UNITED NATIONS DEVELOPMENT PROGRAMME

DEVELOPMENT FUTURES SERIES

SEPTEMBER 2021

UNDP Global Policy Network Brief

Addressing COVID-19's uneven impacts on vulnerable populations in Bangladesh: The case for shock-responsive social protection

by Sarah Sabin Khan and Sarah Amena Khan[1]

As in many countries worldwide, the ongoing COVID-19 pandemic and its containment measures aggravated poverty in Bangladesh. Poor and vulnerable population groups were among the hardest hit. This brief draws on key findings from a UNDP Bangladesh survey on COVID-19 impacts during the pandemic's first wave in early 2020. It covered 2,500 UNDP beneficiary households (HHs) across the country. In addition to severe income shocks, analysis reveals that the crisis amplified existing multidimensional vulnerabilities among HHs. Existing social safety net (SSN) programmes were inadequate to address different vulnerabilities. Against this backdrop, this brief underscores the need for Bangladesh's continued attention on reforming its social protection system to make it more employment-focused, shock-responsive and universal in line with national priorities and for COVID recovery.

The context

During the pandemic's onset in March 2020, Bangladesh stood at a critical development juncture. Building on strong economic growth and human development, the country was ready to embark on its vision of becoming a developed nation by 2041, with prospective graduation out of least developed country status by 2026.[2] Achieving this vision would also entail attaining

the Sustainable Development Goals (SDGs) by 2030 and achieving upper-middle-income country status by 2031. However, Bangladesh was already grappling with tackling key challenges: rising inequality, inadequate decent job opportunities, underutilized youth population, low domestic resource mobilization and private investment, and risks due to climate change, among others.

On another front, the country prioritized reforming its fragmented social protection system in line with national aspirations. Bangladesh's 2015 National Social Security Strategy (NSSS) outlined an inclusive and coherent system covering the poor and vulnerable, consolidating around a life cycle approach, shifting toward targeted universality, responsiveness to and resilience against shocks and improved implementation efficiency using information and communication technology.[3] However, findings from a mid-term review in 2019 revealed modest progress on the strategy's implementation. Among other considerable challenges, the review suggested that the SSN programmes were still 'ad hoc'.[4] Targeting challenges were significant with high exclusion and inclusion errors of 71 percent and 46.5 percent, respectively.[5]

Within this context, the pandemic risked setting back Bangladesh's progress towards key development milestones. After Bangladesh reported its first case on 8 March 2020, the Government of Bangladesh (GoB) declared a general holiday from 26 March to 31 May 2020 to contain the spread. This shut down businesses and domestic economic activities nationwide, resulting in temporary and permanent job loss. Early rapid assessments suggest that poorer cohorts across socio-demographic categories fared worst. Many fell into poverty, given the absence of effective SSNs. An early assessment suggests that most of the newly impoverished were vulnerable non-poor HHs that subsisted just above the poverty line.[6]

The urban poor were disproportionately affected. Between March and April 2020, slum residents experienced a 75 percent drop in pre-COVID incomes, compared to a 62 percent drop of income in rural HHs. The fall was sharper among the extreme and moderate poor and those employed in the informal sector.[7] Unofficial estimates placed the number of COVID-19-induced 'new poor' at between 16 and 42 million people, which could bring the poverty rate up to 44 percent from the pre-COVID level of 20 percent.[8]

The income loss escalated a myriad of other socio-economic challenges that further aggravated poverty. These included food insecurity, limited access to healthcare, escalating debt and savings depletion. For example, extremely poor HHs with minimal savings, assets and access to credit cut down on food consumption to cope with substantial loss of livelihoods. Measures ranged from curbing nutrition (usually protein) to reducing the number of meals. In many cases, it also meant compromising on children's food and nutrition.[9,10,11] Other immediate impacts included an increased school drop-out rate, limited access to essential healthcare, especially for non-COVID patients, child labour, child marriage and violence against women and children.

As an immediate response to the crisis, the GoB announced various stimulus packages amounting to about US$8 billion (or 2.5 percent of national GDP) during March and April 2020.[12] This included liquidity support for affected and priority sectors, fiscal stimulus through cash transfers and expansion of existing SSN programmes including the Vulnerable Group Feeding (VGF) and Vulnerable Group Development (VGD) programmes and open market sales of rice at lower prices, among others. While these were good efforts, existing challenges deterred timely and adequate support and, in turn, limited the effectiveness of SSNs for poor and vulnerable populations to cope with the shocks. Such issues raised serious concerns.[13]

The discussions so far provided a snapshot of very-early stage-estimates and findings underscoring how COVID-19 has impacted vulnerable population groups through and beyond income loss. However, it is difficult to gauge the true extent of the multi-layered impacts of the crisis. Nonetheless, it helps set the context to understand the survey results discussed below.

UNDP survey results

It is evident that the crisis has affected some people disproportionately. In the absence of sufficient coverage by effective social protection programmes, pre-existing inequalities have persisted and are likely to evolve in multifaceted dimensions. This message has come out from a rapid survey of 2,500 respondents selected randomly from UNDP Bangladesh's 350,000-plus

programme beneficiaries, most of whom belong to poor HHs with intersecting vulnerabilities (see Box 1 for more details on the sampling methodology).

This survey was conducted when COVID-19's first wave peaked in Bangladesh during May and June 2020, right after the lockdown. The findings thus corroborate the early-stage effects of the crisis. Moreover, the survey had to be conducted over the telephone, which came with caveats related to representativeness, time crunch, inability to observe body language or use visual aids to facilitate answers and impediments in building rapport to discuss sensitive topics. As such, the data should be interpreted with caution, with less emphasis on literal numbers in favor of a focus on the picture emanating from the comparative analysis.

Box 1: Background note on UNDP COVID Living Survey methodology

The first-round COVID Living survey was conducted from 27 May to 8 June 2020 to collect real data on COVID-19's socio-economic impacts. The sample population is drawn from 350,000 beneficiaries of UNDP projects in 64 districts. The majority of the beneficiaries, including disadvantaged women, belong to poor HHs with overlapping deprivations. Each beneficiary is considered a representative of the household. Based on random sampling, beneficiaries were selected proportionally to the number of beneficiaries in each district.
Real data collection was done over the phone and fed and processed into a digital data collection platform.
The sample size was calculated using the following standard formula:

$$n = \frac{z^2.p.(1-p)}{c^2}$$

Here, z = Z value (confidence level), p = percentage picking a choice, c = confidence interval, maximum margin of error. Using 95% confidence level, .5 as percentage picking a choice, and confidence interval of 2, the formula yielded 2,385 as a sufficient sample size. The final sample size of the survey was 2,500 UNDP beneficiaries. Finally, the proportion of beneficiaries per district was used to finalize the district-level sample size.

The respondents surveyed represent marginalized HHs in Bangladesh, particularly in their poverty status and overrepresentation of certain vulnerable categories (see Table 1).[14] More than half of the sample population lived below the national poverty line ($192.25 per month) even before COVID-19 hit, which is a much higher proportion than the national average of around 24 percent.[15] Around 40 percent of surveyed HHs could be regarded as vulnerable non-poor who lived above the poverty line but below income levels double the poverty line. The average pre-COVID monthly income of all sample HHs was also around $27 below the national average. About 64 percent of all HH heads were engaged in temporary employment, mostly in the informal economy, prior to the pandemic. The share of temporary workers was even higher (around 71percent) for poor HHs. A large share of the temporary occupations held by the household heads consisted of daily wage labour, farming, low-paid private services and self-employed trading.

The survey respondents also comprised higher shares of religious and ethnic minority groups and HHs with people with disabilities (PwDs) compared to the national averages for the same groups. Last, a mere 13 percent of the overall surveyed HHs, 13.3 percent of poor HHs and 12.7 percent of the vulnerable non-poor HHs were registered under some form of government SSN programme to cushion against negative shocks. Nationally, the share of people receiving social protection stands at 28.7 percent; coverage among poor HHs is 32.5 percent.[16]

Table 1: Comparison of surveyed household characteristics with national averages

	Sample Average	National Average
Pre-COVID poverty head count (income)	52%	24.3%
Pre-COVID average monthly income	$161	$188
Share of temporary employment	64% of employed HH heads	37.79% of employed labour force
Share of HHs from religious minority groups	15.6%	8%
Share of HHs from ethnic minority groups	7.2%	2%
Share of HHs with PwDs	8%	6.9%
Share of poor HHs registered under SSNs	13.27%	32.5%

Source: COVID Living Survey 2020, Census 2011, HIES 2016 and estimations based on data from HIES 2016

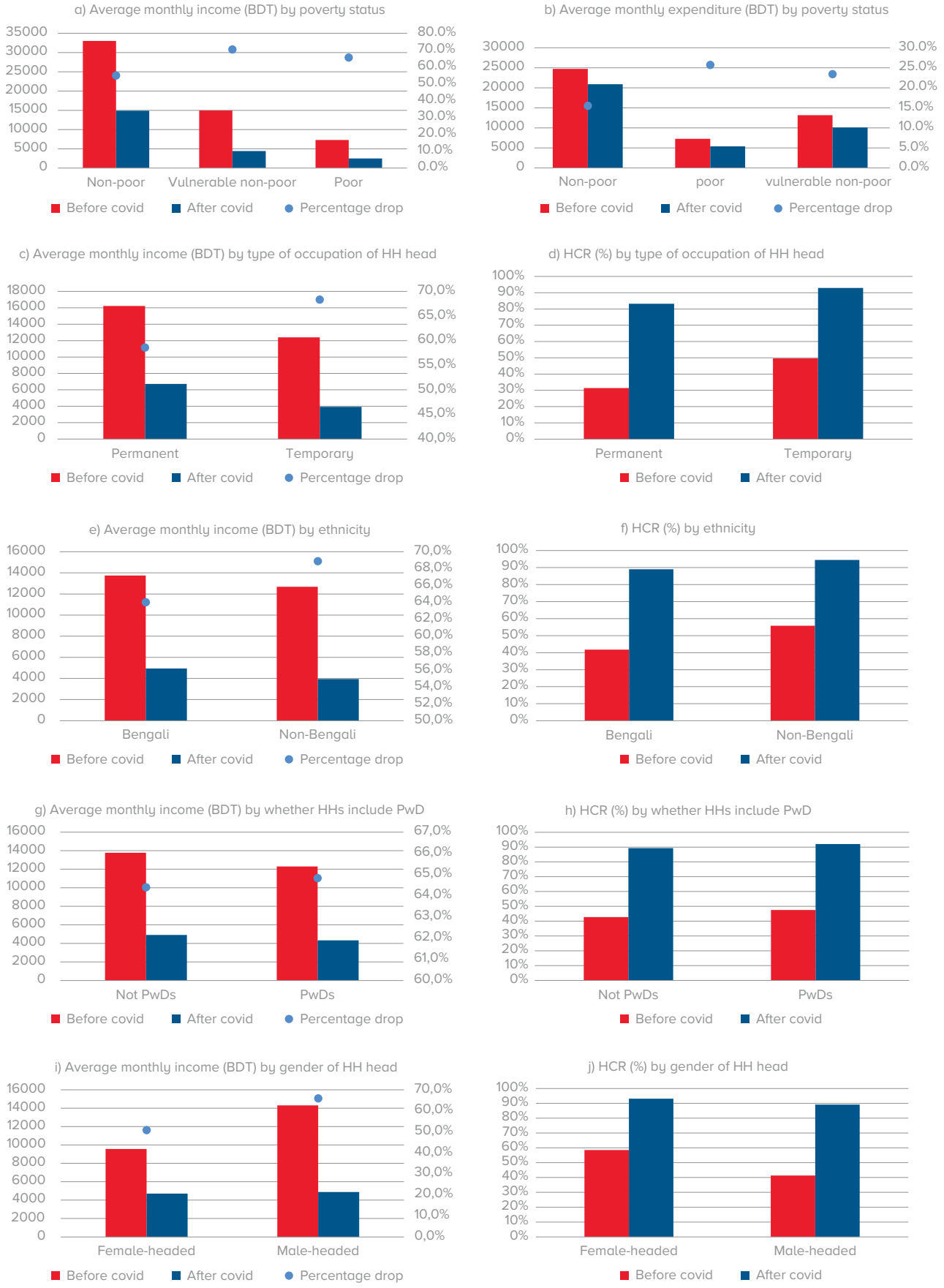
Impact on livelihood and poverty rates

Key findings aligned with other similar COVID-19 impact assessments. There was an astounding drop in average monthly income from a pre-COVID level of around 66 percent, which increased the share of HHs living under the poverty line from 46 percent before the pandemic to 90 percent at the time of the survey. This means around 44 percent of the HHs became newly poor, most likely moving from a previous status of vulnerable non-poor. In fact, the rate of income drop was highest among people subsisting just above the poverty line, compared to those who were already poor and those who were comfortably non-poor before the pandemic (see Figure 1a). The vulnerable non-poor HHs also decreased their share of pre-COVID monthly household expenditure by a rate close to that by which the poor HHs decreased their consumption (see Figure 1b). Interestingly, the 10 percent of HHs that remained above the poverty line increased their monthly expenditures by 1.6 percent.

The rates of drop in income and poverty headcount ratios were also higher among HHs with temporary workers, those belonging to ethnic minority groups, and those with PwDs (see Figures 1c–h). Female-headed HHs had a lower average income level and a higher poverty headcount ratio compared to male-headed HHs both before and after COVID-19 (see Figure 1i–j).

The health shocks imposed by COVID-19 were not the most daunting impact: a little over two in 100 respondents reported symptoms in the first three months of the pandemic. Rather, containment measures induced substantive economic hardships. The majority of HHs identified the shutdown of economic activities as the leading cause of the hardships. Dhaka, the most densely populated urban poor area in the country, faced strict enforcement of lockdowns. HHs residing in the Dhaka division exhibited the highest drop in average monthly income in absolute monetary terms (around $10 higher than the average across the country). While Dhaka also had a greater average pre-COVID monthly income in line with its high living expenses, the change in poverty incidence (a rise by 52.2 percentage points) superseded that of other divisions with fewer urban areas across the country.

Figure 1: Impact on income and poverty headcount ratios for different vulnerable categories



Source: Based on UNDP's COVID Living Survey (2020)

The drop in income affected consumption unvaryingly across different household groups. Almost 87 percent of the HHs claimed to have reduced their consumption, particularly food intake, as a way to cope with the pandemic. This phenomenon resonated in many other studies as well.[17,18] Indeed, consumption poverty rose from 62 percent in pre-COVID times (higher than pre-COVID income poverty) to 77 percent during COVID-19 (lower than income poverty during COVID-19). The comparatively lower drop than income could have been because HHs had savings to fall back on, had easier access to credit and received food and cash support as a relief measure after the first wave of COVID-19 infections. Depleting savings was among the top three coping mechanisms used by the HHs, followed by borrowing and help received from relatives.

Beyond economic impact

In addition to the severe economic impacts discussed above, HHs experienced numerous other difficulties. Although poorer HHs did not perceive COVID-19 as a significant health concern, the situation impeded access to critical healthcare for non-COVID patients. Challenges included non-availability of doctors and nurses, shutdown of hospitals and higher cost of treatment and medication (monthly average increase equivalent to 22 percent of pre-COVID and 65 percent of post-COVID average monthly income). The pandemic also limited the availability of sexual and reproductive health facilities, exacerbating the vulnerabilities of women.

About 80 percent of surveyed HHs had one or more school-going members. School closures affected education and access to nutrition (school meal programmes) and created uncertainties about the future. For example, distance learning and physical violence. Approximately 15 percent of respondents reported experiencing abuse; 8 percent reported facing gender-based violence in the community and 3 percent reported facing it at home. Around 7 percent of respondents highlighted that their human rights were violated. These figures were likely to be underreported, given the sensitivity around the issues. Such violence against women and children is also one of the worst impacts of lockdowns. Bangladesh already had a high incidence of domestic violence against women: a 2015 nationwide study revealed that nearly 80 percent of women in the country face some form of domestic violence.[20] Similar studies have suggested alarming surges in physical, sexual and emotional abuse during the COVID-19-induced shutdown period. A study revealed over a quarter of surveyed victims/survivors of abuse experienced violence for the first time during the pandemic.[21]

Coverage by policy support

As noted earlier, the GoB announced several stimulus packages, including support for vulnerable populations. According to the survey, around one third of the support received by the respondents came from the GoB, making it the largest provider. The rest was provided by local government representatives, non-government and development organizations, community-based organizations and personal connections. However, a little over half of the surveyed HHs actually received COVID-19-related assistance from different sources. Given that the respondent pool largely represented vulnerable HHs, this finding refers to insufficient coverage of relief efforts. Moreover, relief efforts covered only around 57 percent of poor HHs and 51 percent of vulnerable non-poor HHs. On the other hand, 39 percent of HHs that continued to be above the poverty line