

BIDS CRITICAL CONVERSATIONS 2021

COVID-19: LINKING ECONOMIC AND HEALTH CONCERNS

Summary

Bangladesh Institute of Development Studies (BIDS) organized a webinar themed appositely on “COVID-19: Linking Economic and Health Concerns” as part of the organisation’s series of Critical Conversations on May 23, 2021. The webinar was motivated by the need to bring policymakers, economists and health experts together in a common platform and identify the best way forward in sustaining livelihoods of the affected people while giving utmost importance to saving lives in the face of the recent spike in the infection rate and deaths caused by COVID-19 in Bangladesh and neighboring India. Dr. Binayak Sen, the Director General of BIDS, orchestrated the seminar posing five questions pertaining to i) re-evaluating the paradigm of life and livelihood; ii) coping strategies of the health sector if a third wave of COVID-19 hits us similar to that of India; iii) sustaining capacity to endure a possible hard-lockdown for another 2-3 months; iv) managing the demand for vaccines through keeping in mind a target of at least 30 million people including RMG workers, and universalizing mask-wearing; and v) revising growth targets while supporting the health and agriculture sector of the country respectively.

In his opening remarks, Professor Wahiduddin Mahmud emphasized that the problems in implementing health safety measures while sustaining the economy is complicated by the uncertainty created by the constantly changing nature of the virus originating across different countries. Noting that Bangladesh has the lowest number of tests per 1000 compared to neighboring countries in South Asia, he called for increasing tests and utilizing technology in surveillance of the COVID-19 infections. Responding to the Director General’s questions posed regarding the use of masks, Dr. Mahmud noted that a lack of incentive compatibility: the divergence between risk of individual infection versus the risk of infecting others, hinders widespread mask use. While the risk of death is low for one particular individual, the possibility of infecting others is quite high. Therefore, he asserted that wearing masks must be made compulsory and policies to contain the virus should be consistent across the country and across different spheres of regular lives. Professor Mahmud advised that instead of imposing an unplanned lockdown, policymakers should focus on implementing planned partial lockdowns imitating the stratified storm warning signals, partial opening of economic activities in successive stages and opening educational institutions partially and holding roster-based classes. He pointed out that the pandemic has exposed the vulnerabilities of our health sector and further suggested that the policymakers should prioritize protecting the economically vulnerable population and invest in training doctors and nurses and overall infrastructure of the health sector.

The keynote speech has been followed by the discussion from the first panelist, Mr. Anir Chowdhury, the Policy Advisor of the a2i Programme, gave a brief presentation on how the concept of Digital Bangladesh has been playing a role in facilitating policies about balancing lives and livelihoods. He elaborated on how 'COVID-19 collective intelligence system' had been used to collect and analyze data to take necessary decisions to contain the virus. He also showed how 'COVID-19 Dashboard' was utilized to monitor disease progression and facilitate real-time policy advocacy. Mr. Chowdhury further mentioned on how the 'COVID-19 Socio-economic recovery tracker' and innovations in Service delivery played a major role to help the people during the pandemic. The second panelist, Professor Meerjady

Sabrina Flora, Additional Director General (Planning and Development), Directorate General of Health Services (DGHS) emphasized the challenges of increasing testing, vaccinations and popularizing community-level behavioral changes like social distancing and mask-wearing during the pandemic, calling for focusing on prevention rather than cure.

Eminent economist Professor Rehman Sobhan, the Guest of Honor of the event, pointed that Bangladesh has the lowest testing rate in South Asia and there is a 'huge black hole' when it comes to pandemic-related information management. He warned that this information gap will lead to inadequate and even misdirected responses in many cases. He called for all think tanks to come together and coalesce information on the pandemic in order to facilitate effective policymaking. He questioned the success of the government intervention programs in reaching the poor and vulnerable people, saying that its impact and redistributive effects are not clear due to lack of information. He noted that there is a huge mismatch in corrective action at the level of big businesses and SMEs. He warned that if lockdown interventions cater to one particular group (such as transport sector), other sectors will follow and demand favorable treatment. Professor Sobhan showed concerns regarding the efficacy of fiscal interventions and how they can destabilize the banking sector since a lot of these interventions are taking place through the banking channel. He feared that this approach would lead a perpetuation of defaults in the banking system as banks are bearing the burden of delivering credits and foregoing recovery. The eminent economist also warned about the redistributive consequences of fiscal concession measures like tax rebates in the name of stimulating the economy. He ended with a call for policies to be specifically tailored to the needs of the poor and the migrant workers who are the source of remittance income of the country.

Dr. Mashiur Rahman, economic advisor to the honorable prime minister also pointed out the difficulties of providing social safety to the poor, especially in the remote areas, due to the lack of proper information. He said that this problem is difficult to solve centrally and local government must be utilized. Finally, after a brief question-answer session, the Honorable Planning Minister and Chief Guest of the programme, Mr. M A Mannan MP observed that the government is trying to optimize the balance between saving lives and livelihoods, with its main goal being damage control. He asserted that simply allocating money is not sufficient and it is the relevant ministry's responsibility to properly utilize the money. The webinar ended up with concluding remarks from the Director General for continued collaboration among the government, policymakers, economists and health experts to work together to successfully tackle the challenges posed by this persistent pandemic.