



Socio-economic Impact of Covid-19 in Bangladesh

Experience and perspectives of NGOs

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Key Challenge

- The pandemic posed an economic, social and policy challenge
- While I will list some of the key economic and social challenges shortly, let me quickly highlight the policy challenges
 - This catastrophes was unique—generally natural disasters or similar natural calamities impact the rural agricultural sector and are localised---COVID-19 challenge for Bangladesh presented a completely opposite policy landscape.

Economic effects

- GDP growth rate (5.2%); one of the **lowest GDP growth rate** in three decades
- Reverse poverty reduction trend: **Poverty rate increased by 7%** (Bangladesh Development Update, April 2021, World Bank)
- Effect on job security: **Loss of jobs** due to lockdown and global economic crisis
 - 34% households had at least one member who lost job (BRAC, December 2020)
 - One in five economically active individuals had experienced either a job loss (5.0 per cent) or a prolonged absence from work (14%) since the onset of the Covid-19 crisis (BDU, WB)
 - Five times higher than men in March 2021 (PPRC and BIGD, 2021) – re-entry challenge is higher for women due to economic and non-economic factors

Economic effects

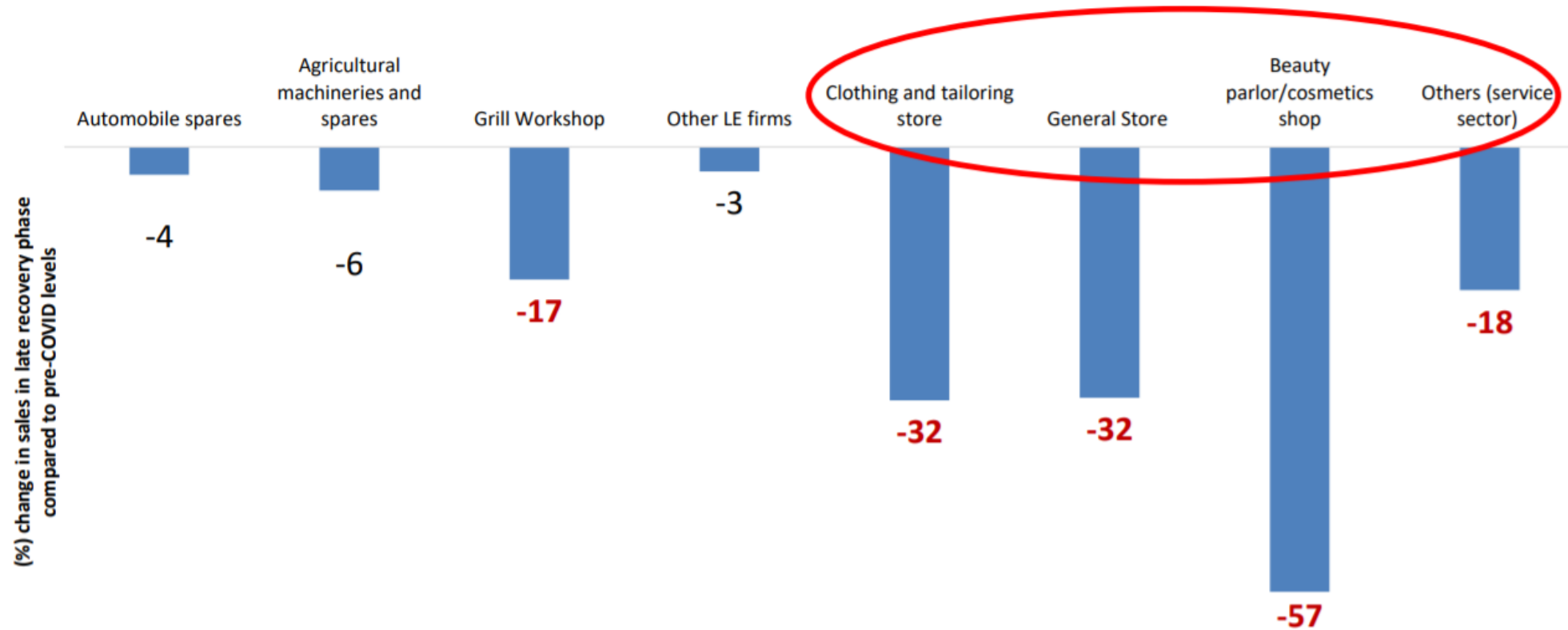
- Mean percentage decrease in remittances received is **57.5%**
- New poor:
 - National estimate of **'new poor' stands in March 2021 at 14.75%** (24.5 million population) (PPRC and BIGD, 2021)
 - 'New poor' more prevalent in urban areas (59% of the urban pre-COVID vulnerable non-poor have fallen below poverty line, 44% in rural)
- Low external support to survive and recover from the crisis
 - Only **19% households received external support** (BRAC, December 2020)
 - Slow disbursement of stimulus packages

Economic effects

- Vulnerable informal sector workers
 - **Income of informal sector workers reduced by 61%**; 50% of workers borrowed money to survive (BRAC, October 2020)
 - Decrease in income: Household **income decreased by 29%** compared to before pandemic level (BRAC, December 2020)
 - Household **expenditure decreased by 8.63%** (BRAC, December 2020)
 - Household **debt increased by 31%**; higher in urban areas (47% vs 22%) (BRAC, December 2020)

Economic Recovery

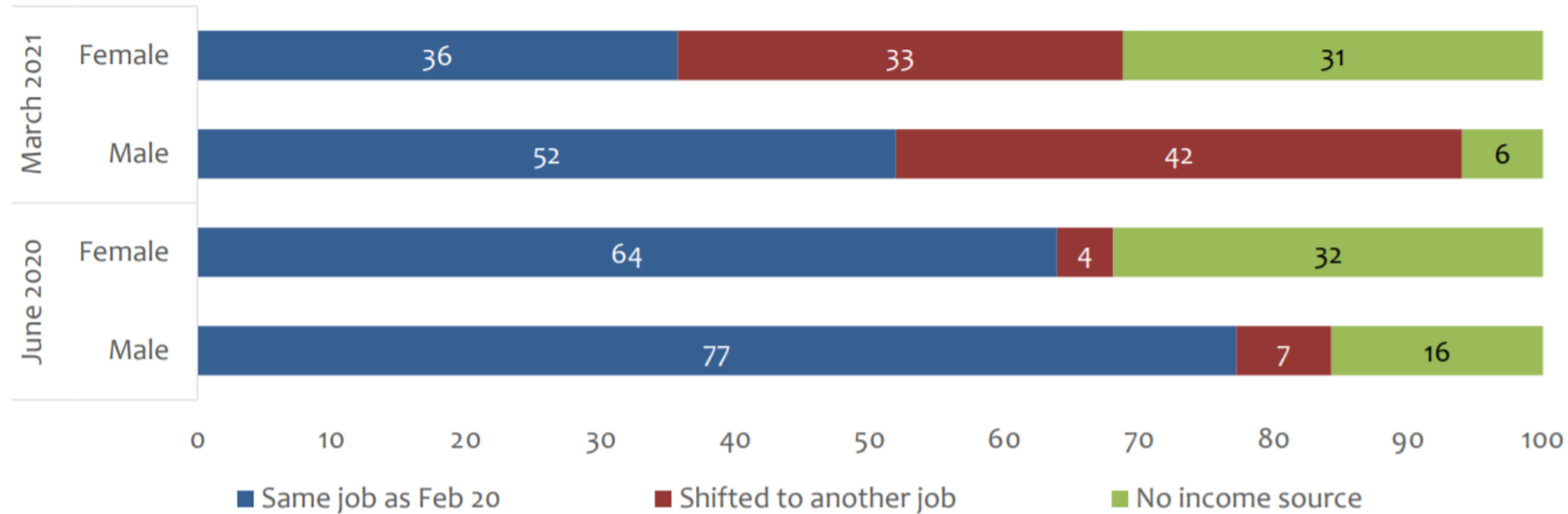
- Agricultural recovery was quick, service sector lagged



Economic Recovery

- Sticky unemployment rate for women, 5 times higher than men in March
- Re-entry challenges for women due to economic and non-economic factors

% with same job as Feb 20, shifted to another job, and no income source
(of those employed in Feb 2020)



Social effects

- “Lost generation”: Bangladesh running a risk of “lost generation” due to loss of learning and low employment generation/job creation
 - Loss of learning and human capital due to closure of educational institutions for over a year, auto pass in public exams, lack of internet access, lack of practical classes in science subjects etc.
 - According to the joint study conducted by ILO and ADB, the country’s youth unemployment rate could rise two-fold to 24.8% in 2020

Social effects

- Incidences of child marriage increased to 77%; Higher in rural areas (**81%** vs. 70%) (BRAC, December 2020)
 - Dire implications for female student dropout, child and maternal health, VAW, women's economic empowerment, and population growth in near future
- Psycho-social pressure: Mainly on the returnee migrants, people who lost jobs and income opportunities, youth failing to enter into job market; female students dropping out from education and having victims of child marriage – long term poverty trap and inequality

Interesting Trends

- Emerging threat: Mental Health Youth and children are facing mental stress because of unemployment and learning loss. Youths' mental stress reported by themselves (52%) is higher than the guardian (12%). Mainstream mental health in development.
- Emerging opportunity: Digital Inclusion There is scope of leveraging digital opportunities for CMSEs and women's businesses

Policy Messages

Urgent need for urban social protection innovations

Policy support for female headed households, migrants, and youth

Revitalise the informal sector and CMSMEs

Address economic and non-economic barriers to women's labour force participation

Focus on learning loss



Thank You