

SEARCHING WAYS FORWARD FOR BANGLADESH IN THE TIME OF PANDEMIC



Political Economy of Pandemic Management Understanding Bangladesh's Policy Responses to Covid-19

DR. ASIF M. SHAHAN

Associate Professor at Department
of Development Studies
University of Dhaka.

He is also a Senior Fellow at the
Centre for Governance Studies (CGS)

Background

In an attempt to explain how the Covid-19 pandemic has affected Bangladesh's developmental process, the Centre for Governance Studies sponsors six policy briefs focusing on six different dimensions. These dimensions can effectively be categorized into three groups: first, the policy briefs have explained the *impact* of the pandemic, for example, food security and nutrition, economy, and climate change and disaster management; second, the *processes* through which



the Government of Bangladesh has tried to manage the pandemic, for instance, responses of the public health sector and the local government institutions; and third, the ***underlying condition*** (i.e., the governance scenario) that has affected the country's response. In effect, the six policy briefs altogether provide a comprehensive answer to three key questions:

- How did the pandemic affect the development trajectory of Bangladesh? What were the major challenges?
- How did these challenges emerge?
- What steps can be taken in the future to mitigate these challenges?

Context

Bangladesh is often considered a “Development Paradox”, because the country has achieved spectacular economic growth over the past few decades while this growth has been achieved within a weak governance structure. Since the FY 2010-1, the GDP of Bangladesh had been growing at a rate more than 6 percent and it reached 8.1 percent by 2018-19. This economic growth has been complemented by a decline in the poverty rate. The poverty headcount ratio (upper poverty line and % of the population) has decreased steadily from 48.9% in 2000 and 31.5% in 2010 to the current rate of 24.3%. The lower poverty line headcount ratio also went down from 17.6% in 2010 to 12.9%. Bangladesh has also performed well by different social development indicators. The country's state of food security has improved significantly and as per the Global Hunger Index, Bangladesh ranks 75th among 107 countries in 2020 which is an impressive upward shift, if compared with the situation in 2019 (when the country was ranked at the 88th position). In the domain of nutrition, Bangladesh is considered as a successful case as the country has made a turnaround in just 20 years, reducing to a stunting rate in the high 20s or low 30s (31% as per NIPORT and 28% as per MICS) from a stunting rate in the high 50s (55%) in 1996-97. The country also managed to establish an impressive health network in the public sector and initiated different policy and programmatic interventions in climate change and disaster management.

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Nevertheless, as mentioned above, Bangladesh's impressive success in the socio-economic domain has been achieved within a weak governance structure. The World Bank's Good Governance Indicators (GGI) show that



over the past decade, its score in all the indicators has gone down and as per the Polity IV and Economic Intelligence Unit (EIU), Bangladesh's governing system has also gone through a transition: it has transformed from electoral democracy to a hybrid regime. V-Dem's liberal democracy index does not consider Bangladesh a democracy while Freedom House considers the country as 'partly free'. Concerns about the electoral system, the weaknesses of horizontal accountability mechanisms and the lack of capacity of democratic political institutions have forced many to wonder whether the country's economic success is a sustainable one. The Covid-19 has generated the first opportunity to test the proposition.

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Impact of the Pandemic: the Challenges

As the policy briefs have pointed out, the pandemic has exposed the fault lines in Bangladesh's socio-economic development, has unearthed the weaknesses of the country's public health and local government system as well as revealed how poor governance negatively affects government's response to dealing with the pandemic. In the economic sector, for example, the pandemic has slowed down the growth trajectory, whereas the national budget for 2019-20 projected an economic growth by 8.2 percent while the country eventually managed to achieve 5.2 percent growth. Bangladesh's export earning has declined and, most importantly, both unemployment and poverty rates have increased. A recent CPD study estimates that due to the pandemic, 16.38 million people have become new poor, and over 3 percent of the labor force has lost jobs. Another CPD study estimates that the poverty rate has increased to 35 percent as an effect of Covid-19 whereas a SANEM study estimates that as per the upper poverty line, 40.9 percent of the total population should be considered poor. It is important to note that to tackle the economic downturn, the GoB has so far declared 21 stimulus packages worth BDT 1.21 trillion. While this stimulus package is not insignificant, it has not been implemented most effectively and efficiently so far. Many a study has shown that the incentive package has remained out of the reach of the industries and trades-reportedly the most affected quarters by the pandemic. Then, again, a different study shows that even though the small and medium entrepreneurs required more assistance and cooperation, they are the ones being neglected as the GoB is focusing more on supporting the larger industries.



While the government has managed to prevent a famine-like situation, the state of food security and safety may have declined, especially because a significantly large number of people have lost their jobs and income and are forced to migrate. This is likely to affect their access to food. Furthermore, whereas the country's overall status in cropping and consequent dietary diversity was not satisfactory, the Covid-19 has appeared as an added burden that may deteriorate its overall nutrition profile. The government, though made efforts to expand the coverage of social protection system to support the poor, it suffers from two specific limitations: firstly, even though the urban poor working in the informal sector were the worst sufferers, the social protection system failed to identify and cover them. Secondly, in the rural areas, support was quite inadequate and there were allegations of corruption, which means that assistance often did not reach the right people. As the threat of climate change will continue to remain, the country's food and nutritional security will come under additional challenges.

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Like most of the countries of the world, Bangladesh's public health system was quite unprepared to deal with the Covid-19 pandemic. However, three additional factors jeopardized Bangladesh's initial Covid-19 response. The first of them was the denial of the policymakers and the political actors to acknowledge the challenges associated with the pandemic. The attitude confused millions of people about the damaging ability of the virus and allowed it to spread. Secondly, the structural weaknesses of the health sector caused suffering for many, because as the disease spread, the health system, with inadequate health care professionals, hospital beds, ICUs, and Personal Protective Equipment (PPE), failed to support the patients in an effective and efficient way. Thirdly, the pandemic also exposed the weakness of the health governance system as pervasive corruption, coupled with lack of transparency and accountability, worsened the situation further. Whereas the health system had its inherent weakness in supporting the Covid patients at the peak of the first wave of the pandemic, the local government institutions also faced challenges when they were assigned with the responsibility of supporting the poor. When the government first decided to support the poor through the social protection programs like GR or VGF, the local level leaders of the ruling party considered it as a 'spoil' channeled from the 'patron'-the central government-to the 'clients' at the local level. Consequently, assistance was being used to support the ruling party loyalists, and there were allegations of rampant corruption. As the incidents



of corruption drew the attention of the national media, the GoB decided to engage the bureaucracy and consequently, the administrative officials were put in charge of supervising support provided through the social protection system. However, this effort to 'de-politicize the support system did not work out as expected for several reasons: first of all, in designing and/ or implementing the programs to support the poor, the opinions, point of views, or suggestions of the local government bodies were never sought. The marginal role of the local government bodies in the decision-making process significantly reduced their impacts on the service delivery system. Secondly, in providing services to people, the Zila Parishad (ZP) or the Upazila Parishad (UZP) was rarely involved and only the Union Parishad (UP) and the Municipalities 'shouldered responsibilities' without any defined role and authority. Thirdly, in selecting beneficiaries, the lack of involvement of the local leaders, the NGOs, and the CSOs often resulted in the failure to capture the local reality. Finally, the effort to 'de-politicize the service delivery system did not achieve much success as, in most cases, the mandatory supervisory role of the administrative officials was compromised due to political pressure.

In many parts of the world, the Covid-19 has offered new excuses for the executives of the already declining democracies to utilize the crisis to grab more power and curtail the rights of the opposing forces and voices. While the pandemic has made it necessary for the Executive to obtain and exercise control over the political domain and lives of the citizens to some extent, in several countries this opportunity had been taken too far allowing the governments to disregard and subvert the constraints imposed upon them by the democratic institutions of accountability. Eventually, the pandemic management has resulted in a democratic deficit in those countries. In Bangladesh, the dominant Executive followed this path and utilized the pandemic to restrict political space often by imposing the Digital Security Act, 2018.

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Based on the discussion above, it can be stated that due to the pandemic, the country faced the following challenges:

- The country is going through an economic downturn and the stimulus package offered by the government is not well-planned. At the same time, it is ignoring the need of the worst sufferers (small and medium entrepreneurs) while favoring more the large industries;



- Even though the government has managed to avert a famine-like situation during the first wave of the pandemic, the overall status of food security and nutrition is not satisfactory. Food security is rather already under threat and there are reasons to believe that achievement in nutrition may be reversed or slowed down due to pandemic;
- Climate change will remain an added burden which may make a bad situation worse;
- The public health system of the country still remains ill-equipped and ill-prepared to deal with the pandemic. This has happened due to the weakness of, and problems associated with, the health governance that allowed the dominant executive to disregard the opinions of the experts and health professionals. Moreover, due to this weak governance structure, transparency and accountability have declined and corruption has become a pervasive phenomenon.
- The local government institutions could not manage to perform effectively as these institutions were given responsibilities without defined roles and authority. Both the electoral and horizontal accountability declined significantly over the past decade at the local government level, and this has significantly affected these institutions' abilities to be responsive to the need of the people.
- At the national level, the Executive has made the best use of the weak governance structure and utilized this pandemic to exert more control over the governing system. In doing so, the regime did not hesitate in curtailing democratic freedom of individuals or silencing the opposing voices.

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Explaining the Challenges: Why We are Here

As mentioned earlier, the six policy briefs of CGS essentially show the impacts of the pandemic, explore the processes through which the GoB has tried to address the challenges, and examine the underlying condition that has affected the government's capacity to manage the pandemic. In fact, they show that Bangladesh's public health system, due to the reluctance of the political actors to adhere to the advice of the public health experts and the weak governance framework did not succeed to manage the pandemic well. The initial response of the health system was disastrous and even though the system managed to regroup and provide services to the people over the period, fault lines are still there as they are becoming visible during the second wave. Similarly, the local government system has also failed to



provide the necessary support to the poor. In other words, the **processes and mechanisms** through which the GoB attempted to support the citizens are ill-capacitated, which adequately explains why the impacts in the socio-economic domain are so severe.

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It is, however, important to note that the procedural weaknesses of the service delivery mechanisms, i.e., local government institutions and public health institutions and the resultant negative impacts in the socio-economic and food security sector cannot be fully captured and analyzed, unless and until we consider the **underlying condition, i.e., absence of good governance**. In the context of Bangladesh, the absence of 'good' governance has some distinctive characteristics: firstly, electoral accountability has almost completely disappeared, both at the national and local levels. As a result, citizens can rarely get an opportunity to convey their concerns, difficulties and challenges to the policymakers. Secondly, horizontal accountability has also declined and, consequently, the ministries, agencies, and administrative offices of the state may exercise unhindered discretionary powers that allowed the officials to engage in corruptions without being accountable. Thirdly, the democratic institutions have gradually been weakened and, as a result, these institutions cannot exercise 'constraint' over the Executive, which enable the latter to disregard the expertise and opinion of any opposing voice.

The weak governance structure, as outlined above, has the following consequences that explain the procedural failures and negative outcomes:

- The absence of an electoral and horizontal accountability mechanism means that the incumbent does not have any incentive to proactively listen and respond to the needs of the citizens. Its response to citizens would be arbitrary in nature while its key focus would be to cater to the need of the members of the 'ruling coalition'. As the incumbent's survival will largely depend on the support provided by the business elites, it will try to address their concerns first. In fact, this explains why the stimulus package introduced by the GoB is more favorable to the large industries, instead of the smaller enterprises;
- This absence of accountability mechanism, especially electoral accountability, explains why the regime paid less attention to the urban poor, especially the ones working in the informal sector. This has clear implications for food security and nutritional status of the urban poor;



- The incumbent has indeed tried to help the rural poor through introducing and expanding the social protection services, but these support services have been used not mainly to support the poor but to channel resources to its clientelist network. This is why 'irregular activities' in providing services became the 'regular phenomenon'. However, at one point, as the 'leakage' of services became the dominant trend, the incumbent had to respond and, consequently, the administrative officials were given the supervisory role;
- The weak governance structure also explains why stories of corruption were the dominant narrative in the health sector. As the incumbent gradually and intentionally weakened the horizontal accountability mechanisms and the democratic political institutions, the entire public sector started suffering from irregular activities, lack of transparency and corruption. More importantly, this lack of accountability has also significantly weakened the capacity of the public sector. This is precisely why the public health sector and the local governance mechanism failed to step up in response to the pandemic.

Road Ahead

As the problems and challenges identified above have been analyzed from three different dimensions-impact, process, and underlying condition-, it is important to come up with solutions that would touch these interrelated perspectives. As identified in the policy briefs, to mitigate the adverse impacts felt in the socio-economic, food safety, nutrition, agriculture, and climate sectors, different specific activities related to these sectors have to be taken. This will include, but not limited to, providing support to the small and medium enterprises, farmers, people working in the informal sector, expanding the coverage of the social safety net, improving the agriculture market and supply chain system. However, these **sector-specific activities** will not achieve the desired outcome, unless and until the organizations in charge of providing services are strengthened and their capacities increased. This essentially means that appropriate actions as suggested in the policy briefs need to be taken to build, rebuild and enhance the capacity of the local government institutions and the public health system. Finally, to allow these organizations to perform the sector-specific activities, it is necessary to address the weakness of the governance system, which requires redesigning the electoral accountability system, creating the horizontal accountability mechanism and strengthening the democratic political institutions.