THE BUSINESS STANDARD

Ahsan Senan 22 July, 2020

Re-opening the economy: The balance between public health and people's will

If the people feel disenfranchised from the political process, and do not believe that the government is working for them, then flouting the law and getting away with it becomes a badge of honour



Spikes in the detection and death of corona-affected persons since the re-opening of the Bangladesh economy on June 1 have renewed calls for imposing a hard lockdown, including strictly enforced curfews, on the whole country. The government has instead opted for a zonal lockdown system. Interestingly, the effectiveness of this zonal-lockdown system clearly illustrates the limitations that a hard lockdown will face in Bangladesh.

There have been numerous allegations of residents from the red-zones sneaking out of their quarantines. Some of these instances undoubtedly were cases of compulsion. But they also illustrate the presence of a callous disregard for law and order among the populace. If lockdowns cannot be properly enforced in small wards, what then are the practicalities of imposing the same on the whole country?

This is not to question the efficacy of hard lockdowns. The countries and states that have succeeded in stopping the spread of the disease have used hard lockdowns as part of their Covid-19 response. These countries include Vietnam, South Korea, Kerela from India, New Zealand, Sri Lanka, etc. This is not an exhaustive list but serves our purpose.

Vietnam was one of the earliest responders of the disease. Their success stems from their willingness to act rapidly following warning signs from China. South Korea can be categorised as a country that tends to enjoy a high level of reverence and trust from the people towards authority. They responded quickly, thanks to compliance from the citizens, and were able to stop the spread of the disease.

The same can be said of New Zealand where the trust between the government and the people is high, in addition to their sparsely-populated cities and absence of porousborders that are boons when trying to contain the spread of a deadly disease.

Bangladesh benefits from none of these.

Let us also look at countries that are not dealing so well with the spread of the disease. At the moment, United States of America is the front and center in the line of fire. The initial reluctance and subsequent sluggish response from the US authorities must have contributed to their initial high infection and death rates, just as much as the re-openings of their economies must be contributing to the second-wave.

But this is not all to do with Donald Trump and politics as some news-outlets would have you believe. If all of USA's Covid-19 malaise were partisan, then the Republican states should have suffered the worst effects of the disease while the Democratic states should have been relatively better-off. But one only needs to look at pictures of joggers, cyclists, sight-seers, and people having picnics at Central Park in New York in March and April to refute that claim.

For better or worse, the people of the USA do not like their governments telling them how to live their lives. This is true in both urban-cities and rural-towns. Before there were protests out on the streets against police brutality, there were protests out on the streets against the lockdown and other safety measures. Partially ending the lockdown was the only recourse left to many local leaders. The alternative would have been to use force to dissipate the protesters.



Residents from the red-zones often sneak out of their quarantines. Photo: Salahuddin Ahmed

The point being, it is not feasible to impose lockdowns on a population if a large number of them are opposed to it because they see it as an encroachment of their personal freedom, as is the case in USA; if they refuse to take the virus seriously; or if they are compelled by financial and other considerations to leave their house, as must be the case for many families in Bangladesh.

The case for Bangladesh

In the early days of the shutdown in late March, social media was outraged when clips began to spread showing law-enforcement agents charging day-laborers and people from disadvantaged backgrounds with sticks for breaking the lockdown and leaving their homes to earn a living. Three months later, with the Covid-19 situation no better than it was back in March, social media is once again outraged that a stricter lockdown was not imposed and more was not done to keep people at home.

More, definitely, should have been done.

One argument goes, if the lost incomes due to the shutdown were matched by government transfers, the incentives for people to leave their homes would have been drastically reduced. But this implies that even as the slowdown in economic activities in Bangladesh points toward falling tax revenue in the coming years, the government should provide stimulus checks to industries so they do not shut down.

This would ensure that no workers with formal employment is laid-off or not paid a salary; provide monthly assistance to vulnerable families; and that the government should continue to do this indefinitely while dedicating a large chunk of next year's budget to expedite the expansion of the nation's healthcare facilities.

A Brac study titled "Covid-19 and National Budget 2021: Re-thinking Strategy for BoP People" found that 47.33 million extremely poor people in Bangladesh are at high economic risk due to Covid-19 lockdown. The monthly lower-poverty line for a family of four in Bangladesh is Tk9,000. Helping out only half of the high-economic risk families meeting only half of their basic needs will see a monthly outlay of TK2,660 crore.

This is just for the extremely vulnerable population. Will factory workers receive aid? How about stimulus for small-business owners? The middle class that has seen its income drastically fall yet cannot stand in lines to collect relief meant for the poorest: are we to find a way to help them as well?

More importantly, even if all these were fiscally and technically feasible and adequate financial assistance was provided to the needy, will people across the country be willing to voluntarily go back inside their homes and stay put?

A soft lockdown was imposed the first time around and that could not be properly enforced. What will be different this time? Are we willing to empower the law-enforcement agencies (more than 7,000 corona-infected already), or even the military to come into our cities, to ensure that the lockdown is maintained?

If the people feel disenfranchised from the political process, and do not believe that the government is working for them, then flouting the law and getting away with it becomes a badge of honour. And that is why the lockdown had to end- it was already over in the minds of the people. The markets were full and the roads busy. To keep the lockdown on in such a situation would have been superficial. Tasking an agency to enforce the lockdown nationwide would have led to escalation of the situation.

What do we do now?

A lot should have happened in March and April to slow down the spread of the disease. A lot should have happened in the past few decades to ensure that our healthcare facilities were up-to-date and response to this pandemic implemented in a more competent fashion. But that did not happen. It does little to dwell on what has not been done. The question to ask is- what can be done now?

A hard lockdown, theoretically, is still the best option for Bangladesh. Two to four-weeks of a hard lockdown, followed by partial re-opening and isolation of infection hot-spots, a drastic increase in testing and tracing, and generous stimulus package for marginalised people, industries, and laid-off workers is undoubtedly the way forward - in an ideal world.

But perhaps we need to acknowledge that we do not live in an ideal world and all decisions taken are informed by political, economic, social, and personal (selfish) considerations.

What do we do then?

A realistic option is to go for a phased, multi-stage re-opening of the economy. A recent whitepaper published by Center for Enterprise and Society titled "Re-opening the Bangladesh Economy: Search for a Framework" has proposed a three-stage re-opening strategy for Bangladesh. The paper proposed a first-stage that is characterised by partial re-opening of the economy, with only few critical sectors allowed to operate under strict guidelines. This can be a solution.

Instead of using law-enforcement agencies to enforce an unpopular lockdown, we could task them with ensuring that social-distancing and other safety guidelines are maintained. Instead of forcing everyone to stay home, we could ensure that anyone employed in a critical sector is provided with safe transport facilities to work and back.

Instead of imposing restrictions so severe that they necessarily lead to animosity, we could have a more transparent and adaptable framework that moves incrementally towards more freedom or more restrictions contingent on the latest pandemic scenario in the country. In a less than ideal world, this may represent a near-ideal solution.

Re-opening the economy is not only a matter of growth and profit and jobs. That would be a simplified reading of the situation. Re-opening the economy has become a matter of maintaining a delicate balance between public health and the will of the people, who are unlikely to cooperate with another lockdown.

Ahsan Senan is a lecturer of Economics at Brac University