Disadvantaged Groups *Coping with* *the* *Pandemic Fallouts*

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এসডিজি বাস্তবায়নে নাগরিক প্ল্যাটফর্ম, বাংলাদেশ

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Citizen's Platform Working Paper 7

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Abstract

The COVID-19 pandemic had caused an enduring negative impact on the lives and livelihood of the disadvantaged communities of Bangladesh, i.e., the traditionally "left behind" and the newly "pushed behind" communities. In view of this crisis, the present study, through a face-to-face household survey, focuses on the coping approaches undertaken by some specific disadvantaged groups in Bangladesh. This study points out that the households were faced with additional challenges during the pandemic, given their poor resilience to economic and environmental shocks. Thus, the paper highlights the types of approaches and their combinations pursued by these disadvantaged communities in order to cope with the fallouts.

In order to cope with the multifaceted impact of the pandemic, the households undertook individual behaviour-based approaches, for example, making consumption adjustments. These households also followed asset-based approaches like borrowing money and doing distress sales of assets. Further, these households often opted for assistance-based approaches like accessing public or private resource transfers. The survey findings indicated that taking loans and selling of assets, along with cutting back on food and non-food expenses, had been the dominant approach adopted by the sample households.

The study further elaborated on the recovery status of the households at the time of the survey and puts forward the perspectives about the near future. The study concludes that government support was instrumental for certain groups of households in speeding up the recovery process. Assuming that implications of the crisis may persist in the years to come, the study measures the options to be strengthened for coping for these disadvantaged communities.

About the Platform

Citizen's Platform for SDGs, Bangladesh was formed in June 2016 with the objective of providing a policy stage to the non-state actors (NSAs) in Bangladesh to contribute to the implementation of Sustainable Development Goals (SDGs). The Platform seeks to enhance transparency and accountability in the SDG process at the country level. It particularly aims to promote the 2030 Agenda's pledge to *Leave No One Behind* in the process of development.

Since its inception, the Platform has emerged as the largest forum for the NSAs that include a unique blend of non-government development organisations, civil society organisations (CSOs) and private sector associations in Bangladesh. The Platform currently has over 120 Partner Organisations. These organisations work on knowledge generation as well as monitoring of national development policies towards delivering SDGs by 2030. Moreover, the Platform undertakes policy advocacy and stirs new conversations on relevant challenges and solutions. All these are accomplished through regular conferences and dialogues at the national level, capacity development workshops, international events and webinars.

At the beginning of it journey five years ago, the Platform sought to outline the scope of the partnership between the government and NGOs and explore the role of the private sector in implementing the SDGs. It emphasised the importance of SDG 16 (Peace, Justice and Strong Institutions) as central to the overall delivery of the 2030 Agenda. The Platform later provided intellectual inputs to identify the population groups at risk of being left behind in the attainment of the SDGs in Bangladesh. Subsequently, one of its highlighted focuses was youth, a systematically vulnerable community in Bangladesh in view of the country's journey through a window of demographic opportunity. The following years saw the Platform bringing together more than 50 Partner Organisations that actively contributed to documenting Bangladesh's progress towards attaining selected SDGs for review during the High-Level Political Forum (HLPF). The Platform, along with a dozen of its Partner Organisations also prepared a set of thematic policy briefs with a view to contributing the perspectives of non-state actors towards the Voluntary National Review (VNR) of Bangladesh.

Since the scourge of COVID-19 unleashed itself in the first quarter of 2020, the Citizen's Platform realised the advantage and potential of its substantive network. It immediately engaged in conceptualising initiatives that could address the crisis and particularly uphold the interests of the "left behind". Thus, the year was marked by the Platform's many activities widely discussing the implications of COVID-19 at the grassroots level, on the SDGs, and on the pathways towards an inclusive recovery and resilience. Towards this end, the Platform along with its Partner Organisations embarked on a flagship research and outreach programme titled "Strengthening Citizen's Engagement in Delivering SDGs in view of COVID-19 Pandemic". A number of knowledge products will be created under the programme, to be followed by policy advocacy.

In view of the above, the Citizen's Platform has introduced a Working Paper Series, which will feature pertinent research on issues related to SDG delivery with a particular focus on the marginalised and vulnerable communities in Bangladesh. The present paper is the seventh of this series.

Series Editor: *Dr Debapriya Bhattacharya*, Convenor, Citizen's Platform for SDGs, Bangladesh

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Mr Estiaque Bari is currently serving as a Senior Lecturer in the Department of Economics at East West University (EWU), Bangladesh. Previously he worked with the Centre for Policy Dialogue (CPD) as a Senior Research Associate. He has a number of published journals and book chapters under his credit. In his seven years of professional career, Mr Bari has conducted several survey-based research analyses, both at the household and industrial levels. His current work broadly covers issues on Environmental Economics, Development Economics and Labour Economics. He has completed his Master of Science (MSc) and Bachelor of Social Science (BSS) in Economics from BRAC University and United International University, respectively.

Ms Afra Tahsin Chowdhury is a former Research Associate at the Centre for Policy Dialogue (CPD). Her research work is related to international development, including South-South Cooperation and the SDG implementation in South Asia. She completed her Master of Science in Economics from the University of Greenwich, the United Kingdom with distinction. Her undergraduate degree is from the City University of London, the United Kingdom. She also has a Diploma in International Business and Economics from the same university.

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Acronyms

BIGD	BRAC Institution of Governance and Development
CMSMEs	Cottage, Micro, Small and Medium Enterprises
COVID-19	Coronavirus Disease
CPJ	Centre for Peace and Justice (CPJ)
FGDs	Focus Group Discussions
FHHs	Female Headed Households
GDP	Gross Domestic Product
GoB	Government of Bangladesh
HDRC	Human Development Research Centr
LNOB	Leave No One Behind
MSME	Micro, Small and Medium Enterprises
NBFI	Non-banking Financial Institution
NGOs	Non-Governmental Organisations
NUPRP	National Urban Poverty Reduction Programme
OLS	Ordinary Least Squares
OMS	Open Market Sales
PNOB	Push No One Behind
PPRC	Power and Participation Research Centre
PWD	Person with Disability
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
USD	United States Dollar

SECTION 1: INTRODUCTION

The COVID-19 induced health hazards resulted to widespread adoption of containment measures e.g., complete or partial lock down, closure of territorial or international borders, mandatory social distancing etc. which in turn caused substantive income erosion for individuals and businesses (Lacey, Massad & Utz, 2021). A downturn in global economic activity led to sharp increase in unemployment rate, remittance loss, food insecurity and disruptions to education and health care services among others. The impact however has disproportionately been more severe on the disadvantaged and vulnerable communities.[1]

The disadvantaged communities of Bangladesh as previously been identified by Bhattacharya et al., (2021b) fall under two categories - the ones that have traditionally been left behind and those that have newly been pushed behind due to COVID-19. Since more than 85 per cent of the labour force in Bangladesh are employed in the informal sector, the job losses have not only aggravated working poverty but have pushed many of the vulnerable people, living around the poverty line before the pandemic, into poverty (Bhattacharya, et al., 2021a and Iqbal, 2021). The extent of additional vulnerability faced by the traditionally and the newly disadvantaged communities in Bangladesh induced by COVID-19 related economic and health shocks had been comprehensively presented in Bhattacharya et al., (2021a).

Given the stake on livelihoods, national governments' responses initially targeted both financial and non-financial support to businesses and households to combat the fallouts of the pandemic. The magnitude of fiscal support and type of instruments differed across countries largely based on their economic strength. While advanced economies provided fiscal supports (e.g., fiscal stimulus, relief, loans, guarantees) equivalent to 20 per cent of their gross domestic product (GDP), among emerging economics the support measures accounted for nearly 3.4 per cent of their GDP on average (Lacey, Massad & Utz, 2021).

The government of Bangladesh announced nearly USD 14.27 billion (BDT 1,213 billion) worth of stimulus packages in terms of liquidity support and fiscal stimulus. The total size of stimulus package was equivalent to 4.34 per cent Bangladesh's GDP (Ministry of Finance, 2020). The stimulus packages primarily focused on the export-oriented industries, service sector organisations, and cottage, micro small and medium enterprises (CMSMEs). However, government interventions were later pro-active towards catering benefits to poor households. A portion of liquidity support attributed for refinancing scheme for agriculture sector, low-income farmers and small traders, and to lend loans for job creation. Rest of the fiscal support was deployed towards heath sector professionals (doctors, nurses and health workers) and in distribution of free food assistance and cash among the poorest.

In addition, private sector's individual and voluntary efforts certainly supported many who were in distress. However, given the depth of the crisis it is perceived that neither governmental support nor private initiatives had been sufficient to support people to fully recover from the crisis. In most cases, households that experienced or are experiencing financial or health crisis or both, simultaneously utilised best possible combinations of copying strategies to recover from the crisis. While some households recovered from the initial distress, a significant number of them are combating against

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[1]As discussed in previously published Working Paper 3 titled "Marginalised Communities in Bangladesh Dealing with the Fallout from the Pandemic" by the Citizen's Platform for SDGs, Bangladesh (Bhattacharya et al., 2021a).

odds to recover. In the recovery process, one must recognise that the traditionally disadvantaged with their pre-existing vulnerabilities are anticipated to be left with limited options while the newly disadvantaged may lack adaptability to absorb a prolonged shock.

Objectives and Scope

In the aforementioned backdrop, the core objectives of this paper are:

(a) to inform the copying approaches adopted by the disadvantaged communities to tackle the pandemic induced additional vulnerability
(b) to identify alternative options that could be utilised to improve their opportunities to recover

Given that geographically disadvantaged communities were identified within the survey, the paper provides a pronounced understanding of the means of coping different communities resort to when hit by a crisis. Moreover, understanding the differences in coping approaches undertaken from a household perspective may help policymakers dedicate the right policies reaching out to the right communities. This study can thereby, potentially help policymakers to reach out to the disadvantaged groups most in need of public cash support or other in-kind relief.

Sample and Data

This study was established using a persuasive sample size determination method, whereby 1600 households had been surveyed using a systematic random sampling method on the ground. The survey was conducted face-to-face in February 2021 capturing the first wave of COVID-19 in Bangladesh.[2] The households belonged to nine different disadvantaged groups i.e. seven traditionally disadvantaged (which were identified as LNOB groups in Bhattacharya et al., 2021b) and two newly disadvantaged (previously identified as PNOB groups according to Bhattacharya et al., 2021b) from eight districts of the country.[3] Additionally, focused group discussions (FGDs) of four separate disadvantaged communities further enriched the study. Figure 1.1 names the different disadvantaged groups selected for this study through an arrow diagram of the data collection methods. The present study thereby elaborated the survey findings and further estimated the likelihood and anticipated time of recovery of the sample households from the pandemic with empirical models.

Structure of the study

Following the introduction, section 2 documents national and global support coping approaches taken by different vulnerable groups. Section 3 features the survey finding on how the sampled vulnerable households tried to withstand the crisis. Section 4 presents the survey finding on the vulnerable households' recovery. Section 5 presents the findings of two regression models undertaken on the basis of the survey data and subsequent discussion based on the results. Finally, Section 6 concludes the paper by providing policy recommendations based on the key findings of the study.

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[2]Details of the survey was discussed in Bhattacharya et al., (2021a).

[3]As identified in Bhattacharya et al., (2021b).

Figure 1.1: Summary of data collection method and sample
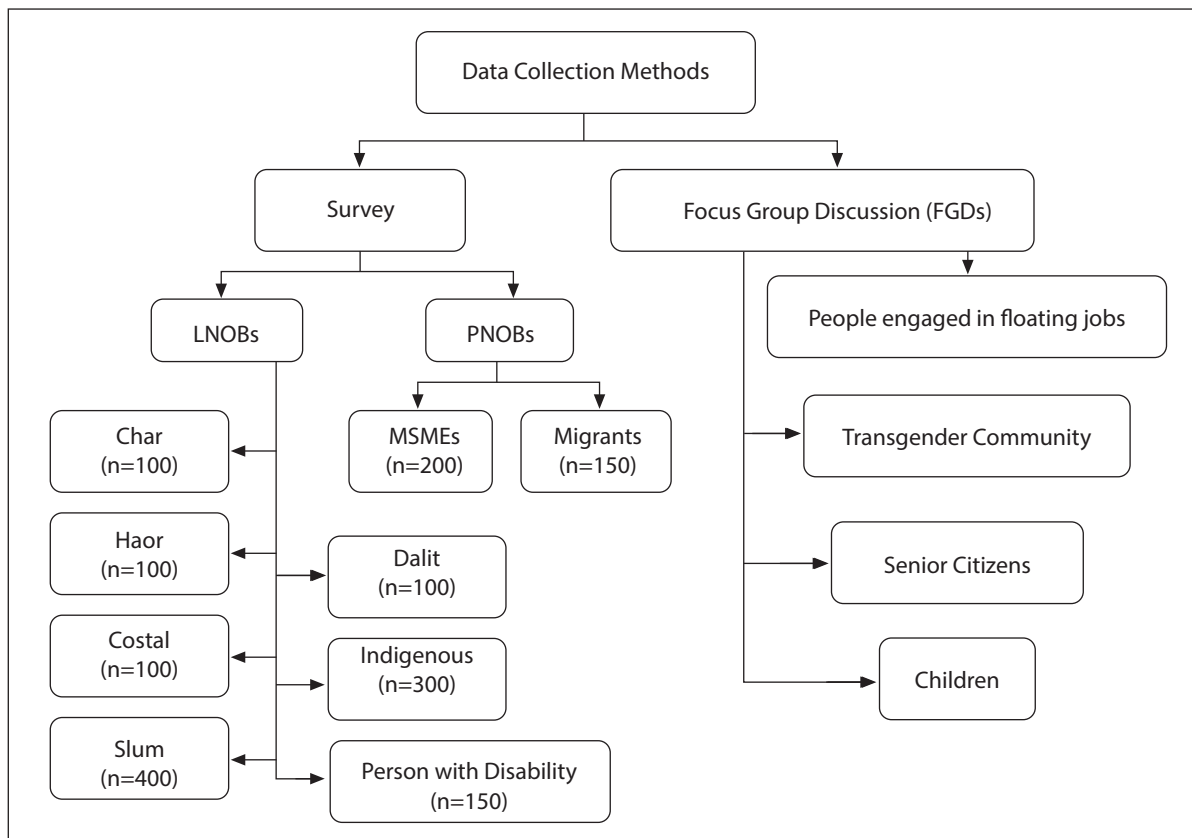
Note: Sample sizes are in parenthesis.

SECTION 2: REVIEW OF LITERATURE ON COPING APPROACHES

Globally a number of studies have indicated that poor and marginally non-poor households went through major adjustments and adaptation efforts due to the COVID-19 induced additional vulnerabilities and their struggles had prolonged as the crisis continued (Martin et al., 2020; Baker et al., 2020; Kraus et al., 2020; O'Donoghue et al., 2020; Egger et al., 2021). The studies also indicated a common trend that public policies and stimulus support were not adequate to help the underprivileged households during the COVID-19 crisis.

Over the years, the world has seen numerous crises caused by economic downturn, disease outbreak or even natural calamities. Among the many challenges faced by the impoverished people of the world, the impact of such shocks further aggravates their sufferings. The impacts of the crises are often declared to be short-lived due to revival of macroeconomic indicators right after. However, studies show that vulnerable people are forced to live through rounds of negative impacts, even when strong national economic recovery is seen (Heltberg, et al., 2012). Thereby, for the disadvantaged communities coping with such challenges have become a periodic plan of action.

Coping approaches refer to measures taken by households to survive during a crisis and minimise the impacts of it which are often undertaken simultaneously. Studies have shown that COVID-19 induced coping approaches undertaken correspond to the traditional ones (i.e., curtailing food consumption, obtaining loans, asset stripping, and so forth) (Heltberg, et al., 2012, Raihan et al., 2021).

The coping responses were distinguished into three broad categories in Heltberg and Lund (2009); which were behaviour-based responses (related to consumption and expenditure), asset-based responses (related to dissaving and indebtedness) and assistance-based responses (related to social and institutional support).

Households adopted different personal coping approaches in the absence of timely social protection which most commonly included reduction in consumption, taking high interest-bearing loans, spending from personal savings, and liquidating productive assets (Araos & Palma, 2021; Koos et al., 2020; Micro Save Consulting, 2020; United Nations, UNICEF & World Bank, 2021). An in-person household survey by the National Urban Poverty Reduction Programme (NUPRP) in Bangladesh revealed that 85 per cent of the surveyed households reduced food consumption, 50 per cent reduced non-food expenditure, 20 per cent took out loans while a similar fraction resorted to government aid and 17 per cent depleted their savings (UNDP-HDRC, 2020). Similarly, joint studies by Power and Participation Research Centre (PPRC) and BRAC Institution of Governance and Development (BIGD) noted that reduction in food consumption and borrowing finance were the most dominant coping approaches after dissaving (PPRC-BIGD, 2020). The PPRC-BIGD (2020) study featured some degree of institutional and social support contributing to households' coping as well.[4] Other similar studies also drew the same results whereby the dominant coping strategies remained the same. In a survey study by Centre for Peace and Justice (CPJ), community support was the most cited source of support followed by support from the government and then the non-governmental organisations (NGOs) (Islam and Mostafa, 2021).

The vulnerable households who predominantly had little to no saving, were inclined towards withdrawing most of their savings if not all due to the financial distress caused by the pandemic. Their restricted access to loans meant they needed to pay a higher collateral which increased their vulnerability even more. As a last resort these households sold valuable household items and even productive assets (Araos & Palma, 2021; Micro Save Consulting, 2020; PPRC-BIGD, 2020; UNDP-HDRC, 2020).

Bangladesh introduced liquidity support and fiscal stimulus at the initial phase of the crisis. However, a relatively smaller portion of the initial package was deployed towards vulnerable sections of people. Only 5.6 per cent of the total allocation was dedicated towards direct cash and in-kind support. Besides, to facilitate business support to MSME and SME sector, the government introduced only three initiatives (Table 2.1). Jointly the public measures to address the vulnerabilities of disadvantages communities accounted for only 20.6 per cent of the total original government support (Table 2.1). Therefore, the predictability and size of government led public support was difficult to comprehend which forced these groups to try different combinations of coping strategies to recover.

When asked about the type of support preferred by these vulnerable groups, almost 80 per cent respondents from PPRC-BIGD (2020) survey preferred food support and nearly 70 per cent wanted cash support. Most of the respondents from Bangladesh in Micro Save Consulting (2020) survey, were concerned about the probability of leakage in the government provided ration. The next section thereby discusses the coping approaches of the disadvantaged groups drawn from the household survey undertaken for this study.

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[4]The survey was conducted in April 2020 when these types of support were not provided very prominently.

Table 2.1: COVID-19 related stimulus packages announced by GoB

(in crore taka)

Liquidity Supports and Fiscal Stimulus	Amount (in crore taka)	Percent (%)
Special fund for salary support to export oriented manufacturing industry workers	5,000	4.12
Providing working capital facilities for the affected large industries and service sector organizations	40,000	32.96
Providing working capital facilities to small (including cottage industries) and medium enterprises	20,000	16.48
To increase the facilities of Export Development Fund introduced by Bangladesh Bank	12,750	10.51
Pre-shipment Credit Refinance Scheme	5,000	4.12
Agricultural Refinancing Scheme	12,750	10.51
Refinancing scheme for low-income farmers and small traders	3,000	2.47
Creation of jobs through loans (through Village Savings Bank, Employment Bank, Expatriates' Welfare Bank and *Palli Karma Sahayak* Foundation)	3,200	2.64
Government subsidy for interest waiver of deferred bank loans for the month of April-May/2020	2,000	1.65
Credit guarantee scheme for small and medium enterprises sector	2,000	1.65
Special honorarium to doctors, nurses and health workers	100	0.08
Health insurance and life insurance	750	0.62
Distribution of free food items	2,500	2.06
Distribution of rice at the rate of BDT 10 per kilogram	770	0.63
Distribution of cash among the targeted population	1,258	1.04
Increase the coverage of the allowance programmes	815	0.67
Construction of houses for homeless people	2,130	1.76
Procurement of Boro Paddy/Rice (additional 0.2 million metric tonnes)	860	0.71
Support for farm mechanization	3,220	2.65
Agricultural subsidies	9,500	7.83
Social safety net programme for unemployed and poor workers of export-oriented ready-made garments, leather and footwear sectors	1,500	1.24
Total Amount	**121,353**	**100.00**

Source: Author's compilation from Ministry of Finance (2020) document.

SECTION 3: COPING APPROACHES BY THE DISADVANTAGED GROUPS

The liquidity support and fiscal stimulus packages released by the government to mitigate the fallouts of the pandemic had largely left the disadvantaged groups out of the radar. Thereby the coping strategies were mainly taken by these overlooked communities themselves. To mitigate the adversity of COVID-19 challenges the households used a number of coping strategies. This section analysed the following eight coping mechanisms that were broadly mentioned by these disadvantaged groups: (i) cut down of food expenses, (ii) cut down of non-food expenses, (iii) borrowing (loan), (iv) withdrawal

of savings, (v) private support (aids), (vi) government support e.g., cash, in-kind or both, (viii) selling of productive assets (i.e., livestock) and (viii) distress selling of other assets (i.e., land). Following Heltberg and Lund (2009) categorisation the following sub-sections elaborates on these approaches from the findings of Citizen's Platform's for SDGs, Bangladesh's household survey 2021. Households followed numerous ways via which they could adapt to the new circumstances.

More than two-third of the households adopted three or more coping strategies

Majority of households that faced financial hardship due to COVID-19 utilized multiple coping strategies in their attempt to recover from the crisis (Figure 3.1). Two third of traditionally disadvantaged households had to go for three or more strategies to cope, while for the newly disadvantaged households the figure was three-forth.

Figure 3.1: Number of coping strategies utilised by the households
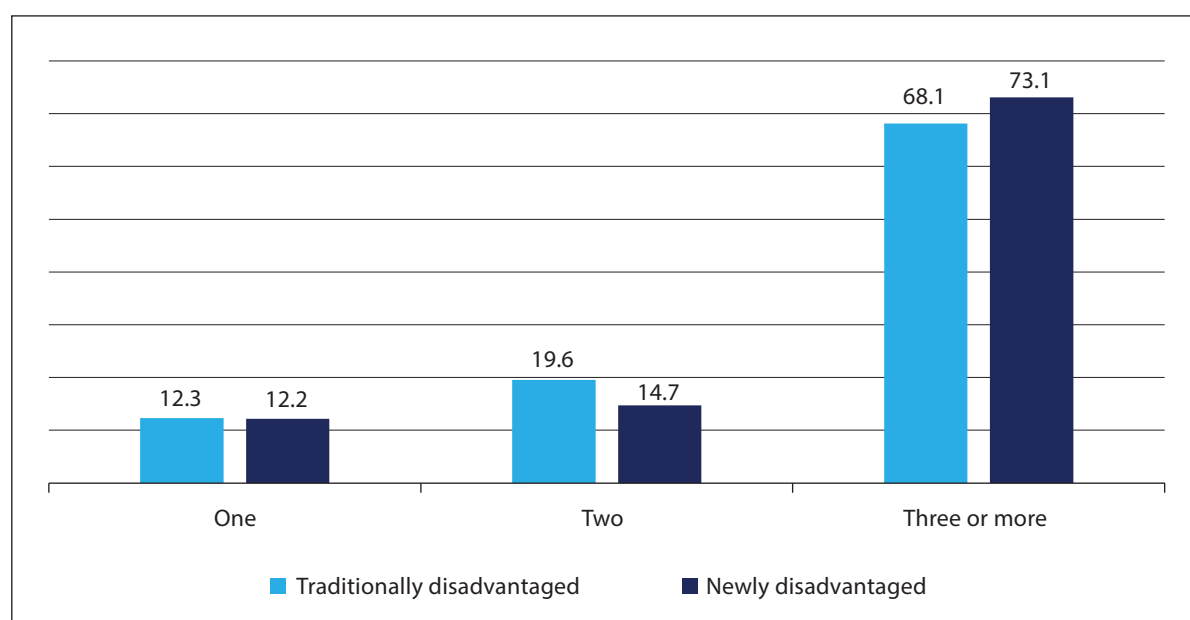
Source: Citizen's Platform Field Survey 2021.

Thirty-one different combinations of coping strategies were adopted by the sample households: Borrowing and selling of assets were significant alongside food and non-food adjustments

To deal with the crisis the disadvantaged households within the sample adopted at least 31 different combinations of coping strategies. Borrowing alongside cut down in food and non-food expenses were the most critical coping strategies for these disadvantaged groups. For instance, one in every five households adopted the above-mentioned strategies (Table 3.1). Another 10 per cent of the households made distress selling of their assets besides reducing expenses and borrowing. In was observed that combinations of coping strategies worked better to address the vulnerabilities compared to when used independently.

Table 3.1: Specific coping strategies adapted by the households (% of HHs)

Specific Coping Strategies	Traditionally disadvantaged	Newly disadvantaged	All
Cut down food & non-food expenses + Borrowing	18.0	27.3	20.0
Cut down food & non-food expenses + Borrowing + Asset sold	10.5	10.6	10.5
Cut down food & non-food expenses + Private support received	7.6	2.9	6.6
Cut down food & non-food expenses + Asset sold	4.8	11.6	6.3
Cut down food & non-food expenses	6.3	4.4	5.8
Cut down food & non-food expenses + Borrowing + Government support received	6.7	2.6	5.8
Borrowing (loan)	5.7	5.5	5.7
Cut down food & non-food expenses + Borrowing + Private support received	5.2	5.5	5.3
Cut down food & non-food expenses + Asset sold + Private support received	3.6	2.6	3.4
All but private support received	3.6	2.6	3.4
Savings withdrawal + Asset sold	2.8	3.6	3.0
Borrowing (Loan) + Asset sold	3.1	2.2	2.9
All but withdrawal of savings & asset sold	2.8	2.6	2.7
Cut down food & non-food expenses + Government support received	3.0	0.4	2.4
Cut down food & non-food expenses + Government + Private support received	2.7	1.5	2.4
All but government support	1.1	5.1	2.0
All but borrowing (loan)	1.9	1.1	1.7
Cut down food expenses	1.5	1.5	1.5
Private support received	1.2	1.8	1.4
Cut down food & non-food expenses + Asset sold + Government support received	1.4	0.7	1.3
Private support received + Borrowing (loan)	1.1	1.1	1.1
All	0.6	1.5	0.8
Government support received + Borrowing (loan)	0.9	0.0	0.7
Private support received + Asset Sold + Borrowing	0.8	0.4	0.7
Government support received	0.8	0.0	0.6
Private support received + Asset sold	0.4	0.7	0.5
Government + Private support received	0.5	0.0	0.4
Government + Private support received + Borrowing (loan)	0.5	0.0	0.4
Government support received + Asset sold + Borrowing	0.4	0.4	0.4
Government support received + Asset sold	0.3	0.4	0.3
Government + Private support received + Asset Sold	0.2	0.0	0.2
All combination of coping strategies	100.0	100.0	100.0

Source: Citizen's Platform Field Survey 2021.

3.1. Households' behaviour-based approaches to cope

At the onset of the pandemic, reduction in food expenses was the most prevalent adjustment for the households. Given that disadvantaged households in general can barely afford necessary food items, reduction in food expense tends to exacerbate their existing nutritional nourishment. According to the survey results most households reduced the number of protein items consumed (i.e., meat and fish), followed by reduction in the number of items in their meals, or number of meals per day. In terms of adjustments on non-food expenses, households reduced spending on recreational activities, and on health and medical expenditures among others (Bhattacharya, 2021a). Based on further analysis the following outcomes were derived.

Nearly 80 per cent households cut down food expenses during COVID-19 pandemic, while 60 per cent households reduced non-food expenses as well

Within the traditionally disadvantaged groups, highest percentage of households from indigenous community curtailed both food and non-food expenses. The least cost adjustment was observed among the households from the Dalit community. Among the newly disadvantaged groups, nearly six out of every seven MSME households reduced food expenses and three-fourth reduced non-food expenses. Within the migrant households, nearly four out of every five households decreased food expenses while at least three out every five households reduced non-food expenses (Figure 3.2).

Figure 3.2: Percentage of households who adopted cut down food and non-food expenses as coping strategy

Cut down Food Expenses (% of HHs)	Cut down Non-food Expenses (% of HHs)
Char — 74.3	Char — 58.1
Haor — 81.2	Haor — 72.5
Coastal — 70.2	Coastal — 39.3
Slum — 78.8	Slum — 61.6
Dalit — 66.7	Dalit — 42.4
Indigenous — 89.2	Indigenous — 83.3
PWD — 80.3	PWD — 57.8
Female HHH — 85.3	Female HHH — 69.5
Migrant — 78.6	Migrant — 59.0
MSME — 84.1	MSME — 74.1
All — 80.8	All — 64.6
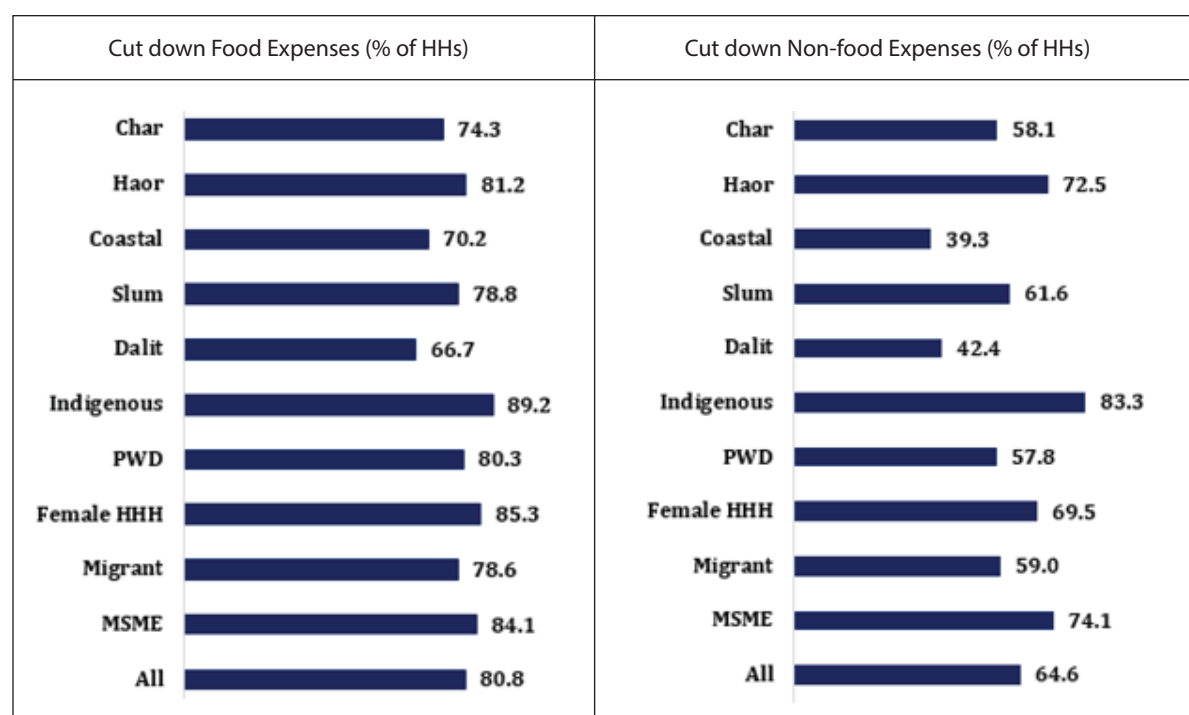
Source: Citizen's Platform Field Survey 2021.

3.2. Households' asset-based response to cope

The financial distress caused by the pandemic due to lost working opportunities and income, compelled these vulnerable households into taking loans and withdrawing savings. Generally, these households have little savings and poor access to formal financial channels. The saving they salvage over the years is usually invested in assets such as livestock, land or gold is anticipated to provide them economic security. However, as part of their asset-based response to cope households often tend to distress sell their assets at comparatively lower market prices. One must recognise that as the crisis may prolong households will barely be left with any asset to safeguard themselves in next phases of crisis.

Nearly 60 per cent households took loan to cope with the crisis while 25 per cent of households were compelled to withdraw their respective savings

Nearly three of every five households took credit to cope with the crisis while at least one out of every four households withdrew their savings (Figure 3.3). Among the traditionally disadvantaged communities, more than three-fourth of households from Haor, Coastal, and Dalit communities had to take loan to withstand the COVID-19 induced financial crisis. Among the newly disadvantaged groups, half of migrant households were compelled to borrow money while one-third of households withdrew their savings. Within MSMEs, nearly six out of every seven households had to take loan while three out of every four households had to withdraw their savings. A significant number of MSMEs also took loan for investment purpose to offset some of their earlier losses incurred during first lockdown in Bangladesh.

Figure 3.3: Percentage of HHs made withdrawal of savings and took loan as coping strategy

Loan		Withdrawal of Savings	
Char	67.6	Char	28.4
Haor	78.3	Haor	11.6
Coastal	75.0	Coastal	14.3
Slum	58.7	Slum	32.4
Dalit	77.3	Dalit	25.8
Indigenous	47.8	Indigenous	15.3
PWD	57.4	PWD	21.7
Female HHH	45.8	Female HHH	24.9
Migrant	51.3	Migrant	32.5
MSME	80.9	MSME	36.8
All	62.3	All	26.2
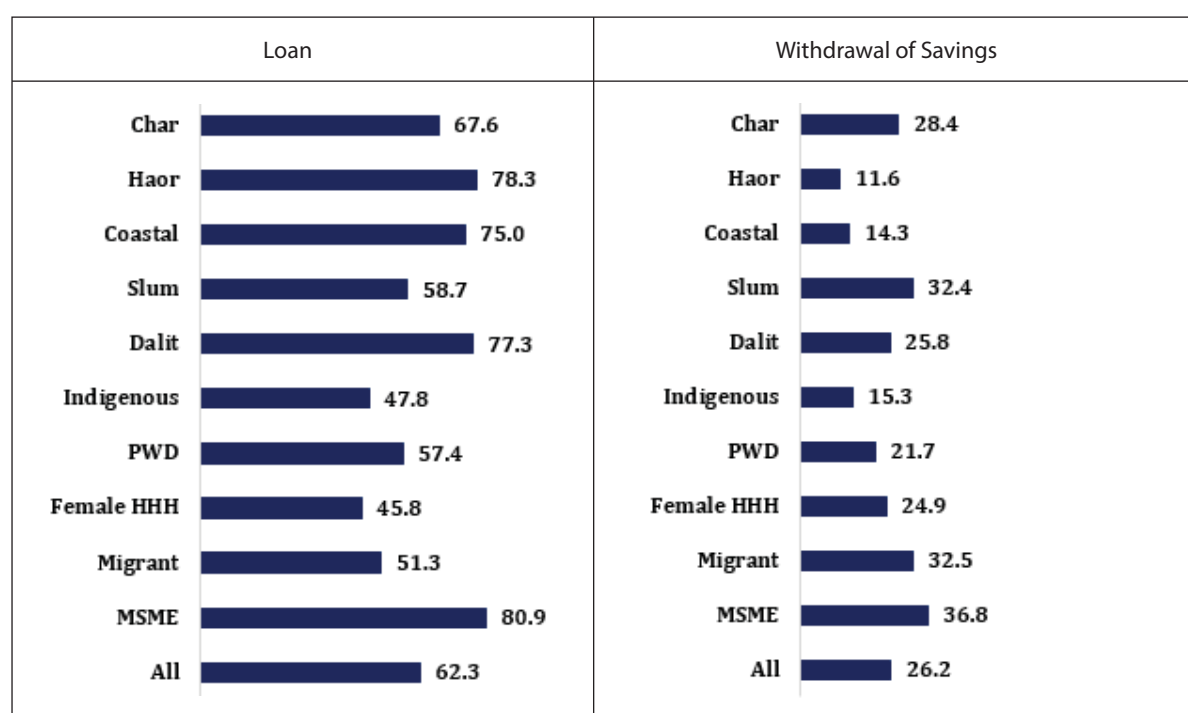
Source: Citizen's Platform Field Survey 2021.

More than 95 per cent households lack access to Bank and NBFIs for taking loans and therefore, were forced to take loan from relatively risky and costlier sources

Figure 3.4 shows that although these disadvantaged groups took loan from multiple sources, they mostly relied on informal sources to access finance. Nearly two-third of these households took loan from informal sources e.g., local money lenders, friends and relatives etc. In addition, NGOs provided loan to 55.3 per cent and 59.1 per cent traditionally disadvantaged and newly disadvantaged households. In contrast, only 2.9 per cent traditionally disadvantaged and 5.0 per cent newly disadvantaged households took loan from banks or non-bank financial institutes (NBFIs) (Figure 3.4). It was revealed that a significant majority of these disadvantaged households lack access to formal banking channels and therefore borrow from either NGOs or local money lenders or from both at a time. As informal money lenders and NGOs often charge higher interest rate than banks and NBFIs – the recovery process from the crisis for these households usually get more costly than other social groups.

Figure 3.4: Percentage of traditionally and newly disadvantaged households borrowed money as loan by sources
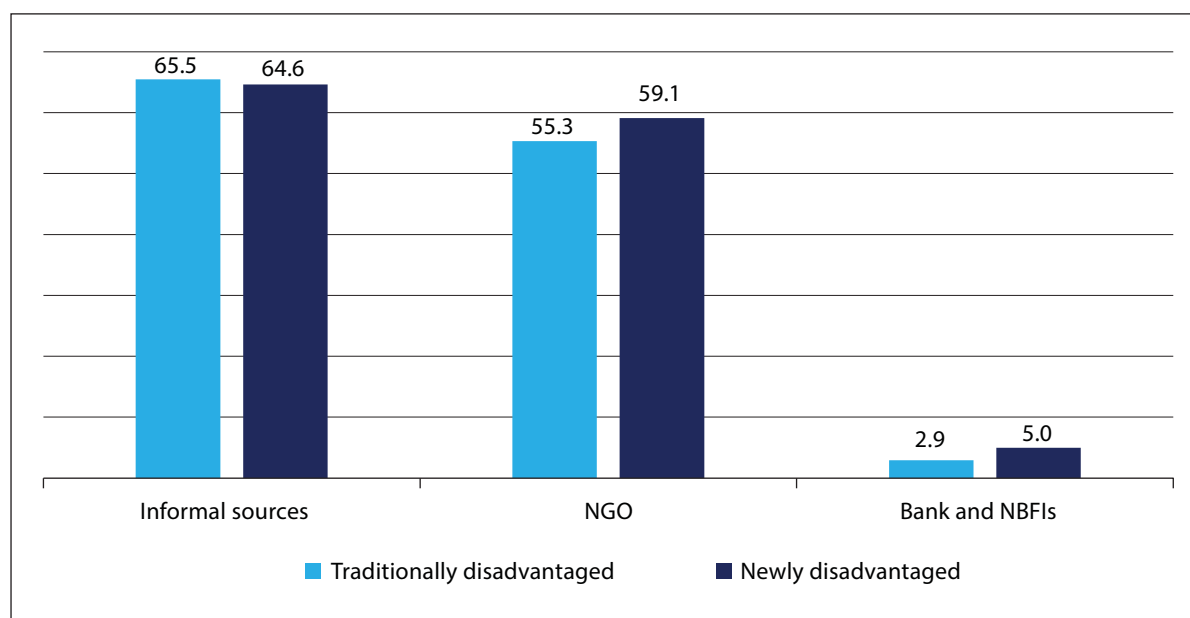
Source: Citizen's Platform Field Survey 2021.

Beyond consumption smoothing the external finance from withdrawing savings and borrowing was used for investment purposes as well as for loan repayment

Table 3.2 presents the purpose behind households' decision to withdraw their savings and borrowing (loan). Nearly 96 per cent of traditionally disadvantage households opted for external finance for consumption smoothing while 15.4 per cent and 22.5 per cent of them used it for investment and loan repayment purposes. On the other hand, the newly disadvantaged borrowed and withdrew money mostly for making investments.

Table 3.2: Purpose of borrowing money (loan) and withdrawal of savings (% of cases)

Purposes	Traditionally disadvantaged (% of cases)	Newly disadvantaged (% of cases)
Consumption smoothing	95.8	92.9
Investment	15.4	51.3
Prior loan repayment	22.6	18.3
Incidental expenses	29.8	27.9

Source: Citizen's Platform Field Survey 2021.

One in every seven households made distress selling in terms of livestock and other assets

Nearly 8.5 per cent of the household had to sell livestock to fight against COVID-19 induced financial burden (Figure 3.5). Among the traditionally disadvantaged, one in every five coastal households sold their livestock(s). Cases of livestock selling were found to be higher than average among Dalit, Char, Haor and households with person with disability (PWD). In all such cases financial stress was not the only reason behind livestock selling, rather shortage of animal food supply and increase in input prices forced many to release their livestock. Among the newly disadvantaged, 7.7 per cent migrant and 5.9 per cent MSME households sold their livestock as a coping strategy in an attempt to mitigate the crisis. In addition, about 6.4 per cent the households made distress selling of other assets that includes land, gold, harvest and labour in advance etc. (Figure 3.5).

Figure 3.5: Percentage of households that made distress selling of livestock and other assets

Livestock (Sold)	Other Assets (Sold)
Char — 13.5	Char — 4.1
Haor — 13.0	Haor — 2.9
Coastal — 20.2	Coastal — 8.3
Slum — 4.0	Slum — 8.0
Dalit — 13.6	Dalit — 6.1
Indigenous — 7.4	Indigenous — 4.9
PWD — 10.7	PWD — 8.2
Female HHH — 6.2	Female HHH — 6.2
Migrant — 7.7	Migrant — 6.0
MSME — 5.9	MSME — 6.8
All — 8.5	All — 6.4
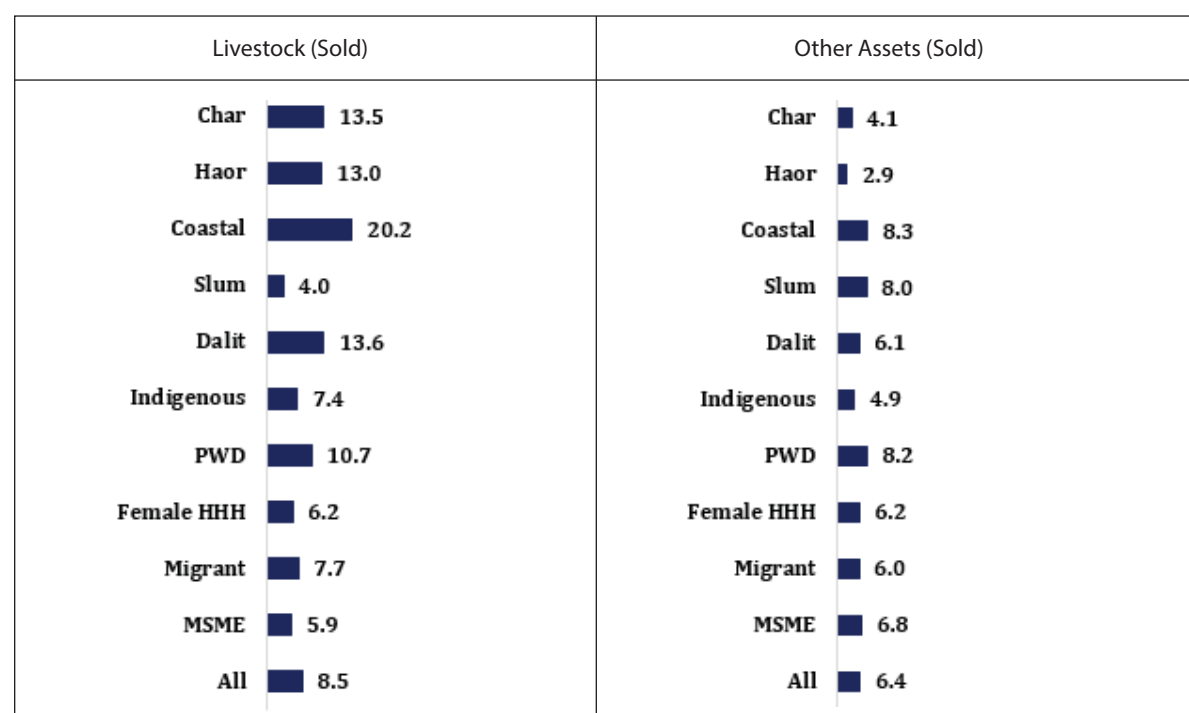
Source: Citizen's Platform Field Survey 2021.

3.3. Households' assistance-based response to cope

Amid the lockdown, financial aid as well as food assistance were desperately needed by the disadvantaged households. On average 75 per cent of the households responded that they needed assistance-based approaches to cope. However, their access to social safety nets was limited. These households received better support from NGOs, family, friends or neighbours. Some key assistance-based approaches undertaken by the households are discussed below.
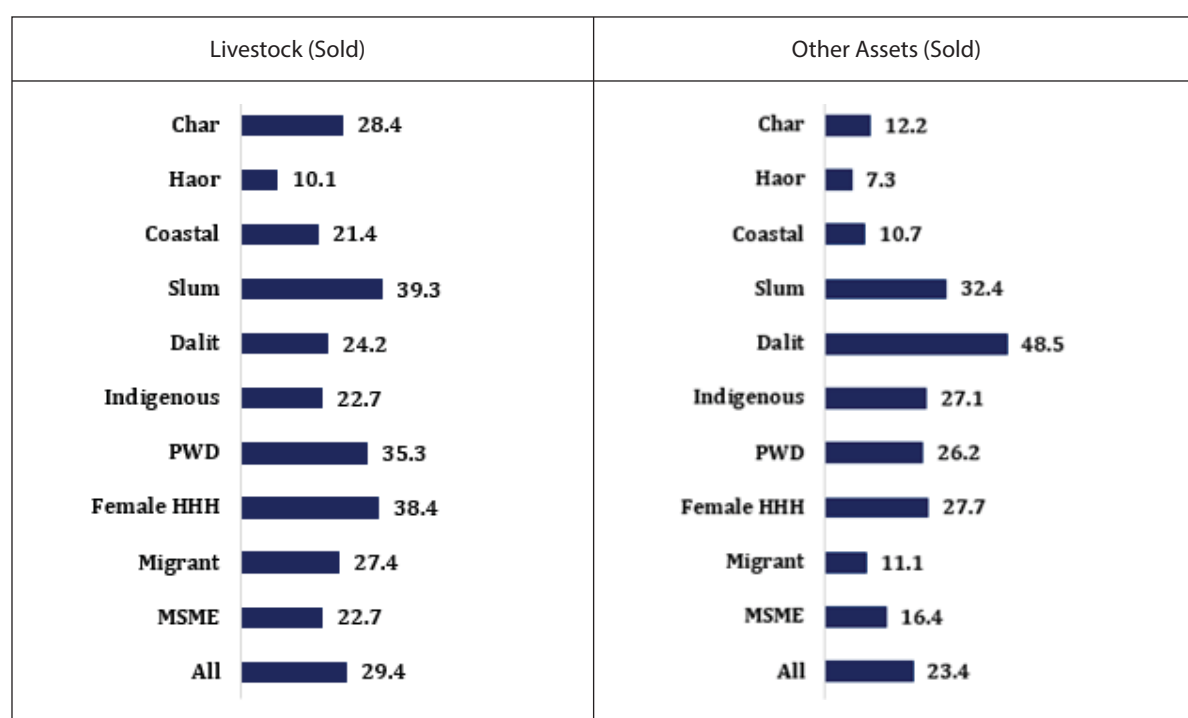
Private support streamed to three in every ten disadvantaged households

Among the newly disadvantaged households a large share of private support went to slum dwellers. Nearly two out of every five slum dwelling households received either cash or in-kind private support (Figure 3.6). About one-third of households with PWD received private aids while three out of every eight female headed households did. Char communities received lowest private aids among all selected traditionally disadvantaged groups. Among the newly disadvantaged, every two out of seven migrant households and one out of every five MSME households received private support (Figure 3.6).

Figure 3.6: Percentage of households who received private and government supports

Livestock (Sold)		Other Assets (Sold)	
Char	28.4	Char	12.2
Haor	10.1	Haor	7.3
Coastal	21.4	Coastal	10.7
Slum	39.3	Slum	32.4
Dalit	24.2	Dalit	48.5
Indigenous	22.7	Indigenous	27.1
PWD	35.3	PWD	26.2
Female HHH	38.4	Female HHH	27.7
Migrant	27.4	Migrant	11.1
MSME	22.7	MSME	16.4
All	29.4	All	23.4

Source: Citizen's Platform Field Survey 2021.

One in every four households received government support or relief

Government support penetrated better among the households from the urban periphery such as the Slum dwellers and Dalit community, whereas delivery of such support was weaker in remote or hard to reach areas. Primarily it was assumed that restriction on mobility due to the pandemic will impact most of the urban disadvantaged groups. Nearly half of households belonging to the Dalit community received government support. One in every three households for slum dwellers

also receive support from government relief programmes. However, a significantly lower number of households from Char, Haor and Coastal areas received government support. Among the newly disadvantaged households, 11.1 per cent migrant households and 16.4 per cent MSME households received government support (Figure 3.6).

Households received government support more in the form of food assistance rather than cash and other in-kind supports

On average more traditionally, disadvantaged households received government support compared to newly disadvantaged households (almost three times more). Among the traditionally disadvantaged, 53.6 per cent households received food assistance only in terms of government support. Correspondingly, 60.8 per cent of the newly disadvantaged households received government support in the form of food assistance only. But the percentage of households who received cash support from the government was regrettably very low (Table 3.3).

This suggests that while some households received multiple benefits from government programmes, a significant number of eligible vulnerable households were deprived. It perhaps indicates the issues overlapping and mistargeting in the preparation of the beneficiary list.

Table 3.3: Types of Government support received by the disadvantaged households (% of HHs)

Types of Government Supports	Traditionally disadvantaged	Newly disadvantaged	All
Food Assistance only	53.6%	60.8%	54.2%
Food + Other in-kind support	20.9%	11.8%	20.1%
Cash + Food + Other in-kind support	9.9%	9.8%	9.9%
Cash + Food Assistance	9.9%	15.7%	10.4%
Cash only	3.9%	2.0%	3.7%
Other in-kind support only	1.3%	-	1.2%
Cash + Other in-kind support	0.5%	-	0.5%
Number of HHs received support (in total)	545	51	596
% of HHs received support	43.6%	14.5%	37.3%

Source: Citizen's Platform Field Survey 2021.

All the households undertook some approach to overcome the overwhelming impacts of the pandemic. Some approaches were more prominent among some groups (i.e., the highest proportion of indigenous households reduced their spending on both food and non-food expenses, but they seldom opted for liquidating their assets). Given the paucity of external support the coping approaches of these vulnerable groups were necessary, but the repercussions would be felt in the long-run. The sizeable suppression on food consumption will result to long-term food poverty, regressing the progress of Goal 2 of the Sustainable Development Goals (SDGs) (Bidisha, Mahmood & Hossian, 2021). Moreover, households losing their assets and savings will increase their asset poverty reducing their economic security. The increased in indebtedness will further reduce the scope of recovery from the present crisis and make them vulnerable if faced by other economic hardships in the future. This is more elaborately discussed in the following sections.

SECTION 4: SURVEY FINDINGS ON HOUSEHOLDS' STATE OF RECOVERY

This section informs about the households' state of recovery or anticipation of recovery at the time of the survey. Some descriptive statistics as regards to their recovery process.

Nine out of every ten households could not recover from COVID-19 induced financial hardship; households that recovered took five months to overcome the crisis in the early phase while rest of the households may take another 12 months or more to recover

Nearly 78 per cent of the sampled households experienced additional financial hardship induced by the pandemic. Among these households 20 per cent recovered within the initial five months of the pandemic. However, the remaining 80 per cent households did not recover by February 2021 (within the first eight months of the pandemic period). Moreover, these households perceived that it additionally may take at least 12 more months starting from February 2021. However, this survey only captured the household recovery process (or anticipated recovery) up until the first wave and the most recent waves of the pandemic have certainly changed course of the recovery process as well as the time (Figure 4.1)

Figure 4.1: Households that recovered from the financial hardship induced by COVID-19 (%)
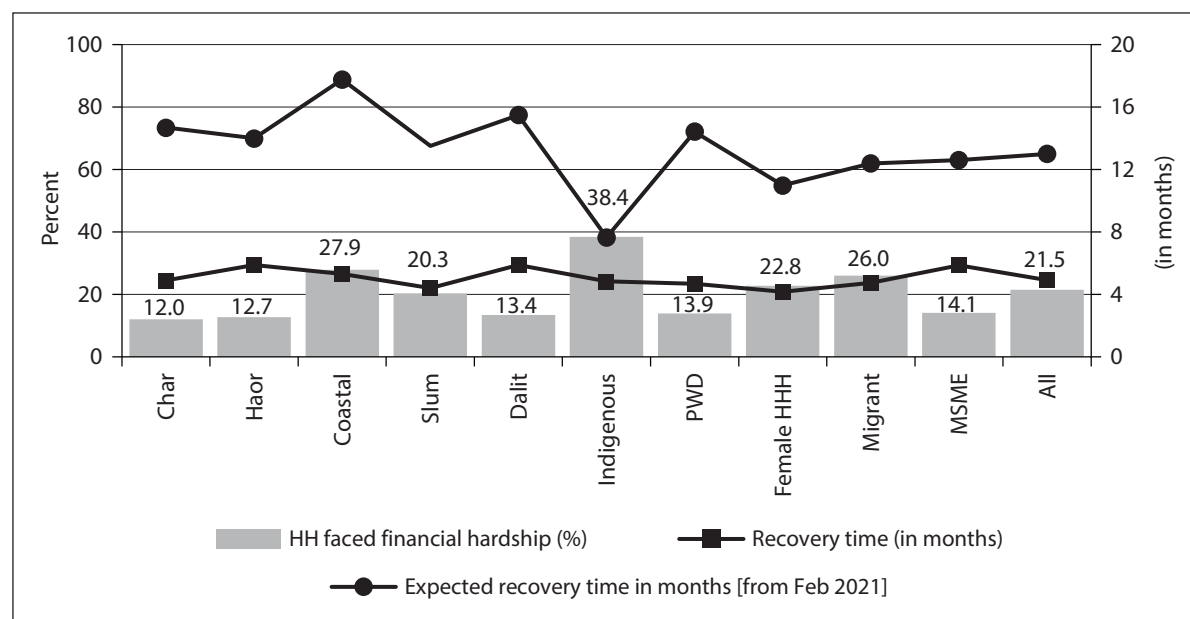
Source: Citizen's Platform Field Survey 2021.

Recovery from financial hardship was slightly better for households from indigenous (38.4 per cent) and coastal communities (27.9 per cent) when compared to other traditionally disadvantaged groups (Figure 4.1).[5] Among the newly disadvantaged households the recovery rate of the migrant worker households (25 per cent) was better compared the MSME households (14 per cent) (Figure 4.1).

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[5]Only 12 per cent households recovered from the Char areas, 12.7 per cent households from Haor areas, 13.4 per cent households from Dalit communities and 13.9 per cent PWD households have recovered from the early phase of financial hardship (till February 2021).

While some of the households may recovered as early as in seven months, others may need another two and half years in reference to April 2020 (Table 4.1)

According to the finding the Dalit community may need around two years to have a full recovery, while households from Char, Haor, Coastal and Slum may take one and half to two years. High standard deviation within groups may indicate that households' recovery time may significantly vary given their initial level of income and wealth endowments. The coefficient of variation is above 50 per cent for all the households. It implies that within communities, the households who were exposed to COVID-19 related vulnerabilities at different magnitude, their prospective recovery and transition from the crisis will take place at different intervals.

Table 4.1: Anticipated recovery time in months at household level by groups

Groups	Average recovery time (in months)	Standard Deviation (in months)	Coefficient of variation (%)
Char	20.0	10.4	52.0
Haor	20.1	10.3	51.4
Coastal	18.0	10.0	55.8
Slum	17.4	10.8	62.0
Dalit	22.3	11.6	51.9
Indigenous	12.3	7.1	57.7
PWD	20.1	11.1	55.3
Female HHH	15.8	10.7	67.4
Migrant	15.4	10.1	65.7
MSME	20.1	11.1	55.3
All	17.3	10.2	59.2

Source: Citizen's Platform Field Survey 2021.

Households that withdrew more savings and/or borrowed more money, recovered less

Recall within the sample among the households that faced additional vulnerabilities due to the pandemic 20 per cent recovered in the first eight months while the rest were still in the process of recovery.

On average, households that recovered in the first phase of the pandemic had significantly lower amount of withdrawal of savings. Correspondingly, it is also true for households who borrowed higher amount of loans. In particular households from the migrant community that could not recover from the crisis withdrew twice more savings and borrowed nearly 2.5 times more compared to the households that recovered (Table 4.2).

It can therefore be inferred that the households that had higher economic strength or resilience managed to recover in the first phase of the pandemic. Here economic strength refers to their capacity of income diversification, adjustment in expenses, mitigating a crisis with relatively lower requirement of savings withdrawal and borrowings.

Table 4.2: Change in economic indicators by recovery status

Groups	Drop in income (%)		Drop in expenses (%)		Withdrawal of savings (in taka)		Loan Taken (in taka)	
	HH recovered	HH did not recover	HH recovered	HH did not recover	HH recovered	HH did not recover	HH recovered	HH did not recover
Char	9	26	11	16	-	9,476	20,000	41,234***
Haor	16	19	19	14	-	24,125	36,667	53,604***
Coastal	20	13	10	4	-	39,273	27,125	63,705***
Slum	9	18	3	8	16,636	24,170***	27,950	52,929***
Dalit	17	18	3	12	-	11,286	17,000	34,078***
Indigenous	8	10	3	0	17,636	24,750***	41,400	36,422
PWD	8	15	6	6	18,000	24,438***	38,692	60,762***
Female HHH	12	20	4	9	41,889	41,329	25,929	58,679***
Migrant	14	25	4	9	48,818	97,278***	46,364	112,457***
MSME	13	15	9	8	27,833	36,601**	54,350	68,866***

Source: Citizen's Platform Field Survey 2021.
Note: Standard errors in parenthesis *** $p<0.01$, ** $p<0.05$, * $p<0.1$

Findings from Focus Group Discussions (FGDs)

During the FGD with transgender community it was revealed that they adopted similar coping mechanism like other disadvantaged communities. In a nutshell they shared that during the first lockdown in April 2020 majority of them received food assistance from government relief packages despite its inadequacy in quantity. However, such government supports dried out in the second phase of lockdown. The supply of private support or assistance was by and large limited for transgender communities – mostly due to social and religious stigma. During early days of lockdown, they received support from their peers within the transgender communities. Withdrawal of savings, selling off ornaments and other assets were very common coping strategies for them. Majority of them had to take loan from each other as their access to formal financial sources are very limited. At the same time, they did not receive the expected support from several microfinance groups – those at normal time show vivid interest to involve transgender members as their clients. Majority are struggling to pay rent and even to manage food. Lot of owners had evicted them from houses. As a consequence, a significant number of members from transgender communities had to leave city and shift to their villages. But the scenario was no different there either. In a number of cases, even their family members refuse to shelter them because of their identity. One of speakers during FGD mentioned that "*we are not only becoming vulnerable day by day, we are running out of resorts to survive. Many suffered from COVID-19 but did not opt for testing – simply because we can't afford to test.*"

From another FGD with the floating population it was found that in order to cope with financial burden domestic workers and migrants living abroad shared living spaces with several others. This helped them to reduce the cost of rent. Some domestic workers who lost their jobs had to resort to begging on the streets. Almost all the surveyed people from the floating population could afford to spend less on food after the pandemic started.

SECTION 5: RESULTS OF EMPIRICAL MODELS

With the available survey data, two empirical econometric models were used. In the first model the specific coping strategies which contributed to the disadvantaged households to recovery in the first phase of the pandemic were assessed using a Probit regression. In the second model the anticipated amount of time (in months) required by these households to recover from the financial hardships caused by the pandemic was estimated using the Ordinary Least Square (OLS) method. Only the surveyed households that experienced financial hardship induced by COVID-19 were included in the analysis. The results of the estimations are discussed subsequently (Tables 5.1 and 5.2)

Within sample households only 7.6 per cent could maintain their income level equivalent to pre-COVID state or somewhat managed to improve it despite containment measures. The Probit model shows that the likelihood of recovery from the financial hardship significantly increased for households from Char, Slum and PWD communities if they managed to improve or maintain their pre-existing level of household income. At the same time, the coefficient value from OLS model confirms that a 10 per cent increase in monthly income in the initial months of the pandemic helped Char households to recover faster than average by at least two months and Slum dwellers by a month.[6] Alongside higher level of income, households that had significantly higher wealth endowment (i.e., in terms of amount of ownership of agriculture or dwelling land) managed to recover faster.

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[6]It is important to note that percentage change in income is used in both Probit and OLS regression as a control variable to capture the variation of income effect to decouple how other coping strategies supported households to recover from the crisis.

Probit analysis further suggest that an additional member in the Char, Coastal and Slum communities would significantly reduce the households' likelihood of recovery. It was found to be true for migrant households as well. Given that the average size of the households for these disadvantaged groups were higher than national average and majority of these households suffered from job loss in the first phase of the pandemic, an additional member only caused additional burden.

The recovery process of the PWD households were also delayed by nine to ten months if they faced natural disaster like flood for the first time. As PWD households face significantly high out-of-pocket health expenditure than other disadvantaged groups, their scope of trade-off between different segments of non-food expenses were rather limited. Hence, their possibility to recover from COVID-19 would get reduced if they simultaneously suffered from other natural shocks like flood or cyclone etc. without prior experience of adaptability.

Nearly 64 per cent of the households curtailed food expenses in addition to other coping strategies. According to the Probit estimates, only limiting food expenses would significantly improve the likelihood of household recovery from the crisis by 9.5 percentage points for Slum dwellers and by 18.5 percentage points for MSMEs (Table 5.1). However, OLS estimate suggests that households from Haor communities that managed to reduce food expenses in the early phase may recover ten months earlier than their group's average (Table 5.2). Just to recall, on average households from Haor communities during the survey anticipated to make a full recovery in twenty months.

In addition, about half of all the households reduced non-food household expenses as a coping mechanism. However, the implication of such non-food adjustment is different across communities as their initial endowment differs (i.e., some households may reduce spending on education while others may forgo health necessities). Thereby, the opportunity cost of adjustment in non-food expenses might cause significant deterioration in living standards in short-run and may impede the social development of future generations in the long-run. From the analysis, adjustment in non-food expenses as an independent coping strategy improves the likelihood of Char community by 27.4 percentage points whereas it deteriorates the likelihood of the recovery of households from Slum, PWD and MSMEs communities (Table 5.1).

Private support as a coping measure independently increases the likelihood of recovery of Char community households by 27.2 percentage point, while household's possibility of recovery from the crisis reduced by 20.5 percentage and by 10.4 percentage points respectively for migrant and MSME households. One must recognise that the household members who migrated right before the pandemic with prior loan repayment commitments, suffered more in terms of financial distress. Moreover, migrants and MSMEs households that received private support were exposed to higher degree of vulnerabilities and their immediate recovery was not feasible because of their limited access to other means of recovery.

Among the Coastal communities, households that withdrew savings became twice more vulnerable than their pre-COVID state of living and OLS estimates anticipate that they would take nearly six months more than the average of eighteen months period of anticipated recovery. Moreover, the likelihood of PWD households to recover from the crisis is nearly 10.4 percentage points less when if they withdraw their savings. In similar vein, the likelihood of char community households to recover from the crisis gets 40.6 percentage points lower if they forced to take loan to cope with COVID-19 induced vulnerabilities. The result is also true for indigenous, slum, migrant and MSME households.

The OLS estimates underscored that households may require additional five to nine months to recover from the crisis across the abovementioned communities. The prevailing results of analyses suggest that most households needed money to cope with the crisis with poor access to formal financial sources. As they mostly borrowed money from NGOs and money lenders; their means of coping became more challenging with incrementally higher interest rate burden. It further emphasis the need for designing conditional cash transfer program under government's project-based initiative dedicatedly to safeguard these marginalised communities from COVID induced vulnerabilities.

The likelihood of households from coastal areas to recover from the crisis drops by 28.9 percentage points when they make distress selling of livestock and recovery may get nine and ten months delayed than their group's respective averages. During distress selling households usually receive less price for livestock than that of regular market price. Although money received from selling off their livestock(s) helped them to make consumption smoothing at the initial phase of the crisis but eventually made them '*worse off*' in comparison to their pre-COVID state.

The likelihood of recovery from the financial hardship increase by 60.9 per cent for Coastal household if they receive cash support from the government and they are anticipated to recover at least a year prior to the group's anticipated average recovery time. Similarly, government's cash support alone improve the likelihood of recovery by 56.4 per cent for Slum dwellers and made their recovery six months faster than group's average anticipated length of recovery. Similarly, government cash support significantly helped PWDs and MSMEs to recover within first six months of the crisis which was around fourteen months earlier than their group's anticipated average recovery time. Within the sample households, for rest of the disadvantaged communities' government cash support alone were largely missing or the coverage was lower.

In addition, government's food assistance increased the likelihood of recovery for Char households by 41.7 percentage points in terms of Probit estimates and the OLS estimate show that upon receiving government cash support Char households are expected to recover ten months earlier than its group average. Besides, migrant households are anticipated to recover nearly seven months earlier than its average upon receiving direct cash support from the government. In contrast, government's food assistance programmes rather significantly reduced the likelihood of recovery by 19.2 percentage points for Coastal and by 12.3 percentage points for MSME households. This contrasting result may suggest that the government's food assistance program was inadequate to support these communities and leave them in a state where they perceived deprivation of their scheduled share and found themselves more vulnerable to cope with the crisis in an attempt to recover. Also, the likelihood of recovery dropped by 12.9 percentage points for MSMEs when they received support from multiple government programs as well. One reason could be that while MSMEs needed cash or support in terms of working capital, government provided in-kind support in terms of agricultural inputs and hygiene products and operations like open market sales (OMS) grossly to all communities.

SECTION 6: POLICY RECOMMENDATIONS AND CONCLUSION

In summary, four in every five households faced additional vulnerability induced by COVID-19. Of which, only one-fifth of disadvantaged households (which was roughly 16 per cent of all sample households) have managed to recover from the crisis in the first eight months of the pandemic.

However, caveat is, we assumed they did not face further vulnerability during second and third episodes of lockdown or waves of coronavirus. The nature of vulnerabilities was diverse for different households and its reflection is quite evident in their choice of coping approaches. About 31 different combinations of coping strategies were adopted by these selected vulnerable groups to scale up their recovery process. Although, eventually a significant number of households were compelled to borrow money and withdraw their savings, however at the onset of the crisis they primarily tried to tackle the COVID-19 induced distress by reducing food and non-food expenses. In addition, a relatively smaller sections of disadvantaged households received government support as well as private assistance. Despite the inadequacy in meeting their needs, all private and government support helped households to smooth their consumption. Although government support alone was not effective, but it was found effective when tied up with other forms of coping strategies. Within the public support, cash transfer significantly contributed to the recovery process more than other in-kind supports. Given the COVID-19 crisis may prolong for years, in all likelihood, the options for coping with the crisis for these disadvantaged communities will be reduced. Private support and aid have almost dried out now; allocation of public supports is coming down; households' debt burden is increasing while they have almost used up their savings and distress selling is featuring more overwhelmingly among these marginalised communities. Therefore, government should dedicatedly design a project based conditional cash transfer program at national level to provide support to these marginalised communities by addressing their needs at this challenging time.

Table 5.1: Probit Marginal Effects by LNOB and PNOB Groups

Dependent Variable: HH made a full recovery from the financial crisis induced by COVID-19 (=1), otherwise (=0)

Explanatory Variables	Traditionally Disadvantaged							Newly Disadvantaged	
	Char (i)	Haor (ii)	Costal (iii)	Slum (iv)	Dalit (v)	Indigenous (vi)	PWD (vii)	Migrants (viii)	MSMEs (ix)
% change in income	0.0110*** (0.00255)	0.000464 (0.00460)	-0.00342 (0.00181)	0.00326*** (0.00101)	-0.00176 (0.00308)	0.000786 (0.00221)	0.00156* (0.000923)	0.00810*** (0.00255)	0.00309*** (0.00110)
Household Size	0.0399 (0.0281)	-0.143*** (0.0482)	-0.0935** (0.0364)	-0.0265* (0.0141)	-0.0320 (0.0482)	-0.0161 (0.0183)	-0.00581 (0.0133)	-0.0280* (0.0170)	-0.00734 (0.0153)
Urban (=1)	- -	- -	-0.0200 (0.159)	-0.000126 (0.0530)	-0.133 (0.0893)	- -	-0.0804 (0.0546)	-0.0413 (0.105)	0.0243 (0.0468)
Female Headed HH (=1)	- -	- -	- -	-0.0215 (0.0578)	- -	-0.107 (0.0874)	0.0147 (0.0556)	- -	- -
HH exposed to new shock (=1)	0.417*** (0.0741)	- -	-0.109 (0.137)	0.0132 (0.0442)	0.229 (0.148)	0.0777 (0.0855)	-0.154*** (0.0538)	0.102 (0.0988)	-0.0507 (0.0479)
HH cut down food expenses (=1)	0.0583 (0.136)	- -	-0.0336 (0.123)	0.0946* (0.0526)	-0.211 (0.135)	-0.119 (0.151)	0.104 (0.0640)	0.00790 (0.132)	0.187** (0.0853)
HH cut down non-food expenses (=1)	0.274*** (0.0927)	-0.142 (0.172)	0.00925 (0.123)	-0.105** (0.0430)	0.0775 (0.100)	0.0933 (0.125)	-0.0820* (0.0498)	0.189* (0.102)	-0.191** (0.0767)
HH received private support (=1)	0.0554 (0.0741)	0.272* (0.148)	-0.130 (0.134)	-0.0296 (0.0442)	-0.0148 (0.0992)	-0.0771 (0.0828)	-0.0447 (0.0463)	-0.205** (0.0943)	-0.104* (0.0580)
HH withdraw savings (=1)			-1.308*** (0.156)	-0.0354 (0.0423)	0.152 (0.108)	-0.0773 (0.0987)	-0.104* (0.0557)	-0.0222 (0.101)	-0.0729 (0.0494)
HH took loan (=1)	-0.406*** (0.128)	-0.116 (0.133)	-0.0608 (0.124)	-0.227*** (0.0409)	0.0301 (0.0929)	-0.186*** (0.0681)	-0.0666 (0.0422)	-0.206** (0.0853)	-0.175*** (0.0529)
HH sold livestock (=1)	-0.114 (0.113)	- -	-0.289** (0.116)	0.0259 (0.0988)	- -	0.184 (0.124)	0.0204 (0.0728)	0.0501 (0.158)	-0.0533 (0.128)
Received cash support only from government (=1)	- -	- -	0.609*** (0.0657)	0.564*** (0.148)	- -	-0.0719 (0.176)	- -	- -	- -

(Table 5.1 contd.)

(Table 5.1 contd.)

Explanatory Variables	Traditionally Disadvantaged							Newly Disadvantaged	
	Char (i)	Haor (ii)	Costal (iii)	Slum (iv)	Dalit (v)	Indigenous (vi)	PWD (vii)	Migrants (viii)	MSMEs (ix)
Received food assistance only from government (=2)	0.417*** (0.0741)	- -	-0.192* (0.108)	0.0403 (0.0480)	-0.0203 (0.218)	-0.0587 (0.0873)	-0.0345 (0.0440)	-0.0365 (0.133)	-0.123*** (0.0431)
Received other in-kind support only from government (=3)	- -			0.361 (0.275)	- -	0.131 (0.214)	- -	- -	- -
Received mixed/ multiple supports from government (=4)	- -	- -	-0.00495 (0.161)	-0.0592 (0.0481)	-0.226 (0.163)	-0.128 (0.0821)	-0.00514 (0.0600)	- -	-0.129*** (0.0469)
Observations	48	38	78	346	52	203	239	109	209

Standard errors in parentheses
*** $p<0.01$, ** $p<0.05$, * $p<0.1$

Table 5.2: Results of OLS regressions by groups

Dependent Variable: Anticipated amount of time in months required to make a full recovery from financial crisis induced by COVID-19

Explanatory Variables	Traditionally Disadvantaged						Newly Disadvantaged		
	Char (i)	Haor (ii)	Costal (iii)	Slum (iv)	Dalit (v)	Indigenous (vi)	PWD (vii)	Migrants (viii)	MSMEs (ix)
% Change in income	-0.206*** (0.0590)	-0.0641 (0.0915)	0.0731 (0.0329)	-0.100*** (0.0364)	0.0880 (0.138)	-0.0103 (0.0403)	-0.0363 (0.0502)	-0.114 (0.0717)	-0.0675* (0.0366)
Ownership of cultivable land (in decimal)	- -	-0.00491 (0.00771)	-0.00183 (0.0210)	0.0651 (0.168)	-0.00313 (0.103)	0.00762 (0.00767)	-0.00542 (0.0160)	0.0111 (0.00716)	0.0204 (0.0249)
Land ownership of dwelling-house (in decimal)	-0.154 (0.247)	0.193 (0.123)	-0.00481 (0.0703)	-0.234 (0.405)	-0.869 (0.594)	-0.0450 (0.0509)	-0.0644 (0.0795)	-0.0942 (0.145)	0.160 (0.0887)
Household Size (in members)	-1.310 (1.016)	0.107 (0.804)	1.219 (0.745)	0.789* (0.449)	2.369 (2.360)	0.256 (0.319)	-0.395 (0.458)	0.194 (0.497)	-0.122 (0.521)
Urban (=1)	- -	- -	-4.828 (3.731)	0.0213 (1.728)	1.827 (3.220)	- -	1.281 (2.122)	-4.206 (2.862)	1.725 (1.573)
HH exposed to new shock (=1)	- -	- -	2.619 (3.161)	0.827 (1.402)	-6.479 (6.085)	-0.172 (1.501)	9.331*** (2.023)	-4.635 (3.043)	2.271 (1.527)
HH exposed to Flood (=1)	3.159 (4.456)	- -	- -	- -	- -	- -	- -	- -	- -
HH cut down food expenses (=1)	-8.474 (5.706)	-10.91** (4.353)	2.661 (3.532)	-2.038 (1.685)	4.654 (6.060)	-0.824 (2.779)	-2.715 (2.384)	1.170 (3.515)	-3.170 (2.719)
HH cut down non-food expenses (=1)	4.445 (3.917)	-1.370 (3.887)	-3.157 (3.041)	2.364 (1.543)	-4.795 (4.946)	0.462 (2.313)	2.238 (1.943)	-3.146 (3.225)	4.451* (2.441)
HH received private support (=1)	-0.388 (4.649)	-1.603 (3.537)	2.119 (2.649)	-0.238 (1.424)	2.103 (4.634)	1.745 (1.284)	3.228* (1.881)	6.554*** (2.228)	1.808 (2.024)
HH made savings withdrawal (=1)	3.494 (2.765)	2.368 (4.097)	5.855** (2.736)	0.496 (1.383)	-6.439 (4.294)	0.414 (1.410)	2.137 (1.855)	-1.489 (2.564)	1.938 (1.696)
HH made borrowing (=1)	9.153** (3.559)	4.504 (3.169)	-0.296 (2.906)	8.085*** (1.383)	-2.214 (5.151)	4.498*** (1.109)	5.290*** (1.843)	6.499*** (2.399)	5.793*** (2.238)

(Table 5.2 contd.)

(Table 5.2 contd.)

Explanatory Variables	Traditionally Disadvantaged							Newly Disadvantaged	
	Char (i)	Haor (ii)	Costal (iii)	Slum (iv)	Dalit (v)	Indigenous (vi)	PWD (vii)	Migrants (viii)	MSMEs (ix)
HH sold livestock (=1)	1.261	9.308**	-0.395	-2.734	10.09*	-2.458	-3.918*	2.466	-1.982
	(2.909)	(3.676)	(2.624)	(2.570)	(5.414)	(1.767)	(2.038)	(3.822)	(2.835)
Received cash support only from government (=1)	-	-	-12.12**	-6.535*	-	1.809	-14.13***	6.164	-14.66***
	-	-	(5.890)	(3.503)	-	(2.593)	(2.128)	(6.096)	(2.660)
Received food assistance only from government (=2)	-10.31***	-0.458	4.451	-0.165	-0.654	2.067	1.311	-6.961**	0.688
	(3.519)	(3.712)	(3.781)	(1.498)	(7.717)	(1.406)	(1.972)	(3.381)	(2.277)
Received other in-kind support only from government (=3)	-	-	-	-8.728	-	-1.737	-	-	-
	-	-	-	(6.162)	-	(3.544)	-	-	-
Received mixed/ multiple supports from government (=4)	22.12	4.630	0.882	1.725	5.495	2.296	-0.0445	4.927	2.675
	(2.626)	(2.296)	(3.401)	(1.785)	(7.218)	(1.208)	(2.040)	(3.323)	(2.728)
Constant	16.08*	21.87***	10.71*	8.121***	17.26	8.254***	13.54***	11.98**	9.026**
	(8.529)	(5.282)	(5.472)	(2.590)	(11.02)	(2.335)	(3.462)	(4.819)	(3.609)
Observations	40	54	78	247	49	187	183	89	160
R-squared	0.687	0.492	0.303	0.247	0.242	0.123	0.256	0.296	0.169

Robust standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

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ANNEX

Methodology: Probit and OLS Regression Models

Probit Regression Model

One of main objectives of this chapter is to assess what coping mechanisms have supported LNOB and PNOB households significantly more to recover from financial crisis induced by COVID-19 pandemic in the early phase. In this particular case, recovery refers HH's self-reported claim that they have completely recovered from financial crisis caused by COVID-19. As oppose to household (i =1 … n) that recovered (=1), others are still experiencing financial hardship (=0). Given the dichotomous natural of the dependent variable, quality response model like logit or probit will be more appropriate. However, we will carry probit analysis as our data is distributed normally among all possible outcomes. Marginalised households e.g., LNOBs and PNOBs that have managed to recover from the crisis assumed to adopt coping mechanisms better than others given their initial endowment within the same community.

The probability P_i for a household is to recover from the financial hardship induced by the COVID-19 crisis and this can be expressed as in equation (i), where φ represents the cumulative distribution of a standard normal random variable.

$$P_i = prob[Y_i = 1|X] = \int_{-\infty}^{x_i'\beta} 2\pi^{-1/2}\exp\left(-\frac{t^2}{2}\right) dt \text{ ------------------(i)}$$

$$= \varphi(x_i'\beta)$$

The dependent variable whether a household made a full recovery or not from the financial crisis induced by COVID-19 pandemic is usually subject to household's demographic characteristics, initial level of endowment, and their adoption of coping strategies to mitigate the crisis. The relationship between a specific variable and the outcome of the probability is interpreted by means of the marginal effect, which accounts for the partial change in the probability. The marginal effect associated with continuous explanatory variables X_k on the probability P (Yi = 1 | X), holding the other variables constant, can be derived as follows:

$$\frac{\partial P_i}{\partial x} = \gamma(x_i'\beta)\beta_K$$

Where, γ represents the probability density function of a standard normal variable.

On the other hand, the marginal effect of dummy variables refers to discrete changes in the predicted probabilities and it can be derived as follows:

$$\Delta = \varphi(\bar{x}\beta, d = 1) - \varphi(\bar{x}\beta, d = 0)$$

The marginal effects provide insights into how the explanatory variables shift the probability of a household being self-declaring itself recovered fully or not from the financial crisis they faced or facing due to COVID-19. Using the econometric software STATA, average marginal effects were calculated for each variable while holding other variables constant at its sample mean.

The specific probit model estimated in the chapter is as follows:

$$\text{Prob}(Y_i = 1) = \varphi(\alpha_1 * \textbf{monthly HH income growth between pre and during COVID} - 19 + \alpha_2 *$$
$$\textbf{household size} + \alpha_3 * \textbf{location of household} + \alpha_4 * \textbf{Female Headed HH}) + \alpha_5 *$$
$$\textbf{HH's exposure to new shock(s)or flood} + \alpha_6 * \textbf{HH cut down food expenses} + \alpha_7 *$$
$$\textbf{HH cut down non} - \textbf{food expenses} + \alpha_8 * \textbf{HH received private support} + \alpha_9 *$$
$$\textbf{HH received government cash support} + \alpha_{10} * \textbf{HH received government food support} + \alpha_{11} *$$
$$\textbf{HH received government's other in} - \textbf{kind support} + \alpha_{12} * \textbf{HH withdraw savings} + \alpha_{13} *$$
$$\textbf{HH borrowed (loan)} + \alpha_{14} * \textbf{HH sold livestock} + \alpha_{15} *$$
$$\textbf{Number of total coping mechanism adopted by HH} + \varepsilon \text{ --------------------(ii)}$$

Where, Y_i is households state of recovery from the financial hardship; $\alpha_{i=1\,to\,15}$ are the coefficient of $X_{i-1\,to\,15}$ explanatory variables.

OLS Regression Models

Ordinary least square (OLS) models are carried out to capture at what extent different coping mechanism independently contributed to expedite the length of recovery process. Here, dependent variable is either actual or anticipated total length of recovery in months mentioned by the sample households. As explanatory variables percentage change in monthly households (in taka) between pre- and during-COVID-19 is included to capture the change in income endowment. Besides, amount of ownership of cultivable lands (in decimal) and dwelling house (in decimal) are added to control for wealth endowment. Apart from that households' demographic characteristics are attempted to capture by including household size, a location dummy based on whether the location of the household is in urban or rural areas. In the model, urban (=1) is created if household residing in urban settlement, otherwise (=0). To decouple the shock of other natural calamities from the COVID-19 induced effect, we introduced 'new-shock (=1)' variable where it refers household additionally exposed to natural disasters like flood or cyclone (Amphan) for the first time, otherwise (=0). In addition, following six coping measures were included in the model as dummy variable, if: (i) HH cut down food expenses (=1); (ii) HH cut down non-food expenses (=1); (iii) HH made savings withdraw (=1); (iv) HH borrowed money as loan (=1); (v) HH received private support (=1); (vi) HH sold livestock (=1) and in all cases, otherwise (=0). Finally, a categorical variable of government supports received by HHs is added where the base value (=0) if household did not receive any support from government initiatives. And, (=1) if household received cash support only; (=2) if household received food assistance only; and (=3) if household received supports from multiple programmes.

A specific OLS equation is estimated as follows:

$$\textbf{Recovery Time (in months)} = A + \beta_1 *$$
$$\textbf{percentage chnage in monthly HH income between pre and during COVID} - 19 + \beta_2 *$$
$$\textbf{amount of ownership of agricultural cultivable land (in decimal)} + \beta_3 *$$
$$\textbf{amount of ownership of dwelling house (in decimal)} + \beta_4 * \textbf{househould size (in person)} + \beta_5 *$$
$$\textbf{Urban} (= 1) + \beta_6 * \textbf{HH's exposure to new shock or flood} (= 1) + \beta_7 *$$
$$\textbf{HH cut down food expenses} (= 1) + \beta_8 * \textbf{HH cut down non} - \textbf{food expenses} (= 1) + \beta_9 *$$
$$\textbf{HH received private support} + \beta_{10} * \textbf{HH made withdraw of savings} (= 1) + \beta_{11} *$$
$$\textbf{HH borrowed (loan)} + \beta_{12} * \textbf{HH sold livestock} + \beta_{13} *$$
$$\textbf{HH received government cash support only} + \beta_{14} *$$
$$\textbf{HH received government food assitance only} + \beta_{15} * \textbf{HH received government's other in} -$$
$$\textbf{kind support only} + \beta_{16} * \textbf{HH received multiple government supports} + \varepsilon \text{ --------------------(ii)}$$

Where, Y_i is required amount of time anticipated by HHs to make a full recovery from the financial hardship; $\beta_{i=1\,to\,16}$ are the coefficient of $X_{i-1\,to\,16}$ explanatory variables. By groups estimation of coefficients are showing missing value largely because of insufficient data.

The COVID-19 pandemic had caused an enduring negative impact on the lives and livelihood of the disadvantaged communities of Bangladesh, i.e., the traditionally "left behind" and the newly "pushed behind" communities. In view of this crisis, the present study, through a face-to-face household survey, focuses on the coping approaches undertaken by some specific disadvantaged groups in Bangladesh. This study points out that the households were faced with additional challenges during the pandemic, given their poor resilience to economic and environmental shocks. Thus, the paper highlights the types of approaches and their combinations pursued by these disadvantaged communities in order to cope with the fallouts.

In order to cope with the multifaceted impact of the pandemic, the households undertook individual behaviour-based approaches, for example, making consumption adjustments. These households also followed asset-based approaches like borrowing money and doing distress sales of assets. Further, these households often opted for assistance-based approaches like accessing public or private resource transfers. The survey findings indicated that taking loans and selling of assets, along with cutting back on food and non-food expenses, had been the dominant approach adopted by the sample households.

The study further elaborated on the recovery status of the households at the time of the survey and puts forward the perspectives about the near future. The study concludes that government support was instrumental for certain groups of households in speeding up the recovery process. Assuming that implications of the crisis may persist in the years to come, the study measures the options to be strengthened for coping for these disadvantaged communities.

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