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# Coping Strategies of Low-Income Households in Bangladesh During the COVID-19 Pandemic

M. Shahidul Islam\*

Research Fellow, Center for Peace and Justice

Brac University

Email: *mohammad.shahidul@bracu.ac.bd*

Sanaul Mostafa

Honorary Fellow, Center for Peace and Justice

Brac University

Email: *sanaulmostafa@rogers.com*

\*Corresponding author

## Abstract

Given the mounting livelihood challenges during the COVID-19 pandemic, low-income households in Bangladesh had to put forward various coping strategies to provide for themselves. This study assesses these efforts. Based on a quantitative survey, supplemented by qualitative tools, it studies how garment workers, urban informal workers, and returnee migrants coped with the first wave of the pandemic. A set of indicators, namely access to social safety net programs, access to emergency relief, community support, food and nutrition intake pattern, usage of savings, indebtedness, and alternative livelihood, were used to measure the coping mechanisms used by these low-income households. In addition to professional and other characteristics, the “gendered behavior” of households’ coping strategies were assessed. To what extent the formal and informal institutions have played roles to mitigate the financial and other needs of the households during the pandemic were discussed. The study also captured households’ perception of the potential hardships they could face if the pandemic were to be prolonged. Findings show that while all professional groups suffered during the pandemic, urban informal workers and returnee migrants struggled the most to cope with the pandemic. The study reveals mixed results showing how male and female respondents used coping strategies. The role of formal institutions has been limited to mitigate financial and other shocks, as households relied heavily on informal channels. Based on the findings, the study offers policy recommendations that could help mitigate the economic difficulties of the low-income groups.

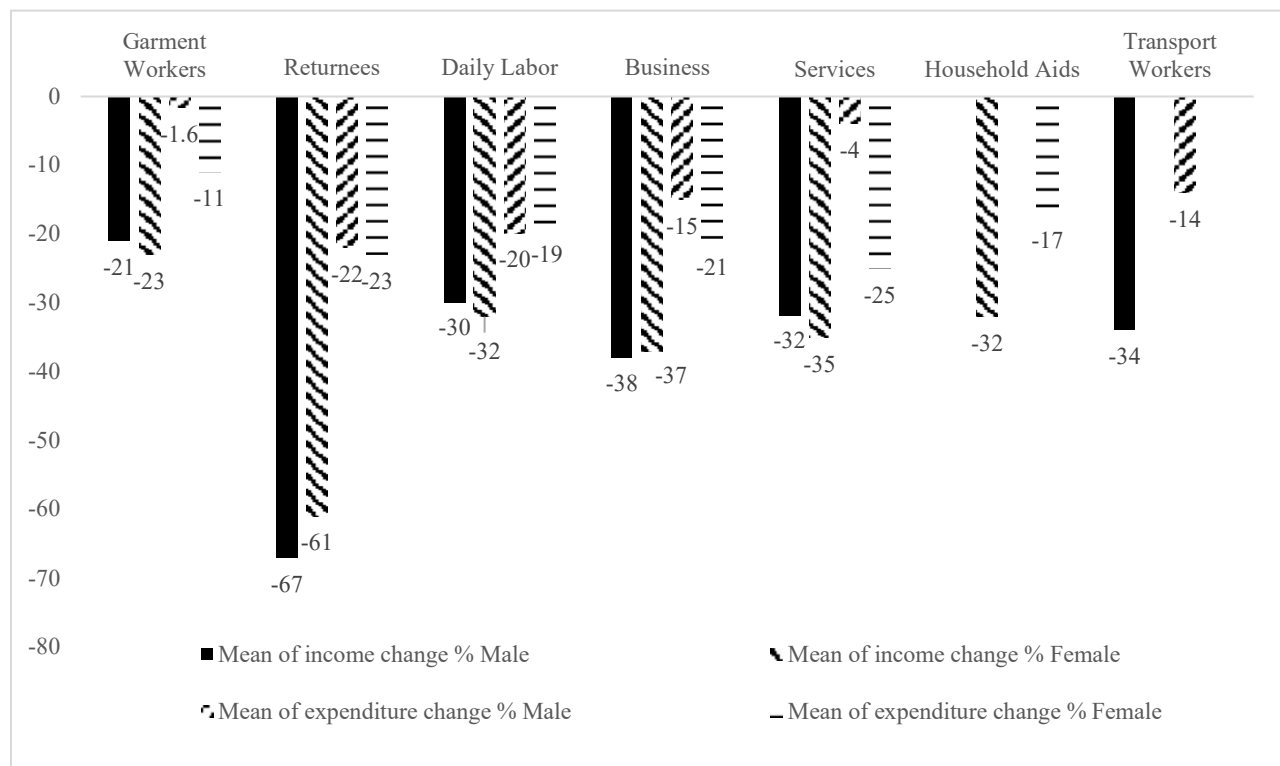
**Keywords:** COVID-19, coping measures, low-income groups

## Introduction

The COVID-19 pandemic (henceforth, the pandemic) has adversely affected the socio-economic wellbeing of millionsof low-income people in Bangladesh. Several studies have captured the extent of job loss and income decline, and the emergence of a “new poor”, among others (CPJ, 2020; SANEM, 2021; PPRC-BIGD, 2020). For instance, of the 5,577 households covered by a nationwide survey conducted by the South Asian Network on Economic Modeling(SANEM), 42% were found to be below the poverty line (SANEM, 2021). Besides, there have been disproportionateimpacts of the pandemic on rural and urban areas, with the latter hard hit by the pandemic-induced shock (PPRC- BIGD, 2021). A survey by the Centre for Peace and Justice (CPJ) shows that urban and semi-urban households’ average (mean) monthly income declined by 34% during the pandemic. In contrast, their expenditure fell by only 14%(CPJ, 2020). This is in line with a stylized fact (empirical regularity) of consumer behavior, known as the “ratchet effect”, implying that when incomes of individuals fall, their consumption expenditure does not fall as much.

The large gap between income and expenditure behavior of households amid the pandemic indicates that there are other strategies, in addition to reduced expenses, that households adopted to cope with the negative shocks of the pandemic. However, how the low-income groups in Bangladesh have been absorbing the shock offer limited insights. A handful of studies discuss the coping mechanisms of poor households during the pandemic in the country. For instance, PPRC-BIGD (2020) shows that households’ average food expenditure contracted by 22%. Another study reveals that around four-fifths of the households across the groups spent savings to cope with the pandemic (UNDP-HDRC, 2020).

Nevertheless, these aggregate pictures could mask marked heterogeneities in terms of coping measures by sectors (formal and informal), profession, age, gender, and education level, among others. Figure 1 shows the heterogeneous impacts of the COVID-19 pandemic on income and expenditure based on the respondents’ profession and gender. The labor market in Bangladesh is composed of both informal and formal workers with an overwhelming dominance of the former group. The preponderance of the informal sector has an impact on employees’ job security and employers’ capacity to absorb the pandemic-induced adverse shocks. A deeper understanding of potential differences in coping strategies in terms of household characteristics and labor market classification can help policymakers take the right policies reaching out to the most disadvantaged groups during crisis periods.



**Figure 1:** Households monthly income and expenditure before and during the COVID-19 pandemic  
 Source: CPJ (2020). *Note: There is no female respondent among transport workers and no male respondent among household aids in the sample.*

To cope with the economic crisis, households adopted multiple coping measures using both formal and informal channels. As the pandemic has affected almost all countries, there is significant evidence on coping mechanisms from other low-income countries. Previous epidemics and pandemics are a useful guide to understand coping strategies of low-income groups. As discussed in the following section, in addition to reduced expenditure for food consumption and other necessary expenses, several studies reported a host of coping options. They include taking loans, accessing government and non-government aid, using savings, selling assets, purchasing subsidized food from Open Market Sales, reducing food consumption, moving to housing that has lower rent, and getting support from community-based organizations (UNDP-HDRC, 2020; Koos et al., 2020; PPRC-BIGD, 2020).

Moreover, there remain significant uncertainties as to how long the pandemic will continue. Bangladesh recorded the first case of COVID-19 on March 8, 2020. Since then, the infection curve has shown marked volatilities with little sign of flattening. If the pandemic continues, the low-income households may run out of options to cope with the crisis. As such, what should be the policy options to protect these groups from further vulnerabilities? There is not much evidence available to answer these questions. The knowledge gap in the areas mentioned above motivates us to undertake this study.

This study has three objectives. First, applying a host of indicators, it assesses the coping mechanism of three distinct groups - ready made garment (RMG) workers, non-RMG workers, and returnee migrants, workers who were working in other countries and have come back to Bangladesh. These groups are vital for the Bangladesh economy, and they represent both the formal and informal workforce. More than 4,600 RMG factories constitute the largest industrial sector in the country and contribute 11.2% to the gross domestic product (GDP) and 36% of employment in the manufacturing sector engaging 4.1 million workers (ADB, 2020). Over 10 million Bangladeshi migrants remitted about \$18 billion in 2019, and the sector represents around 7% of the country's GDP (WEF, 2020). Finally, 87% of the labor force is employed in the informal economy, according to the 2010 Labor Force Survey (BBS, 2010). Given that female workers have a greater participation in the RMG sector, and male workers are more represented in the migrant sector, our study employs a gendered lens in examining coping strategies. Second, it assesses the role of formal and informal institutions/channels to meet the household's financial and other needs during the pandemic. Third, it captures households' perception of the potential hardships they could face if the pandemic is prolonged. Based on the findings, the study offers recommendations to help mitigate the economic difficulties of the low-income groups.

The rest of the paper is organized as follows. The next section reviews the literature on coping measures and mechanisms. The section that follows discusses the data and method of the study, followed by a next section that analyses the data. The final section concludes with a discussion and policy recommendations.

### **Coping strategies of the pandemic-affected low-income groups: Cross-country experience**

The COVID-19 pandemic is a once in a century event. Thus, there is limited literature on households' experiences in coping with pandemics. Nevertheless, we draw insights from available studies on the COVID-19 pandemic as well as other epidemics such as Ebola, AIDS, Yellow Fever, among others, to assess low-income households' coping measures amidst economic hardships induced by these types of health crises. The authors first reviewed selected studies to assess how people dealt with job loss, reductions in income, and other economic losses due to the pandemic, both in Bangladesh and selected low-income countries. A summary table is given on the indicators and measures capturing low-income groups' coping strategies during the pandemic.

Based on the in-person survey of 2,135 randomly selected households, the National Urban Poverty Reduction Programme (NUPRP) in Bangladesh found that most households (85%) were forced to decrease food consumption (UNDP-HDRC, 2020). Half of the households reduced other necessary expenses to meet the increased food prices. Around one-fifth of the households took out loans, while a similar portion (19%) accessed government aid, and 17% used their savings. It was also found that 11% of the beneficiary households received support from the NUPRP to cope with the crisis.

Both the Power and Participation Research Center (PPRC) and Brac Institute of Governance and Development (BIGD) studied livelihoods, coping, and recovery during the COVID-19 crisis, reaching out to 5,741 households in Bangladesh. It was found that urban households experienced a 26% reduction in food expenditure and as high as 86% of the urban slum households reported not having consumed milk and meat in the week before the survey (PPRC-BIGD, 2021). These studies also noted that savings and debt were widely used as personal coping measures. Social support was provided by friends and relatives, who were the most important source. Community/neighbor support had been somewhat more prominent for the urban sample. Only 13% of the urban households received support from the government.

Based on high-frequency phone surveys of World Bank in Ethiopia, Malawi, Mali, Nigeria, and Uganda, and the Reduced Coping Strategy Index (rCSI) of World Food Programme (WFP) in Malawi, Mali, Mozambique, Nigeria, Niger, and DRC, Koos et al. (2020) studied households' wellbeing and coping strategies in Africa during the COVID-19 pandemic. The rCSI measures the severity of the type of coping strategies and the frequency with which they are used. Each of these coping strategies has a weight reflecting its potential effect on the future welfare of the household.

Based on rCSI, WFP reports the proportions of households that used crisis level coping strategies (i.e., coping strategies with severe welfare implications). On the other hand, World Bank indicators are based on the percentage of people reporting the use of different coping strategies. Koos et al., (2020) showed that in the absence of adequate social protection or social insurance, most households having faced income shocks adopted different coping strategies, including reduction of certain types of consumption, selling productive assets, or borrowing at high interest rates.

Adesina-Uthman and Obaka (2020) assessed the effect of the pandemic-induced lockdown on the financial resources of Nigerian households. Their study showed that none of the households received any help from the government, employers or lawmakers, and 62% of the respondents found no support from anywhere. However, 25% received supplies from friends and families and another 13% from neighbors. In addition, 11% had planned to borrow from friends and family to cope with the strain on their income, while 71% of respondents had no contingency savings for an emergency of this nature.

Different parts of the world have experienced numerous episodes of pandemics in the past few decades. African countries, in particular, had disproportionately absorbed the burden of Ebola, AIDS, Rift Valley fever, Crimean-Congo fever and yellow fever. A study on Malawi found that the cholera outbreak there impacted over half (52%) of households' livelihoods indirectly. To cope with the situation, people borrowed money (52%), sold household livestock (6%), crops (2%) or assets (2%) (Ilboudo et al., 2017). Chipare (2010) showed how Zimbabweans managed their finances to fulfil their basic needs and medical bills. Chipare's study showed that 46% of respondents borrowed money for daily cash needs and treatment. People mostly asked for help from relatives (63%) and friends (27%). Many low-income households became indebted and failed to pay back their loans. To cope with the cholera epidemic, the government invited humanitarian agencies to assist in specialized areas after realizing that the epidemic was overwhelming (Chipare, 2010).

The HIV outbreak in Ghana was examined using a sample of 1,745 respondents, which showed that households coped with that situation by skipping an entire day's meal (13%), reducing portion sizes (61%), harvesting immature crops (8%), and begging (6%) (Laar et al., 2015). Table A1 in the appendix summarizes the numerous coping indicators found in studies discussed above.

## Data and Method

Similar to the approach adopted in Johnson et al., (2007), this study applied a quantitative research method complemented by qualitative ones. While a survey was conducted to collect quantitative data, key informant interviews (KIIs), focused group discussion (FGD), and semi-structured interviews were done to gather qualitative data and information.

### *The Survey*

The CPJ survey (henceforth, the survey) was conducted in person between November 2020 to December 2020. The survey population includes i. garment workers (RMG), ii. returnee migrant workers (returnees), and iii. a non-RMG group of workers, comprised of household aids (domestic household workers), day laborers, transport workers, micro-entrepreneurs (business), and low-salaried persons working in the private sector. The survey team collected data from Dhaka North City Corporation, Dhaka South City Corporation, and Savar on RMG and non-RMG workers. The study reached out to the returnees from Nawabjang, Manikganj, and Madaripur.

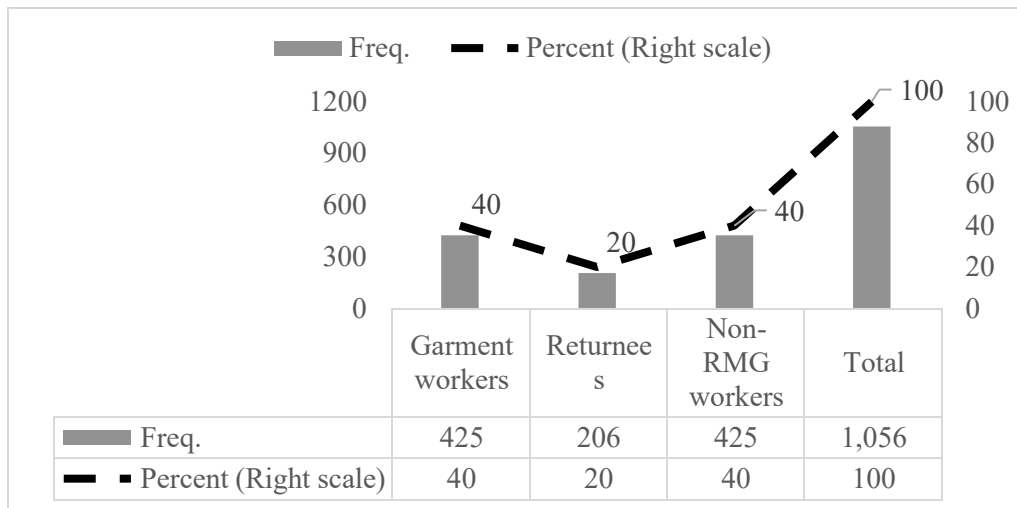
### *Sample Size Estimation*

Considering a 5% margin of error or 95% confidence interval for the true proportion, a minimum of 384 respondents was required for each group to have estimates with reasonable precision. Given the restriction imposed to comply with the COVID-19 health protocol and resource constraints, the team could not reach 384 respondents from the category "returnees", as they are dispersed all over Bangladesh. Thus, a sample size (196) for the returnees was used, giving a margin of error of 7%. The total sample size stood at 964 (384+384+196). Taking non-response and potential outliers into account, an additional 10% of respondents in each group were considered, totaling a sample size of 1,064

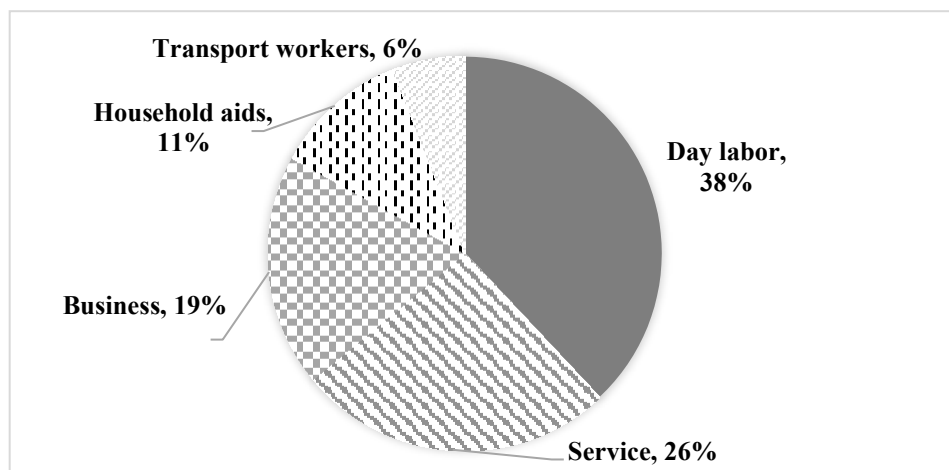
(422+422+216). In designing the survey, gender representation such as the female workforce's participation rate in RMG, non-RMG and migrant workers were also considered.

#### *Composition of the Respondents*

The survey reached out to 1,064 respondents, and after excluding the outliers, and the final number stood at 1,056, including 425 RMG workers (40%), 206 returnees (20%), and 425 non-RMG workers (40%) (Figure 2).



**Figure 2:** Distribution of respondents by profession



**Figure 3:** Classification of non-RMG workers

As shown in Figure 3, among the non-RMG respondents, 10% are household aids, 38% daily laborers, 26% low-paid salaried persons working in various services sectors (here under “service”), 6% transport workers (rickshaw puller, three-wheeler driver, etc.), and 19% micro-entrepreneurs (here under “business”).

Table 1 reports the summary statistics of the respondents. The average size of households is 4.3, the mean age of respondents is 34 years, the average educational attainment is primary level, and 81% of respondents are employed. The shares of male and female respondents are 52% and 48%, respectively. The percentage of female respondents is highest among RMG workers, followed by the non-RMG workers and returnees.

**Table 1:** Summary statistics of survey respondents

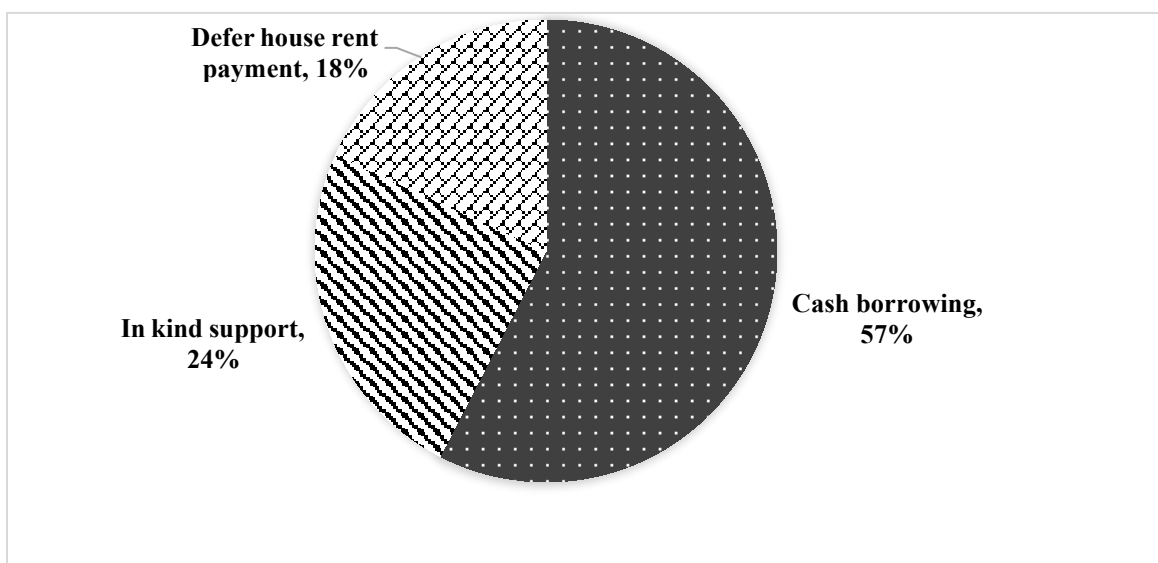
	Observation	Mean	Std. Dev.	Min	Max
Gender	1,051	0.52	0.50	0	1
Household size	1,049	4.3	1.61	1	10
Age	1,051	34.4	9.72	18	65
Education	1,051	5.0	3.65	0	16
Employment	1,051	0.81	0.40	0	1

*Note: Education is a discrete variable: 1-10= class 1-10, 11= SSC, 12-13=HSC, 14-15= BA/BSC, 16= MA/MSc, and 0 otherwise. Gender is a dummy variable taking on two values, 1 indicating male.*

The survey data was analyzed using the statistical software STATA. In addition to outlining descriptive statistics, analyzing crosstabs, and showing the key trends in graphs and tables, the authors conducted a two-sample t-test, also known as the independent samples t-test. The method (t-test) was applied to test whether the unknown population means of two groups are equal or not, capturing the differences between groups (Cressie and Whitford, 1986).

### Analysis of Results

To cope with the pandemic, households required both cash and in-kind assistance, as well as the ability to defer rental payments. Figure 4 shows that cash borrowing (57%) was the primary source of needs, followed by in-kind support (24%), and delay in house rent payment (18%). A disaggregated analysis by gender, profession, and status of employment revealed a somewhat similar pattern. Female workers generally sought more in-kind than cash support, and they requested a delay in the payment of house rent (Figure A1 in appendix). Figure 4 clearly shows that households required multiple types of support during the pandemic.



**Figure 4:** Types of support respondents sought during the pandemic



We will now discuss the various institutional and personal means used by households to cope with the pandemic.

## Institutional and personal coping measures of low-income households amid the pandemic

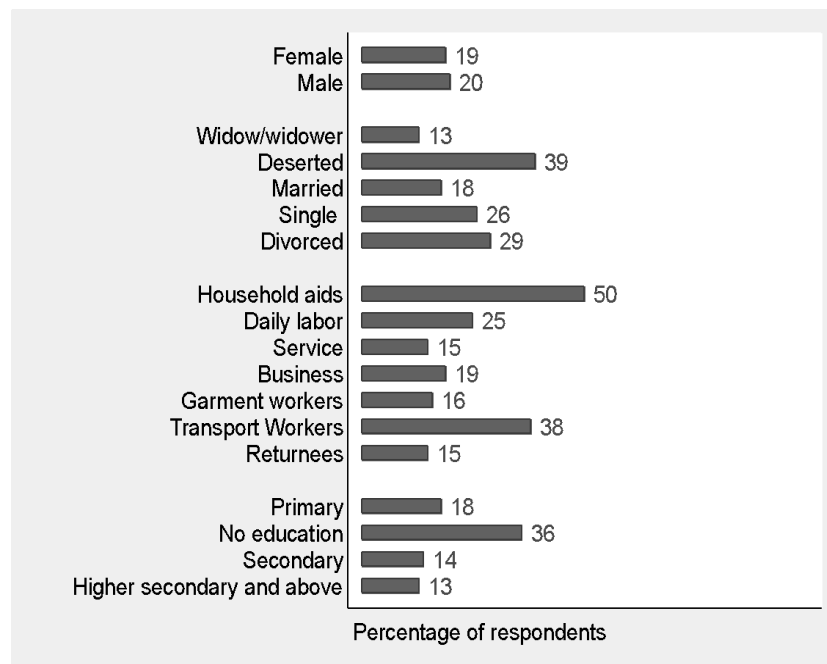
### Access to Social Safety Net

The survey explored the extent to which the study population was protected from extreme vulnerability through recurrent social safety net programs. It was found that only 22% of the respondents or their families had access to social safety net programs, namely food for work, cash for work, widow allowance, elderly allowance, and VGF (Vulnerable Group Feeding) (Table 2).

**Table 2:** Households' access to public social safety net

	Food for work	Cash for work	Widow allowance	Elderly allowance	VGF	Total	Any types of safety net
	Frequency						Percent
Yes	29	175	8	19	4	235	22
No	299	223	99	171	33	825	78
N	328	398	107	190	37	1060	100

Differentiated figures by professions in Figure 5 shows that the household aids topped the list (50%) in accessing the safety net benefits, followed by transport workers (38%), day laborers (25%), RMG workers (16%), service holders (15%), and business (micro-entrepreneurs) (15%). In addition, women who had been abandoned (39%) and respondents with no education (36%) had relatively higher-level access to numerous safety net programs. A gender-differentiated analysis suggests that 20% male and 18% female respondents benefitted from any public safety net programs.



**Figure 5:** Households' access to public social safety net

Table 3 reports the results of the two-sample t-test for selected indicators based on the respondents' gender. There was no difference between male and female workers' access to social safety net programs, reflected by an insignificant p-value (last column of Table 3).

**Table 3:** Two-sample t-test results for selected indicators by gender

	Male	Female	Mean Male	Mean Female	dif	St Err	t value	p value
Access to social safety net	551	500	1.80	1.82	-.016	.025	-.65	.521
Access to emergency relief	551	500	1.77	1.68	.097	.028	3.55	.001
Member of a community network	551	500	1.81	1.81	-.006	.025	-.25	.799
Received help from community network	107	94	2.85	2.79	.063	.061	1.05	.303
Help sought from community at large	551	500	1.61	1.53	.084	.03	2.75	.006
Received help from community at large	551	500	1.74	1.71	.029	.028	1.05	.303
Change in having 3-meal a day	455	436	2.46	2.47	-.009	.042	-.2	.835
Adequate quantity of food	453	436	2.19	2.21	-.021	.034	-.6	.533
Protein intake	455	436	1.99	2.03	-.039	.025	-1.6	.115
Used savings	551	500	1.12	1.23	-.105	.023	-4.55	0
Need financial support	555	501	1.29	1.21	.079	.026	2.95	.003
Received financial support	392	393	1.22	1.28	-.063	.03	-2.05	.04
Alternative way of earnings	551	500	1.77	1.90	-.13	.023	-5.65	0
Able to cope with Covid-19	555	501	1.82	1.87	-.05	.022	-2.2	.028

### *Access to Emergency Relief*

Emergency assistance (relief) is provided by the government and other non-government and community organizations to help low-income groups. The survey found that 27% of the respondents (n=289) received *ad hoc* emergency assistance. Table 4 shows that survey respondents cited the community as the highest source of support (64%), followed by the government (39%), and non-government organizations (NGOs) (29%).

**Table 4:** Major sources of emergency relief during the COVID-19 pandemic

	Frequency	Percent
Government		
Yes	114	39
No	175	61
Community		
Yes	184	64
No	105	36
NGO		
Yes	83	29
No	206	71

Disaggregated findings in Figure 6 by professions shows that household aids topped the list (43%) in accessing emergency relief, followed by day laborers (41%), service (34%), micro-entrepreneurs (28%), RMG workers (27%), transport workers (27%), and returnees (10%). A gender-disaggregated analysis suggests that about one-third of females and nearly a quarter of males received emergency relief. The two-sample t-test results in Table 3 also confirmed a significant difference in accessing emergency relief in terms of respondents' gender status.

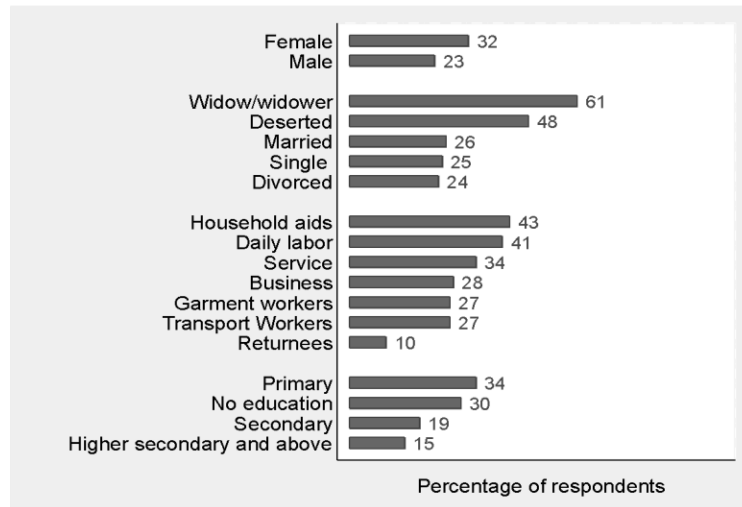


Figure 6: Respondents’ access to emergency relief

In terms of sources of emergency assistance, as Table A2 in the appendix shows, 74% of household aids received emergency relief from the community, followed by RMG workers (68%), micro-entrepreneurs (65%), returnees (65%), service (61%), daily laborers (58%), and transport workers (29%).

**Access to Community Networks and Support**

Survey enumerators gathered data on households’ affiliation with any community groups, networks, or organizations that may be considered to be social capital. Social capital is particularly important during a crisis period as the government has limitations addressing multi-dimensional problems faced by vulnerable sections. The survey results showed that only about one-fifth (19%) of the households were affiliated with community networks (Figure A2 in Appendix).

People involved in business (32%) and service (32%) professions had a higher affiliation with community networks, whereas household aids (11%) and returnees (12%) had the least association. Figure 7 indicates that only 16% of households received help from the community network with which they were associated. For certain groups such as household aids and transport workers, there was no help received. The two-sample t-test shown in Table 3 indicated no gender difference in terms of respondents’ community membership and help from their affiliated network during the pandemic.

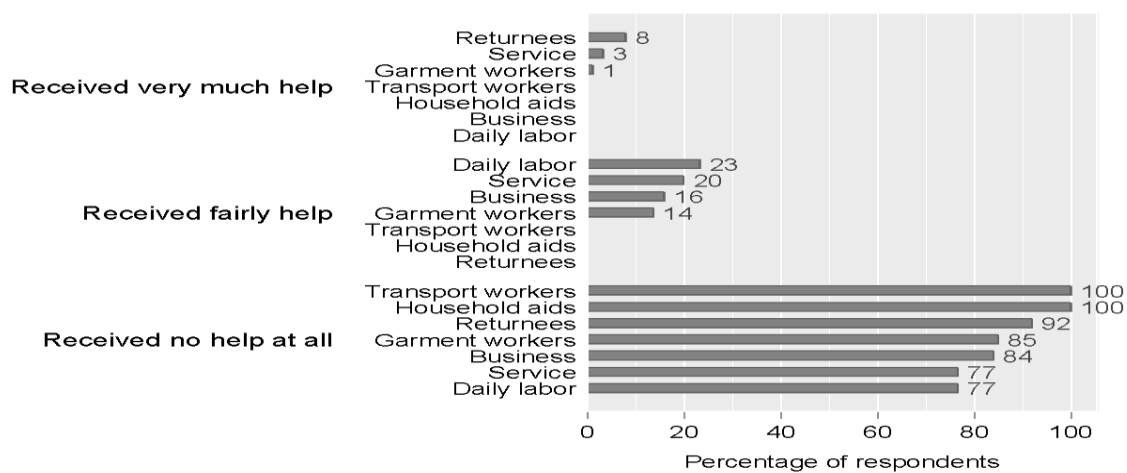


Figure 7: Received help from community networks

The survey explored whether respondents sought and received help from the community at large beyond their network. About 43% of respondents sought community support, but only 27% of them received the help they sought. A disaggregated analysis in Figure 8, based on professions, revealed that over two-thirds (68%) of the household aids sought community support, followed by service holders (55%), transport workers (54%), day laborers (52%), micro-entrepreneurs (40%), RMG workers (39%), and returnees (32%).



**Figure 8:** Percentage of respondents who sought community support by profession

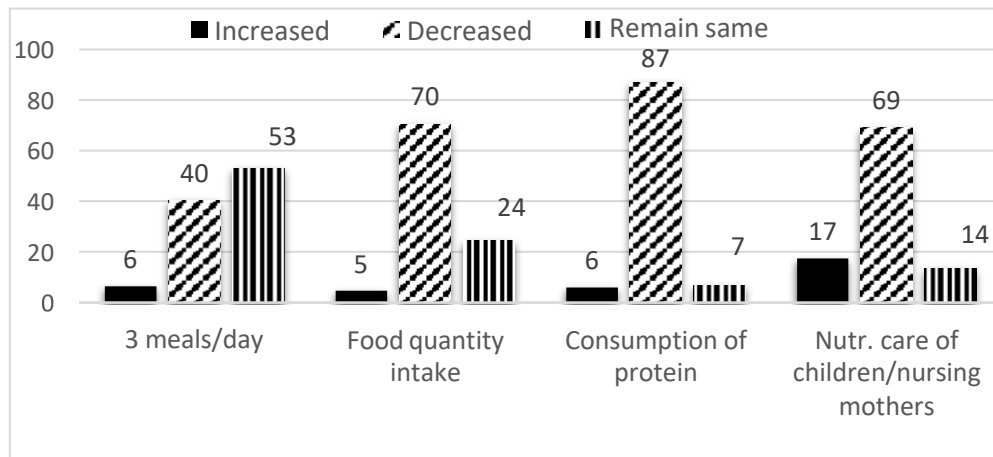
A gender-wise differentiation of the findings revealed that 48% of females and 39% of male respondents sought help, while 29% of females and 26% of males received help. Among the recipients of community support, 35% of service holders received assistance, followed by daily laborers (33%), household aids (27%), micro-entrepreneurs (27%), RMG workers (27%), returnees (20%), and transport workers (19%). The two-sample t-test in Table 3 suggested a significant gender gap in seeking community help. However, there is no difference in this regard in receiving the support.

Unstructured interviews and the FGDs revealed a mixed view of support from the community or NGOs. A section of them received the help they sought, while some reported that while their names were listed by the concerns, they did not eventually receive the support due to them. Some household aids received support from their employers. One NGO executive said that they helped the people with whom they had institutional relations, but they did not follow a community-based approach in reaching out to the needy. Another senior NGO executive mentioned that NGOs usually implement donor-designed projects, and they had lost the innovative capacity and desire to establish the kind of volunteerism needed to support the vulnerable people in a situation such as COVID-19.

### ***Cut-down in Food and Nutrition Intake***

Figure 9 shows that the food intake and nutritional behavior of households had changed amid the pandemic. About 93% of household aids, 92% of day laborers, 85% of micro-entrepreneurs, 92% of transport workers, 89% of private service holders, 81% of RMG workers, and 78% of returnees experienced the change in food intake behavior (Figure A3 in appendix). About 40% of households were found to have reduced the number of their meals to less than three meals a day, 70% consumed less quantity of food, 87% reduced protein consumption, and 69% nursing mothers and children received reduced nutritional care. Figure A4 in the appendix further shows that the incidence of decrease in protein intake among the occupational groups was between 83% to 93%, with household aids topping the list (93%), followed by day laborers (92%), private service holders (88%), RMG workers (86%), micro-entrepreneurs (84%), transport workers (83%), and returnees (83%).

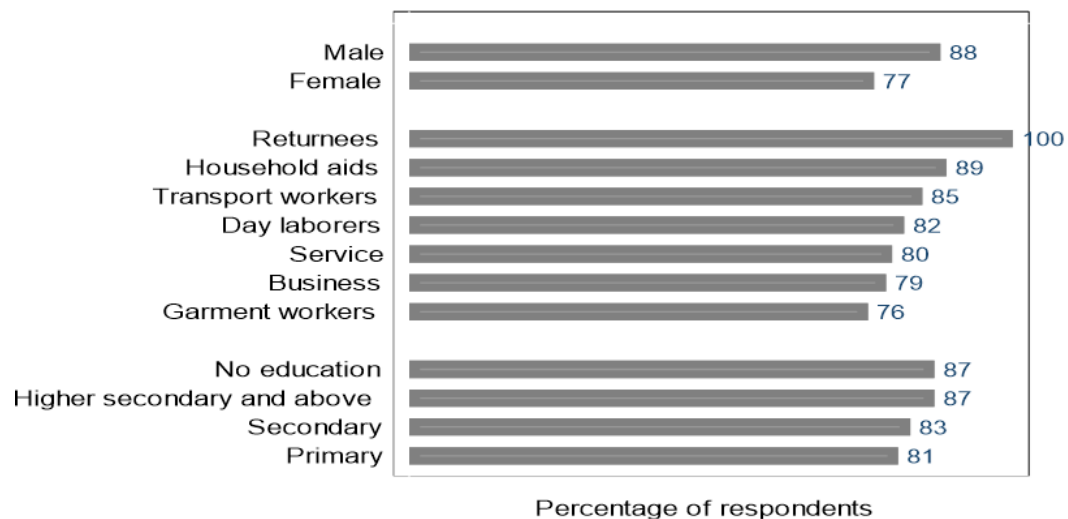
The two-sample t-test in Table 3 indicated no difference between male and female workers in terms of food and nutrition intake - both groups were equally affected adversely in terms of having less meals a day, an inadequate quantity of food, and a lower protein intake. Changes in the food and nutritional intake behavior depicted here was also echoed by the respondents of FGDs and unstructured interviews.



**Figure 9:** Changes in the food and nutritional intake (% of respondents)

### *Usage of Savings*

Figure 10 shows that households' income declined markedly, while their expenses did not drop in line with income fall during the pandemic. Given the limited scale of the social safety net and emergency relief and community-based support, they depended on their savings to cope with the shock. This became obvious when 83% of the respondents reported that their savings were adversely affected. Among different professions, returnees (100%) were the most affected groups, followed by household aids (89%), transport workers (85%), day laborers (82%), and service (80%). More male workers (88%) witnessed their savings depleted than female workers (77%).

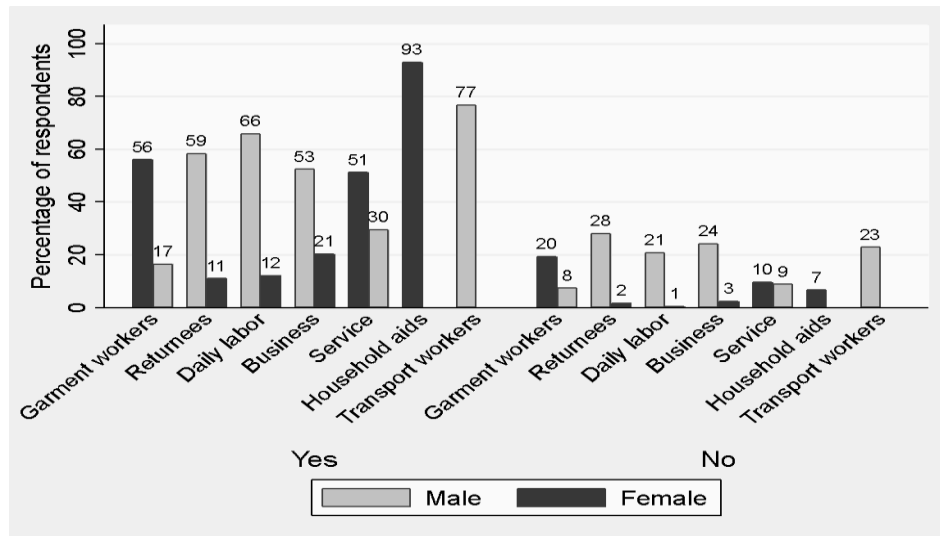


**Figure 10:** Percentage of households' savings affected during the pandemic

In Table 3, the two-sample t-test confirmed a significant gender gap in terms of households' depletion of savings amid the pandemic, with male workers more affected than female workers. Unstructured interviews and an FGD showed that most households used up their savings during the pandemic. NGOs discouraged their clients' use of savings for consumption purposes. Some respondents used ornaments as collateral or sold them to get a loan to finance daily necessities.

**Borrowing from Formal and Informal Sources**

The savings and/or assets of respondents were not sufficient to meet their financial and other needs. About three quarters of the households felt the need for financial support, with more females (80%) than male workers (71%) feeling this pressure. However, more male workers (79%) received financial support than female workers (72%). A disaggregated analysis by occupation in Figure 11 revealed that 93% of the household aids, 81% service holders, 79% of the day laborers, 77% of transport workers, and 74% of micro-entrepreneurs felt the need for financial support during the pandemic.



**Figure 11:** Gender and profession wise financial needs of households

Figure 12 shows that informal channels or institutions, namely relatives, neighbors, grocery store owners, friends, and moneylenders, were the key sources of borrowing, with a minimal role of banks and other formal institutions in meeting the financial needs of households. Disaggregated findings in Table A3 in the appendix indicate that male respondents generally approached relatives more than female respondents did, whereas the women cohort preferred their neighbors as a primary source of financial help. The returnees approached relatives for financial support (76%); the corresponding figures for both the non-RMG group and RMG workers were 60%. Irrespective of gender and profession, banks, NGOs, and other institutions together accounted for only 12% of the sources of funds.

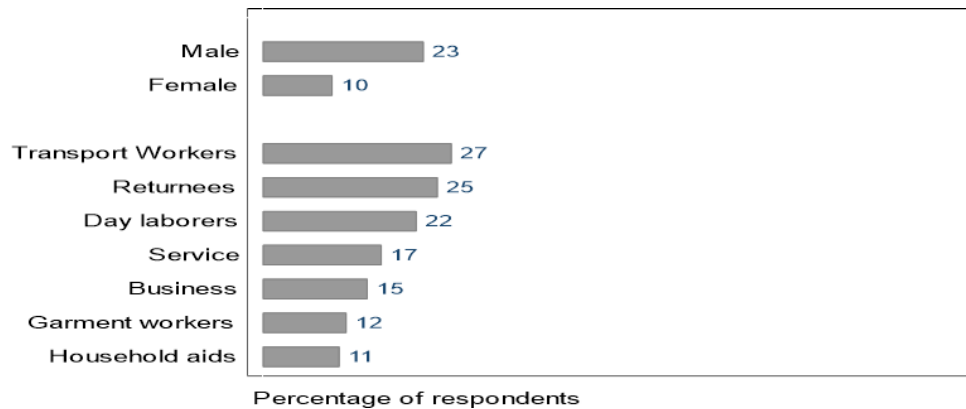


**Figure 12:** Respondents' sources of financial support during the pandemic (multiple responses)

There is a significant gender gap in terms of demand and supply of finance, as indicated by the results of the two-sample t-test in Table 3, given the fact that more female workers than male workers felt the need for financial support. In contrast, more male workers received support compared to female workers.

### *Search for an Alternative Livelihood*

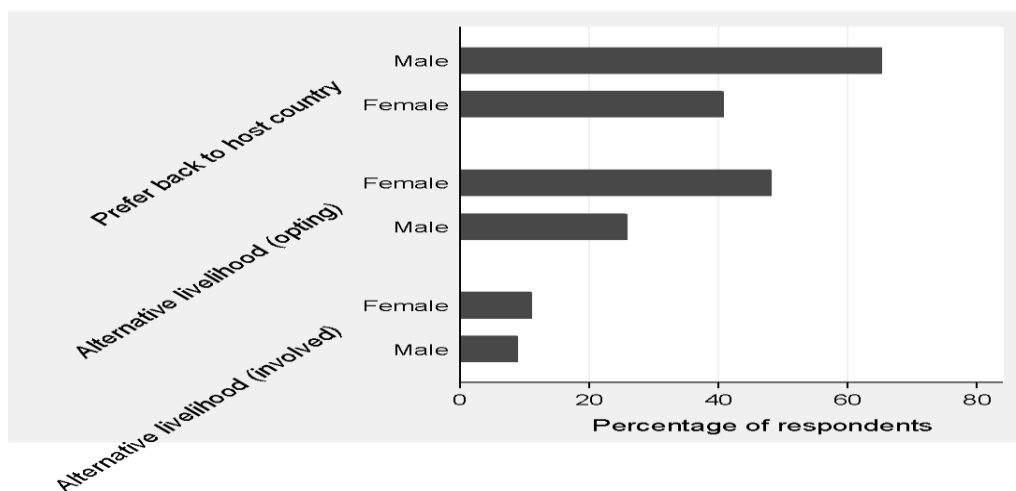
A number of respondents tried to find other sources of income when they could not perform their regular occupations. For example, Figure 13 shows that about 27% of transport workers opted for an alternative way of earning.



**Figure 13:** Alternative sources of income by gender and profession

Having lost their source of income abroad, 25% of returnees explored alternative livelihood (25%), followed by day laborers (17%), service holders (17%), and micro-entrepreneurs (15%). More male workers (23%) opted for an alternative livelihood compared to female workers (10%), the two-sample t-test suggesting a significant gender difference in terms of the respondents' attempts to find an alternative livelihood.

An alternative livelihood as a coping strategy was essential for migrant workers, given the uncertainties of returning to host countries. Just under two-thirds of the returnees said they would like to return to host countries. Less than 10% of them were involved with alternative livelihood, and a quarter opted for it (Figure 14).



**Figure 14:** Future livelihood plan of returnee migrants by gender

There was a marked difference between male and female returnees in terms of their preference for alternative livelihood. Nearly half of the female returnees had explored alternative livelihood opportunities in Bangladesh, and that share was much higher than their male counterparts.

**Households’ Worry and Ability to Cope with the Pandemic-induced Protracted Crisis**

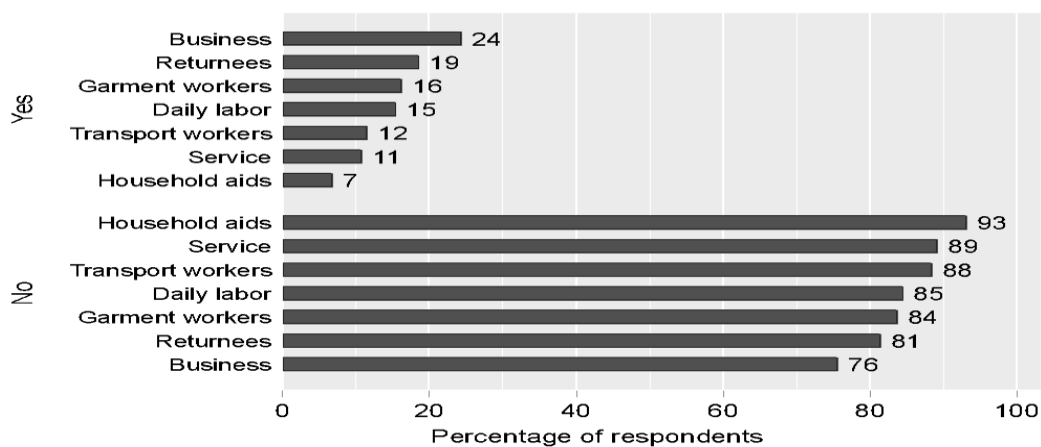
Given the protracted nature of the pandemic, low-income households expressed their concerns about being able to cope with the further shocks emanating from the pandemic. Figure 15 shows that only 5% of respondents were not worried about their future economic loss, while nearly 55% were apprehensive, and 40% were reasonably worried. Returnee migrants (73%) were, in particular, concerned about their future economic losses.

The study explored whether the respondents would be able to bear the cost burden of the pandemic any further, beyond the year 2020. Only 16% of respondents felt that they were in a position to cope with the pandemic with a significant gender gap whereby nearly a-fifth of male workers (19%), compared to 13% of female workers, would be able to bear the burden.



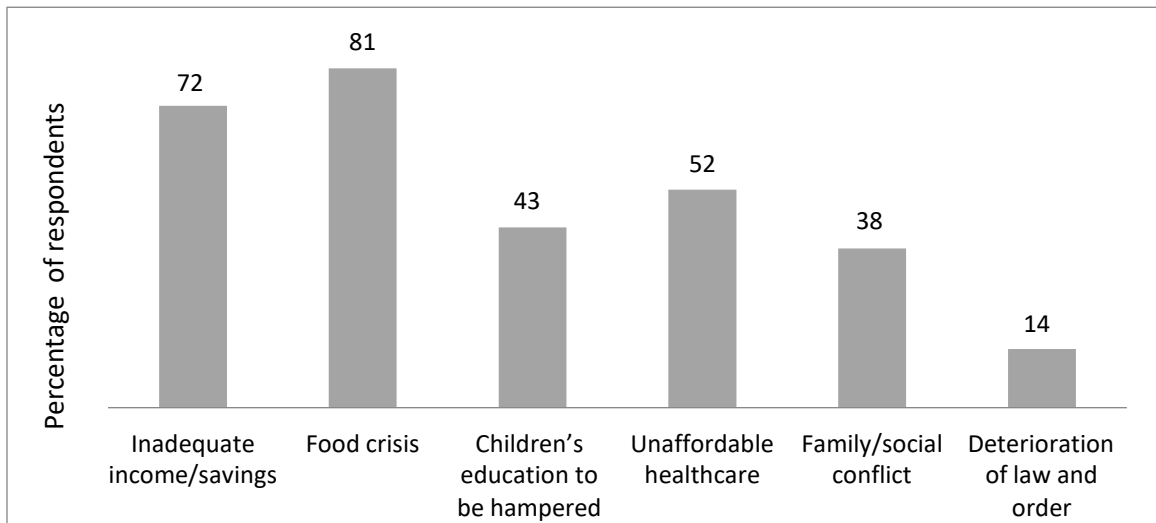
**Figure 15:** Households concerns about future economic loss

A disaggregated analysis by profession in Figure 16 shows that the household aids (7%) are least prepared to absorb the further burden of the pandemic, followed by service holders (11%), transport workers (12%), and daily laborers (15%) and micro-entrepreneurs (24%). Households could face multidimensional problems if the pandemic is prolonged. Figure 17 shows that they mentioned a potential shortage of food (81%), reduction of income and savings (72%), increased healthcare costs (52%), disruption of education of children (43%), potential family conflict (38%), and deterioration of law and order (14%) are some of the problems they could face.



**Figure 16:** Households’ ability to cope with the outbreak in the near future

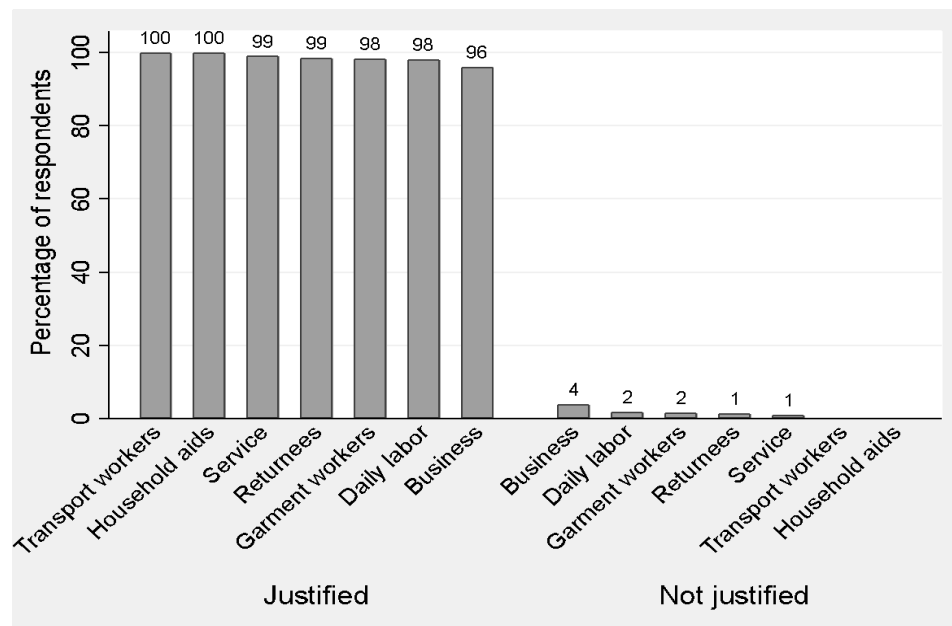




**Figure 17:** Types of problems households may face (multiple responses)

### Addressing the Problems of Low-income Groups

The analysis above indicates that low-income households in Bangladesh struggled to cope with the pandemic. The survey attempted to understand the potential solutions to address the problems of low-income people. In doing so, it captured the households' perception about the much-debated life-livelihood trade-off during the pandemic. Epidemiologists recommended that economic activities be limited, if not shut down, until the virus is controlled. On the question of whether the government's decision to open up the economy before controlling the virus was appropriate, almost 99% of the returnees, 98% of RMG workers, and 98% of the non-RMG workers justified the decision, as shown in Figure 18. The survey found that about 8% of respondents (or their families) were affected by the COVID-19 infection. This indicated that for low-income groups, the preference for livelihood opportunities was more important than the risk of exposure to the COVID-19 virus.



**Figure 18:** Respondents' perception of the government's decision to open up the economy before controlling the virus

However, opening up the economy to help absorb the economic shock of the pandemic does not diminish the further role of the government to provide support to people in economic hardship during this time. Nearly 70% of households expected the government to come to their rescue to cope with the crisis. More male (75%) than female workers (67%) had higher expectations in this regard. In terms of professions, day laborers (89%) were either highly or reasonably hopeful that the government would help them to overcome their losses, followed by transport worker (83%), service holders (71%), returnees (67%), RMG worker (65%), household aids (61%), and business (60%) (Figure 19).

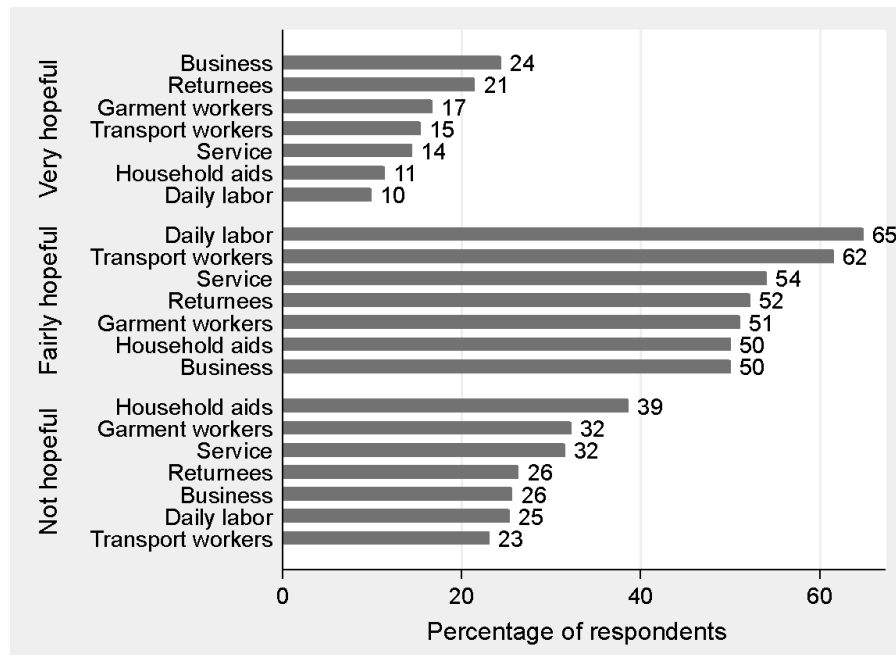


Figure 19: Expectation of getting support from the government to regain economic losses

## Conclusions and Policy Recommendations

This study has three specific objectives. The first objective is to assess the numerous measures low-income households used as well as institutional and community support that were available to cope with the pandemic-induced economic crisis. The second objective is to assess any gender difference in these coping strategies. The final objective is to explore the roles that the formal and informal institutions have played to mitigate the financial and other needs.

The findings show that all low-income groups from every occupation surveyed suffered significantly while coping with the pandemic. However, there were marked heterogeneities in terms of occupation and gender, among others. The non-RMG group, particularly informal workers such as household aids, transport workers, and day laborers struggled the most to cope with the pandemic. Micro-entrepreneurs and low-earning service holders had a similar experience. Together, they seldom form an organized group with any effective representation at the national level to lobby for public support such as stimulus packages or other forms of assistance. Returnee migrants suffered in terms of job and income loss, among other things, and lacked representation to voice their demand effectively.

The majority of low-income people coped with the pandemic by cutting down their food and nutrition intake. Several studies reviewed in this paper confirm that reduced consumption across low-income groups was one of the critical ways to cope with the crisis. The long-term consequences of a lack of nutrition are enormous (Kraemer et al., 2016). Targeted programs should be developed, involving international organizations and donors, to limit the impacts of growing food and nutrition poverty.

The study found a variety of results while assessing gendered perspectives in how respondents coped with the pandemic. Female workers, in particular, were in a disadvantageous situation in meeting financial needs during this time. Also, more female returnees felt the need for alternative employment than male workers. These gender-specific concerns should be addressed when designing policies to help people withstand the shock of the pandemic.

Institutional support such as social safety net programs and *ad hoc* emergency assistance were inadequate to help low-income groups. When it came to emergency relief, not even one-third of them received assistance during the pandemic. During lockdowns or similar emergencies, the poor section of the society should be provided with enough cash and food assistance given the lack of adequate contingency savings. A World Bank study also showed that the coverage of safety nets in urban areas (18%) in Bangladesh is comparatively low compared to rural areas (36%) (Daily Star, 2019). Because poverty is changing and becoming more prevalent in urban areas, new solutions may be required. Globally, the COVID-19 pandemic underscores the need for the state to put in place policies, strategies, and institutionalized means of ensuring social protection for all, especially the very poor and vulnerable (UN/DESA, 2020). It is recommended that the coverage of safety net programs be extended in urban and semi-urban areas of Bangladesh.

Formal financial institutions were of little help in meeting households' financial needs. Low-income groups had minimal access to banks and other formal institutions' loan and credit facilities. They overwhelmingly borrowed from informal channels, notably from relatives, neighbors, grocery shop owners, and friends. Given the lack of collateral, low-income people are not bankable in formal institutions. While the Bangladesh Bank introduced a scheme to refinance NGOs' needs for an emergency loan, they have been risk-averse during the pandemic. Innovation is needed to make the formal financial system and NGOs responsive so that they can be mobilized to provide credit swiftly during emergencies.

The role of communities during the pandemic or similar emergency settings is very critical. The study found that communities have a mixed function. Respondents received more emergency assistance (i.e., emergency relief) from communities than the government and NGOs. However, they received little assistance from the community organizations they were involved with. Policy options could include promoting communities that develop this form of social capital, so that this could complement the state's operations during an emergency.

Given the displacement of a large number of migrant workers and lockdown-induced restrictions, returnees and transport workers, in particular, opted for alternative livelihoods. Institutional support in the form of cheap credit and skill development, among others, could facilitate low-income workers' capacity for an alternative livelihood.

While the study is designed to assess the impact of the first wave of the pandemic, the authors have drawn several lessons that could be useful to help low-income households cope with a second wave of the pandemic. An overwhelming majority of low-income households placed a higher priority on their livelihood than risking exposure to the COVID-19 virus. This is hardly surprising given the myriad challenges they faced. From policy perspectives, the choices that these households made should be considered when recommendations are provided by epidemiologists and other health sector experts.

As the pandemic continues, the fear that households had and was reflected in the survey becomes a reality. Low-income groups anticipated several problems they might face, including food shortage, further pressure on their savings and assets, educational losses for their children, unaffordable healthcare, and family (social) tensions. The survey also underscored that low-income people relied heavily on the state to cope with the crisis. This reinforces the fact that the government remains the insurer of last resort.

Given the myriad of problems faced by the low-income groups and the potential further vulnerabilities amidst the third wave of the pandemic, the government, development partners, and international agencies may want to consider the policies recommended in this study to mitigate the impact of the COVID-19 pandemic on these vulnerable groups.

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**Conflict of Interest:** The authors have no conflicts of interest to declare.

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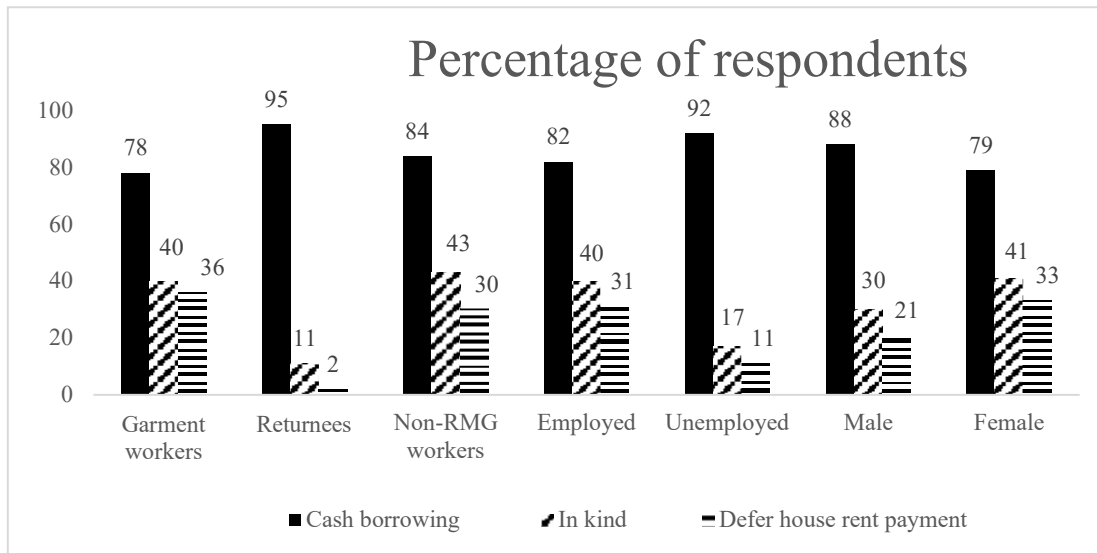
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## Appendix

**Table A1:** Indicators of coping measures applied in selected studies

Coping mechanisms indicators	Country focus	Reference study
<ul style="list-style-type: none"> <li>▪ Decreased food consumption</li> <li>▪ Reduced other necessary expenses</li> <li>▪ Took loan</li> <li>▪ Received government aid</li> <li>▪ Received Non-government aid</li> <li>▪ Used savings</li> <li>▪ Received support from community-based organization</li> <li>▪ Sold assets</li> <li>▪ Received individual grant</li> <li>▪ Accessed ration card (food subsidy)</li> <li>▪ Purchased goods from open market sales</li> <li>▪ Moved to lower rented place</li> <li>▪ Migrated out (household member)</li> <li>▪ Shared household rent</li> </ul>	Bangladesh	UNDP-HDRC (2020)
<ul style="list-style-type: none"> <li>▪ <i>Personal coping:</i></li> <li>▪ Used household income and savings</li> <li>▪ Took loans, shop credit</li> <li>▪ Reduced consumption</li> <li>▪ Sold asset</li> <li>▪ Received remittance</li> <li>▪ <i>Social and Institutional coping:</i></li> <li>▪ Received support from friends/relatives, neighbors, and local community</li> <li>▪ Received support from employers</li> <li>▪ Received government relief</li> <li>▪ Received help from NGOs</li> </ul>	Bangladesh	PPRC-BIGD (2020) & PPRC-BIGD (2021)
<ul style="list-style-type: none"> <li>▪ Used contingency savings</li> <li>▪ Borrowed essential supplies from friends and relatives</li> <li>▪ Received government support</li> <li>▪ Borrowed from banks</li> </ul>	Nigeria	Adesina-Uthman and Obaka (2020)
<ul style="list-style-type: none"> <li>▪ Reduced certain types of consumption</li> <li>▪ Sold productive assets</li> <li>▪ Borrowed at high-interest rates</li> <li>▪ Received social assistance.</li> <li>▪ The reduced coping strategy index (rCSI) of World Food Programme. Constructed from a battery of questions - whether a household had to rely on selling assets, informal borrowing, reducing meals, and how frequent they did that over a specified period, normally 7 days.</li> </ul>	Ethiopia, Malawi, Mali, Nigeria, Uganda, Mozambique, Niger, and DRC (Congo)	Koos et al. (2020)
<ul style="list-style-type: none"> <li>▪ Borrowed money</li> <li>▪ Sold household livestock</li> </ul>	Malawi	Ilboudo et al. (2017)
<ul style="list-style-type: none"> <li>▪ Skipped meals</li> <li>▪ Reduced protein consumption</li> <li>▪ Harvested immature crops</li> </ul>	Ghana	Laar et al. (2015)



**Figure A1:** Types of support sought by respondents during the pandemic (multiple responses)

**Table A2:** Sources of emergency relief by professions (n=289)

Source of relief	RMG workers	Returnees	Daily labor	Business	Service	Household aids	Transport workers
<b>Government</b>							
Yes	35.65	55	46.27	34.78	31.58	42.11	42.86
No	64.35	45	53.73	65.22	68.42	57.89	57.14
<b>Community</b>							
Yes	67.83	65	58.21	65.22	60.53	73.68	28.57
No	32.17	35	41.79	34.78	39.47	26.32	71.43
<b>NGO</b>							
Yes	30.43	5	26.87	39.13	34.21	21.05	42.86
No	69.57	95	73.13	60.87	65.79	78.95	57.14

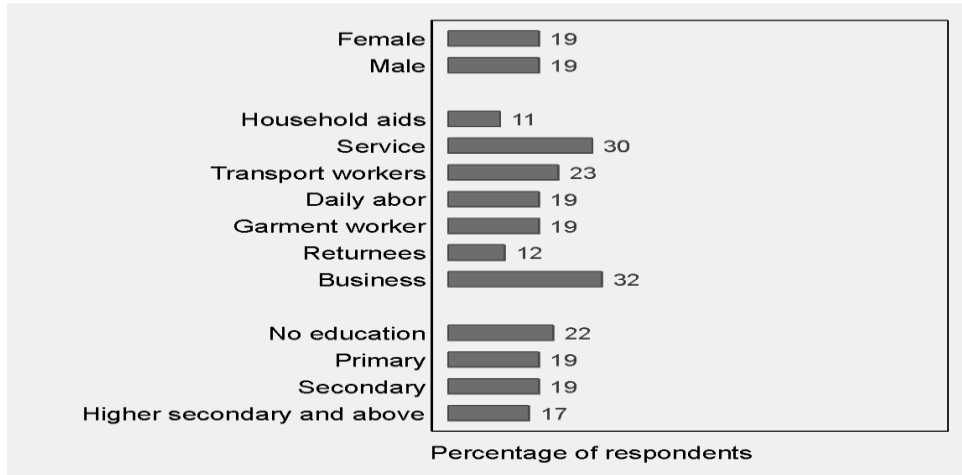


Figure A2: Households affiliation with community network

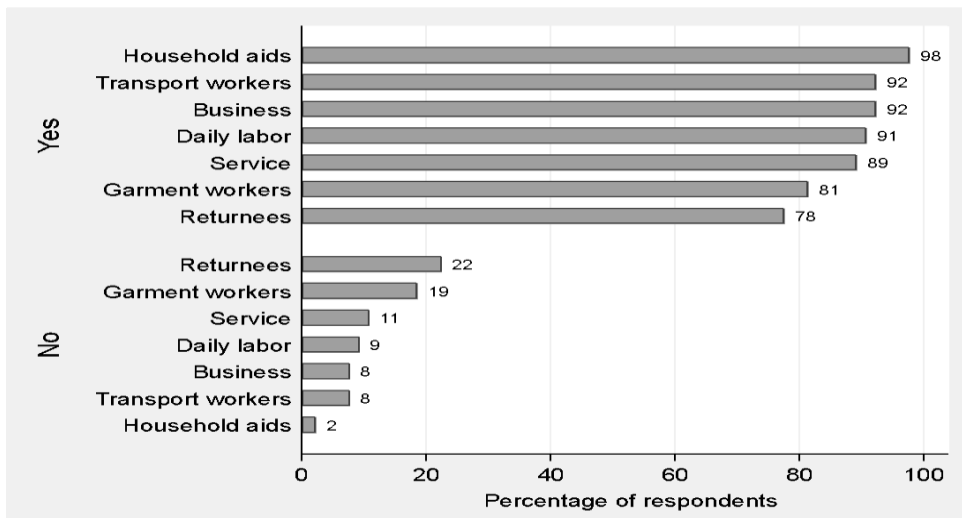


Figure A3: Profession-wise incidence of changes in food behavior

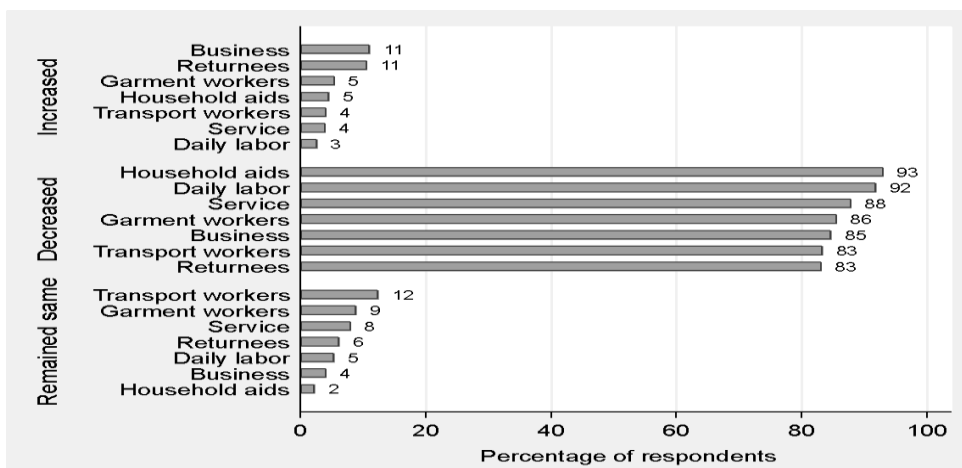


Figure A4: Profession-wise incidence of change in protein intake



**Table A3:** Financial support sought from different sources by profession and gender

		Relatives	Friends	Neighbors	Money lender	Grocery shop owners	Bank	Other institutions	Total
RMG	Frequency	185	28	173	12	93	14	38	543
	Percent of responses	34.07	5.16	31.86	2.21	17.13	2.58	7	100
	Percent of cases	60.26	9.12	56.35	3.91	30.29	4.56	12.38	176.87
Returnees	Frequency	106	22	14	0	6	17	22	187
	Percent of responses	56.68	11.76	7.49	0	3.21	9.09	11.76	100
	Percent of cases	75.71	15.71	10	0	4.29	12.14	15.71	133.57
Non-RMG	Frequency	201	24	186	18	96	16	57	598
	Percent of responses	33.61	4.01	31.1	3.01	16.05	2.68	9.53	100
	Percent of cases	60.18	7.19	55.69	5.39	28.74	4.79	17.07	179.04
Male	Frequency	261	46	144	15	72	31	64	633
	Percent of responses	41.23	7.27	22.75	2.37	11.37	4.9	10.11	100
	Percent of cases	67.1	11.83	37.02	3.86	18.51	7.97	16.45	162.72
Female	Frequency	231	28	229	15	123	16	53	695
	Percent of responses	33.24	4.03	32.95	2.16	17.7	2.3	7.63	100
	Percent of cases	58.93	7.14	58.42	3.83	31.38	4.08	13.52	177.3