

The Covid-19 Pandemic And Economy – A Study On Bangladesh

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ABSTRACTS

The COVID-19 pandemic, caused by the novel coronavirus SARS-CoV-2 puts serious threats to mankind and the economy across the globe. Bangladesh experienced the 1st wave of attack with the detection of 3 active cases on 08 March 2020, with the first fatality on 18 March 2020. The country could keep the death toll to the minimum and economic wheel moving compared to other affected countries. However, despite the vaccination drive launched on 07 February 2021 and the normal economic progression saw light, the sudden spike of affected and death cases from the 1st week of March 2021 and its subsequent upsurge breaking all previous records made questionable the overall strategies/measures of the country. Therefore, this study mainly endeavours to outline strategies/measures to effectively combat the COVID-19 pandemic maintaining a needed balance between the country's economic progression and the death toll.

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INTRODUCTION

The world economy is passing in a turmoil situation since the first 27 cases of the COVID-19 virus were identified in Wuhan City, China on 31 December 2019 (Alam et al, 2020). On 30 January 2020 and 11 March 2020, the WHO declared COVID-19 a “Public Health Emergency of International Concern” and a “Global Pandemic” respectively. As on 29 April 2021 the world recorded total 150,733,487 COVID-19 cases out of which 3,170,393 died and 128,704,272 recovered (Worldometer, 2021). The currently infected active cases are 18,858,822 with 111,610 cases as critical that have spread to 220 countries (Worldometer, 2021). South Asia accounts for 11% of global cases, and India battles fresh waves and almost 6% of deaths (Kumar, 2021). The expansion of Covid-19 has caused great concern internationally (Azizzadeh and Hosseini, 2021).

The unprecedented lockdown worldwide put the world economy “on a cliffhanger,” whose impact will be felt for years (DhakaTribune, 2021). IMF estimates the shrinking of the global economy by 4.4% in 2020 (4.3% by the UN)-the sharpest contraction in global output, the

worst since the Great Depression of the 1930s and far higher than the 1.7% reduction during the Great Recession of 2009 (BBC NEWS, 2021). Global Financial Market index shows a drop of 14.3% in 2020, its worst performance since 2008 (BBC NEWS, 2021). Maximum countries are in recession forecasting 4.7% global economic growth in 2021 (DhakaTribune, 2021). COVID-19 marks a new era for individuals, organizations, economics, communities, and countries (Azizzadeh et al., 2022; Mohaghegh and Valipour, 2021).

Undeniably, the economy of Bangladesh is also seriously grappled with by COVID-19. The death and affected uptrends from the 1st week of March 2021 break all previous records of the country and make questionable the strategies/measures taken so far by the Government. It leads to a countrywide consecutive lockdown since 05 April 2021 that seriously affects the country's economic progression. Comprehensively, although the empirical evidence solace positive mindsets of the Policy Makers of Bangladesh yet reveal few important strategies/measures to effectively combat the COVID-19 pandemic maintaining a needed balance between the country's economic progression and the death toll.

METHODOLOGY

The main purpose of this study is to have an empirical overview of the impacts of the COVID-19 pandemic on fatality and the economy of Bangladesh based on recent study works, working papers, reports and online resources i.e. secondary sources. The researcher has tried to analyze various data by applying simple statistical analysis i.e. percentage, average etc.

LITERATURE REVIEW

Defining COVID-19 Pandemic

Medscape (2021) defines COVID-19 to be a deadly disease, an illness caused by the novel coronavirus called severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2). 'CO' stands for Corona, 'VI' for virus and D stands for Disease and the COVID-19 relates to a similar family of viruses known as Severe Acute Respiratory Syndrome (SARS) and a few natures of the common cold that was previously known as '2019 novel coronavirus' or '2019-nCoV' (Unicef, 2020).

COVID-19 Situations in Bangladesh

According to WHO (2021), Bangladesh is among the top 33 countries and accounts for 0.50% of the COVID-19 cases in the world. The first 3 cases of COVID-19 case were identified on 08 March 2020-first fatality on 18 March 2020 (DhakaTribune, 2021a). As on 29 April 2021, the death cases is 11,393 (1.51%)-comparatively lower than global status, infected is 7,56,955 (13.89%) and recovered is 6,77,101 (89.45%) (DhakaTribune, 2021a; DhakaTribune, 2021b; Hossain et al, 2020; Worldometer, 2021). The active cases are 68,461 (9.04%) which have spread to all 64 districts of the country, Dhaka being the epicentre (Worldometer, 2021).

Bangladesh on 07 and 19 April 2021 recorded the highest number of COVID-19 infected cases (7,626) and fatalities (112) respectively in a day since March 2020 (DhakaTribune, 2021b). Health experts fear that a highly transmissible variant of the deadly virus might have appeared in Bangladesh through mutations (DhakaTribune, 2021c). The

vaccination drive with 6 million doses launched from 07 February 2021 (1st dose) covered 11.1% eligible population of the country involving a total of 34,12,003 (62.1%) males and 20,86,169 (37.9%) females with a second dose from 08 April 2021 (DhakaTribune, 2021d).

Dhaka being the epicentre has 316 ICU beds (579 countrywide) and 4,327 COVID general beds (9532 countrywide) which are insufficient for to present severity of the Pandemic (THE BUSINESS STANDARD, 2021; World Health Organization, 2021). The 1,000-bed dedicated COVID-19 hospital at the DNCC Market in Mohakhali, Dhaka opened on 18 April 2021 (planning for 500 ICU beds) and has eased the critical need for hospital beds (DhakaTribune, 2021e). The country's current institutional quarantine capacity is represented by 629 centres across the 64 districts, receiving 31991 persons (World Health Organization, 2021).

Impacts of COVID-19 on the Economy in Bangladesh

Pre-COVID-19 Bangladesh had a GDP growth of 8.2% with a vibrant economy and social indicators that graduated the country to a lower-middle income country in 2015 and will promote to an upper-middle-income country by 2031 (Nordea, 2021). Due to the COVID-19 pandemic, the growth shrunk to 3.8% in 2020 but the UN projects growth as 5.1% (Government sets 7.4%, 4.4% by IMF and World Bank forecasts 1.6%) in 2021 and 7.6% in 2022 (IMF sets 7.9%); however, the 2nd wave attack is likely to hamper the projected growth (DhakaTribune, 2021; DhakaTribune, 2021f).

The report shows that Bangladeshi exports fell by 17%, imports by 11% and decline of SMEs revenue by 66% in 2020 (SHAHRIAR et al, 2021; Latifee et al, 2020). RMG contributed more than 85% of total export earnings lost work orders amounting to about \$3 billion and 2 million out of 4 million directly involved workers got affected (Siddiquee, 2020; Alam et al, 2020; United Nations, 2021). Remittance flow from January-April 2020 declined by an average of 12.76% due to the repatriation of about .50 million workers, however, showed an overall 11% increase in 2020 (Habib et al, 2021; Alam et al, 2020).

SHAHRIAR et al (2021) reveal that the COVID-19 pandemic made 85% of informal labour in Bangladesh extremely vulnerable hitting the marginal people with low income who are self-employed or day-labour. Country's household and individual level earnings unemployment show to be 13% whereas national poverty increased by 25.13% (Latifee et al, 2020). The disposable income, food and non-food inflation rates show a declining trend (DhakaTribune, 2020; Siddiquee, 2020). However, despite the global economic crisis marks deep in South Asia, Bangladesh managed to mitigate the decline in the second half of 2020 through recovery in trade and commerce, and remittances (DhakaTribune, 2021).

Strategies/Measures versus Challenges

Bangladesh neither was satisfactorily equipped to combat the 1st wave of the COVID attack nor have enough resources to effectively tackle the present upsurge and its subsequent effects if further deteriorates. However, the Policy Makers took various strategies/measures to avert the death toll and keep the economic wheel moving, those are enumerated:

- The corona protocols like social distancing, institutional and home quarantine, lockdown, public awareness raising and community containment measures were applied

without delay but people's ignorance on COVID-19 health protocols and gradual unconsciousness made the strategies/measures somehow ineffective (Doza et al, 2020).

➤ Imposition of Isolation and lockdown from 28 March-30 May 2020 for 65 and further from 05 April 2021 till date put the country's economy in a turmoil stage. During 1st wave, armed forces including police were deployed from 24 March 2020 to enforce the lockdown (Alam et al, 2020; Shammi et al, 2020).

➤ The government took other steps like border closures, restrictions of movement, closures of restaurants and markets, and international travel ban that affected the supply chain, trade disruptions and the overall economy of the country to a great extent (Alam et al, 2020).

➤ The country implemented measures to include increased testing, screening, strict quarantine of the infected person, contact tracing, and surveillance was not effective due to poor administrative chains and monitoring systems (Shammi et al, 2020).

➤ The ministry of Health and Family Welfare of Bangladesh adopted strategies to prevent and control the spread, strengthen the health sector, reduce morbidity and mortality rates and excel the economy of the country but the sudden spike from March 2021 concerns the Policy Makers on its effective implementation (Azad, 2020).

➤ Though Government declared 19 incentive packages of USD 12.13 billion, disbursement of the fund in improper ways, incoordination and mismanagements amongst different important organs of government machinery along with rampant irregularities and unprecedented corruption paralyzed the health sector and worsened the situation to a greater (Zaman, 2020).

➤ The other challenges are lack of accountability, lack of trained health staff, and technicians, ignorance, and insufficiency of medical institutions and trained health staff to support required health safety issues (Hossain et al, 2020).

Bangladesh in the New Normal

The COVID-19 pandemic is the type of event, in that (1) its impact remains largely unknown; (2) the crisis is still unfolding with seemingly no end in sight; and (3) the impact is increasingly devastating for human health and economic well-being (Sarkar, 2020). However, to avert the death toll and keep Bangladesh's economy moving, the Policy Makers should adopt the following strategies/measures:

➤ Maintaining partial lockdown with business and economic activities with social distancing, quarantine measures and public health guidelines is the best strategy to save lives. Recovery and strengthening of the health sector (Azizzadeh and Pourranjbar, 2021), economy, industry, agriculture, and food security should be focused on under the "new normal standard of life" following health guidelines and social distancing. Proper response plans and strategic management are necessary for the sustainability of the nation (Shammi et al, 2020; Unicef, 2020).

- To ensure foreign remittance, the government may implement various strategies e.g. ensure the export of human resources with safety and security by government agencies, search for new labour markets, improve diplomatic relationships with importers countries, and ensure compensatory packages for wage earners (Alam et al, 2020).
- The severe contraction of RMG export in key export destinations like the USA and the EU demonstrates the urgent need for greater export diversification (Siddiquee, 2020).
- Financial contingency plans must have a clearly defined budgeting and funding model for the mobilization of financial resources (Mohaghegh and Valipor, 2020), as this plays a major role during the pandemic and helps to navigate through hardship (Clarke & Dercon, 2016).
- The post-COVID-19 new normal world may come up with a changed lifestyle, purchasing behaviour and way of doing business through new interfaces (CFA Institute, 2020, Norouzi and Hashemi, 2021).

RECOMMENDATIONS

There are a few recommendations based on the findings of this study. Those are appended as follows:

- Strengthening of health care facilities, vaccination programmes and humanitarian support for the most vulnerable communities to avert the death toll.
- Stimulus packages as well as the external macroeconomic balance between RMG and Foreign Remittance keep the economic wheel of the country moving.
- Whatever will be the lockdown scenario, maintaining business and economic activities, basic support to the people and mass awareness of corona protocols must be ensured.

CONCLUSION

The pandemic hit Bangladesh at a pivotal time when the country was making commendable progress on various economic and social indicators and it is not so easy without strong strategic planning and multi-sectoral collaboration for sustainability including support from the private sectors and international bodies. The unprecedented death toll should be minimized by strengthening health facilities, providing humanitarian support and developing mass awareness of health-related corona protocols besides vaccination programmes. However, considering the global hard-hit economy, depression, unemployment, job loss, shortfall of RMG export and incoming remittances, the socio-economic and development (Chomać-Pierzecka et al., 2022) impacts along with the food insecurity as well as rising poverty due to COVID-19 at the community level need to be coordinated in Bangladesh with proper stimulus packages.

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