

“COVID-19 Pandemic: Economy Down, Poverty up in Bangladesh”

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Abstract

Original Research Article

Since the outburst of Covid-19 in China, the world economy is passing in a turmoil situation. Undeniably the economy of Bangladesh is also grappled by the severe public health crisis of the Covid-19. As the public health emergency is heavily interconnected with economic affairs, it has impacted each of the pillars of the economy of Bangladesh. So affects of low income, middle income and all industrial servant holders. The global health crisis caused by COVID-19 has hit Bangladesh's economy hard and jeopardized the country's impressive achievements in poverty reduction. The main purpose of this paper is to make evaluations of the potential impact of the COVID-19 pandemic on the economy down, poverty up in Bangladesh. This study is based on an empirical review of the recent study works, reports, working papers of home, and abroad regarding economic crisis. The review findings of the paper revealed that the COVID-19 pandemic have significant impacts on the different indicators of the economy of Bangladesh especially, Readymade Garments Sector, Foreign Remittance, Bank and Financial Institutions, Food and Agricultures, Local Trade, Foreign Trade (Export and Import), GDP (Gross Domestic Product), SDGs (Sustainable Development Goal), Government Revenue, Employment and Poverty Levels etc. This study suggested that as Covid-19 still surfacing all over the world so some steps should be ensured by the government agencies of Bangladesh to mitigate possible threats for the economy.

Keywords: Covid-19, Impact, Economy of Bangladesh, Poverty level, SDGs.

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INTRODUCTION

The novel coronavirus disease that was first reported in Wuhan, China in December 2019 (COVID-19) is quickly spreading around the world. As of March 27, 2020, the total number of cases exceeds 460,000 and the disease has claimed more than 20,000 lives globally. Since March 2020, while new cases in China appear to have settled down, the number of cases is exponentially growing in the rest of the world [1]. The 20th century witnessed two pandemics since the historic ‘Spanish Influenza’ of 1918: the ‘Asian flu’ of 1957 and the ‘Hong Kong flu’ of 1968. The 21st century has seen four pandemic outbreaks: N1H1 in 2009 (‘bird flu’), Severe Acute Respiratory Syndrome (SARS) in 2002, Middle East Respiratory Syndrome (MERS) in 2012, and Ebola which peaked in 2013-14. But this COVID-19 pandemic is different, economically speaking hit nations both economically dominant nations as well as economically dependent nations. The number of COVID-19 case is already many fold larger than the number of SARS cases in the previous

pandemic [2]. This already focused on that COVID-19 is spreading human suffering worldwide. As the public health crisis is highly associated with economic affairs as like as global public health, economy, and livelihood issues, it has grappled the global economy exponentially towards the dramatic downturn that pushed it into the worst recession after the great depression of the 1930s [3]. It is most definitely spreading economic suffering worldwide. The virus may be as contagious economically as it is medically [2]. The potential impact of COVID19 on global monetary poverty through per capita household income or consumption contraction. The impact will spread on among low, medium, and high-income people [5]. The other influential discussions over monetary and fiscal policy responses to the COVID-19 epidemic and the ensuing economic fallout [4]. The virus may be as contagious economically as it is medically [2]. The potential impact of COVID-19 on global monetary poverty through per capita household income or consumption contraction. The impact will spread on

among low, medium, and high-income people [4]. The other influential discussions over monetary and fiscal policy responses to the COVID-19 epidemic and the ensuing economic fallout [5]. The looming economic crisis may create panic, mass unemployment, poverty, and homelessness. The US already claimed a vast increase in unemployment (4.6 million) during the coronavirus emergency and speculated that lockdown will cause more deaths than COVID-19 itself amid the recession [6]. The coronavirus disease (COVID-19) has critically impacted global health systems and economies, especially in developing countries. The economic implications related to COVID-19 in those countries include a high cost of care, market failures in pluralistic health systems, high out-of-pocket expenses, the added burden of no communicable diseases, missed economic opportunities, and socioeconomic consequences like unemployment and poverty. The global pandemic has also made an impact on the overpopulated developing country Bangladesh. In Bangladesh, the Institute of Epidemiology, Disease Control and Research (IEDCR) has reported the first 3 cases of coronavirus on 8 March 2020. Currently, the country has a total of 3,37,520 coronavirus cases with 4,733 deaths (September 14, 2020) (IEDCR). To combat, Bangladesh has employed international travel bans and a gradual lockdown. However, countries like Bangladesh are at a greater risk because of large population density, inadequate infrastructure, and healthcare systems to provide the required support [8]. Bangladesh is one of the most vulnerable countries due to high population density (170 million people in 147,000 sq.km), poor health care systems, and a weak economy. In recent years, Bangladesh's economy has been growing well with a GDP growth rate of more than 7.5%, however, 20% of the population is poor. Nevertheless, because of the rapid spread of the COVID-19, Bangladesh's economy has already started taking a big hit. The nationwide shutdown has already suspended almost all economic activities except agriculture and made thousands of employments at risk. International trade orders, especially in ready-made garments industries, are being greatly canceled [9]. Most of the people in our country live below the poverty line. Due to lockdown since March 8, 2020, the people are passing an overwhelmingly stressful moment. If the lockdown process continues for longer many people would face severe starvation. The economic strength of the country is also deteriorating day by day. The rate of unemployment increases day by day. Though govt. takes initiatives to tackle these pandemic situations by various promotional packages to the entrepreneur, but the recent situation has not improved so much because of banning international trade. Our most promising export sectors e.g. labor; garments, fish, etc. are passing hazardous moments. In such circumstances, this paper tries to summarize of available resources to review of possible impacts of Covid 19 on the economic indicators in Bangladesh, especially readymade garments, foreign remittance,

local trade, international trade, government revenue, employment, financial institutions, production, and distributions due to the isolation, quarantine, distancing, and shutdown measures. It now appears that Bangladesh is facing a major economic crisis in the making caused by the Covid-19 pandemic. After a brief reopening of the economy, the country now has reverted to 'hard' lockdowns in various places to deal with the Covid-19 pandemic amid demands from certain sections of the population to do so. More importantly, it would bring the economy to an almost grinding halt which will cause a significant blow to the economy having crippling effects on the lives of people, especially working people and business enterprises across the country. In fact, the economy is now almost coming to a grinding halt with debilitating effects on all sectors of the economy thus threatening millions of livelihood in Bangladesh. In fact, epidemics of the size of Covid-19 have huge economic impacts in terms of managing the health crisis and containing the virus while trying to keeps the economy functioning. According to the Bangladesh Bureau of Statistics (BBS), 20.5 percent of the population live below the poverty line that is about 34 million people and 85.1 percent of work force are employed in the informal sector that is about more than 50 million people. Most of these workers in the informal sector are also underemployed. Now the pandemic has further worsened their employment prospects. It is now estimated that the pandemic has rendered 80 percent workers unemployed in the informal sector. Only 6 million people are employed in the formal sector, largely in manufacturing. Therefore, the main purpose of this study is to make review and evaluations of the potential impact of COVID-19 on the economy down and poverty up in Bangladesh.

METHODS

The main purpose of this study is to assess and assess the potential impact of the COVID-19 pandemic on the Economy down, poverty up in Bangladesh. This study is based on an empirical overview of recent study work, reports, domestic and foreign working papers on the economic crisis. Therefore, the study uses available resources to investigate the potential impact of the 'Covid 19 pandemic and various economic indicators, notably ready-to-wear, remittances abroad, poverty up, local trade, international trade, government revenues, employment, financial institutions, manufacturing and distributions because of isolation, quarantine, dissociate and shutdown measures in Bangladesh. The study collected most of the review material, exploring the covers of Google Scholar, ProQuest and Scopus, Index Copernicus and other online resources, etc. All available analysis summarized resources to investigate to economy down, poverty up in Bangladesh.

RESULTS

The COVID-19 has already affected 208 countries and regions in the world. Economically

developed countries are failed to tackle this pandemic situation. In comparing developed countries, the developing and poor countries are unable to meet this condition. Bangladesh is the most densely populated country in the world and its medical facilities are so limited that it is not possible to provide medical facilities to large populations. Till now, there is no vaccination for this virus. Only isolation and lockdown are the means to stop the spread of this deadly virus. Due to lockdown and isolation, the world economy is at a turmoil stage. The economy of Bangladesh is seriously affected because of its small number of economic attributes to meet the demand for a huge population. If this lockdown and isolation period continues for a longer period, the people of this nation will die to starve. The possible negative economic impact of COVID-19 covers as under. Bangladesh's national poverty rate rose to 29.5% as of June, 2020 due to Covid-19, which cost tens of millions of people their jobs and brought them down below the poverty line. Though the pandemic was reported in Bangladesh later than other countries in the region, it severely impacted the economic activities during the April-June period. As per the estimation of the General Economic Division, the country's poverty rose to 29.5% as of June 2020, which was 20.5% in the last fiscal year. This estimation will be included in the 8th Five Year Plan that will be unveiled soon. According to Bangladesh Bureau of Statistics (BBS) data, the poverty rate declined to 20.5% in the country at the end of 2018-19 fiscal year from 21.8% in 2017-18 fiscal year. The extreme poverty rate also came down to 10.5% from 11.3% during the period. "As of June, the country's poverty rose to 29.5% due to the pandemic, as a huge number of people, both in the formal and informal sector, lost jobs during the March-June period. As of FY20, the total population of the country is 167.56 million. Among them, 49.43 million people are now in poverty. But the rate of poverty will come down rapidly as about 95% economic activities have already reopened, adding that it started to decline as people are going back to work. On the other hand, we are taking specific plans in the 8th Five Year Plan to pull the new poor.

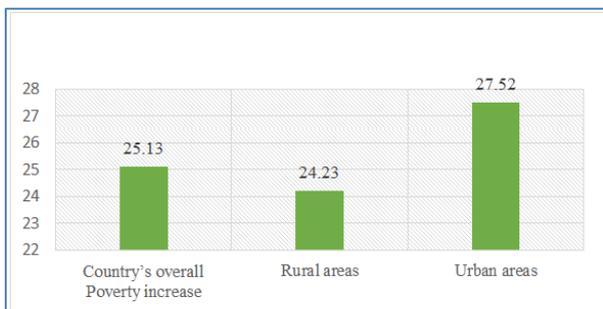


Fig-1: The country's overall poverty rate

Meanwhile, Bangladesh Institute of Development Studies (BIDS) in a research findings forecast that under a post-lockdown optimistic scenario, the country's overall poverty would increase by

25.13%, where poverty in rural areas will be 24.23% and poverty in urban areas will be 27.52%. It also projected that Bangladesh will have 16.4 million new poor in 2020 as the incomes of the working class in urban and rural areas have fallen sharply due to the prolonged lockdown.

Readymade Garments Sector

The readymade garments sector plays a vital role in the rapidly developing economy of Bangladesh. The readymade garments industries are the principal source of foreign exchange earnings. The readymade garments sector covers more than 85% of total export earnings. More than four million workers are employed in the RMG industries, and more than 85% are illiterate women from rural villages (Wikipedia). Due to the commencement of COVID-19, already the Bangladesh readymade garments (RMG) industry has received work order cancellations of nearly \$3 billion. Around 2 million workers in the industries will be affected by this. Around 4 million people are directly engaged with the RMG sector e.g. backward linkage industries, accessories and packaging factories, and the transportation sector. The government has already declared a Tk-50.00 billion incentive packages to mitigate the losses in the RMG sector. However, if the outbreak prolongs it will be difficult for the government to handle the situation and the result of this will be catastrophic as more than 85 percent of the country's export earnings come through the RMG sector.

Foreign Remittance

Remittance is the lifeblood of many developing countries in the world like Bangladesh. The country is embraced with a huge population, but this population is assets for the country because they are well known as a remittance fighter and worked in different parts of the world. Bangladesh is now one of the largest recipients of remittance with almost \$15.3 billion in 2018. It was the third-highest recipient of remittance in South Asia in 2018. Bangladesh Bureau of Statistics revealed that 33.45% of remittances go to investment and 13.74% of remittances go to savings (Wikipedia). Due COVID-19 pandemic outbreak from January 2020 onwards has seemingly changed many parameters in the world economy, society, politics, and culture. The remittance sending behavior, trends, volumes are changing day by day (BMG). However, vulnerability is often higher among migrant workers, and it curbs the capability to send remittances. During the 2008-2009 global financial crisis, we have observed some resilience in remittances flows in certain corridors [10]. Orozco reported about a 10% drop in remittances in that period while estimating about a 3% drop due to the COVID-19 pandemic (Orozco). The lockdowns in many countries will cause migrant workers jobs as well as preventing them to travel back and forth to home countries [11]. Remittance flows in 2020 to low- and middle-income countries (LMICs) are projected to fall by 19.7 percent to USD 445 billion, one of the sharpest

declines in recent history. The World Bank projects a decline of remittance flows across all regions: Europe and Central Asia (-27.5%); Sub-Saharan Africa (-23.1%), South Asia (-22.1%), the Middle East and North Africa (-19.6%), Latin America, and the Caribbean (-19.3%), and East Asia and the Pacific (-13%) (World Bank, 2020) [12]. The economy largely depends on foreign remittance (Wikipedia). From March to April Due COVID-19 crisis near about 9 million people backed to Bangladesh as a result of the

flow of remittance tremendously decreasing in the last few months. The foreign remittance will come down and thus it will hit the foreign reserves of the country. The amount of foreign remittance in July 2019 was Tk. 135.00 billion and each month the flow of remittance declining. The month of March, April, and May 2020 the flow of remittance significantly decreased and at the same time, a large number of people unemployed in abroad, and most of them were backed in the home.

Table-1: Flow of foreign remittance

(Tk. In billion)												
Months	July-19	Aug	Sept	Oct	Nov	Dec	Jan-20	Feb	Mar	Apr	May	Jun-20
Amt.	135	122.08	124.8	139	13.85	143.62	139.10	123.36	108.42	92.85	127.82	155.62
Source: Bangladesh Bank												

The flow of remittance declined from January 2010 to February 2010 11.29%, February to March 12.11%, March to April 14.87%. Though the flow of remittance slightly improving in May and June, it does not show a positive sign, if worldwide locked down continued in the next months the flow of remittance will be declined.

Bank and Financial Institutions

Bangladesh is a developing country with an impoverished banking system with fifty-nine commercial banks, thirty-four non-banking financial institutions, and sixty-two insurance companies (Wikipedia). These institutions are highly interdependent with each other and dependent on the industrial sector of Bangladesh. Due to the outbreak of Covid-19 the banking industry is in critical stages for the mounting of non-performing loans (NPLs). If the RMG industry and its backward linkage industries fail, then the entire banking system will collapse. The commercial banks, non-banking financial institutions, and general insurance companies are heavily relying on garments and related industries for their business. In the long run, the amount of deposit, as well as the investment, will decrease dramatically and these institutions will not be able to pay enough to its employees. Many employees will lose their job and the number of banks and financial institutions will collapse. The current scenario of non-performing loans indicates horrible situations in the banking sectors. In July 2019 the non-performing loan ratio stood-11.69%, in October 2019 the ratio was 11.99%, in January 2020 the ratio was 9.30%, and in March the ratio was 9 % (BB).

Food and Agricultures

Bangladesh is a lower-middle-income country in South Asia, agriculture plays a key role as the main supplier of food, source of livelihood, growth, and employment. Almost half of Bangladeshis are employed in the agriculture sector. During the last decades, the self-sufficiency perspective in rice has become dominant in the food security and agriculture policy (FAO). Since from out-break of Covid-19,

various protection measures have been taken by the government of Bangladesh such as border closures, restrictions of movement, closures of restaurants, community quarantines, and market, supply chain, and trade disruptions. As a result, agricultural production, food supply, and demand for the agricultural product have been affected significantly. Farmers are vulnerable as they are hindered from working on their land and accessing markets to sell their products or buy seeds and other essential inputs. There huge shortage of laborers as a result the production and distribution process is now the eve of destruction. The disruptions of the supply chain create frustration among all classes of people. The price hike is now common scenarios because of blockages to transport routes, transport restrictions and quarantine measures, shortages of labor, and spikes in product prices. The supply of fresh foods is now rare and increased levels of food loss and waste. If this situation continues the agricultural sector will face great difficulty.

Local Trade

The economy of Bangladesh is a developing market economy. It is the 39th largest in the world in nominal terms and 30th largest by purchasing power parity. The country mainly depends on exporting readymade garments items and produces pharmaceutical products, electronics, automobiles, bicycles, leather products, jute-oriented products, paper, plastic, cement, tea, natural gas, etc. (Wikipedia). There is a proverb in investment that never puts all your eggs in a single basket. Bangladesh never obeys this proverb most of the businessmen in this country comfort to investment in the garments industry. If the garment sector collapses the entire economy, there are many backward linkage industries depends on garment industries and many people employed in garment-based industries. Except for garment industries, some large business enterprises operated also facing trouble to import raw material and export finished goods. The sales volume of such industries declining day by day such as steel, cement, plywood, bicycle, metal, gold, hotel, transport, etc. There are many SMEs operated in

our country and most of them are controlled over by women are now passing a critical moment the sales volume is now so minimal that these sector fails to meet its operational costs.

Foreign Trade (Export and Import)

Bangladesh is in Southern Asia, bordering the Bay of Bengal, between Myanmar and India. The country has experienced rapid economic growth in recent years mainly driven by exports of readymade garments and remittance from migrant workers. (intracen.org). The country is largely depended on imported products from neighboring countries. After the outbreak of Covid-19, the import and export-oriented companies are also at risk. The Chattogram Port is the main port in Bangladesh. Almost 92 percent of import-export activities are performed through this port reported that imports and exports through this port

declined in March by over 12 percent and 26 percent. Business people fear the country's imports and exports will further decrease in the coming days because of the worsened coronavirus situation. The Chattogram Custom House earns most of its revenue through taxation. According to the Chattogram customs, in March, the country imported goods worth Tk 31,617 crores as per the customs value – about Tk 4,500 crores less than that in the previous month. In the meantime, exports of almost all products, including the top earner ready-made garments fell significantly, too. Compared to those in February, exports in March earned Tk 5,392 crores less. Last month, the country exported goods worth Tk 14,785 crores. Last month, exports of goods, in quantity, were around 21 percent lower than those in February. (Mincom.) The following chart shows the import-export position of the last year in Bangladesh.

Table-2: Flow of exports earning

		(USD in millions)											
Months	July,19	Aug	Sept	Oct	Nov	Dec	Jan,20	Feb	Mar	Apr	May	Jun	
Amt.	3581	3213	3145	3711	3421	3426	3617	3322	2732	520	1465	2714	
	.48	.54	.58	.18	.98	.11	.31	.36	.00	.01	.30	.95	
Source: Bangladesh Bank													

Table-3: Flow of imports earning

		(USD in millions)											
Months	July,19	Aug	Sept	Oct	Nov	Dec	Jan,20	Feb	Mar	Apr	May	Jun	
Amt.	5247	4072	5004	5279	4392	5254	5334	4723	4277	2858	3533	4807	
	.10	.70	.20	.30	.40	.20	.10	.70	.20	.50	.40	.90	
Source: Bangladesh Bank													

GDP (Gross Domestic Product)

A huge number of people in Bangladesh live from hand to mouth. The country will fall into a really difficult situation if the country remains locked down for a longer period. Consistent high growth has been unable to create enough jobs in the economy. Due to the inequality of income and asset distribution, the advantages of higher GDP growth are not evident in society. On April 5, the government unveiled a Tk 72,750 crore stimulus package, including the previously declared Tk 5,000 crore packages, to address the economic impacts of the coronavirus outbreak. The amount is nearly 2.52 percent of the country's GDP. According to the forecast released by the Economist Intelligence Unit on 26 March, the global economy is expected to contract by 2.2% in 2020. These effects are

expected to be more pronounced in major G20 economies, such as Germany, Italy, the United Kingdom, and the US – all countries that are major markets for Bangladesh's most vital tradable good: readymade garments. That is why Bangladesh will face a greater challenge to attain its expected GDP next year. The growth rate of GDP may be declined by at least 2.0% to 2.5%. Recently ADB estimated that the GDP growth of Bangladesh may not exceed 4.5% this year.

Government Revenue

Tax is the principal source of government revenue. The rest of the revenue comes from non-tax sources like fees, charges, tolls, etc. The trend of revenue mobilization for the period from FY2014-15 to FY2018-19 is presented below:

Table-4: Revenue receipt

		(Amt. in crore)				
Particulars	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	
Total Revenue	163371	177400	201210	259454	316599	
Tax Revenue	140676	155400	178075	232202	28959	
Non-tax Revenue	22695	22000	23135	27252	27000	
Source: Bangladesh Economic Review 2019						

Government Revenues in Bangladesh increased in 2018-19 income year to 2017-18 income

year. Due to the decline in imports and exports, the revenue collection of the government already

decreased. Recently the government implements a new income tax policy these may not effective to collect enough tax from the public in a crisis moment. There is no doubt that the revenue receipt will decline in 2019-2020 income year. Like most of the other nations, the outbreak of the COVID-19 pandemic is an unprecedented shock to the Bangladesh economy. The concern for Bangladesh is higher as the economy was already in a parlous state before COVID-19 struck. With the prolonged country-wide lockdown, global economic slump and associated disruption of demand and supply chains, Bangladesh economy is likely to face a protracted period of slowdown in activity. The magnitude of the economic impact will depend upon the duration and severity of the health crisis and the manner in which the situation unfolds on withdrawal of the lockdown. 170 countries likely to experience negative per capita GDP growth due to the raging coronavirus pandemic Bangladesh is no exception and projections from IMF, World Bank and ADP have been reduced drastically after pandemic.

Bangladesh GDP Growth Forecast 2020			
	IMF	World Bank	ADB
Before Pandemic	7.4%	8.2%	7.8%
After Pandemic	2.0%	2.3%	3.8%

The decline in national and global demand for manufactured goods, particularly in the garments sector will risk creating unemployment and deepen poverty. The urban poor is expected to be hardest hit while the number of additional poor will be higher in rural areas, as the national shutdown will impact private consumption.

Employment

For that indicator, we provide data for Bangladesh from 1991 to 2019. The average value for Bangladesh during that period was 3.61 percent with a minimum of 2.2 percent in 1991 and a maximum of 5 percent in 2009. The latest value from 2019 is 4.19 percent. For comparison, the world average in 2019 based on 182 countries is 7.04 percent. The average for 2019 based on 182 countries was 7.04 percent. The highest value was in South Africa: 28.18 percent and the lowest value were in Qatar: 0.09 percent. The indicator is available from 1991 to 2019. International Labor Organization (ILO) has said the employment rate in Bangladesh and other countries in the region exceeded the global average and was expected to remain so in the coming years because of the government's social protection measures. The regional unemployment rate (in Asia and Pacific countries including Bangladesh) is projected to remain at around 3.6% until 2020, below the global average, the ILO said in its World Employment and Social Outlook: Trends 2019 (WESO), released recently, reports BSS. It said the global average of the unemployment rate was 5.6% while the figure was around 3.6% in Bangladesh and the other Asia and Pacific nations. ILO attributed

Bangladesh's better employment scenario to significant social protection measures while the countries with higher poverty rates lacked such measures. From the above data and predication of ILO, it seems that Bangladesh may not face a critical situation in the COVID-19 pandemic. But the scenarios are different a large number of people already lost their jobs, salaries of the employees cut down significantly, employees lacked in job security, deprived of fair payment, increasing frustration among employees, increasing job shifting, a huge number of workers moved to agricultural sectors, child labor increased day by day, decreasing better quality jobs, work environment deteriorating day by day. It should be very difficult for Bangladesh to meet the Sustainable Development Goals (SDGs) by 2030. It needs to ramp up its efforts on improving social protection, skills training, and occupational safety and health. Bangladesh needs to create millions of decent and sustainable jobs each year if it wants to reduce poverty and reach middle-income status.

Poverty Levels

To investigate the impact of COVID-19 on lower income populations, two poverty levels are considered: (1) poverty, corresponding to the Low Income Level (LIL) defined by the Department of Housing and Urban Development (HUD) and (2) deep poverty, which is defined as half the income of LIL. Around 34 million people, or 20.5% of the population, live below the poverty line and based on the current rate of poverty reduction, Bangladesh is projected to eliminate extreme poverty. The poor community always lacks food and nutrition due to the injustice and corruption by the local or regional level of political stakeholders in Bangladesh. By nature, people of Bangladesh are quite unaware and kind of ignorant or does not like to abide by rules. Moreover, the public is not confident somehow with the administrative decisions, policies, and their implementation of COVID-19 emergency response such as lockdown on their livelihoods. According to Bangladesh Bureau of Statistics (BBS) data, the poverty rate declined to 20.5% in the country at the end of 2018-19 fiscal years from 21.8% in 2017-18 fiscal years. The extreme poverty rate also came down to 10.5% from 11.3% during the period.

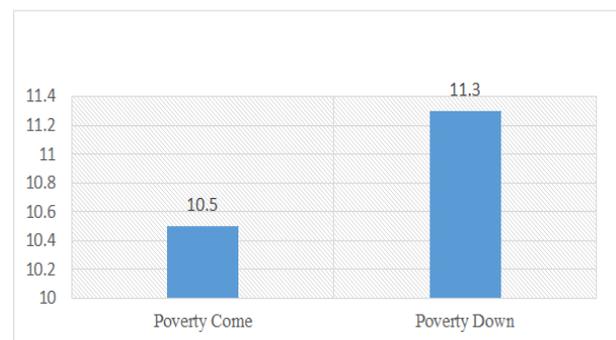


Fig-2: Poverty rate also came down

Service Sector

A huge number of people are going to be sacked from their jobs because of the long term lock down that is given as an order by the Government. Huge number of people are already without work which is claimed by several workers 'rights organization and this number varies from 1.5 crore to upwards of 5 crores, while two economists said the number would be between 1.30 crore and 1.50 crore.

DISCUSSION

Undeniably, the COVID-19 pandemic is taking an unprecedented toll on global economy along with public health and livelihood issues. As in the case of each of pillars of the economy of Bangladesh are sternly battered and consequently it will take times to get back usual pace in economic activities. The readymade garments industries, the biggest export earnings sector, are highly shaken due to isolation, lockdown, travel ban, and supply chain disruption worldwide. For the betterment of the RMG sectors, the government already declared a stimulus package. Government, immediately, should take comprehensive support plan until this crisis removes to make this sector sustainable. The government may diversify the export basket, not depends on RMG sectors, because RMG earn lion part of its total export earnings. Moreover, the effects of COVID-19 pandemic on the agrarian economic growth of Bangladesh witness a shocking slow down and Farmers, workers; entrepreneurs related to agro-based products are likely to challenge an irreparable loss and identity crisis. The agro sector of Bangladesh has a good impact on the country's gross domestic product (GDP). As such, authorities need to provide adequate financial, logistic and motivational supports so that they might keep courage and reinvest in their workplaces accordingly. Bangladesh government has taken some practical initiatives and announced incentive packages of Tk. 50,000 million for providing financial support for the farmers in the rural areas for boosting up agricultural production. Furthermore, the millions of Bangladeshi skilled and unskilled remittance earners working worldwide severely impacted (i.e. about 0.50 million of workers returned to Bangladesh) by the COVID-19 pandemic for draconian movement control measure, lockdown, travel ban, and factory closure. Authorities need give financial support for these returned expatriates workers and make them engage in production or entrepreneurial activities. To ensure a smooth flow of foreign remittance in future government may implement various strategies e.g. ensure export of human resources with safety and security by government agencies, searching for new labor markets, improving diplomatic relationships with importers countries, ensure compensatory packages for wage earners. Alike other sectors, the pandemic hardly stunned the money market and stock market for work station closure and deteriorated the financial health of the both market. Along with above, Micro, Small and medium scale enterprise (MSME) or backward linkage

enterprises is seriously affected by supply chain disruption, lockdown, and factory closure. Many the workforces of Bangladesh are engaged in informal sector are mostly affected alongside formal sector employees due to the COVID-19 pandemic. Social safety programs such as the Vulnerable Group Feeding and Vulnerable Group Development for the next years must be extended by the government to keep the livelihood of layman sustainable. As Bangladesh is the fastest growing developing country, Its Gross Domestic Products (GDP) Annual Development Program (ADP), Fiscal Policy, and Sustainable Development Goal (SDG) are profoundly hampered by the COVID-19 pandemic. Furthermore, the magnitude of the economic losses will depend on how the outbreak evolves as any pandemic diseases and its economic consequences are vastly ambiguous which makes it challenging for policymakers to work out an axiomatic and appropriate macroeconomic policy guideline. So, effective policies, initiatives, coordination and awareness buildup are inevitable to avert the severity of the crises to overcome this pandemic, and an unprecedented wake-up call and coordinated efforts are inevitable governments, and private organizations. Around 34 million people, or 20.5% of the population, live below the poverty line and based on the current rate of poverty reduction, Bangladesh is projected to eliminate extreme poverty by 2021 [14]. Meanwhile, Bangladesh Institute of Development Studies (BIDS) in a research findings forecast that under a post-lockdown optimistic scenario, the country's overall poverty would increase by 25.13%, where poverty in rural areas will be 24.23% and poverty in urban areas will be 27.52% respectably. It also projected that Bangladesh will have 16.4 million new poor in 2020 as the incomes of the working class in urban and rural areas have fallen sharply due to the prolonged lockdown. The poor community always lacks food and nutrition due to the injustice and corruption by the local or regional level of political stakeholders in Bangladesh. By nature, people of Bangladesh are quite unaware and kind of ignorant or does not like to abide by rules. Moreover, the public is not confident somehow with the administrative decisions, policies, and their implementation of COVID-19 emergency response such as lockdown on their livelihoods. There was also a lack of coordination among the different government stakeholders to tackle emergency healthcare and crisis management in the field. For instance, people usually made different excuses to go outside and a regular crowd was common in the kitchen market, streets, and small bazaars. Only the government, semi-government, autonomous institutes/organizations, and educational institutions were maintaining the rules/guidelines. This situation is well visualized in different mass media that people are in movement for relief, road blockage, corruption by the government representatives, mismanagement in relief distribution, biases to party supporters, bureaucratic administrators to look after the response activities, and so on. Likewise, the potential danger of COVID-19

pandemic from the very beginning has been overlooked by the people due to the presence of misinformation in the social and mass media that it was general flue, and that the virus cannot infect in a humid country like Bangladesh. So, the government should try to implement a stringent policy of risk communication and media communication during this emergency to the most vulnerable communities. The vulnerable groups such as disable and disadvantaged persons, young children and orphans, and aged citizens should be taken under protection for their well-being [18, 19]. Right now, doctors, bankers, grocers, police, and armed forces are the most vulnerable profession to the COVID-19 infection. There are several limitations to the modeling presented in this study, specifically, (1) the distribution of income loss by industry sector, (2) the exclusion rate of unemployment insurance and CARES and (3) delay in payments for filed claims. The underlying assumptions, as well as the rationale, are discussed in this section. Firstly, the average loss of income by industry sector, according to the broad categories of the Bureau of Economic Analysis (BEA), was implemented to reflect the direct impact of the coronavirus and business interruptions, which particularly hit non-essential service sectors. The hardest hit industry sectors were assumed to be arts, entertainment, recreation, accommodation and food services (BEA Sector 13 ART) and other services except government (BEA Sector 14 GOV), quickly followed by construction (BEA Sector 4 CON), retail trade (BEA Sector 7 RET), transportation and warehousing (BEA Sector 8 TRA). This is based on reports from the Bureau of Labor Statistics (BLS), which estimates that the hardest hit sectors are the hospitality and leisure services, especially the accommodation and food sectors [20]. Out of a survey of 10,000 participants, Coibion *et al.* [21], found that 50% of respondents had an income loss with an average of more than \$5,000 due to the coronavirus lockdown. However, there is now growing evidence of second-round effects, with unemployment growing in sectors that are not directly impacted by the containment, but by supply chain effects (e.g., affected firms reducing demand for other firms) or the aggregate drop in demand. To estimate these effects, a next step is to connect the household model presented here to an Input-Output model, such as the one used in Guan *et al.* [22], to look at how COVID-19 affects global supply chains, or a Computable General Equilibrium (CGE) model. Income loss for affected individuals is assumed to start at the beginning of the crisis and lasts the duration of the crisis. At the start of the recovery phase, affected individuals regain full employment and the marginal rate of savings is assumed to be 10% of consumption. This is a conservative estimate, as many employees who were laid off during the crisis will have difficulties re-entering the economy due to the large macroeconomic effects of the coronavirus and the potential for a recession [23]. In addition, social distancing measures will progressively be relaxed and some service

activities, such as food services, bars and performing arts will only be fully operational in the distant future. Furthermore, household consumption during the crisis is assumed to be constant, where households distribute income revenue, state and federal assistance and savings to replenish consumption. In reality, the crisis might exacerbate savings depletion at the onset due to the delay in assistance. Under the assumed distribution of income loss by sector, and their representative share of the Bay Area, the unemployment rate is estimated at 27.4% due to coronavirus by the end of the crisis. There are many potential extensions and applications of this study.

CONCLUSIONS AND RECOMMENDATIONS

Since from outbreak of Covid-19 at Wuhan, China as on December 1, 2019, now spread the whole globe with devastating mode. Every part of the world is now panicked to tackle contagious diseases. We already face an economic slowdown not only in third world countries but also in first world countries. It is assumed if such situations continue there might be a recession in the long term. Like other developing countries Bangladesh will fall a great difficulty because this country largely depends on foreign remittance and exporting readymade garments and increase poverty rate. There is many remittance fighters moved in Bangladesh and the exportation of human power is stopped. A huge number of the population is now unemployed and increasing depression among this unemployed. It is still unknown when the devastating manner of Covid-19 will end, so all arms of government and other agencies should take effective policies, initiatives, coordination and awareness buildup to avert the severity of the crises and be proactive in soothing possible negative impacts in near future. The study also revealed that the magnitude of the economic losses will depend on how the outbreak evolves as any pandemic diseases and its economic consequences are vastly ambiguous which makes it challenging for policymakers to work out an axiomatic and appropriate macroeconomic policy guideline. Therefore, right and effective policies, initiatives, coordination and awareness buildup are inevitable to avert the severity of the crises to overcome this pandemic, and an unprecedented wake-up call and coordinated efforts are inevitable governments, and private organizations. Finally, the study suggested that as Covid-19 still surfacing all over the world so some steps should be ensured by the government agencies of Bangladesh to mitigate possible threats for the economy and poverty up.

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