the crisis is most likely to continue for longer; hence it is essential to probe Bangladesh's status from every aspect.

### Background

Pandemics are by and large outbreaks of diseases that become widespread due to human-to-human transmission of the contagion. Co-evolution of humans and pathogens, within the same organic eco-system is like a corresponding evolutionary relation. Biological invasions have been a consistent aspect all through the history of humans and are associated firmly to human actions (Santini et al. 2017:647). Pandemics have been a part of the civilization for time immemorial. Whether it was the Antoine Plague in the Italian peninsula (165-180 A.D), the Black Death (1331-1353) in Western Europe and the Mediterranean or the Spanish Flu pandemic (1918-1920) decimating 50-100 million people and affecting 500 million population worldwide, pandemics have had a long history (Huremović, 2019), killing

thousands of lives every time. The more recent ones of the centuries, the Hong Kong Flu, SARS, H7N9, Ebola, etc. and the covid-19 being the most recent one and of utmost significance. Currently, the human race is experiencing a global health emergency that is mercilessly eliminating lives and spreading agony. Existence of billions of people is upended by the coronavirus pandemic across the globe not only by the direct pain from lives lost but also by the ripple effect caused by its detrimental results which are more than barely a health crisis. It is a human, social and economic crisis; an onslaught on the fundamental essence of societies.

In South Asia, infectious diseases (ID) have invariably been a common reason for death. Epidemics consistently returned in regular decennary intervals to cause mass destruction. Bangash (2020) argues the Indian-origin cholera epidemic in 1817-21 took 18 million lives in (undivided) India, followed by the Bubonic plague of 1896-1901 with more than 10 million population perished. Still, the coronavirus pandemic has engendered manifold reactions from around the world. It is of importance especially in this era because it is the first global epidemic of such a magnitude in the last hundred years since the influenza of 1918-19 that has decimated 50 million people at the time and still decimating thousands each year globally. Needless to say, after a century, an insufficient 'historical or institutional memory' is left to grapple with a global medical-emergency of such enormity.

The trepidations increased due to the rapid shift of the outbreak epicenter from China to Europe followed by the United States with maximal numbers of mortality. South Asia is home to one-fourth of the total population of the world with 1.9 billion people (Worldometer, 2020). Here the pandemics worst blow is impeding the region poorly. It has been more than six months since the outbreak in early March 2020 in South Asia with more than 5, 29,743 infected and 12,362 cases of death and the cases of morbidity has not been uniform throughout the region. Many South Asian countries, barring India have recorded lower death counts despite their poor healthcare system and high population and poverty rates. Specific numbers of cases during an ongoing phase is unattainable; however, as of September Bangladesh has 3, 57,000 cases with 5,093 deaths (Ibid.). The number of infected and mortalities may vary from region to region but the economic decline is a shared-shock felt across the globe by small and big nations alike.

History has established recurrently that pandemics indubitably have had long term bearings in people's lives and the novel corona virus is not an exception. The corona virus related crisis pummeled on health, society, economy, and security of communities both regionally and globally (Qiu et al., 2017:3), and this essay highlights those social and economic impacts of the disease in Bangladesh.

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### **Social and Economic Effects of Covid-19 in Bangladesh**

At this juncture, the Covid-19 unsympathetically reminds us that pandemics are not only biological but political and global in nature and have reverberations on all. The unprecedented pandemic has overwhelmed the healthcare systems and devastated the economic solidities of the region. Massive detrimental effects, followed by the string of morbidity cases on the society, economy, well-being and productivity of the people of Bangladesh have been felt like any other countries in the world.

In the first place, the pandemic demands limitations on movements as a prerequisite to minimize the chain of contamination. Living or residing in close proximity of an affected individual pose maximum life threat. In the earlier times, plagued villages were sealed off to curtail proliferation to the rest of the societies. But, the spread of the recent infectious disease is more global, and, it



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reached rather swiftly in cities and other countries, economically debilitated even outlying regions that rely on urban markets. Qiu et al. (2017) refers that these are threatening infectious diseases, capable of cross-border movements as has been evinced by HIV, H1N1, H5N1, and SARS epidemics and now the Covid-19 which took the shape of a pandemic. Therefore to control the ongoing health quandary, World Health Organisation (WHO) firmly advocated ban on travel and strictly practice social distancing.

At the outset of a new type of ID epidemic, when the agencies of transmission are still unestablished, the safest measure adopted is isolation or quarantine (Malhotra, 2020; Rakesh, 2016). These are medical measures widely practiced for IDs. Interestingly, the age-old measures like 'isolation' and 'quarantine' gained a new momentum and have become the new buzzword along with two other terms 'lockdown' and 'social distancing'. With an aim to control the spread of the disease among communities, most nations, beginning with China, followed by the United States, United Kingdom, Europe and then the rest of the world, began to observe extensive lockdowns at international, regional and community levels.

An uncontrolled epidemic destroys the moral health of a nation and compromises national security. While it is pivotal to respond swiftly to a spreading pandemic, pushing people with unprepared, unplanned rules have unintentional yet ruinous consequences. Yet, to control its spread the government of Bangladesh declared a nationwide lockdown for two months from March 24 till May 30, 2020. So, what commenced as a health emergency became a matter of grave socio-economic concern. The impacts are manifold which may be determined by various factors like income, hierarchies of life-style, employment or earning securities, mental health etc. All these factors are so innate to each other that disturbance on one automatically pulls in the other aspects. South Asian countries whether agriculture, tourism or industry based have fallen victim to the global economic downturn. According to the World

Bank (2020), "every region is subject to substantial growth downgrades." The impact of this decline besides the economies will affect years of developmental achievements by pushing millions of people back to poverty and employment uncertainties. Past seven decades entailed construction, proliferation and consolidation of a global liberal international economic order, which appear to be in the midst of a questionable future.

Observing lockdown or social distancing, especially by the poor community becomes an additional challenge. Bangladesh is a small and extremely densely populated country of 169 million people with a population density of 1,179 people per square kilometers as of June 2020 (World Population Review, 2020). The infrastructure and healthcare facilities are substandard and unreliable which make the life in the region vulnerable, exposed and impuissant to this invisible enemy. According to the UNDP, number of urban poor in all urban centres is 9 million, of which 5 million are alone in Dhaka (Mamun, 2020). A perturbing headcount of 6, 50,000 people residing in 3,394 slums in the capital suggest they live in overcrowded slums with large families cramped in very tiny rooms (Dhaka Tribune, 2020). It is self-explanatory that concepts like social-distancing or isolation come across as ornamental popular jargons, infeasible to the settings of their residence or lifestyle.

Most of these people living in urban-slums are low-income professionals like day laborers, rickshaw pullers, construction and factory workers, house-helps, restaurant workers and shop assistants, transport workers, bhangari [plastic] workers, petty business owners etc. Kamruzzaman opines according to a joint study was conducted by Power and Participation Research Center (PPRC) and BRAC Institute of Governance and Development (BIGD) on 5,471 slum households that suggested that since the outbreak of the novel coronavirus and imposition of lockdown the average income of these people reduced by 80 percent (Andalou Agency, 2020). The poorer constituents of the populace have taken a substantial impetus of the economic downfall with comparatively larger income shocks. Especially for the most necessitous and penurious ones, source of income has been destroyed entirely. For instance, the report generated by the PPRC and BIGD suggested a drop of 82 percent in per capita

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income that is BDT 27 (\$0.32) which was BDT 108 (\$1.30) before the pandemic hit the country (Ibid.). Inadequate income forced the vulnerable people to reduce food consumption to subsist through the crisis triggered by the pandemic.

Negative impact on one's source of earnings varies with the nature of occupation. The South Asian Network on Economic Modeling (SANEM) model points out that a large division, i.e. 43 percent of the population is engaged in agriculture and food-related professions. Rural livelihood remains strongly dependent on agriculture, live-stock-rearing, and fish-cultivation. Food security of the country is analogous to rural livelihood. Urban food markets depend on farmers and farmers depend on the transfer of goods through the transport system. Decreased movement of goods increases the asymmetrical distribution of cost between the farmer and the vendor leaving the farmers more vulnerable in terms of financial gain. Restrictions on movements and 'basic aversion behavior' by workers have high chances of impeding farming. Quarantine measures limit access to market, and supply chain disruptions in food availability.

On the demand side, loss of purchasing power change people's eating patterns reduces capacity to purchase or panic purchases of food that can break the supply chain. Trepidations related to food security gave rise to inflation, limited access to items and food-riot; although no such food riot was noticed in Bangladesh As a result, countries with high levels of food insecurity are generally more susceptible to greater disparities.

The economic consequences of this disease could end up hurting more people than the disease itself", and this applies to Bangladesh to a great extent (Beltrami, 2020). Aforesaid, the country was brought under a lockdown for two months. Nevertheless, a shutdown in Bangladesh is very different from the shutdown of global north or the western nations. The disease led panic caused large-scale economic cost, disproportionate to the number of cases. Urban livelihood on the contrary is based on industrial sources. So, the other notable sections such as the garment factories (16 percent), retail business (11 percent), transportation (10 percent) and construction sector (7 percent) (Financial Express, 2020) were hit in various proportions. The ramifications of this setback have dreadfully affected Bangladesh in multiple ways.

The economy of Bangladesh is based fundamentally on the 2R's – remittance and ready-made garments (RMG). However, private sectors, micro, small and medium enterprises (MSMEs), and leather and shrimp export dependent on the European Union (EU) are major contributors to the economy. The emergence and rapid proliferation of novel corona virus has affected the transmission channels of a progressive economy of Bangladesh. Brian Wong opines, "a global recession has hit which is likely to be worse than 2008 and it will bring about political uncertainties along with critical non-traditional security threats. The pandemic is going to end at its own course...far reaching for a country like Bangladesh" (WHO, 2020).

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Bangladesh, at present, a lower middle-income country had a steady economic growth rate until the end of 2019 (World Bank, 2020). Giménez et al. (2014) argued that the Vision 2021 and the associated Perspective Plan 2010-2021 adopted by Bangladeshi government outlined a series of developmental goals for 2021. The economy was expected to grow at 8 percent forecasted by the Asian Development Bank; now the predictions by International Monetary Fund and World Bank are at a pessimistic 2 percent (Global Times, 2020; International Monetary Fund, 2020). The country's recent economic growth trajectory exhibited every potential to rise as a Middle-Income country by 2024, until the whole world was brought to a standstill by the Covid-19 crisis.

The major economic players have been hit abominably, and Bangladesh began to experience the shockwaves since early March. The export outflow has stopped with the withdrawal of investment flows from the developing nations. Massive financial deprivation is experienced due to shutting factories. Many RMG factory owners lost several global orders, many forced to shut down. According to the report by the Centre for Global Workers' Right of Penn State University and the Worker Rights Consortium around 58 percent of clothing suppliers of Bangladesh have terminated operations. International buyers cancelled 72 percent orders, declined to pay the production cost of about 91 percent and repudiated to compensate the cost of raw material purchased by the suppliers. The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) divulged about the product cancellation from Bangladeshi garment factories worth \$3 billion by the partner fashion companies. The BGMEA believe the actual figure would be higher than the current figure. Import inflow particularly of raw materials is facing hold-ups; principally because they are reliant on imported raw materials the supply of which has been acutely affected after non-functional ports. Closed borders, shipments and ports have created surfeit and financial losses for many businesses. Bangladesh earns a substantial amount from remittances sent by their diaspora. Earnings from remittance stood at \$18.32 billion at the end of 2019 (New Age Business, 2020). Remittances earnings are weighed down as the remittance senders are being sent back home. The aviation sector suffered a job loss by 9 per cent, salary and benefit cuts affecting more than five thousand employees. The International Air Transport Association foresees a net loss of \$39 billion in June 2020 (Bangladesh Monitor, 2020). The closedown of tourism and travel is likely to wipe out billions from the aviation operators; out-migration, tourist arrivals and departures are ceased; circulation of investments are facing growing precariousness and these are disintegrating the various other interconnected sectors.

The damage has been felt especially in terms of poverty. In 2019, poverty rate of Bangladesh was at 20.5 percent. According to SANEM's predictions now it is believed to increase to be 41 percent, what it was a decade back. This suggests Bangladesh's achievements of poverty reduction over the last decade will be completely lost (The Business Standards, 2020). To add to the woes, a percentage of salaried populations are among the sufferers. Many have encountered salary cuts, job loss, and termination of contracts, unpaid leaves, and job uncertainties and also halt in recruitments. So there are an increasing income insecurity Bangladeshi people encountering.

### Health-care Interventions in the Covid-19 Management

A timely health-care intervention is a pre-requisite during health related emergencies. Bangladeshi healthcare infrastructure is poor and its response to address the situation was exceedingly sluggish. It clearly shows their incapacities of tackling this gigantic disaster. Although the number of testing has increased than before, it is still relatively low. There is a huge gap in terms of testing, contact tracing and treating along with the evident resource constraints. It has become an impossible mission for the government of Bangladesh to implement a lockdown or encourage its citizens a 'social distancing'. In an over populated country with an outburst of urban slums, not only social distancing is a luxurious concept, so is washing hands and clothes continuously as a safety measure. Insufficient financial resources coupled with poor healthcare facilities and laggard preparedness to fight against Covid-19 has brought far-reaching challenges in front of the country. At the community level, a psycho-social crisis is building up like hopelessness, anxiety, fear, depression etc.

The pandemic has spread in Bangladesh and its end is uncertain. The ramifications of the corona virus have affected the poor, lower middle-class, middle-class and the rich simultaneously although in varying proportions. For the destitute the struggle is more



as they struggle between 'hunger vs. health'. The government will encounter continuous dilemma to choose between 'saving lives or saving livelihoods' because both are inseparable and the biggest challenge lies in balancing all these factors perfectly.

### Conclusion

Pandemics take human lives, affect societies deeply and have profound consequences due to its large-scale outbreak. At various levels, a laidback approach of the government of Bangladesh has raised critical questions about the methodology of their preparedness. A nonchalant approach of the lawmakers and confused attitude of healthcare ministers and experts to enforce early disaster management mechanisms has put the country at risk which is continuously experiencing numbers of death and infected. Their miscalculation and error are further lacerating Bangladeshi lives. Although enough time was in hand, to learn from the successful nations, prepare healthcare facilities with proper equipments, train the medical operatives, unfortunately may have been under-utilized. Corona virus has proved that outbreak of a pandemic do not essentially occur where health system are the weakest, e.g. the case of USA.

Despite a hyper-activity among the academics, there are uncertainties because epidemiologists and scientist have not been able to find a way out to cure the disease. The pandemic has divulged the disadvantages of expansive international integration, over-reliance on foreign sources, foreign travellers, and creating a condition to legitimise national restrictions on global movement of people and trade. Not only is the South Asian region vulnerable, in fact high levels of poverty, illiteracy, lack of seriousness of the citizens, dense population and gaps in healthcare facilities have made Bangladesh and South Asian countries like India, Pakistan susceptible to outbreaks. Since the end of lockdown and re-opening of the businesses rising numbers of affected and death tolls are already indicating that we are moving towards catastrophic outbreak.

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