

Impact of COVID-19 on society: Livelihood Strategies of the Lower Income Communities in Bangladesh

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Abstract

COVID-19 pandemic is a global public health crisis that claimed lives of millions of people worldwide. Not only health sector, it touches every sector, bringing adverse impacts on livelihood. Income loss and layoffs due to this pandemic has pushed a huge population under the extreme poverty line. As the COVID-19 situation has severely affected the income and livelihood of the people, this study aimed to find out the livelihood strategies of the lower income class of Bangladesh during Covid-19 crisis and how their livelihood strategies shape their daily life. This study employed a case study design. A sample of 40 households was selected purposively from three districts of Bangladesh, namely Nilphamari, Panchagarh and Chapainawabganj. Qualitative data of this study was collected by conducting semi-structured interviews. Data analysis was framed around the Sustainable Livelihoods Framework. The study revealed that after experiencing income loss, people from the lower income class had undertaken unsustainable livelihood strategy for immediate survival. Those who relied solely on financial capital had mostly experienced negative livelihood outcomes. Lack of motivation, inadequate institutional support and mental stress were some other factors that had brought influence over people's livelihood choices and ultimately deplete their livelihood and well-being.

Keywords: Lower Income Community, Livelihood Strategies, Sustainable Livelihood Framework, COVID-19, Bangladesh.

Introduction

COVID-19 has proven itself to be not only a global public health crisis, but also a threat to educational, social and economic development. Along with claiming lives of billions of people worldwide, it caused the laying off of many more, leaving a huge population jobless and pushing them below the poverty line. Global extreme poverty rose in 2020 for the first

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time in over 20 years because of the disruption of the COVID-19 pandemic. Currently about 120 million additional people are living in poverty as a result of the pandemic, with the total expected to rise to about 150 million by the end of 2021 (The World Bank, 2021).

Bangladesh had made remarkable progress in absolute income poverty reduction and sustainable economic development since the 1990s. The fast growing economy of Bangladesh has suffered a massive setback amidst the COVID-19 crisis. The economic turmoil deluged almost every sector that the economy of the country depends on. It is estimated that seven million jobs in the micro, small and medium enterprises (MSME) sector, five million jobs in the transport sector, three million jobs in the construction sector, more three million jobs in the manufacturing sector (The Financial Express, 2020) and around 20 million informal sector workers' (as of July 2020) job were disappeared temporarily (A2i, 2020), as the pandemic is tearing apart the economy. Informally employed labor force and informal sector workers covers a big portion of the newly poor group as informal sector is one of the hardest hit sectors in the pandemic. In Bangladesh, informal sectors generate employment opportunities for 85.1 per cent of the employed population of the country (BBS, 2018). However, most of the informal workers rely on minimum daily wages, and enjoy very little provisions of employment protection.

Studies conducted on the socio-economic impacts of the virus on the informal sector workers and marginalized groups are mainly focused on the challenges derived from the income loss. These studies have identified increasing poverty (Mottaleb et al., 2020; Hossain, 2021), food insecurity (Bidisha et al., 2021; Dev & Kabir, 2020; Ruszczyk et al., 2021), inadequate healthcare facilities (Islam et al., 2020; Sakamoto et al., 2020), increased level of mental stress and anxiety of general people (Ahmed & Sifat, 2020; Iqbal et al., 2021; Paul et al., 2021; Sakamoto et al., 2020; Shammi et al., 2020), and increased domestic violence and gender discrimination (Ahmed & Sifat, 2020; Islam et al., 2020; Rayhan & Akter, 2021) as some of the major concerns right now. While some other studies have emphasized on the hardest hit sectors of the economy and provided policy suggestions for post-pandemic economic recovery plan (Alam et al., 2020; Dev & Kabir, 2020; Hossain, 2021). Findings of these previous studies draw a clear picture of different dimension of the increasing poverty, early preventive measures of the government, and the possible courses of action to be taken by the government and other development agencies in dealing with this crisis situation. However, no study so far has been found on the livelihood strategies that the poor class have taken during the crisis and how their livelihood strategies are

shaping their vulnerability context. Against this backdrop, this study attempted to explore the livelihood strategies taken by the people experiencing income loss due to COVID-19 and to determine the possible livelihood outcomes by analyzing their livelihood strategies using Sustainable Livelihood Framework.

Objectives of this Study

This study aims to find out

- the effects of COVID-19 on lower income communities in Bangladesh,
- the livelihood strategies taken by the Lower Income Communities (LCI) to face the corona crisis, and
- The possible effects of these livelihood strategies in shaping their daily life.

Key concepts of the study

Lower Income Community

The International Extreme Poverty line developed by the World Bank has been used to determine the lower income community in this study. The international extreme poverty line was set in the late 1990s at one dollar a day in purchasing power parities based on an average of national poverty lines in low income countries and it has been revised over time. The latest revision which took place in September 2015, increased the international poverty line to \$1.90 (Ferreira et al., 2016).

Informal employment

Informal employment refers to “*those jobs that generally lack basic social or legal protections or employment benefits and may be found in formal sector enterprises, or households*” (BBS, 2018). A large number of informal employment in Bangladesh is engaged in agriculture, handicraft, private tutor, small business, and household work.

Livelihood strategies

Livelihood strategy is the combination of activities and choices of people to attain sustainable livelihood goals. Example of livelihood strategies may include: the way people combine different assets to maximize income, how they preserve and utilize resources in a sustainable way, and how they combine different assets and engage in income generating activities.

Theoretical Framework

Sustainable Livelihood Framework

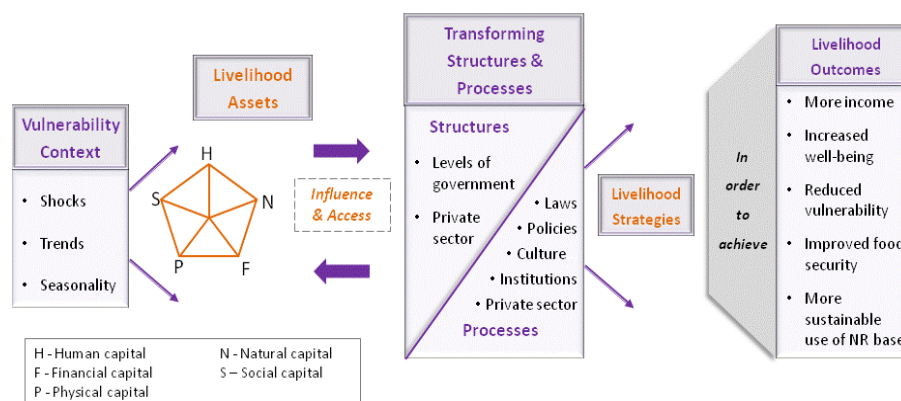


Figure-1 Sustainable Livelihoods framework

Source: (DFID, 1999)

The sustainable livelihoods framework (SLF) developed by the United Kingdom's Department for International Development (DFID) is a comprehensive framework to understand and evaluate various dimensions of livelihood and sustainability (Smith et al., 2001). It is a holistic, people centered approach that analyzes and understands the livelihood of the poor and the factors that influence their livelihood. It identifies the vulnerability factors of their livelihoods, available capital to minimize these vulnerabilities, and the social and institutional arrangements in which these capital and vulnerabilities exist. SLF has five key components. These are- livelihood assets, transformational structures and processes, vulnerabilities, livelihood outcomes, and livelihood strategies. At the center of this framework resides the livelihood assets that are divided into human capital, physical capital, financial capital, natural capital, and social capital. These capitals are independent and supplement each other. The individuals' ability to escape poverty depends on their access and the amount of their assets. Such assets determine the various livelihood options and finally sustainable livelihoods of individuals (Mohammadi et al., 2021). A sustainable livelihood is recognized by its ability to surpass or recover from stresses and shocks, or by its competency to preserve and promote its capabilities and assets and provide sustainable livelihood opportunities for future generations (Chambers & Conway, 1992).

Research methodology

It is a qualitative in nature of research inquiry. However, this study employed a case study design. A sample of 40 informal sector workers who were the head of their family as the main earning member were selected purposively from three districts (Chapainawabganj, Nilphamari and Panchagarh) of Bangladesh. Among the respondents, 13 were selected from Chapainawabganj, 15 from Nilphamari and the rest were selected from Panchagarh. Income of the respondents was ranging from 3,000 BDT per month to 12,000 BDT per month working in Readymade garments sector, factories and as a day laborer mainly. Their income level and affiliation to informal sector was consider while selecting them for the study. Both primary and secondary data sources were explored for this study. In-depth interviews were conducted to collect primary data from field level. The primary data of this study were analyzed using a mixed approach of qualitative and quantitative data analysis methods.

Findings and result discussion

The pandemic has uneven effect on men and women. It is found that women who were employed earlier and lost their job due to the pandemic have little or no interest of going back to work again. This decision of them, is shaped by a number of social factors like domination of men in family decision, dependence of women on men and growing social insecurity. However, some women see marriage as a means of financial security but that apply to a very small portion ass only one case was found where the respondent was getting married solely to cope up with the economic challenges presented by the virus but in other cases the influence of various social factors were very strong. Fathers of young girls have also shared their concern about their daughter's marriage after experiencing the growing uncertainty, intolerance, and social instability.

The social safety net programs of the government do not necessarily address all vulnerable groups. There are people who badly need government assistance to survive any major and/or minor crisis. But as they do not fit into the government criteria, they disqualify to receive any institutional or financial support. Adding to this, many young people have little interest to take training provided by the Department of Youth Development under the Ministry of Youth & Sports of Bangladesh.

Financial, Human and Social Capital profile

Capital	Forms/ Sources of capital	
Human	Average Household size	5 members
	Average Earning members	1
	Dependent per earning member	3

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	Education level of majority respondents	Primary level
Financial	Average household income	8,500 BDT per month
	Access to credit facility	75%
	Percent obtaining credit	65.2%
Social	Percent related to village authority	2.5%
	Membership in co-op	17.5%
Physical	Livestock and equipment assets ownership	55%
	Land Ownership	57.5 %
	ability to save from monthly income	30%

Gender of the interviewees- 15 women and 25 men representing 37.5% and 62.5% of the study population.

Unsustainable Capital Management

In most of the households the earning members did not have any savings due to their poor income. The income they generate was not enough to fulfill their basic needs even before the pandemic as 72.5% of the respondents were reported to have food insecurity.

As a reaction of the initial income loss, a majority number of respondents have relied on microcredit loans despite having no source to repay it. And later they had sold their livestock, lands and other forms of assets for repaying the loans and surviving the crisis. Even though microcredit loans and selling off assets have helped them to survive, it has also increased their vulnerability for any future risks.

The respondents cannot afford healthy and nutritious food for themselves and their family. Data on their income and expenditure shows that although none of the respondents were affected by the corona virus, for 25% households of this study major expenditure happened in healthcare. COVID-19 has increased healthcare costs for many. Food insecurity and lack of nutritious food contribute to their poor health condition and thus the healthcare cost remains high making it almost impossible for them to escape this cycle. Also, these people engaged in the informal sectors relied mostly on their physical ability and strength to earn their livelihood. So, poor health condition is likely to decrease their prospect for future job.

Another interesting finding of this study was unmarried young women who were employed earlier and lost their job at the outbreak of the

pandemic, showed no interest to find a new job. Instead they were planning to get married in order to ensure their financial and social security. In case of women who were already married, it is found that they too are not going back to work following the decision of their male family head. The unwillingness and lack of motivation of women to earn has far reaching negative consequence.

<i>Sources of income (jobs)</i>	<i>Participation (%)</i>	<i>Dominating source of expenditure</i>	<i>Percentage of Household</i>
<i>Factory workers</i>	<i>32.5% (13)</i>	<i>Food expense</i>	<i>75% (30)</i>
<i>RMG sector workers</i>	<i>32.5% (13)</i>	<i>Health expense</i>	<i>25% (10)</i>
<i>Domestic workers and laborers</i>	<i>20% (8)</i>	<i>Utility bills</i>	<i>0</i>
<i>others (Rickshaw puller, small business owner, private teacher, salesman, unemployed)</i>	<i>15% (6)</i>	<i>42.5% of the respondents are repaying their loans on installment every month. Because of insufficient data on the amount it could not be compared to other expense sources.</i>	

<i>Effect of COVID-19 on livelihood</i>	<i>Total (%)</i>	<i>Male (number)</i>	<i>Female (number)</i>
<i>Experienced income loss</i>	<i>72.5%</i>	<i>17</i>	<i>12</i>
<i>Manage another source of income</i>	<i>72.5%</i>	<i>18</i>	<i>11</i>
<i>Unemployed</i>	<i>20%</i>	<i>4</i>	<i>4</i>

Combined, these facts show that poor management of financial resources has increased their vulnerability context significantly. Economic solvency empowers women to be independent. But starting a family leaving their jobs is going to affect their future adversely and push them into extreme poverty. Influenced by their partners and male family members, women have shown unwillingness and little motivation to take a new job.

Social capital under threat

Social capital involves shared values, trust and relationships that make social exchange possible. Social capital allows people to work together and to access benefits from social relationships. In this study, little

evidence has been found in support of organized community efforts to minimize the impact of COVID-19 crisis. Some reliefs were distributed at the beginning to these poor households at the community level. However, it was not sufficient. Only 17.5% of the study population were engaged in local co-operative society and they got reliefs during the pandemic on their co-op's initiatives.

Social interaction had a greatest hit by the pandemic and now when the pandemic is quite under control, the community is not going back to normal. Social unrest has been seen to have an increasing trend. While COVID-19 has decreased the social interaction, some environmental issue like heavy rainfall and flood led to quarrel among community members.

Due to their poor economic and social status, these lower income people were found to have very little affiliation to village decision making as only 2% of the interviewees were related to authoritative position of their village.

Natural Capital based livelihood strategy

Rural livelihood strategies are often heavily reliant on the natural resource base. However, the study population were employed in job sector before COVID-19. After the pandemic, majority number of them have showed interest in farming activities and self-employment.

<i>Future concerns and plans of the respondents</i>		
Future concerns	Number of respondents	Percentage
Farming	5	12.5%
Livestock farming	7	17.5%
Own business	5	12.5%
Repaying loans	9	22.5%
Getting job	2	5%
Marriage	8	20%
Others	4	10%
	Total = 40	

While natural capital based business activities are on arise, the pandemic has shifted people's preference from formal-informal jobs to self-employment as only 5% of the respondents have shown their interest of getting a job. Majority number of people are more concerned with the repayment of the loans they had taken during the first wave of corona virus. Their current income is not serving them enough to carry this debt and pushing them in extreme poverty. The second major concern of the interviewees was marriage either of own self or their young daughters. From this data it wouldn't be wrong to say that the increasing social

insecurity has greater impact on people's lives and society more than the virus itself.

Diversification of income source

Agricultural intensification and livelihood diversification are dominant strategy undertaken by the study population. Learning from the pandemic has developed their interest in self-employment and diversify their income source by engaging in more than one income generating activity. 47.5% of the total study population were found who had access to a second job or income source. 12.5% were planning to start their own small business instead of looking for a job. That is to say this pandemic has paved the way for the growth of small businesses and shifted focus from job sector.

Recommendations

1. In response to this serious setback caused by the Covid-19, the government should undertake a pragmatic policy framework to reduce the vulnerability of people, especially lower income community, providing capital and innovation to move into new businesses and sectors.
2. The scope of social safety nets programs need to be increased and made more inclusive by measuring the vulnerability from an intersectional lens.
3. Skill development training programs needs to be introduced at a large scale. And inclusion of people from all educational level can be encouraged by taking policy and program.
4. Health service needs to be made more accessible and affordable for the lower income groups.

Conclusion

Based on the results of research conducted, it can be concluded that various obstacles faced by people during the pandemic has brought different shape in their livelihood strategy. Those living under poverty line have experienced the worst side of the pandemic. Skill gap of the labor force, unwillingness to work hard, unsustainable livelihood strategy, lack of motivation to learn new skills and to take challenging jobs exist simultaneously with the inadequate State's support to worsen the situation. Having accessed to capital alone can't decrease the vulnerability unless it is backed with proper livelihood and financial strategies. Education, entrepreneurship, and increased participation of women can be helpful in this regard.

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