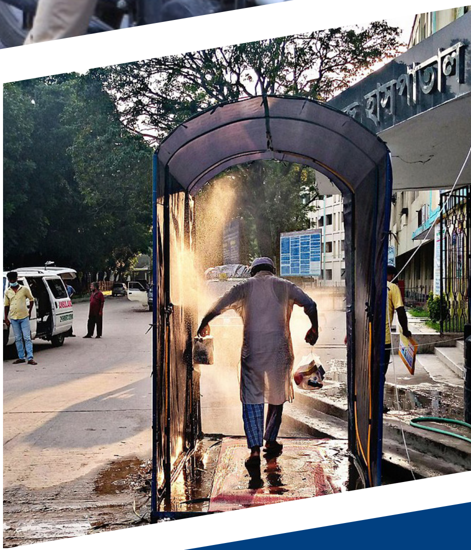

THE COVID-19 PANDEMIC: IMPACT ON SOUTH ASIA

NUS National University of Singapore

ISAS Institute of South Asian Studies

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The Institute of South Asian Studies (ISAS) is dedicated to research on contemporary South Asia.

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The Institute seeks to promote understanding of this vital region of the world, and to communicate knowledge and insights about it to policymakers, the business community, academia and civil society, in Singapore and beyond.

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The COVID-19 Pandemic: Impact on South Asia

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CONTENTS

Introduction

Nithya Subramanian

It is proving to be a long walk home both literally and figuratively. The COVID-19 pandemic has wreaked havoc to lives and livelihoods across the world. However, South Asia has perhaps been most impacted by the pandemic as it has thrown astray all strategies for socio-economic growth in the region.

According to a recent report by the World Bank*,* regional growth will fall to a range between 1.8 and 2.8 per cent in 2020, down from 6.3 per cent projected six months ago. The report states, “South Asia finds itself in a perfect storm”, as “[t]ourism has dried up, supply chains have been disrupted, demand for garments has collapsed, consumer and investor sentiments have deteriorated, international capital is being withdrawn and inflows of remittances are being disrupted. On top of the deterioration of the international environment, the lockdown in most countries has frozen large parts of the domestic economy.”[1]

As on 22 July 2020, there were over 14.8 million confirmed cases of COVID-19 globally, while within South Asia, India was the worst hit with more than 1.16 million cases. Neighbouring countries such as Pakistan, Bangladesh, Sri Lanka, Nepal, the Maldives and Bhutan have also not been spared.

This Special Report brings together recent contributions by researchers at the Institute of South Asian Studies and guest writers on the COVID-19 outbreak in South Asia. It offers a comprehensive coverage of the pandemic and its impact on the South Asian countries domestically as well as regionally. It covers a wide range of local issues related to public health, the successful Kerala model, privacy concerns of health tracking apps like Aarogya Setu and online battles against the virus in Sri Lanka, while scrutinising its repercussions on the socio-economic landscapes of the smaller countries in the neighbourhood.

While tourism in South Asia has taken a big hit, especially in countries such as the Maldives, Nepal, Sri Lanka and Bhutan, this is also an opportunity for some of them to boost other economic sectors such as agriculture and local industry. Furthermore, this report examines the problems arising out of the mass return of migrant workers – the region accounts for a third of all international migrants worldwide – and a subsequent decline in remittances, which are the backbone of many economies here.

1 “World Bank. 2020. South Asia Economic Focus, Spring 2020: The Cursed Blessing of Public Banks”, Washington, DC: World Bank. © World Bank. https://openknowledge.worldbank.org/handle/10986/33478.

The pandemic has also led to political changes in India. The report looks at the re-emergence of the Centre and rise in popularity of Indian Prime Minister Narendra Modi in the wake of the virus outbreak in India.

Finally, the report examines the ramifications of COVID-19 on intra-South Asian relations as well as with countries beyond the Indian sub-continent. The virtual meeting of the South Asian leaders, initiated by Modi, seems to provide some hope for the resuscitation of the South Asian Association for Regional Cooperation. The outbreak of the pandemic also provides the opportunity for the South Asian countries to recalibrate relations among themselves as well as with the rest of the world.

The continued spread of COVID-19, with no end in sight, will undoubtedly result in the South Asian countries suffering from the ordeal of the pandemic for quite a while. Ultimately, the ability and willingness of the South Asian leaders to rise to the occasion domestically, regionally and internationally will determine how rough and how long the ride will be for the region.

DOMESTIC DIMENSIONS

Coping with Coronavirus and China: Bangladesh's Twin Challenges

Iftekhar Ahmed Chowdhury

Summary

Given Bangladesh's close trading and economic ties with China, there are growing apprehensions that the adverse impact of the COVID-19 outbreak is unavoidable. Therefore, it may be wise for Dhaka to reduce its overdependence on China by exploring possible alternative partners.

Bangladesh, at the time of writing, is yet to be directly hit by the outbreak of the Coronavirus. However, the question is not whether the virus will find its way into Bangladesh, but when. Still, the authorities are confident that when it does happen, it can be contained. The Ministry of Health has stated that it is taking every precaution, and there are daily briefings. There is sufficient public awareness on the matter and local authorities are seeking to ensure that basic precautions are being taken. Even then, there are widespread complaints of equipment shortages, particularly in the rural regions, which is unsurprising for a developing country of over 160 million people.

The news that there are now six reported positive cases in neighbouring India is eroding confidence in Bangladesh, though India's Health Minister Harsh Vardhan has spoken of close monitoring at the highest levels to prevent its spread. Pakistan is not an immediate neighbour of Bangladesh, though always a yardstick for comparison. It has now, according to its Health Minister Zafar Abbas, five confirmed patients. This fact has also been noted seriously. The Bangladesh government, helmed by Prime Minister Sheikh Hasina, is at pains to ensure that an epidemic should be avoided, particularly as the current year is being observed in a grand fashion as the 100th birth anniversary of her father, also known as the Father of the Nation, Bangabandhu Sheikh Mujibur Rahman.

Bangladesh has been performing exceedingly well on the economic front and, hence, should the impact of the virus be significant on related activities, the nation will have much to lose. The growth in terms of gross domestic product (GDP) in fiscal year 2018-19 was 8.15 per cent, the highest recorded in the Asia Pacific region. It is said to be benefitting greatly from strong domestic demand and supportive fiscal and monetary policies. The Ministry of Finance has recently sent a report to the Prime Minister's Office on the potential impact of the virus on the economy. It was optimistic that, things remaining equal as at present, the GDP growth rate would be able to maintain its current momentum. The report bases this conclusion on three main factors. First, the strong growth of remittances will keep contributing to the furthering domestic demand. Second, the increased public expenditure under the current annual development programme and the implementation of the on-going infrastructure mega-projects will keep having positive ramifications. Lastly, the setting up of the economic zones, as is now being done, will lead to increased investments, resulting in a positive impact on macro-economic indicators. However, the report does admit that the magnitude of the consequence on the virus' spread on Bangladesh's international trade cannot be ascertained as yet, and certainly not till the end of March 2020 at the earliest.

There are already some indications that such consequences will be major. This is for a very obvious reason. Bangladesh's largest trading partner is China, where the virus had its origin and where the number of persons affected has now exceeded 80,000, a preponderant majority of all global cases recorded. China is also the biggest source of Bangladesh's raw materials, including for its readymade garment industry, the most critical component of Bangladesh's export basket. In 2018-19, China accounted for more than 20 per cent of Bangladesh's imports, according to data provided by the Bangladesh Bank. Apart from providing essential raw materials for the garment factories, China supplies 26 per cent of active pharmaceutical ingredients, without which Bangladesh's second largest export business would run the risk of grinding to a halt.

A second set of problems is the mega projects in the all-important infrastructure-building sector in Bangladesh. In all these projects, Chinese companies and workers are involved. These include four massive projects; one, the Padma Bridge designed to connect two parts of the country divided by the mighty river of that name; two, the tunnel under Karnaphuli river by the second largest city of Bangladesh and the port of Chittagong; three, the rapid transport project linking Dhaka Airport to nearby urban areas; and four, the massive Payra deep-sea and thermal projects. Some of the contractors, particularly of the all-important Padma Bridge project, are from Wuhan city in the Hubei province, the epicentre of the epidemic. An example is the China Major Bridge Engineering Company, which is headquartered in Wuhan.

Happily, however, China is not a major destination of Bangladeshi exports, though the figures are growing. As of now, the export items are confined to garments, jute and jute goods, leather and leather-products and seafood. Half of the main exports to China have already been shipped to that country during the first seven months of the 2018-19 fiscal year. Given that trend, it has been stated by officials that there are no major risks to exports to China. Still, the next fiscal year is around the corner, and the proof of the pudding will be in the eating at that point in time. In the meantime, it might be judicious to reduce the over-dependence on China by exploring possible alternative partners.

In a meeting with the author in Dhaka in late February 2020, Chinese envoy to Bangladesh, Ambassador Li Jiming, expressed confidence that the issue would be behind everyone within a couple of months. Also, China has just imposed a raft of measures allowing for duty-free access to over 5,161 Bangladeshi export items. The impact should be very positive on the Bangladesh economy, but this will probably have to wait till after the COVID-19 period, whenever that happens. In the meanwhile, to the businesses concerned, right now, each day is like a year – a year whose days are long.

Combating COVID-19 in Rural Bangladesh: The Role of the Local Government

Mohammad Tarikul Islam

Summary

As one of the most densely populated countries in the world, Bangladesh is severely vulnerable to the COVID-19 pandemic. In the rural areas of Bangladesh, health security is a great challenge and the problem has now been further intensified under the present circumstances. Despite the government announcing several packages to help the poor, implementation has not been effective due to the lack of coordination in the local administration. This is further stymied by undue influence of local government officials, nepotism and corruption, resulting in misappropriation of relief funds for the poor rural dwellers. The government has shown zero tolerance towards the accused masterminds under Section 34 (1) of the Local Government (Union Parishad) Act 2009. However, this pandemic requires proper disaster management planning through the integration of the various activities at the local and national levels.

Introduction

Countries all over the world are struggling to manage the COVID-19 pandemic, and Bangladesh is no different. Being one of the most densely populated countries in the world, it is already struggling to provide basic healthcare infrastructure to its people. The global pandemic has posed a far greater challenge for the country. While Bangladesh has done well in responding to this crisis, as it has done with many past disasters, one cannot ignore the fact that the number of COVID-19 infections has been on the rise in the country in recent days. As on 25 July 2020, the virus killed close to 3,000 people and infected more than 200,000 people.

Starting mid-March 2020, but more purposefully from 25 March 2020 onwards, Bangladesh has been mounting a major effort to raise awareness and persuade people to be socially responsible and to physically distance themselves. The government's disaster management capacity is being utilised, with local bodies, particularly the *Union Parishad*, playing an active role to effectively manage the COVID-19 emergency response.

National Preparedness and Response Plan

The National Preparedness and Response Plan for COVID-19, Bangladesh (Version-5), prepared by the Directorate General of Health Services of the Ministry of Health and Welfare in March 2020, is aimed at preventing and controlling COVID-19 and to reduce its impact on the health and well-being of the people as well as on the economy of the country. The primary objective of the plan was to prevent the entry of the disease into the country and, in case of importation, to prevent or limit local transmission. To facilitate planning and identifying the response levels, six country levels have been identified according to COVID-19 infection status. Under each level, a risk assessment would be conducted to determine, maintain and change the response level. In Level 1, there is no case in the country; in Level 2, there are imported cases; in Level 3, there is limited local transmission; in Level 4, there is widespread local transmission; in Level 5, there is decrease in transmission; and the last stage is the recovery phase.

The country is to implement the activities under a national plan through committees from the national to the *Upazila* (Sub-District) levels, with multi-sectoral involvement representing the relevant ministries, national and international organisations and development partners. The plan includes a mechanism to develop surge capacity to manage patients, sustain essential services and reduce social impact. The response strategy and actions would be continuously reviewed and adjusted as necessary to ensure the efficient use of financial and human resources for an effective response to the outbreak.

Home Quarantine and Social Distancing: A Challenge in Rural Bangladesh

To ensure that the 'stay at home' or 'home quarantine' is a success, it is important to ensure at least a month's supply of food for low-income individuals already living in villages. The government, with the support of the local administration, has been jointly identifying low-income people living in these areas and providing food to them until the situation gets better. The Bangladesh army remains on the field to help the civil administration ensure social distancing and bolster the Coronavirus preventive measures at the grassroots level. The Bangladesh police is constantly working to discourage unnecessary public gatherings so as to ensure the prevention of the spread of the virus.

The most effective way of keeping people at home in rural Bangladesh is through the proactive support of *Union Parishad,* the lowest tier of local government. The colonial pattern of administration in the local government has resulted in officials working at the *Union Parishad* level becoming bureaucratic and alienated from the people. The unequal economic structure tends to influence the local bodies. As a result, the local government cannot render proper service to the people. Besides, the presence of local elite dissuades the general public from participating in the local government, which results in a less-effective local administration.

There are 13 representatives, including the chairman in each *Union Parishad*. For the sake of rural security and peace, usually one village policeman is deployed in each village and one office-bearer leads all the members appointed in a union. According to the media, most of the people in home quarantine in the villages are non-resident Bangladeshis, who have returned from many different countries. Meanwhile, there are allegations that many in home quarantine have been disobeying government orders and moving from one place to another. If the *Union Parishad* representatives can monitor the house quarantine with the help of the village police, the infected villagers can be prevented from spreading the deadly Coronavirus. However, it is a struggle to convince villagers to maintain social distance and stay at home.

Misappropriation of Relief Aid: A Zero Tolerance Policy

While announcing a 31-point directive to combat the COVID-19 pandemic, Bangladesh's Prime Minister Sheikh Hasina warned that no corruption would be tolerated in the relief distribution and advised on appropriate usage of personal protective equipment. She also stressed that attention should be given to law and order, and all the government officials, including that of the Health Services Division, the administration, the law enforcement agencies and the Armed Forces Division would have to work in coordination with one another. Despite her strong warning, in some cases, the undue influence of the chairmen of the *Union Parishads* and the ruling political parties, muscle power, nepotism and corruption have resulted in the misappropriation of relief for the poor rural dwellers in Bangladesh. The government has taken strict action, and the local public representatives who have been involved in misappropriation of relief aid have been suspended under Section 34 (1) of the Local Government (*Union Parishad*) Act 2009. The government has so far suspended a total of 42 public representatives for their alleged involvement in the misappropriation of relief goods during the ongoing Coronavirus pandemic. Such a zero-tolerance policy by the government is necessary across all levels.

Activation of the Union Disaster Management Committee

The Coronavirus pandemic is more severe than any form of natural disaster and can only get worse. Keeping this reality in mind, the Union Disaster Management Committee (UDMC) at the Union Parishad level must be activated to render the best possible support to prevent the spread of the deadly virus. The impact of the COVID-19 pandemic could be minimised through proper disaster management planning and by integrating disaster management activities with local and national development plans. It is apparent that effective coordination is an essential ingredient for disaster management.

Bangladesh has gained credibility and repute across the world for effectively managing disasters. The government has taken several significant steps during the last few years in building up institutional arrangements for effective and systematic disaster management. To maintain proper coordination and functioning amongst the concerned ministries, departments, line agencies, local government bodies and community workers, the government has formulated a set of top-down mechanisms from national to grassroots levels. The UDMC can facilitate relief coordination under the leadership of the *Upazila* administration. It can work to raise funds at a local level to support the poorest people under its jurisdiction. It can help target the most deserving people such as marginalised farmers, daily labourers, fishermen, rickshaw and van pullers, building workers and low-income employees in private sectors for relief aid.

The government has been taking measures to manage the pandemic and to prevent an extremely adverse impact on the economy. Prime Minister Hasina announced an assistance and stimulus package of Taka 72,750 crore (S$11.95 billion) on 5 April 2020. This was followed by an additional package on 13 April 2020, raising the total financial package to Taka 95,619 crore (S$15.71 billion). This includes the safety net expansion package of Taka 6,859 crore (S$1.12 billion) for both the rural and urban areas. The allocation for the social safety net programme has been increased to three per cent of gross domestic product in the 2021 fiscal year from 2.58 per cent in the 2020 fiscal year.

The UDMC must ensure that the locals are kept informed and are capable of taking practical measures to reduce COVID-19 risk at the household and community levels as well as to widely disseminate the success stories of reducing associated risks among the local people. The committee must work closely with the local institutions, volunteers and people in a way that they can help and motivate public to stay at home maintaining social distance. It will contact the local health office to train students, youth, local club members and volunteers on community-based Coronavirus preventive initiatives.

The Way Forward

Prime Minister Hasina has been leading from the front, taking special measures to help the underprivileged. Private-sector organisations and individuals have also been coming forward to help people affected by COVID-19. Meanwhile, isolation centres can be created within the *Union Parishad* complex, and volunteer teams should be formed under each Union Parishad for emergency response. Attention must be paid to overcoming deficiencies through political and administrative action. No negligence or dithering at any level should be tolerated. The UDMC members must disseminate a uniform message to the effect of "wherever you stay, continue to fight against Coronavirus. Everyone should stay at home and keep yourself clean on a regular basis". Lastly, the aim of effective humanitarian coordination must be to ensure the best use of resources, which must reach people living in the rural areas who are most vulnerable to the COVID-19 pandemic.

Strengthened Global Partnership: Crucial to Bangladesh's Economy and Development Goals

Md Mustafizur Rahman

Summary

Bangladesh has been one of the fastest growing economies in the world since 2007. It was also well on track to achieve the Sustainable Development Goals (SDGs) set by the United Nations (UN). However, the COVID-19 pandemic has not only severely hurt its two economic pillars – garment manufacturing and foreign remittances – but also its sustainable and inclusive development goals. Global support in the form of finance, technology and capacity building will be imperative to bring these back on track.

Introduction

The world today is facing an unprecedented crisis due to the outbreak of COVID-19. The virus is wreaking havoc across the globe, taking lives and upsetting livelihoods. Since its outbreak in Wuhan, the capital of China's Hubei province, the virus has now spread to over 200 countries and territories. Most countries are struggling to manage the outbreak effectively and there is a fear that if it continues unchecked, the epidemic may spur waves of social unrest, conflict, displacement and unmanaged migration. The pandemic could also become a new excuse for nationalism, protectionism, anti-immigration policies, racism and xenophobia. We already see tendencies of some of these.

As a common response to the infection, most countries have closed their borders and businesses, shut down workplaces and schools, and locked their population at home. As a result, it has affected a broad swath of social, economic and trade activities, like tourism and hospitality, medical supplies, consumer products, financial markets, energy, transportation, food, and more. Far from ideal, the current circumstances present a profound challenge to pursuing global development objectives in the form of SDGs. The world was already falling behind in its efforts to achieve these goals even before the virus outbreak. The pandemic may have further complicated the effort.

Sustainable Development Goals

Adopted by the UN, the 2030 Agenda for Sustainable Development and the SDGs provide a blueprint for nations to achieve a better and more sustainable future for all. These goals have captured sustainable development priorities and aspirations of individual nations, and the international community has sought to mobilise global efforts around a common set of goals and targets. These 17 interconnected goals and 169 targets have laid out a path for the next 15 years to end poverty, fight inequality and injustice, and protect the planet. UN member states are expected to and have been using this template to frame their development policies and agendas.

It is important to note that this new set of global goals resulted from a long process that was more inclusive than ever before, involving governments, businesses, civil society organisations and the citizenry. Thus, the development framework was legitimate from the start. It marked the first time in human history that the nation-states had agreed on a comprehensive action plan, with clear goals and targets, for the economic, social and environmental development of the world. Unlike its predecessor, the Millennium Development Goals (MDGs), these are universal, integrated and transformative – they are applicable to all countries, irrespective of their levels of development. For these reasons, the SDGs are considered a once-in-a-lifetime opportunity to create a better world that is socially thriving, economically resilient and environmentally sustainable.

Global Partnership, Global Solidarity

The success of the 2030 development agenda in general and the SDG framework in particular are incumbent upon the availability of necessary resources. For many developing countries, resource mobilisation from within the country is not sufficient and, as such, international assistance is needed to cover the shortfalls. Thus, SDG 17 has been included in the development framework to appreciate the importance of global partnership and cooperation. To put it simply, it is about strengthening and streamlining the cooperation between nation-states, both developed and developing, on a shared vision for development. This goal seeks to strengthen global cooperation by bringing governments, the international community, civil society and the private sector together. It is believed that without significant progress on SDG 17, achieving the first 16 goals would be a near-impossible task.

Although some progress has been made, significant shortcomings remain in the most critical areas of international cooperation. For example, donors are failing to keep their Official Development Assistance (ODA) commitments, which is on the decline. Moreover, investment flows in the developing countries are most often not in line with the expectations of sustainable development, and a significant digital divide continues to exist among nations. Amidst such deteriorating circumstances, the essentiality of global partnership and the importance of SDG 17 cannot be overemphasised.

Status of SDGs in Bangladesh

The government of Bangladesh has recognised the importance of sustainable and inclusive development to create a peaceful and prosperous country. With the experience of successfully implementing the MDGs, Bangladesh embraced the new goals with determination and enthusiasm. Under the dynamic leadership of Prime Minister Sheikh Hasina, the government of Bangladesh laid out ambitious development plans and people-centric policies, which have placed Bangladesh ahead of others in achieving the SDGs. The government aligned these development goals with the 7th Five Year Plan (2016-2020), its flagship strategic document. Bangladesh envisions becoming an upper-middle-income country by 2031. According to the World Bank, it had already become a lower-middle-income country. In 2018, Bangladesh fulfilled all three criteria for graduating from the category of Least Developed Countries (LDCs) to a developing country. Since then, Bangladesh has made decent gains in implementing most SDGs and is on track to achieving good progress on the rest. Sadly, this pandemic hit the country at a time when the SDGs were gaining good traction here.

The government has estimated that it would require an additional amount of US$928.48 billion (S$1,293 billion) to achieve the SDGs. This amount would be needed and utilised over the period from fiscal year (FY)2017 to FY2030, with an annual average of US$66.32 billion (S$92.4 billion).[1] It has recognised that the current progress in resource mobilisation, both domestic and external, needs substantial improvement to deliver on the development commitments. Although mobilisation of domestic resources remains central, the shortfall may have to be covered through public-private partnerships and external sources. The overseas support, consisting of foreign direct investment and ODA, has traditionally played an essential role in forming the development budget of Bangladesh. The country needs to secure such support from the international community in the form of finance, technology and capacity building to achieve the SDGs by 2030.

1 Social Watch, "Social Watch-Poverty Eradication and Gender Justice". socialwatch.org/node/18086.

Implications of COVID-19 on the Global Economy

The full impact of the COVID-19 pandemic is yet unknown, as it is still developing and being assessed. We will have to observe the length and depth of the infection for the next few months to better understand the potential economic consequences. What we can see now is that the pandemic has already caused an unprecedented disruption to the global economy. Lives have come to a standstill, businesses are shut down, stock markets have plummeted and oil prices have fallen. Even the best performing economies are overwhelmed with the rapidly unfolding crisis.

There is still no certainty about when and how the pandemic will end, although across the world, efforts and experiments are in full swing to find an effective medical treatment or vaccine. However, most economists predict that a deep global economic recession is on the cards. The International Monetary Fund (IMF) estimates that the full economic impact of the crisis could be around US$2 trillion (S$2.8 trillion).[2] According to the IMF projections, by the end of 2020, global economic activity could decline by three per cent, global trade could fall by 13 to 32 per cent and oil prices could drop by 42 per cent.[3] These are ominous signs no authorities would ever want to see.

<u>The Immediate Consequences of COVID-19</u>

The pandemic has been picking up momentum, causing more socio-economic disorder around the world. Authorities are imposing various forms of restrictions to curb the spread, which is disrupting the everyday lives of citizens and adding to their economic woes. Travel restrictions have led to the crash of the aviation and hospitality industries. Lockdowns have shattered retail, as well as food and beverage businesses, exacerbating unemployment. Transportation shutdowns have interrupted the global supply chain. There is an overall drop in demand for goods and services as the people are not willing to buy. While manufacturing firms are most affected by these disruptions, reduced consumer activity is also impacting the services sector. As businesses shut down, companies are unable to pay workers, resulting in layoffs.

2 The World Economic Forum; COVID Action Platform 2020, “This is how much the coronavirus will cost the world’s economy”, 17 March 2020.

3 “Global Economic Effects of COVID-19”, Congressional Research Service, 1 May 2020. https://fas.org/sgp/ crs/row/R46270.pdf.

Long-term Effects of COVID-19

The COVID-19 outbreak will have long-lasting and far-reaching implications for states and societies. The virus has already affected the global economy to an extent not seen since the financial crisis of 2008-2009. Concerns are growing that the pandemic-induced supply-side constraints would create more prolonged demand-side deficiencies. These could lead to decreased economic growth, from which economies may take a long time to recover. As the crisis deepens, the economic outlook worsens in a vicious downward spiral.

The crisis is testing the ability of different economic players to withstand its consequences. It has already impacted the economies of developing countries badly, as they inherit precarious healthcare systems and have limited fiscal means to fund necessary stimulus packages. The cascading effect of economic downturns (lower revenues but higher demand for public expenditure) is putting tremendous pressure on the financial sustainability of countries of the developing south.

Impact of COVID-19 on Bangladesh

Bangladesh has been one of the fastest growing economies in Asia. Since 2009, the country has maintained an average annual gross domestic product (GDP) growth rate of nearly seven per cent.[4] During the same period, per capita income has doubled from a mere US$860 (S$1,198) to US$1,751 (S$2,439).[5] However, the COVID-19 crisis has brought the economy to a virtual standstill. It is feared that the novel Coronavirus may jeopardise Bangladesh's aspiration to become a developing economy soon. The country's economic challenges are attributable to domestic disruptions as well as to its interconnectedness with the global value chain.

As with other affected countries, Bangladesh was forced to impose a lockdown to tackle the pandemic. Consequently, millions of people face the impending risk of losing jobs in sectors like dairy, poultry, transportation, tourism and garments. For 50 million workers in the informal sector, the situation is even worse since they face greater dire repercussions of the lockdown. Both the World Bank and the IMF have warned that the economic growth of the current fiscal year may slide down to just over two per cent.[6] However, the government of Bangladesh remains optimistic about growth. Experts contend that the prognosis will largely depend on the duration and severity of the outbreak.

4 The Asian Development Bank, "Economic Indicators for Bangladesh". https://www.adb.org/countries/ bangladesh/economy.

5 The Bangladesh Bureau of Statistics report; 2017-18.

6 Ahmed, H U, "Economic Ramification of COVID-19 in Bangladesh", *The Financial Express*, 11 May 2020.

The Bangladesh economy stands on two pillars: foreign remittance and garments export. The looming economic recession in the Gulf region, due to plummeting oil prices, poses a significant threat to Bangladesh's remittance inflow. Many migrant workers in the Gulf have either lost their jobs or will be losing them soon. On the one hand, this will affect the country's rural economy, which is dependent on remittance while, on the other, erode its foreign currency reserves. The situation of the readymade garment sector, which contributes to more than 85 per cent of the country's export revenue, is not any more promising. Due to the outbreak, many buyers have been cancelling orders or refusing to accept products.

If the outbreak prolongs, it may become difficult for the government to cope. Export income would wane with a decline in demand. Private investment would drop with heightened economic uncertainty. Furthermore, foreign investment may dry up and the flow of ODA may dwindle. The outcome of all these would be distressing for Bangladesh. According to the Bangladesh Bureau of Statistics, around 20.5 per cent of the country's population lives below the poverty line.[7] This number could swell, sending thousands of men, women and children into economic desperation, over and above the hardship of the pandemic itself. In short, the strides Bangladesh has made over the past two decades in poverty-alleviation may be nullified.

Actions taken by the Bangladesh Government

The Bangladesh government has risen up with speed and strength to fight the pandemic. It has been cooperating with stakeholders to mobilise societal action against the deadly virus. The private sector and civil society have partnered in this endeavour, working at the grassroots level to raise awareness and deliver relief to the needy. As the virus has proliferated worldwide, countries have undertaken aggressive, non-therapeutic and preventive measures, which include travel bans, lockdowns, quarantines, isolations and social distancing. Bangladesh has done the same. The country is also fortunate to have a strong manufacturing sector, which it has mobilised to fill the supply gaps in essential medical and non-medical equipment.

The Bangladesh government has announced rescue packages totalling of US$12.1 billion (S$16.9 billion), equivalent to 3.5 per cent of the country's GDP, to weather the crisis.[8] These packages aim at supporting the industries, the agriculture sector as well as pandemic operations, and social safety net programmes for the poor. In the short term, the packages

7 The Bangladesh Bureau of Statistics; "Poverty and Extreme Poverty Rate of Bangladesh 2018-19", p. 1. www.bbs.gov.bd/site/page/.

8 "Banks slow in lending from stimulus packages", *Dhaka Tribune*, 4 July 2020. https://www.dhakatribune.com/ business/banks/2020/07/04/banks-slow-in-lending-from-stimulus-packages.

will ensure that those relying on daily wages and working in informal economies have food on the table during this uncertainty. In the long term, they will help the economy regain the momentum needed to achieve its development objectives.

Challenges for Bangladesh

Bangladesh, as a lower middle-income country, faces many challenges in fighting this deadly virus. With 160 million inhabitants in a small area, it is one of the world's most densely populated countries. As a result, the implementation of various mitigation measures like social distancing has become complex and troublesome, especially in urban areas. Moreover, since a significant proportion of the total population lives hand-to-mouth, prolonged lockdowns are threatening their food security. This is a harrowing situation in which the government is currently struggling to manoeuvre.

Like other countries, Bangladesh did not anticipate facing a public health emergency of such monumental scale. As a developing country, its healthcare delivery system is designed to focus on primary healthcare and prevention. Now, the Bangladesh healthcare system is overwhelmed with a staggering number of infections and the requirement for extensive specialised medical management. Plus, the country is battling a severe shortage of protective equipment, testing kits and training for healthcare workers as well as quarantine and hospital facilities, making the fight against the virus even more daunting.

Additionally, Bangladesh has two crucial challenges to overcome in the short-to-medium term if its economy is to thrive during these trying times. The apparel sector, second in size only to that of China, has been the golden goose for the country's US$300 billion-plus (S$418 billion) economy. Garment and textile exports account for almost 12 per cent of the GDP and 84 per cent of the total exports.[9] Now, the entire industry is in deep trouble as the companies that buy from Bangladesh are cancelling orders, pushing it to the brink of collapse. Since the beginning of the outbreak, at least US$3 billion (S$4.18 billion) worth of work orders have been cancelled. This will directly affect the livelihood of roughly two million garment workers, who are mostly women.[10] The government now faces the arduous process of bringing back the buyers needed to revive these flagship industries.

Furthermore, foreign remittances, the second-largest driver of the economy, are also threatened. Last year, over 10 million Bangladeshis working overseas sent home more than US$18 billion (S$25.1 billion), making up about six per cent of the GDP. Most Bangladeshi

9 Anas, A Z M, "Bangladesh goes to bat for textile industry as buyers scrap orders", *NIKKEI Asian Review*, 31 May 2020.

10 Anas, A Z M, and Kuronuma, Y, op. cit.

migrants work in West Asia, where economies have been hit hard by declining oil prices. Many of them will be forced out of their jobs and will have to return home empty-handed. With the fall in the oil prices and subsequent job losses, remittances are expected to fall by 20 per cent this year.[11] This will have resounding consequences for Bangladesh, as remittances have provided crucial funding to the country's poverty alleviation programmes.

Bangladesh needs resources to help its workers, employers and marginalised people withstand the crisis. Currently, the government is struggling to cope using its own resources, and it needs support from overseas to cover the shortfalls. The World Bank has fast tracked US$100 million (S$139 million) to support the country's fight against the virus.[12] However, this is far from the amount needed for Bangladesh to care for its vulnerable citizens. Having said that, a supportive and collaborative effort by both national and international entities can help the country to overcome this crisis.

Implication of COVID-19 on the Implementation of the SDGs

The implication of the COVID-19 pandemic on Bangladesh's achievements of the SDGs has not yet been studied. However, from a thoughtful reflection on the outbreak's economic outcomes, it can be stated in definite terms that this will have short- and long-term effects on the realisation of the SDGs. Clearly, the pandemic has direct implications on SDG 3, which concerns good health and well-being. However, it will also have far-reaching consequences for the entire Agenda of Sustainable Development. Desired progress could be jeopardised if the time required to return to normalcy is longer than expected. The short-term effects are already noticeable. SDG 1 regarding poverty and SDG 2 on food insecurity need to be emphasised as they face tremendous challenges. According to one estimate, the virus may push 40 to 60 million people into extreme poverty in the developing world, and 16 million of them are said to be in South Asia.[13] With more people living below or close to the poverty line, the developing countries, particularly LDCs, will suffer the gravest consequences.

One estimate reports that the pandemic has affected some 1.25 billion students,[14] which poses a serious challenge to SDG 4 on education. Furthermore, the International Labour Organization estimates that some 25 million people could lose their jobs,[15] undermining the

11 Ibid.

12 The World Bank, Dhaka Office. https://www.worldbank.org/en/news/press-release/2020/04/03/world-bank-fast-tracks-100-million-covid-19-coronavirus-support-for-bangladesh.

13 Mahler, D, and Lakner, C, "This is the effect COVID-19 will have on global poverty, according to the World Bank", The World Economic Forum COVID Action Platform, 11 May 2020.

14 Akufo-Addo, N A D, and Erna Solberg, E, "Amid the coronavirus pandemic, the SDGs are even more relevant today than ever before", UN Sustainable Development Goals Blog, 28 April 2020.

15 International Labour Organisation (ILO) press release; 18 March 2020.

prospect of SDG 8, decent work and economic growth. COVID-19-induced economic crisis will also impact SDG 5, women's empowerment, since they make up the bulk of part-time and informal workers. Moreover, the pandemic and its effects will exacerbate inequality of access to clean water and sanitation, SDG 6, and inequality more generally, SDG 10.

A key directive of the 2030 Agenda is to 'leave no one behind'. This is meant to protect the most vulnerable people in a given society from economic, social and environmental stresses such as the current COVID-19 outbreak. The pandemic has reminded us all that we need integrated policy responses covering all areas, including health, poverty reduction, climate change and rule of law, paying particular attention to the marginalised and distressed.

Imperative for Global Cooperation to Fight COVID-19 and Achieve the SDGs

The COVID-19 crisis has reinforced the fact that we live in an interconnected and interdependent world. The pandemic has proved that no country is an island. It has brought to the fore the urgent need for concerted global action, which, if undertaken, could end poverty, protect our planet and ensure prosperity for all. COVID-19 highlights our common vulnerability across borders and beyond North-South divides, and our segmented and narrow approach to development. We face common global challenges that must be solved through common, global solutions. This is what the 2030 Agenda and the SDGs are about.

We do not really know the final shape a post-pandemic world will take. However, in these uncertain times, we are often told to focus on what we can know; and we know that robust international cooperation will be fundamental to dealing with this global scourge and its aftermath. As the UN Secretary-General reminds us, no matter its perceived capacity, no country has a chance of success in tackling this crisis if it devises health and economic responses on its own. Global partnership and solidarity is and will continue to be needed as we handle the ongoing pandemic and mobilise resources to revive global trade. Moreover, helping the most vulnerable countries is in the self-interest of the most affluent ones and should be an essential part of future development cooperation frameworks.

Moreover, COVID-19 has underscored the relationship between people and our environment, educating us that unsustainable paths will prove themselves as such: unsustainable. It is in the interest of humanity to move away from unsustainable practices that are set to trigger further crises. However, doing so requires political will, global coordination and solidarity. As we move towards the next phase of the crisis in many countries, governments have a unique opportunity to pursue recovery that not only ensures income and jobs for all but also protects diversity and the ecosystem, one that truly ‘leaves no one behind’. Only such an approach can deliver win-win-win policies for the people, planet and prosperity.

Conclusion

As the world is seized with containing the spread of COVID-19 and addressing its impacts, countries are resetting their priorities and reallocating resources to deal with this. The immediate attention of all countries is to save lives at all costs, and that is the right thing to do. However, rich countries, having also suffered substantial losses, may use COVID-19 as a pretext to cut down their development assistance to developing countries. As they fight the pandemic with border controls and other protective measures, a rise of nationalism within their communities is not unexpected. However, wealthy countries should recognise their inability to confront it within the confines of the nation-state as evidence of our shared global experience and our common imperative for robust international cooperation.

Bangladesh is fortunate to have a government led by a visionary prime minister, an enthusiastic civil society, a vibrant non-government organisation community and a thriving private sector. Their prompt, supportive and emphatic collaborations have enabled the country to handle the pandemic reasonably well. However, as a lower-middle-income economy with an enormous population and an already strained healthcare system, it is not easy for the country to weather this storm by itself. Furthermore, the hasty, short-sighted and inconsiderate decisions made by some governments and businesses affecting the two lifelines of Bangladesh’s economy - garments export and remittances – have not helped its cause either. The country needs compassion and solidarity from the international community to defeat such calamities now and in the future. Working together, in partnership and with burden-sharing, we can save lives, restore livelihoods, bring our economies back on track and foster sustainable development for ourselves and the generations after us.

COVID-19 Crisis in Bhutan: An Opportunity to Boost Agriculture

Amit Ranjan

Summary

Bhutan has 90 confirmed COVID-19 positive cases as on 22 July 2020. However, the pandemic has exposed the consequences of its dependence on food imports. To make Bhutan self-reliant in food production, the Bhutanese government wants to use this crisis as an opportunity to boost the country's agriculture sector.

After the first COVID-19 positive case was detected on 6 March 2020, one of the early measures Bhutan took to mitigate its spread in the country was to seal all its international land borders on 23 March 2020.[1] Subsequently, Bhutan banned the import of some selected products such as betel leaf and betel nut, and ordered all essential imports to undergo Coronavirus containment-related protocols at the border entry points.[2]

This paper discusses the impact of COVID-19 on Bhutan's tourism and agriculture sectors. It is forecasted that tourism will witness an adverse impact while the pandemic is seen as an opportunity to attain self-sufficiency in food production.

Impact on Tourism

In 2018, Bhutan received a total of 274,097 tourists, an increase of 7.61 per cent from 2017.[3] Of the total visitors, 202,290 were from regional countries (India, Bangladesh and the Maldives) and 71,807 came from outside South Asia. The total gross earning of this sector in that year was US$85.41 million (S$1.13 billion), which was seven per cent more than that in 2017.

The COVID-19 outbreak has affected the earnings of Bhutan's tourism sector in 2020-21. Due to the pandemic, between 15 January and 23 March 2020, 2,550 international tourists

1 Ministry of Home & Cultural Affairs Royal Government of Bhutan, Tashichhodzong, "Pubic Notification", 22 March 2020. http://www.mohca.gov.bt/?p=3199.

2 Ministry of Agriculture and Forests Royal Government of Bhutan, "Notification", 22 March 2020. http://www.moaf.gov.bt/notification-45/.

3 Tourism Council of Bhutan, "Bhutan Tourism Monitor 2019". https://www.tourism.gov.bt/uploads/ attachment_files/tcb_xx8r_BTM%20 2018%20_final.pdf.

cancelled their trips to Bhutan and the country incurred a loss of about US$4.4 million (S$6.2 million). This amount excludes the cancellation of trips by regional tourists.[4]

Moreover, this loss in the tourism sector has affected the livelihoods of about 50,000 people engaged in this and allied sectors. If one counts the number of dependents, approximately 150,000 people have been affected in these sectors.[5] At the same time, the business of about 1,000 hotels has been severely hit by the pandemic.[6]

Opportunity for the Agriculture Sector

Bhutan is largely dependent on India for its import of cereals, fruits, vegetables and meat. In 2019, Bhutan imported 84,584.45 million tonnes (MT) of rice (an 18 per cent increase over 2018), 4,893.12 MT of wheat and meslin (an increase of almost 59 per cent over 2018), 4.31 MT of rye (about 75 per cent rise over 2018), 15,924.59 MT of maize (a decrease by about 27 per cent over 2018), 122.09 MT of buckwheat (a one per cent increase over 2018) and 17.11 MT of other cereals (a decrease of 57 per cent over 2018).[7]

The COVID-19 containment protocols established at the border entry points have affected the speed of imports from India. Many trucks have been stuck at these entry points due to the longer period of clearance and transfer of goods from Indian to Bhutanese vehicles.[8] There is a shortage of labourers as many have left or were told to leave due to the outbreak of COVID-19. For example, in Phuentsholing, a border town in Bhutan, jobless youths have replaced the regular labourers. Due to such problems, it is taking longer for imported food to reach local shops. This has caused some Bhutanese to engage in panic buying despite reassurances from the government that the country has enough food stock for the next six months.[9]

For the government, the COVID-19 crisis can be used as an opportunity to achieve self-sufficiency in food production. Speaking on this matter to *thirdpole.net*, Bhutan's Minister for

4 "Covid-19's silver lining for Bhutan Tourism", *South Asia Monitor*, 26 April 2020. https://southasiamonitor. org/development/covid-19s-silver-lining-bhutan-tourism.

5 MB Subba, "Covid-19: Immediate need to keep tourism employees economically engaged", *Kuensel*, 14 March 2020. https://kuenselonline.com/covid-19-immediate-need-to-keep-tourism-employees-economically-engaged/.

6 "Covid-19 Press Conference #9", *Kuensel*, 12 March 2020. https://kuenselonline.com/covid-19-press-conference-9/.

7 Ministry of Agriculture and Forests Royal Government of Bhutan, "Import of Cereals from India in 2019", 8 April 2020. http://www.moaf.gov.bt/import-of-cereals-from-india-in-2019/.

8 Rajesh Rai, "Vegetables, essentials and factory goods keep coming", Kuensel, 28 March 2020. https://kuensel online.com/vegetables-essentials-and-factory-goods-keep-coming/.

9 Kinley Yonten, "Bhutan uses Covid-19 crisis to boost agriculture", *The Third Pole*, 30 April 2020. https://www. thethirdpole.net/2020/04/30/bhutan-uses-covid-19-crisis-to-boost-agriculture/.

Agriculture Yeshey Penjor said, "[The] lockdown in India and the closure of border gates with India has given our farmers the opportunity to substitute a large portion of the country's vegetable and meat requirement that are imported from India… We take the COVID-19 pandemic as a blessing in disguise and the pandemic had called for a test of sustainability."[10] The minister also said, "To motivate farmers, we have talked with [the] prime minister to start with the cottage and small industry bank, which would provide loans at the minimum or zero interest rates … [for] land resurfacing and development support and direct inputs such as seeds, electric fences and technical support."[11]

Earlier to promote agriculture, the Bhutanese government allocated Nu1 billion (S$18 million) in its 2019 budget for its flagship programme on organic farming which is now getting a lot of political support in the country.[12]

Conclusion

To fight against the impact of COVID-19, the National COVID-19 Response Fund was set up on 9 March 2020.[13] Bhutan has also been helped by India and other international institutions. India also sent a medical team and supplies to Bhutan. In April 2020, Bhutan and the World Bank signed a fast-track US$5 million (S$7.7 million) COVID-19 Emergency Response and Health Systems Preparedness Project to help the Himalayan mountain kingdom prevent, detect and respond to the COVID-19 pandemic as well as strengthen its public health preparedness.[14] In order to store food, the United Nations World Food Programme has donated two mobile storage units to Bhutan.[15]

While the tourism sector will be badly affected by COVID-19, Bhutan can turn the pandemic into an opportunity by achieving self-sufficiency in food production and boost agricultural activities.

10 Ibid.

11 Ibid.

12 Ibid.

13 Ministry of Home & Cultural Affairs Royal Government of Bhutan, Tashichhodzong, "Pubic Notification", 22 March 2020. http://www.mohca.gov.bt/?p=3199.

14 The World Bank, "World Bank Fast-Tracks $5 Million for Bhutan's COVID-19 (Coronavirus) Response", 27 April 2020. https://www.worldbank.org/en/news/press-release/2020/04/16/world-bank-fast-tracks-5-million-for-bhutans-covid-19-coronavirus-response.

15 "WFP helps tiny Bhutan prepare for COVID-19", *UCA News*, 3 April 2020. https://www.ucanews.com/news/ wfp-helps-tiny-bhutan-prepare-for-covid-19/87617.

COVID-19 in India: Re-emergence of the Centre and Prime Minister Narendra Modi

S Narayan

Summary

The management of the COVID-19 crisis has led to the re-emergence of central authority in India, dilution of federalism and re-establishment of Prime Minister Narendra Modi as a national leader.

The management of the COVID-19 pandemic in India has had two key side-effects – the re-emergence of Prime Minister Modi as a national leader and the centralisation of decision-making. On 24 April 2020, Modi spoke to the village heads (*sarpanch*) directly from Delhi through video, and earlier in March 2020, to a group of beneficiaries of various welfare programmes. During these interactions, he reached over and above the heads of state governments and institutions to convey the message that the central government cared and was doing all it can to beat the pandemic. Further, in his meetings with the chief ministers, he was fulsome in his praise of the actions taken by the states, listened to suggestions from them and accepted several of them, most notably the extension of the lockdown until 3 May 2020. He has also promised to be consultative in the opening up of the restrictions, leaving the states to decide on action on hotspots.

In the months after the general elections in May 2019, the Modi government had brought in a series of measures such as the revocation of Article 370 in Kashmir, the Citizenship Amendment Act and the enumeration of a National Register of Citizens, all measures that appeared to further a core Bharatiya Janata Party ideological agenda. These measures received much criticism from citizenry, the states and even from international media. It did appear at that time that Modi had ceded space to hard-line ideologues in his party. The COVID-19 crisis has helped consolidate influence and decision-making in the central government and enhanced his role in managing the crisis.

Financial Crisis for the States

The Indian government invoked the Epidemic Diseases Act of 1897 as well as the National Disaster Management Act, 2005 to direct the nation into a 21-day lockdown of all activities.

States draw a substantial portion of their revenues from the Goods and Services Tax (GST) as well as duties on petroleum products. The cash cow, however, is excise on liquor sales that generates huge revenue for them.

The directions under the 1897 Act have prevented the sale of liquor in order to avoid public gatherings, and the lockdown has effectively ensured that revenues from petroleum products too dropped steeply. This is perhaps the first time that liquor sales have been banned nationally. The excise on liquor is a state subject under the Constitution, and as a result of this move, revenues of the states have decreased significantly. Coupled with the fact that the lockdown has reduced economic and commercial activities to a trickle, the states are struggling to remain financially afloat, and within a couple of months, would find it difficult to even pay salaries.

As a consequence, they would have to turn towards the central government for financial assistance. There is a similar development in the United States, where the Governors have had to agree to a number of federal directives to gain access to federal funds. The Indian states are accepting central directions and guidelines with alacrity. Even West Bengal, always an outlier, has had to accept central directives and revise its COVID-19 figures of those affected and the mortality rates to more credible levels. Kerala too has agreed to withdraw certain relaxations that the Centre felt should remain. The prime minister, being consultative and not combative, has helped, especially since the states are supplicants for funds. Normally, a prime minister speaking directly to village leaders would have caused a lot of consternation among the states led by opposition parties. However, the protests have been muted. Even the multitude of instructions from the home ministry, clearly indicating that better thinking could have brought in more clarity, have not incensed the states.

As in some other countries, the centralisation of authority and, consequently, the dilution of the federal nature of economic decision-making, are now palpable. Added to it is the resurgence of the personal image of the prime minister and the reassuring messages that are conveyed by him. It is evident that the post COVID-19 era will see a greater role of the government, especially in dealing with the poor and disadvantaged. The central government and the prime minister are preparing themselves to fulfill this role, leaving the states to be secondary players.

In a vibrant democracy like India, it is unlikely that the opposition parties and, indeed, states ruled by the opposition parties, will allow this balance to last, but that would happen only after the return of some semblance of economic revival.

Aarogya Setu: Containing Disease or Violating Privacy?

Karthik Nachiappan

Summary

The Indian government's new COVID-19 mobile application, Aarogya Setu, has emerged as a key tool in helping the government curb the spread of Coronavirus. However, its development and use have stoked fears of whether the data collected will be used for the purposes claimed.

To contain the domestic spread of the Coronavirus, India's Prime Minister Narendra Modi has urged Indian citizens to download a new smartphone app, Aarogya Setu, which was custom-built by his government. The app helps citizens identify their risks of contracting and spreading the Coronavirus. Within hours, the Indian public responded and Aarogya Setu became India's fastest downloaded app with nearly 100 million downloads and counting.

The app was developed by the National Informatics Centre (NIC) under India's Ministry of Electronics and Information Technology (MEITY) and is now available in 12 Indian languages with plans afoot to expand coverage to all 22 languages. With the larger public, critics have also responded chastising the government for developing an app that compromises on privacy. Specifically, critics claim that the Modi government is using the pandemic to erode privacy and rights.

Aarogya Setu's proponents argue that the app provides the government with an indispensable tool in identifying new COVID-19 clusters or hotspots and acting to contain the spread in those affected areas. The app is designed to keep track of users that an individual comes in contact with, and then alerts app users if any of these contacts test positive for COVID-19. Given India's vast geography, officials claim that the app allows healthcare workers to isolate those who show symptoms given expected gaps in testing. The app, in other words, helps government officials identify who to test and where to test. Government figures estimate that around 13,000 users of the app have tested positive for COVID-19, which has allowed healthcare officials to use the app to check if an additional 60,000 people could have been exposed to the virus with isolation and quarantine suggested for some.

India's new COVID-19 app is unique in several ways. Many countries are currently exploring similar methods to track and limit the mobility of citizens through methods that notify users if they are around someone who has contracted COVID-19. Aarogya Setu, however, is a far more sweeping app; it is able to track users' movement through bluetooth and geographic information system services but it goes further by assigning each user a colour-coded tag that displays the risk of possible infection. The app also provides access to telemedicine options, pharmaceutical and available diagnostic services.

Despite these ostensible advantages, risks exist when downloading and using the app that privacy advocates and other critics have pointed out. Once the app is live, it is able to collect data of that particular user and his/her movement and location. Questions, as a result, rise around who owns and uses the data. Since India has no data protection law, in effect, thorny questions around data ownership and usage become risks, given weak rules around data collection. The app's design is also not known outside, but only to a few within the government who conceived it, which means that access to the data is restricted. Moreover, there's no way to exit or opt out since the app does not have a provision that allows users to do so. Critics have also expressed worries since the app is not open source, which implies that the code designed is not available for scrutiny by outside developers who could ascertain whether or not the data collected is used for stated purposes. Other countries have avoided this situation by making the design of their COVID-19 apps public. The United Kingdom's National Health Service and the Singapore government, for instance, have revealed the source code of their apps for public scrutiny.

These questions acquire new importance since New Delhi has mandated the download and use of Aarogya Setu. So far, at least a million people from the public and private sectors have been ordered to use the app or face fines or potential jail time. Noida, a suburb of Delhi, has made the app mandatory for residents. This coercive approach sets India apart from other countries that are nudging citizens to download similar tracking apps while working with telecommunication companies to gather location specific data from users. Indian critics also fear that users will be forced to retain the app once COVID-19 ebbs since there is no public sunset clause that disbands the service, despite assurances from the government that data collected will be deleted regularly. National Institution for Transforming India (NITI Aayog) officials argue that such privacy concerns are overblown and data collected through the app is only used through the user's consent or once an individual tests positive and that the source code of the app will be made public soon.

Privacy concerns remain front and centre for critics just as the government appears to be on the cusp of passing a data protection bill that gives it considerable power to collect, access and hold certain kinds of data. Opposition parties fear that the pandemic has hastened the government's intent to entrench a powerful 'surveillance state' with Aarogya Setu being the latest cog in that new regime. Without a coherent legal framework and design around the app that strikes a balance between privacy and disease containment, this fear could come true.

COVID-19 and India: Economic Imperative Drives New Strategy

Amitendu Palit

Summary

Indian Prime Minister Narendra Modi's recent economic package amounting to nearly 10 per cent of the country's gross domestic product affirms a distinct change in India's strategy to manage the COVID-19 pandemic in the country. The focus seems to be on converting a situation into an opportunity to reorganise and recharge a moribund economy.

A few days before the scheduled end of India's extended lockdown on 17 May 2020, Prime Minister Narendra Modi addressed the nation on 12 May 2020 where he mentioned the importance of accepting the inevitability of the pandemic persisting longer and the efforts India needed to make so as not to be set back by the contagion.[1] He announced an economic package amounting to nearly 10 per cent of the country's gross domestic product (GDP) to overcome the damages caused by the COVID-19 pandemic. While alluding to extension of the lockdown beyond 17 May 2020, he emphasised on the operating conditions of the lockdown being markedly different from those prevailing till now.

The prime minister's address affirms a distinct change in India's strategy to manage the COVID-19 pandemic. The new strategy is driven by the realisation that the pandemic cannot be wished away. After seven weeks of stringent lockdown, the number of confirmed cases continued to rise. Indeed, as businesses gradually resumed operations and so did social activities, infected cases rose unabated in India throughout June 2020, making it among the highest affected in the world.

While co-existing with the virus is inevitable for the foreseeable future, like most other countries of the world, India cannot afford to stay locked down for much longer. The difficult choice between saving lives vis-à-vis livelihoods has reached a point where the economic cost of COVID-19 has assumed staggering proportions. The prime minister's emphasis on India needing to move ahead is an indication of the country no longer being able to employ a 'wait and see' policy to let the virus run its course.

1 "English Rendering of Prime Minister Shri Narendra Modi's Address to the Nation on 12.5.2020", Press Information Bureau, Government of India. https://pib.gov.in/PressReleseDetail.aspx?PRID=1623418.

How serious are the economic ramifications for India? There is little doubt about the economic contraction being sizeable, much worse than that during the global financial crisis of 2008, when the GDP growth dipped to around three per cent. The International Monetary Fund's latest projection points to the Indian economy suffering an absolute decline in GDP growth to the tune of -4.5 per cent.[2] This, or even a lesser degree of decline, would be a historical low for the Indian economy. More ominous than the precise extent of the contraction, however, is its impact on livelihoods.

The announcement of the lockdown in India from 25 March 2020 has been accompanied by the displacement of migrant workers, who found themselves jobless as businesses stopped functioning. The plight of these workers highlights the damaging impact of the lockdown on the country's workforce. Most of the displaced workers are part of the informal economy, engaged in industries like construction, real estate, transport, hospitality, retail and labour-intensive manufacturing like garments and food processing, which have been the hardest hit by the COVID-19 outbreak.

The International Labour Organization estimates around 400 million informal workers in India to be at the risk of plunging deeper into poverty.[3] While there is a rebound in employment as some industries resume operations, the damage on informal employment and joblessness will be severe. The prospects are compounded by the return of thousands of workers from overseas. The effect of such return would be felt on inward remittances. As the world's largest recipient of worker remittances amounting to around US$80 billion (S$113.4 billion) in 2018, India's balance of payments would be hit as receipts decline in the current account. At the same time, there is no certainty over when these workers will be able to return to the Gulf and other countries where they were working. They would add to the workforce and significantly augment its 'idle' segment, given that the current conditions are unlikely to produce alternative opportunities for them at home.

Prime Minister Modi has focused on converting the situation into an opportunity. By announcing a wholesome economic package to support all categories of businesses, he has emphasised on reviving local production. Given that several states are already implementing major market reforms, such as in labour and land, the current situation contains conditions that can spark a turnaround. This is the hope on which India decided to gradually exit a stringent containment strategy. The latter, which is now selectively localised, is accompanied

2 "A Crisis Like No Other, An Uncertain Recovery", World Economic Outlook Update, International Monetary Fund, June 2020. https://www.imf.org/en/Publications/WEO/Issues/2020/06/24/WEOUpdateJune2020.

3 "ILO Monitor: COVID-19 and the world of work. Second Edition", International Labour Organization, 7 April 2020. https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/briefingnote/wcms_ 740877.pdf.

by a heavy push on kick-starting economic activity. This is no longer a decision that India could have afforded to ponder on. The trade-off of saving lives by sacrificing livelihoods had become exorbitant. Perhaps the effort to contain the trade-off might reorganise and recharge the moribund economy in a desired decisive fashion.

Goa Tourism: Under the Shadow of COVID-19

Amit Ranjan

Summary

Tourism contributes about 40 per cent to Goa's economy and provides livelihood to a large number of people. However, following the outbreak and spread of the COVID-19 pandemic in India, tourists have temporarily stopped visiting the state. This has led to an economic crisis.

Tourism is an important sector of the Indian economy. According to the figures published in 2019-20 Annual Report of the Indian Ministry of Tourism, tourism's share in India's gross domestic product (GDP) in 2013-14 was 5.68 per cent, which declined to 5.06 per cent in 2016-17.[1] In 2018, travel and tourism together contributed 9.2 per cent to India's GDP.[2] The total contribution of this sector to India's economy is expected to touch ₹3,205,000 crore (S$695.88 billion) by 2028.[3] Moreover, this sector accounts for 12.75 per cent of the total employment – 5.56 per cent direct and 7.19 per cent indirect.[4] Statistics for 2019-20 reveal that about 87.5 million people are employed in India's tourism sector.[5]

In 2019, the total number of foreign tourist arrivals to India was 10.89 million, which was an increase of 3.2 per cent over the same period in 2018.[6] The Indian government is working to achieve one per cent share in the world's international tourist arrivals by 2020 and two per cent share by 2025.[7] So far, Indian tourism highly depends on its domestic tourists. In 2018, the number of domestic tourists visiting other parts of country stood at 1,854.93 million.[8]

1 Ministry of Tourism, Government of India, "Annual Report 2019-20". http://tourism.gov.in/sites/default/files/ annualreports/Annual%20Report%20Tourism%202019_20_Final.pdf.

2 "Indians spend 94.8% of GDP contribution on leisure travel, says World Tourism report", *The Economic Times*, 27 March 2019. https://economictimes.indiatimes.com/wealth/spend/indians-spend-94-8-of-gdp-contribution-on-leisure-travel-says-world-tourism-report/canararobecoshowsp_dp/68592116.cms.

3 "Indian Tourism and Hospitality Industry Analysis", India Brand Equity Foundation, June 2020. https://www.ibef.org/industry/indian-tourism-and-hospitality-industry-analysis-presentation.

4 Chaitanya Mallapur, Indiaspend.com, "India's Covid-19 lockdown may cause 38 million job losses in the travel and tourism industry", *Scroll.in*, 14 April 2020. https://scroll.in/article/959045/indias-covid-19-lockdown-may-cause-38-million-job-losses-in-the-travel-and-tourism-industry.

5 Ministry of Tourism, Government of India, "Annual Report 2019-20". http://tourism.gov.in/sites/default/files/ annualreports/Annual%20Report%20Tourism%202019_20_Final.pdf.

6 Ibid.

7 "Indian Tourism and Hospitality Industry Analysis", India Brand Equity Foundation, June 2020. https://www. ibef.org/industry/indian-tourism-and-hospitality-industry-analysis-presentation.

8 Ministry of Tourism, Government of India, "Annual Report 2019-20". http://tourism.gov.in/sites/default/files/ annualreports/Annual%20Report%20Tourism%202019_20_Final.pdf.

To give a fillip to domestic tourism, during his Independence Day speech on 15 August 2019, Indian Prime Minister Narendra Modi made an appeal to the people to visit at least 15 tourist destinations before 2022 when the country marks 75 years of independence. To attract tourists, in her 2019 Union budget speech, Indian Finance Minister Nirmala Sitharaman announced the development of 17 iconic sites into world-class tourist destinations.[9]

The outbreak of COVID-19 has halted all tourism-related activities in India and this sector is in deep crisis. According to the Federation of Association in Indian Tourism & Hospitality, the loss incurred by this sector due to COVID-19 could be around ₹10 lakh crore (S$188.11 billion).[10] There may also be a loss of about 38 million potential jobs in India's tourism and hospitality industry.[11]

In India, Goa is known as the tourists paradise. Till 2018, when the Indian Supreme Court cancelled 88 mining leases and ordered for fresh mining leases and environmental clearances, iron ore mining accounted for around 25 per cent of this western state's economy.[12] It employed 250,000 people and 100,000 were engaged in ancillary industries.[13] After mining activities were halted, the entire economic burden of Goa fell on the tourism sector.

Tourism contributes to about 40 per cent to the state's economy.[14] Also, about 40 per cent of its population depends on this sector for its income. There are about 3,538 hotels and 63 star category hotels in Goa. The state's capital, Panaji, is well-known for its casinos, night clubs and pubs. There are shacks that provide a range of food and drinks as well as rent out beach beds to tourists. The state also has ancillary services such as taxi business, which has about 32,000 listed drivers apart from private taxi drivers.[15]

9 Divya A, "Union Budget 2019: 17 model sites to be developed to boost tourism, says Sitharaman", *Indian Express*, 6 July 2019. https://indianexpress.com/article/business/budget/union-budget-2019-17-model-sites-to-be-developed-to-boost-tourism-says-sitharaman/.

10 "Coronavirus Lockdown: India's tourism sector loss doubles to Rs 10 lakh cr, says industry body FAITH", *Press Trust of India*, 5 May 2020. https://www.firstpost.com/health/coronavirus-lockdown-indias-tourism-sector-loss-doubles-to-rs-10-lakh-cr-says-industry-body-faith-8334551.html.

11 Chaitanya Mallapur, "India's Covid-19 lockdown may cause 38 million job losses in the travel and tourism industry", *Indiaspend.com*, 14 April 2020. https://scroll.in/article/959045/indias-covid-19-lockdown-may-cause-38-million-job-losses-in-the-travel-and-tourism-industry.

12 "Iron ore mining closure taking heavy toll on Goa economy", *The Economic Times*, 29 November 2018. https://economictimes.indiatimes.com/industry/indl-goods/svs/metals-mining/iron-ore-mining-closure-taking-heavy-toll-on-goa-economy/articleshow/66867098.cms?from=mdr.

13 Ibid.

14 "Desi travellers: The factor that made Goa the hottest vacation destination", *The Economic Times*, 2 December 2018. https://economictimes.indiatimes.com/industry/services/travel/desi-travellers-the-factor-that-made-goa-the-hottest-vacation-destination/articleshow/66899639.cms?from=mdr.

15 Abbas Raut, "The COVID-19 adverse impact on Goan economy", *The Narhind Times*, 30 March 2020. http://www.navhindtimes.in/ the-covid-19-adverse-impact-on-goan-economy/.

The COVID-19 outbreak has affected all of these businesses. According to estimates by the Travel and Tourism Association of Goa, the COVID-19 pandemic is likely to cause a loss of ₹1,000 crore (S$70.67 billion) in the state's tourism sector.[16] It has already led to a loss of about 60,000 to 70,000 jobs.[17]

To recover from this crisis, the tourism sector, like many others, has sought financial relief from the state government. Goa's Chief Minister Pramod Sawant had earlier said that as the state's economy is itself in a crisis, the government will not be able to offer any relief.[18] However, in an interview with the *Press Trust of India*, Goa's Tourism Minister Manohar Ajgaonkar said that his department has written to the state chief minister to seek help for the tourism industry from the Prime Minister's Relief Fund for COVID-19.[19]

Even before the spread of COVID-19, the tourism sector in Goa was already not doing too well. In 2019, the state recorded a dip of between 20 and 30 per cent in foreign tourists.[20] In 2018, about eight million tourists visited Goa, which was just a 2.9 per cent increase from 2017. However, this number came down to about seven million in 2019. People engaged in the tourism industry blame the state's tourism department for the decline in the number of tourists as they felt that 'Go Goa 365 Days' promotion was not properly publicised and marketed by the department.[21] A decrease in the number of chartered flights and the collapse of the United Kingdom-based travel company, Thomas Cook, also affected the arrival of foreign tourists. Poor infrastructure and unclean beaches have also contributed to the drop in the number of international tourists. Over the years, there has been an increase in narcotic tourism and related crimes in Goa.[22] To address these problems and to overhaul Goa's image, the state government has drafted a new tourism policy.

16 "Covid-19 may cost Goa Rs 1,000 cr, 70000 jobs", *dajiworld*, 19 March 2020. https://www.daijiworld.com/ news/newsDisplay.aspx?newsID=686399.

17 Ibid.

18 Gerard de Souza, "Coronavirus update – 'Can't help': Goa government tells businesses seeking financial relief amid Covid-19 lockdown", *Hindustan Times*, 8 April 2020. https://www.hindustantimes.com/india-news/ coronavirus-update-can-t-help-goa-government-tells-businesses-seeking-financial-relief-amid-covid-19-lockdown/story-kKewZoGPlUPUcVec7bNRSI.html.

19 "Covid-19: Goa to seek Centre's help to revive tourism industry", *Livemint*, 19 April 2020. https://www. livemint.com/news/india/covid-19-goa-to-seek-centre-s-help-to-revive-tourism-industry-11587272402920.html.

20 "Goa seeing a 20-30% drop in foreign tourists this year, says tour and travel operators body", *The Hindu*, 5 December 2019. https://www.thehindu.com/business/Industry/goa-seeing-a-20-30-drop-in-foreign-tourists-this-year-says-tour-and-travel-operators-body/article30189529.ece.

21 "States sees over 40% drop in foreign tourist arrivals", *The Navhind Times*, 4 December 2019. http://www. navhindtimes.in/state-sees-over-40-drop-in-foreign-tourist-arrivals/.

22 "Goa: Tourists' departure, lockdown hits drug trade", *Livemint*, 10 May 2020. https://www.livemint.com/ news/india/goa-tourists-departure-lockdown-hits-drug-trade-11589078271338.html.

Since no cases were reported in the last 21 days and there were no active cases as on 1 May 2020, Goa was declared a 'Green' zone.[23] However, on 14 May 2020, the pandemic re-surfaced and the state recorded a new COVID-19 positive case. As on 22 July 2020, Goa had recorded 4,176 positive cases, with 1,607 still being active, while 21,693 persons have been quarantined since the end of January this year.[24] In such a situation, it will take time for things to become normal in the state.

23 "Goa declared 'Green Zone' with zero cases of COVID-19", *Times of India*, 1 May 2020. https://timesofindia. indiatimes.com/travel/destinations/goa-declared-green-zone-with-zero-cases-of-covid-19/as75491583.cms.

24 "Media Bulletin – Status of COVID-19 in Goa", Integrated Disease Surveillance Programme (IDSP), Directorate of Health Services, Campal, Panaji-Goa, 22 July 2020. https://www.goa.gov.in/wp-content/uploads/2020/07/ Media-Bulletin-22-Jul-2020.pdf.

Pandemic Politics in India

Ronojoy Sen

Summary

While conventional politics in India took a backseat in the wake of the COVID-19 pandemic, the way the crisis was handled was itself intensely political. Prime Minister Narendra Modi's handling of the crisis enhanced his popularity, but there have been questions on the plight of migrant workers and the operation of Indian federalism. The long-term impact of COVID-19 though might be felt most in the expansion of the state, the centralisation of power and the measures rolled out to tackle the fallout of the pandemic.

There is little consensus on the kind of politics that COVID-19 will trigger in India. In the wake of the pandemic, some commentators had pointed to a temporary abatement of conventional politics in India. However, the way the crisis was handled was itself intensely political. There was a concerted effort by the central government to show that the pandemic, particularly the number of infections and fatalities, was under control. The state governments also did the same.

Surveys show that Prime Minister Modi's handling of the crisis and the imposition of a national lockdown enhanced his popularity at a time when he was confronting an economic slowdown and protests over the Citizenship Amendment Act. The ruling Bharatiya Janata Party (BJP) did not pass up the opportunity to publicise the positive ratings with Home Minister Amit Shah tweeting that Prime Minister Modi was way ahead of other global leaders in this regard. However, there was a clear class bias in the government's decision making. The poor and marginalised bore the brunt of the lockdown with thousands of migrant workers initially stranded in their place of work or on highways.

Prime Minister Modi used the opportunity to address the nation on multiple occasions.
By labelling the threat of the virus as a war, demanding sacrifices of the Indian people and invoking *the Mahabharata*, the Indian prime minister adroitly rallied the country around the flag. He also used the pandemic to show that he can effortlessly make the Indian public bend to his will.

The handling of the pandemic has thrown the spotlight on Indian federalism. Despite health coming under the purview of the states, the Centre used the National Disaster Management Act to impose a nationwide lockdown from 24 March 2020. While most state governments toed the central line, some were pulled up for deviating from the national policy. Indeed, opposition-ruled states like West Bengal – where Chief Minister Mamata Banerjee is the strongest critic of the Modi government and where elections are due next year – were singled out for criticism. Some states, on the other hand, criticised the Centre for prohibiting the sale of liquor, one of the biggest sources of revenue, during the lockdown's first phase.

There has been a wide variation too in the response of the different Indian states to the pandemic. States like Kerala, with its strong public healthcare system and high levels of literacy, have tackled the pandemic well while others have been laggards. A study in the early stages of the pandemic showed that the case fatality ratio was the lowest in Kerala and the highest in states like Maharashtra and Gujarat. The rate of testing, the enforcing of social distancing and health infrastructure possibly explains the variation.

There are parallels between the lockdown announcement and Prime Minister Modi's dramatic decision on demonetisation in 2016. As in the case of demonetisation, the hardest hit by the lockdown have been the poor, migrant labourers and daily wage earners, for whom no measures were initially put in place. It was only when the media and some chief ministers highlighted the plight of India's internal migrants did the Indian state provide succour, first for shelter and food, and later transportation. The skewed impact of COVID-19 has similarities with the 1918 Spanish flu, which inordinately affected the poor and rural India.

In the current context, the impact of the pandemic might be felt most in the expansion and reach of the state and the centralisation of power. Both these trends had been visible in India over the past few years, but the pandemic is likely to accentuate them. For one, the enormous increase in state surveillance in the wake of the pandemic, which has happened worldwide, is unlikely to be rolled back in a hurry. More significantly, we are likely to see a much bigger role for the state and state-owned enterprises. Contrary to what many saw as the free market and reformist leanings of Prime Minister Modi in 2014, he has shown little inclination to cut the bloated Indian state to size.

Centralised decision-making is also likely to outlive the pandemic. Prime Minister Modi's decision to impose a nationwide lockdown came at a few hours' notice and there was no evidence to show that he had consulted widely. Some chief ministers complained that had they been taken into confidence before, and not after the prime minister's decision, the situation might not have been so dire regarding the migrant labourers. It was only after the lockdown announcement that Prime Minister Modi consulted with the chief ministers and gave federalism its belated due. Indeed, some have pointed out this was astute politics with the prime minister taking credit for the lockdown, leaving the chief ministers to tackle the messy aftermath of the exit strategy, which proved to be a bureaucratic nightmare. Going ahead, India's federal structure is likely to face political and financial stress.

Finally, the impact of the economic package announced by Prime Minister Modi on 12 May 2020 will be something to watch. Leaving aside the economic ramifications, the prime minister's call for an *Atmanirbhar Bharat* (Self-reliant India) is of particular interest. Whether it remains just a slogan or charts a new path, different from earlier versions of 'swadeshi' (self-reliance through production of indigenous goods), will be a critical feature of the remainder of the prime minister's second term.

Prime Minister Modi has shown that he is willing to disrupt or rewrite the traditional rules of politics in India. The pandemic's aftermath will be a test of his governance.

The Long Walk Home: COVID-19 Lockdown and Migrant Labour in India

Dipinder S Randhawa

Summary

The announcement of a nationwide lockdown in India to combat the spread of COVID-19 resulted in hundreds of thousands of migrants, if not more, rushing back to their villages. In doing so, they placed themselves and their families at risk. Why did they do so? Did policymakers have choices?

Introduction

The 21-day nationwide lockdown in India announced on 23 March 2020 to curb the risk of mass transmission of COVID-19 was necessary and ostensibly inevitable. Against the backdrop of rising infection rates, the risk of rapid transmission in a densely populated country with a sparse health and medical infrastructure rendered the decision to confine all citizens to their homes imperative.

The announcement of the two-week lockdown at 8.00pm gave the population four hours until midnight to prepare for one of the most stringent lockdowns anywhere. For permanent residents of cities and those with financial reserves, the understanding that the government would soon announce measures to allow for access to essential supplies of food and medicines allayed immediate concerns. However, for the millions of migrant workers in urban areas, the realisation that all work and income earning opportunities had ceased without a clear alternative for sustenance resulted in panic.

Despite strict orders to stay indoors and the cancellation of train and inter-city bus services, the announcement of the lockdown triggered a spontaneous mass exodus of migrant workers in India's urban centres back to their villages and hometowns. The movement was on foot, bicycles or any other available means to return to homes in villages or smaller towns, often hundreds of kilometres away. The exodus from urban areas was captured extensively in vivid video clips distributed across the global media. What induced this seemingly mass defiance of the government's orders?

The Dilemma for Migrants

For migrant labour, the lockdown resulted in the widespread loss of jobs, depleting savings and leading to growing food insecurity. The personal calculus underlying the decision to stay or head back to the villages was shaped by both push and pull factors. The pull factors were primarily the reassurance, familiarity and security of home, and the belief that workers would be better able to care for the families and themselves in the villages. The push factors resulted from endemic uncertainty and loss of jobs and wages. The absence of a safety net and the financial wherewithal to help tide over an indeterminate period of time, without any income and inadequate access to medical facilities, all resulted in an inexorable movement back to the villages.

For Public Authorities

The efforts to return to the villages may have been socially undesirable as it risked transmitting the virus back to the villages. But for many individual workers, in the absence of any viable options for the future, it was a rational decision, reflecting economic vulnerability and a deep fear of their inability to cope with the uncertainties ahead. Conversely, for a large cohort of workers, the choice may not have been self-evident. It was poverty in rural areas that initially pushed workers to seek opportunities in cities. Returning to villages did not offer any assured relief. Skilled workers in some industries were given assurances by employers, and those with the relevant papers were able to avail of public benefits subsequently. However, a large cohort, primarily those on daily wages, lost jobs and earnings overnight and were left to their own devices.

The public authorities do not seem to have anticipated the mass return migration. Early reports of police resorting to *lathi* (baton) charges to compel those lingering on streets to return indoors added to the fears, but when the number of migrants on the move increased to hundreds and then thousands, the usual mechanisms for restraining mobility could not work. A few days later, the state and federal governments issued instructions for state boundaries to be closed and temporary camps set up to house migrants. It was much later that special trains and buses were launched to enable workers to return to their towns and villages.

Were the Objectives of the Lockdown Achieved?

The objectives of the lockdown – the need to impose social distancing and taking precautionary measures to minimise the risk of transmission across states – are exceedingly difficult to achieve in India. As an illustration, the metropolis of Delhi attracts the largest number of migrant workers of any urban agglomeration in the country. It has one of the highest population densities in the world with an average of 12,000 people per square kilometre. Conditions are worse in the slums, where five people may be sharing a 10-square metre room without running water, making it very difficult to observe prescribed norms for hygiene and social distancing. Sanitary conditions in shared toilet and bathing areas are almost non-existent, so the standard prescription of washing hands regularly and frequent cleaning of common areas are extremely difficult, if not impossible, to implement. While public services delivery infrastructure, including water supply, has improved significantly in recent years, it is far from what is necessary for a lockdown to function effectively. The problem is rendered worse by the exceptionally poor air quality and contamination of water in urban areas that render a vast swathe of the population vulnerable to pulmonary and gastrointestinal problems.

The environment in slums constitutes a 'Petri dish' for the outbreak of infections. Since workers living in slums are an integral part of the urban economy, an outbreak anywhere in the city could be transmitted rapidly. Studies indicate that the particularities of vulnerability among the slum populations have a significant effect on influenza transmission in urban areas, complicating policymakers' challenge of estimating infection rates. Medical studies on influenza in Delhi point to the risk of over-estimating the time taken for the infection to peak by several weeks, and underestimating the infection rate by 10- 50 per cent when the slum population is ignored in the calculations.

The larger problem of poverty and, as a result, hygiene, distancing and contact tracing are symptomatic of the structure of the Indian economy. Over 90 per cent of the Indian workforce outside agriculture is employed in the informal sector. Internal migrants in the informal sector number about 120 million. Jobs in the informal sector offer no employment safeguards or health benefits, with most workers surviving on daily wages. As the richest and fastest-growing city in the country and proximate to the poorest, densely populated states in the country, Delhi is a magnet for migrants from the countryside. Four of five workers in the informal sector in Delhi, the highest proportion in the country, are from nearby sates. These workers are heavily concentrated in urban slums and tenements.

In 2019, about 30 per cent of the workforce in India's cities survived on daily wages. Out of a population of 30 million in the National Capital Region of Delhi, nine million are workers on daily wages. Amongst these, over 83 per cent migrated to Delhi in search of work. This is the base that is vulnerable and likely to attempt to leave the city. The poorer states of Uttar Pradesh and Bihar account for two of every five migrants to cities, followed by Jharkhand, Rajasthan and Madhya Pradesh.

The construction industry alone employs 55 million workers across the country on daily wages. An estimated nine million workers move from villages to cities every year in search of work at construction sites and factories. This sector also employs the highest proportion of women, accounting for 67 per cent of the workforce in urban areas and 73 per cent in rural areas. Since there is minimal labour protection and most workers are on daily wages, remuneration in construction is below the minimum wage, ranging (in purchasing power parity terms) from between S$9 and S$18 for 55 per cent of workers supporting an average family size of four – less than half the prescribed daily minimum wages of S$25.50.

While precise estimates are difficult to obtain, as many as 23 million migrants across the country could have opted to return home. This mass, spontaneous, unplanned migration took a heavy toll on the workers' health and limited resources. Estimates from early press reports indicate that more than 400 deaths during the journey back home due to accidents, starvation, illness and an instance of sleeping workers run over by a train. Malnutrition was endemic, with a tiny proportion able to access public assistance programmes in the immediate aftermath of the lockdown.

Government Relief Measures

On the day after the lockdown, the government announced relief measures. The relief added up to one per cent of the gross domestic product, with benefits of ₹500 (S$9.20) per month to a worker – a grossly inadequate amount, insufficient for even a week's rations. Most migrants did not possess the requisite paperwork or documentation to prove their eligibility for relief. As an illustration, on 24 March 2020, the government issued a directive to all the state and local governments to transfer funds through the Direct Benefit Transfer to workers in the construction sector. However, a survey[1] found that 94 per cent of the workers did not possess the Building and Construction Workers identity card necessary for receiving any benefits from the sizeable corpus of the Building and Construction Workers Fund.

1 Jan Sahas. https://jansahasindia.org/.

Furthermore, while the number of citizens with bank accounts has grown exponentially, many of these accounts remain dormant or the workers cannot operate them. Despite the impressive achievements in digitalisation of payments and cash transfers, the 'last mile challenges' stifle the potential for a large number of workers.

A brief survey conducted by *Jan Sahas*[2] among migrant labour on 25 March 2020 thereafter indicated that 42 per cent of workers had no rations left for a day and 66 per cent stated that they could not sustain their household expenses beyond a week. The survey revealed that the immediate need of the migrant workers were food rations and an assurance of monthly support for the duration of the lockdown. About 83 per cent of the workers believed they would not be able to find work at the end of the shutdown, and 80 per cent feared the three-week lockdown would leave their families without any food. The limited ability to access an overstretched and underfunded health system further compounded anxieties about staying in cities during a pandemic.

A subsequent survey[3] revealed that two thirds of respondents had lost their jobs, and those still employed in the informal sector had wages cut by half. Four of five households struggled to meet their food bills. A similar percentage could not afford to pay the subsequent month's rent. The public distribution system[4] was a palliative for those who had access to it, even amongst these 16 per cent were not able to get rations.

Supply chain failures in agriculture and a lack of clarity on movements compounded shortages resulting in increases in prices of foodgrains. By April 2020, the unemployment rate had risen to 23.5 per cent and the economy was on track for the first recession in decades.

Expectations of the Lockdown

Poverty, the high population density and the predominance of the informal economy that precludes any modicum of job security complicate the implementation of a lockdown in India. The trade-off between lives and livelihoods is stark. The infection rates in India started rising a few weeks after the end of the lockdown. By mid-July 2020, India will be the third country after the United States and Brazil to record over a million COVID-19 positive cases.

2 Jan Sahas is a non-government organisation working on social development. https://jansahasindia.org/. Some of the other information in this paper is from the reports of the Stranded Worker Action Network.

3 Surbhi Kesar, Rosa Abraham, Rahul Lahoti, Paaritosh Nath, and Amit Basole, "Pandemic, informality, and vulnerability: Impact of COVID-19 on livelihoods in India", Azim Premji University. CES WP 2020-01, June 2020.

4 The PDS is India's food security system distributing food grains and other essentials at subsidised prices to the poor.

The consequences of the migration will not be clear for a while, including, as was feared, the transmission of the virus through returning migrants. There are indications of spread of transmission of the virus to Bihar and to an extent the inner districts of Uttar Pradesh. In state migration has also resulted in transmission to rural districts in Maharashtra and some other states.

Experiences Elsewhere

Poverty, the high population density and the limited public health infrastructure result in unique challenges for public authorities in India seeking to manage the pandemic. Other countries do not mirror the pressures faced by India. A lockdown of the sort implemented in Italy, Spain or even China cannot be carried out with the same degree of effectiveness in India as social distancing is not possible in large swathes of urban areas, nor do migrant workers have the financial reserves to last for weeks without earning. South Africa announced a three-week lockdown to be implemented after four days on 26 March 2020, giving the population time to prepare. The largest city, Johannesburg, has a sizeable informal sector with a large population of migrants not only from the neighbouring townships, but also from the hinterland and other sub-Sahara African countries. The Brazilian presidency is yet to acknowledge there is a serious problem at all. Among the larger countries that have imposed lockdowns, China is most similar in size to India. The differences, though, are stark. Aside from a lower population density, China underwent the world's largest and arguably fastest migration to urban areas engineered by the state. Entire cities with apartment complexes cropped up to accommodate the needs of its people. Recent migrants live in cities with a developed urban infrastructure, resulting in a lower average density. Families at least have the wherewithal to manage isolation. Furthermore, the Hukou policy on migration to cities prevented the growth of slums seen in other developing economies. The controlled urban agglomerations and permanent residences for migrants obviated the need to leave the city. The closest parallels to large Indian cities may be cities such as Lagos, Karachi and Dhaka, especially the latter two, where the live versus livelihood trade-off is particularly stark. All of these cities are experiencing rising infection rates.

Policy Issues

Public health is the responsibility of state governments in India. The pandemic has highlighted sharp differences across states in managing COVID-19 and controlling the infection rate. Kerala's remarkably proactive management of the pandemic during the early stages of the disease has received global attention. Kerala's response was spearheaded by the dynamic health minister who was amongst the most prompt to react to reports of a new contagion in Wuhan. Some students from Kerala and other states study at universities in Wuhan. The state marshalled forces to monitor, treat and trace patients and contacts down to the district level while also establishing clear lines of responsibility down to the village level. Other states such as Karnataka and Sikkim have done well, as have many district level administrations across the country. The pandemic has highlighted the importance of coordination and effective governance at the lowest levels of government.

Could the lockdown have been handled differently? The flight of migrant workers back to the countryside was not surprising. A preponderance of migrants is from within the state, most of the interstate migrants are from the poorer states of Bihar, Uttar Pradesh, Jharkhand, Madhya Pradesh and Odisha. Planned and clear announcements of relief for the most vulnerable could have forestalled the rush out of cities. It is not difficult to envisage the panic that struck the millions of migrants depending on daily wages for sustenance. In the absence of any announcement on the provision of food supplies or the mechanisms for doing so, the natural response was to head back to secure, familiar surroundings, carrying whatever was possible on their backs. Social distancing is well-nigh impossible for the poor in urban areas.

Yet, the exodus seems to have caught the state and local governments by surprise. On 26 March 2020, the central government issued orders to the state governments to set up relief camps providing food and shelter to migrants on the roads until the end of the lockdown period. These camps would also carry out tests and screen all residents to prevent further transmission of the virus. The march back home entailed a high cost. Aside from the tremendous physical and mental strain and fear, a population that already was not in the best of health was rendered further vulnerable through stress and weakness. Conditions in the relief camps seem to vary, but there is no systemic evidence yet of how the migrants were treated, and whether they were persuaded to stay there till the end of the lockdown.

How can the immediate bread-and-butter issues for a vulnerable moving population be resolved? There are no easy options. With the vulnerabilities, any strategy resulting in deprivation of work would result in a mass migration. However, giving credible information, time and support for the move back, subject to medical clearance, could have mitigated the mass exodus back to the villages.

Assurance of food and essential supplies during the 14-day lockdown period accompanied by income support in the immediate aftermath of the lockdown until the economy returns to a semblance of normalcy could have induced migrants to stay back, notwithstanding the elevated risks due to living conditions. It could have allowed for monitoring health and when needed, testing of suspected carriers. This period could also allow for community resources to be mobilised to inform and reassure people. Moving back to their villages or towns risked transporting or acquiring infections.

Looking ahead, the migration was a massive and traumatic dislocation for workers. With the end of the lockdown in many parts of the country, workers are reluctant to return to the cities. Factories that are reopening are confronted with serious labour shortages. In some cases, employers have chartered aircrafts to bring skilled workers back from the villages while others are paying higher wages to incentivise workers to return, reflecting the paradox of a paucity of skilled labour in a country seeking to reap a ‘demographic dividend’ with the largest and youngest labour force in the world. A large number of informal sector enterprises would have shut down, foreclosing employment opportunities in a labour market that already had little to offer job-seekers. At the same time, the lack of opportunities for gainful employment in villages is pushing workers to return to urban areas in the hope of securing some sort of employment.

The crisis has again underscored the vulnerability of the preponderance of the Indian labour force, rendered almost invisible in policymaking circles for decades. With growing inequality, and diminishing prospects for socio-economic mobility, prospects for instability will mount. The time for fresh thinking on the informal sector, other than the singular quest for bringing 90 per cent of the labour force into the rubric of ‘formality’, is long overdue.

Public Health Governance to Battle COVID-19 in India

Vinod Rai

Summary

The COVID-19 pandemic has wreaked havoc among the poor and those working in the unorganised sector in India. The surge of infections has also led to panic across the nation. The states appeared to have been inadequately prepared for the mass migration on the announcement. However, after the initial two or three days, the public health administration at the district level has rallied with alacrity. The coordination among the various state-level bodies has been remarkable. The policy of social distancing and containment seems to have checked community spread. However, it is still early for the government to relax the curbs.

Introduction

Barely two months ago, experts were debating the effects of the persistent economic slowdown. The inadequate reach of the Union budget and the job crisis facing the nation were matters for television discussions. Till the crippling effects of a global pandemic hit the country, words such as 'social distancing', 'containment' and 'quarantine' were stuff for esoteric debates among academics. No more! Now, it has become common parlance amongst all sections of society.

Announced on 25 March 2020, the lockdown took effect immediately. The public, especially migrant daily wage earners, did not get any advance information to make alternative arrangements for their living, food and money necessary for sustenance. The state governments also appeared to have been caught by surprise. However, the plight of hordes of migrant workers trudging back to their homes in villages started doing the rounds through media. Besides the fact that these pictures showed a total negation of social distancing norms, they depicted the pathetic plight of the people as neither food nor transportation was available. It took the state administration two days to organise food packets and buses to ferry them to their concerned districts. The state agencies were not geared up to deal with such a massive human migration. However, they soon got their act together and tied up with voluntary organisations to ensure the distribution of food packets till transportation was arranged.

The Delhi government was quite prompt in announcing food packets, though by then, the primary wave of migration had started. There appeared to be a lack of coordination among state authorities on preparation for a mass migration of unorganised labour, addressing their food requirement and tackling possible health issues. The National Sample Survey Office estimates that casual and self-employed workers make up 60 per cent of the workforce in urban areas. Their movement in such large numbers does not appear to have been factored in when announcing total clampdown.

State Governments Act with Alacrity

Much credit is due to the state governments of Uttar Pradesh, Bihar and Madhya Pradesh which acted with alacrity once the magnitude of the problem dawned on them. State government buses were requisitioned to carry the migrant labour to their native districts. Once they were in their respective districts, they were not allowed to wander away and were quarantined in containment zones where food and lodging was arranged. These were largely government schools. The magnitude of the problem can be gauged by the fact that Bihar alone has set up 3,115 containment zones for such displaced persons. Over the 19-day lockdown period, the policy of containment and social distancing has reaped benefits as what could have led to a virulent community spread of the pandemic has been obviated. The original glitches notwithstanding, the public health administration in the states, and particularly at the district level, has shown remarkable alacrity and dynamism.

The Indian Council for Medical Research estimates that a COVID-19 patient can infect 406 people in 30 days if preventive measures such as social distancing and lockdown are not enforced.[1] The estimates indicate that if social exposure is restricted by 75 per cent, then one sick person can infect only 2.5 persons. The efficacy of the measures is indicative of the fact that as of now, only about 7,529 active cases have been reported in the country, with 242 deaths. About 179,374 were tested as on 11 April 2020.[2] It is feared that testing has been slow and thinly spread because of which the numbers are low, but even with increased testing over the last week, exponential growth is still not seen.

The fight at the ground level has brought out some outstanding models of governance that were innovated at the district level. Featuring a close coordination between the police,

1 "A COVID-19 patient can infect 406 people in 30 days if preventive measures not in place: ICMR study", *Business Standard*, 7 April 2020. https://www.business-standard.com/article/pti-stories/a-covid-19-patient-can-infect-406-people-in-30-days-if-preventive-measures-not-in-place-icmr-study-120040701178_1.html.

2 "Telangana becomes sixth state to extend lockdown till April 30; India death toll at 242", *Indian Express*, 12 April 2020. https://www.newindianexpress.com/live/2020/apr/10/covid-19-live--telangana-becomes-sixth-state-to-extend-lockdown-till-april-30-india-death-toll-at-24-2128251.html.

health workers, public distribution system and municipal authorities, the success has been in the conceptualisation and on-ground implementation. The 'Bhilwara model',[3] as it has come to be known, is the pattern which seems to have provided best containment results. Surveying, combing, screening and testing were the mantra for the district teams. This was, of course, accompanied with home quarantine and isolation. Within hours of the first case being reported on 18 March 2020, the first step was to announce a curfew, seal borders for containment, create zones and ensure zero private vehicular movement. The second step was to identify potential clusters and carry out intensive mapping, with detailed charts of all the people they had met followed by isolating high-risk persons and collecting samples for testing quickly. The third was a massive screening exercise covering the entire population to detect influenza-like systems. A survey was commenced through 850 teams which conducted 56,025 house-to-house visits, covering nearly 281,000 people. By 25 March 2020, 6,445 suspected cases were home quarantined, and by 27 March 2020, 2.8 million people out of a total population of three million had been surveyed. An application was used by the health department to monitor those under home quarantine. The curfew implied closure of all shops but the police ensured that grocery supplies reached people's doorstep, with poor and needy receiving cooked food. As of 10 April 2020, Bhilwara was the first district to be declared COVID-19 free. Pathnamthitta district in Kerala followed the same protocol immediately after a three-member Italy-returned family was tested positive.

Kerala's Effective Containment Strategy

Kerala has received global appreciation of its containment battle against the virus, with the chief minister communicating directly with the public, offering strategies and safety nets. The effective functioning of a well-coordinated administrative mechanism, along with years of investment in public health and public distribution, has been the major game changer. The state set up large community kitchens, camps for migrant workers much before other states had recognised their plight, and traced the contacts of every person who had tested positive. The state has innovated to set up inexpensive kiosks for mass collection of samples from people with symptoms of the virus. Called 'walk-in sample kiosk', each unit has a healthcare staff sitting behind a glass partition. He collects the throat swab from the person on the other side, by inserting his already gloved hands into another pair of thick gloves attached to the glass panel and then drops it into a container. The person hands the container back to a healthcare staffer before making way for the next person. Before the next person comes, the place is thoroughly disinfected. The cost of setting up such a kiosk is only about ₹40,000

3 Bhilwara is a district in Rajasthan.

(S$744). Kerala, in fact, has already set up a 17-member task force to administer the phased relaxation of the lockdown.

Another example of the government's proactive response was reflected in a reported incident of a person living in the state's Wynad district. The man had run short of a critical medicine and could not obtain its supply during the lockdown as the medical shops were shut. Though he had little trust in announcements made by public authorities, desperation to get the medicine led him to dial the advertised helpline number. The recorded voice that answered was that of the state's health minister asking what she could do to help him. Again with little hope of success, he mentioned the name of the medicine he needed. His call was diverted to a health worker in Mananthavady, a place far away from his home. He shared his difficulty with the worker and was told that some arrangement would be made. He obviously did not take the assurance seriously. However, to his total surprise, in about an hour, a *panchayat* (village council) member delivered the medicine to him. He was amazed, more so, when the man refused money claiming that it was a drug supplied free by the government.

An effective policy of communication has also been adopted by the states that have been successful in facing the crisis. The chief ministers of Haryana, Delhi, Tamil Nadu and Gujarat have been addressing state officials and the public almost every day with updates and suggestions to meet the challenge. The Haryana chief minister has even been suggesting indoor games that can be devised to beat boredom due to the lockdown.

Service Before Self

Remarkable stories of commitment and dedication displayed by frontline health workers who face the threat of contacting the virus on a daily basis are emerging. One such example is that of a field doctor in Noida whose wife delivered their child. The doctor has quarantined himself in a guest house and has neither seen nor touched his newborn. However, he continues to fulfill his duties as a doctor visiting sealed areas and hotspots. Another medical officer of Indore did not enter his house after a 48-hour field duty, but spoke to his wife and daughter by sitting on a parapet outside the gate, maintaining a distance of about six metres. He was served tea in a disposable cup while a set of fresh clothes were placed in a plastic bag outside the gate. He has not been home for 14 days now and stays in the hospital. A police officer who was assigned to patrol in a hotspot has moved his belongings and bed to the garage in his house in order to distance himself from his family. The courteous announcement by a Delhi fire service officer on fumigation received a thunderous applause from people living there.

There are other initiatives taken in districts with self-help groups taking on the responsibility of stitching masks. In Meethapur, a small town in Gujarat, tribal girls stitch masks and use pressure cookers to sterilise them. A young girl in Jhansi works late into the night stitching and distributing masks to vegetable vendors, milkmen and newspaper delivery boys, amongst others.

Combating fake news has been another huge challenge for the state governments, as they have the potential to cause serious damage in these challenging times. The Uttar Pradesh government has come down hard on such miscreants by intensifying monitoring. There was a social media post in Rampur claiming that in a quarantine zone, the inmates were creating a ruckus seeking non-vegetarian food. This was promptly enquired and the police released a communication denying this false report. In Allahabad, a conflict between two families led to one person getting killed. Social media attributed the killing to a person who was resisting testing since he had attended a religious congregation. The police, after verification, immediately denied his having attended the congregation.

The Way Forward

Certain states like Uttar Pradesh have tried to optimise available medical infrastructure resources and manpower by putting asymptomatic patients in hotels and lodges and moving all patients suffering from COVID-19 in a zone to a dedicated hospital. It was decided to reserve hotels next to hospitals because 75 per cent of the positive cases had not shown symptoms, so they could be grouped into areas housing only asymptomatic cases with doctor and nursing care in attendance. This was a prudent use of state resources as it helped release isolation beds in hospitals for more critical patients. On the other hand, the Indian Railways has converted 2,875 coaches to create about 48,000 isolation beds. Mumbai has taken over the stadium of the National Sports Club of India to create an isolation zone in case the situation so warrants.

The pandemic seems to be slowing down in some states like Kerala, which was one of the worst hit. However, Maharashtra and Uttar Pradesh are witnessing a spurt. The focus has now shifted to the district level, as 10 districts alone account for 30 per cent of the COVID-19 cases in the country. These are mainly in Delhi and Mumbai. The hotspots and isolation zones in these areas have residents totally locked in with all essential items being delivered to their doorsteps with the help of the police. The role of the police in maintaining calm and helping the supply lines has been absolutely outstanding. Managing irate migrant workers who thronged roads at state borders was not an easy task but police ensured that no untoward incident took place. They have also been assisting in meeting with the demand of residents for essential supplies as they are ‘cooped up’ in their apartments, which have been declared containment zones. Manning check posts, identifying health workers, assisting to transport in emergency child delivery cases have all been done regardless of the risk to themselves. Dharavi in Mumbai, reported to be the largest slum in Asia, has been cordoned off. Managing public distancing of residents in that congested locality where density is so high, is a huge challenge for the police. Similarly, District Collectors of Bhilwara (Rajasthan), Pathnamthitta (Kerala) and Sangli (Maharashtra) only to name a few, have made enormous efforts to make the entire district machinery function like a well-coordinated and homogeneous organisation.

The central government has been in touch with the state authorities on the continuance of the lockdown. When to ease the lockdown, how to regulate partial lifting, ensure commencement of economic activity and such other issues are under discussion. It appears that the lockdown will be in place till 31 May 2020, with a very select category of agencies being permitted to commence functioning. Coming out of a nine-week lockdown will be as big a challenge as enforcing a complete lockdown.

The Kerala Model to Battle COVID-19

Vinod Rai

Summary

The early recognition and prompt planning to face the COVID-19 pandemic by the Kerala government has benefitted the state and country immensely. The state modelled its entire COVID-19 strategy on the deep roots of decentralised local self-administration and inherent strength of the public healthcare system. The state adopted an aggressive strategy of locating, testing, tracking and containment, which has paid rich dividends. It sees the curve flatten, as India moves out of the four weeks of the national lockdown.

Introduction

To be able to appreciate the Kerala model of handling the COVID-19 pandemic, we need to understand the administrative set up at the district and sub-district level in the state. In the mid-1990s, Kerala undertook a massive policy initiative to decentralise and transfer power to local self-government bodies at the *gram panchayat* (village council) and the district *panchayats*. These bodies were entrusted with public health and public education functions of the government up to the district level. Thus, primary health centres are functionally managed by *gram panchayats* though the government pays the salaries of the doctors. Similarly district hospitals are managed by the district *panchayat*. Once the power was transferred to these bodies, they were entrusted with the responsibility to prepare 'People Plans' – which signalled the government's intent of people doing tasks for the government. These plans took into consideration locally available natural resources matched with financial resources allocated to the particular *panchayat* for the developmental needs of that area. Such people's participation at the ground level has helped to mobilise spontaneous community support whenever the need arose. This investment in public health services, education and the decentralisation of governance have been the game changer for Kerala – a state with a very high density of population.

Early Intervention

As early as 18 January 2020, on receiving warnings from the World Health Organization (WHO) and others on COVID-19, the state which has a large number of its citizens working abroad, issued an advisory and started *suo moto* testing of all overseas arrivals at its four international airports. Initially, the concentration was on passengers arriving from nine countries, including China, Iran and South Korea, but soon all persons with a record of foreign travel were screened. They were given a health card in which they had to list their travel details and health condition.

The health unit at the airport was provided with ambulances to convey any passenger detected with cough, sore throat or fever to an attached hospital. Then onwards, the passenger was captured by the intensive surveillance system that the state had devised and his health condition was diligently tracked. Realising the lethal capability of the virus, the state set up district control rooms and began procurement of personal protection equipment such as masks and gloves. By the end of January 2020, all district hospitals were instructed to designate separate COVID-19 isolation wards. On 4 February 2020, COVID-19 was declared a state disaster threat. By 10 February 2020, temporary quarantine shelters were established to accommodate tourists and non-residents of Kerala.

Whilst contact tracing and surveillance was progressing, a family of three, arriving at Thiruvanathapuram airport from Italy[1] on 29 February 2020, travelled all the way to Ranni in Pathanamthitta district, without declaring its travel history. It was a whole week later, after showing signs and symptoms of the virus, that they were tested positive. The district under the guidance of the district collector, P B Nooh, constituted a team comprising police officers, volunteers, panchayat workers, revenue officials and health workers. This team commenced spatio-temporal mapping and prepared detailed flow charts which depicted the time, date and movement of each person in the family based on mobile call details and closed-circuit television footage. Since it was felt that the family had not declared all details of its travel and contacts, the family members' particulars were put on social media urging persons who had come in contact with them to get tested and stay quarantined. Soon, the control room was flooded with calls and necessary action was taken.

Lockdown and Effective Action

On 11 March 2020, the WHO declared COVID-19 a pandemic. Kerala's Chief Minister, Pinarayi Vijayan, ordered a lockdown: shutting schools, barring large gatherings such as marriages and processions while also advising against congregations in places of worship. This was a fortnight before of the national lockdown.

1 "Kerala family with COVID-19 concealed travel history to Italy, Min says it's a crime", *The News Minute*, 8 March 2020. https://www.thenewsminute.com/article/kerala-family-covid-19-concealed-travel-history-italy-min-says-its-crime-119764.

Kerala has the highest test rate in the country. It has also achieved success by its 'Break the Chain' campaign to encourage social distancing. This has been done on the assumption that a mere lockdown would only confine the virus within the household, where it may multiply. The state advised home quarantine for a 28-day duration which was double of that prescribed nationally. The administration had intense public engagement to educate the people that the virus is transmitted through the community and, hence, the solution has to come through the community. Through effective communication, the state was successful in energising intense engagement among local bodies, cooperatives and women's neighbourhood groups. The various agencies had handled the Nipah crisis and gained experience by scientifically handling that situation, so they were psychologically prepared.

The state continued to concentrate on home quarantine measures and, by 18 April 2020, the number of people in home quarantine had exceeded 130,000. These persons would get two to three calls every day from health workers, constituted in 16,000 teams across the state, seeking details of their health condition, temperature, etc. These teams also maintained vigil to ensure that the quarantined persons actually stayed confined in their homes. By this time, about 15,000 samples had also been drawn for testing, depicting the aggressive testing protocol that the administration followed. Neighbouring Tamil Nadu and Andhra Pradesh, which are three times its size, had done only 8,000 cases each.

The government has now divided the state into three zones for graded relaxation after 20 April 2020. The first zone comprises four districts of Kasargod, Kannur, Kozhikode and Malappuram (Red). These account for 124 of the 147 people in the state undergoing treatment. Here, the lockdown will continue till 3 May 2020 and borders of hotspots will be identified and sealed. The second zone is that of Pathanamthitta, Ernakulam and Kollam (Orange A), which have only 14 cases and, hence, the proposal is to have the lockdown till 24 April 2020, for which central government permission has been obtained. The state proposes partially restoring normal life in the districts of Thiruvananthapuram, Alappuzha, Thrissur, Wynad and Palakkad (Orange B) as they have only nine cases. Public transport and takeaway services from restaurants will be allowed till 7.00pm, while continuing with the ban on public gatherings remains. The remaining two districts of Idukki and Kottayam (Green) will be permitted normal life with precautions, but travel outside the district will not be permitted till 3 May 2020. Odd numbered vehicles will ply on Monday, Wednesday and Friday and even numbers on Tuesday, Thursday and Saturday.[2]

2 "Kerala set to open restaurants, start odd-even for cars", *The Times of India*, 19 April 2020. https://timesofindia. indiatimes.com/india/kerala-set-to-open-restaurants-start-odd-even-for-cars/articleshow/75227893.cms.

Decentralising Administration Pays Off

The first and most critical factor which went in favour of Kerala was the foresight of the leadership in being able to see the early warning signals of the approaching pandemic and act decisively. The public health expertise was able to see the potential lethality of the virus and forewarned the administration to take appropriate measures far ahead of any other state in the country and even the central government. Being conscious of the fact that Kerala has a very sizeable proportion of its population working in different parts of the globe, it realised that they could be potential carriers when they travel back home.

Once this realisation dawned, the administration moved to the next step: preparing a plan of action. For such measures, Kerala always relies on its core strength – the well-developed public healthcare system. The department receives priority in funding and provision of equipment and trained staff. Its next core strength is the decentralised local administration system which operates from the village *panchayat* to the district *panchayat* and on to the local self-government department in the state secretariat. This network facilitates mass participation in any critical mission of the government such as floods, famine, epidemic or any other disaster. Coordinated at the district level by the Collector, this robust community force provided very effective mass mobilisation of information and action for, inter alia, preventive and palliative healthcare, especially in vigorously pursuing the campaign for social distancing and 'Break the Chain'. The efficacy of the structure was tried and tested during the outbreak of the Nipah epidemic in 2018 which caused 17 deaths[3] and later during the massive flood havoc the same year.

The administration set up a control room to monitor and direct actions. They even conducted mock drills. This gave the officials experience in handling cases that may come to them as well as helped to sensitise them of the life-threatening nature of the virus. Since foreign travellers were identified as carriers of the virus, the four international airports in the state were equipped with staff and equipment to test foreign returnees, especially from the seriously affected countries of South Korea, Italy, Iran and China. These airport teams were attached to specialised hospitals to which passengers showing signs of fever, cough or sore throat could be taken. Once they reached the hospital, the patients' particulars were stored in a master data bank such that they could be kept under surveillance. Contact tracing in cases which showed positive signs was done most meticulously. The protocol was to question the patients and then trace the persons they had been in contact with. They encouraged the

3 "Nipah Outbreak In India Leaves 17 Dead", *Asian Scientist*, 17 June 2018. https://www.asianscientist.com/ 2018/06/health/kerala-india-nipah-virus-outbreak/.

patients to cooperate and provide complete details of their movements and meetings with people. A rigorous record was complied of all the persons to create a data bank. They were encouraged to go into self-quarantine, and teams ensured that the prescribed discipline was sincerely adhered to by at least two telephone calls to each person every day. As a measure of abundant caution, the quarantine period prescribed was 28 days.

Community Spirit Wins

Kerala has a very compassionate approach to migrants. Having a large proportion of its own population working in different countries, it understands the pains and tribulations of migrant workers. Much before the lockdown, a package of assistance was announced and made known to migrant workers. They were assured of accommodation in relief camps, food packets from community kitchens and a food kit along with a sum of ₹2,000 (S$37). Camps were set up for migrant workers under the supervision of local bodies who monitor food, water and sanitation requirements. Cooked food is arranged through community kitchens with local citizen groups pooling in. About 400,000 meals are provided daily. These community kitchens are run by women of the non-government organisation, 'Kudumbashree'. Recognising the reality that a lockdown leads to loss of livelihood, the government made available an average of ₹2,000 (S$37) from welfare funds. An interest free consumption loan of ₹2,000 (S$37) has also been provided to the inmates of these camps.

The alertness of the community networking is best illustrated in an instance where a lady in Pathanamthitta district went for a routine medical check up to a public health centre as she was pregnant. The doctor advised her to not strain too much and asked if she was undertaking any strenuous activity. The lady replied that her house was on a higher incline where piped water does not sometimes reach due to low pressure and hence she had to walk down to her sister's house to carry water. The doctor sent her back advising her not to overstrain herself. The lady reached home to soon find that a fire station bowser arrived at her house to pump water into her overhead tank – an amazing story of compassion and alertness in the administration. The doctor who treated her informed the control room of the difficulty being experienced by the lady, which then relayed the information to the fire officer to depute an idling fire brigade bowser to perform this good deed.

The leadership and involvement of the senior functionaries in the government is the defining factor of the Kerala model. The state's Health Minister, K K Shailaja, is totally involved in the day-to-day monitoring and planning. A teacher by profession, she commands immense credibility and her dedication to the effort has motivated medical professionals, paramedics and health workers to undertake a rather stupendous task with untiring sincerity. The chief minister monitors the progress on a daily basis. Every day, at 6.00pm, he addresses a press conference which is televised live. In a very earthy and avuncular manner, he explains the steps taken, motivating the public to cooperate with the administration while also clarifying all issues. In one such dialogue, he issued a very stern warning against anyone attempting to create a communal divide. It is reported that his address every evening is much-awaited. The district administration has responded admirably. Collectors have been supervising operations around the clock, approaching issues with compassion or strictness as the situation demands. The state police has done a remarkable job with a humane approach to people's problems. The state has also leveraged technology to release essential information in a real time basis and has launched a mobile app 'GoK Direct' to check the spread of fake information.

Road to Recovery

Kerala appears to be on the threshold of flattening the COVID-19 curve. It has reported only 32 new cases from 11 to 18 April 2020. The total number of cases reported so far is 395. Of this, 277 cases are those of people who came from abroad. The state is, however, not lowering its vigil and proposes to remain on high alert with the entire infrastructure and paraphernalia in position. For gradually relaxing the lockdown, it has prepared a well-calibrated schedule, grouping the districts into four groups described earlier. Local bodies have been entrusted with the task of arranging tele-medicine for senior citizens with underlying health issues.

As mentioned earlier, Kerala has a very large non-resident population spread over various countries. These persons are in different lockdown destinations and appear to be keen to return home. It thus faces a huge challenge for return migration. The state is also prepared for this eventuality. It has already identified 150,000 beds in hotels, hostels and such similar premises with more than 100,000 ready to be occupied.

The lockdown has deprived persons of livelihood and rendered families into penury. The Kerala government recognises the urgency of regenerating economic activity to ensure jobs are created to provide means of livelihood to the lowest strata. To undertake a pro-active campaign in this direction, the government has set up a 17-member body under the chairmanship of a former chief secretary, K M Abraham, Chief Executive Officer of the Kerala Infrastructure Investment Board, to advise on the post COVID-19 economic roll-out plan. The report of the Task Force has been submitted, and it is hoped that the state will be able to muster adequate resources to exploit its full economic potential.

COVID-19: Economic Impact and Challenges for the Maldives

Amit Ranjan

Summary

A decline in the number of tourists to the Maldives due to COVID-19 has severely affected the country's tourism sector. This also has a negative spill-over on other sectors of the economy, as most of them are linked to tourism. As a result, many people have lost their jobs. To reduce the economic damage, the Maldives' government has announced specific measures to address COVID-19 related damages and challenges, the efficacies of which have to be observed. It has also decided to welcome tourists again from the middle of July 2020.

Introduction

Before the global spread of COVID-19 in early 2020, the Maldives' government and international organisations such as the World Bank had predicted that the debt-distressed country would perform much better in 2020. However, the COVID-19 pandemic has put an end to such projections. Now, instead, the country's economy is projected to face contraction between 8 and 13 per cent. Also, it is deemed that tourism – the spine of Maldives' economy – has suffered a huge loss. To reduce the short and long-term economic impact of COVID-19, the Maldives' President Mohammad Ibrahim Solih has announced a number of measures whose efficacy to reduce the impact of economic slump has to be observed.

Economic Situation before COVID-19

Assistance and investments from India and other foreign countries and loans from international organisations such as the Organisation of Petroleum Exporting Countries Fund for International Development, along with the policies of President Solih's government, helped the debt-distressed Maldivian economy record some positive economic indicators in 2019. Real gross domestic product (GDP) of the country in 2019 was 5.7 per cent and was projected to accelerate to 7.5 per cent in 2020. This resulted in an enormous increase in its foreign currency reserve. In 2020, the country had foreign exchange reserves of US$752 million (S$1.06 billion), which was much more than the expected amount of US$635 million (S$903 million).[1]

1 "Maldives official reserve reached USD 752 million: MMA", *AWAS*, 31 December 2019. https://avas.mv/en/ 75751.

This economic performance of the Maldives has been spearheaded by the country's tourism sector, which contributes around 28 per cent to the country's GDP and earns about 60 per cent of the total foreign exchange. In 2018, the Maldives received around 1.4 million tourists and this number was a little over 1.7 million in 2019. According to the statistics released by the Ministry of Tourism, tourist arrivals in 2019 saw a 14.7-per cent increase over 2018.[2] Of the total number of tourists, 16.7 per cent were from China.[3] To boost its tourism sector in the global market, in 2019, the Maldives' government spent US$10 million (S$14.4 million) on promotional activities. The government also undertook some infrastructure-related measures such as increasing the total number of flights from major tourist markets such as India, Italy and West Asia. Also to accommodate the increased number of tourists, 20 new resorts were also opened.[4]

Fishing is the second largest industry of the country. This sector achieved positive growth in the first three quarters of 2019 before recording decline in the fourth quarter. This decline has been mainly attributed to the drop in fish purchases by fish-processing companies as well as a decline in the volume of fish exports by the Maldives.[5]

In recent years, its construction sector has also performed well. According to the Maldives Monetary Authority's quarterly economic review, in the fourth quarter of 2019, construction related imports such as wood, metal, cement and aggregates, along with other items, increased by 14 per cent.[6] This was an impressive turnaround as the import of construction-related items was actually on a decline since the last quarter of 2018. This coincided with the winding down of several major infrastructure projects.[7] In an effort to support the construction sector, in May 2019, the government formed a 100 per cent state-owned company, Maldives Fund Management Corporation Limited. This company works to attract finance from international markets and increase private sector investments in the country's construction sector.[8]

To boost construction activities, President Solih's government decided to take infrastructure development beyond the country's capital city, Male, to the islands and atolls. It has

2 "TTM Report: Maldives Tourism Industry Forecast 2023", *Travel Trade Maldives*, 5 March 2020. https://www.traveltrademaldives. com/ ttm-report-maldives-tourism-industry-forecast-2023/.

3 "A record 1.7 million tourists visit the Maldives in 2019", *AWAS*, op. cit.

4 "Maldives Economic Update 2019", Asian Development Bank, p. 12. https://www.adb.org/sites/default/files/institutional-document/544946/maldives-economic-update-2019.pdf.

5 "Fisheries sector of Maldives contracts in Q4-2019", *Maldives Business Review*, 8 March 2020. https://mbr. mv/8906/.

6 "Construction sector witness improvement in Q4-2019", *Maldives Business Review*, 8 March 2020. https://mbr. mv/8903/.

7 Ibid.

8 "Maldives Economic Update 2019", Asian Development Bank, op. cit.

launched specific projects for individual islands and atolls by year-marking project-centric funding from foreign countries.[9]

The aforementioned indicators show that, despite a number of challenges, such as high trade deficit, difficulties in doing business and mounting debts, among others, the Maldives' economy has performed fairly well. Riding on such performance, President Solih's government was expecting 2020 to be a better year for the country's economy. Besides accelerating at 7.5 per cent, it was also projected that the total GDP would be higher than its debt.[10]

Impact of COVID-19 on the Economy

The Maldives detected its first Coronavirus case on 8 March 2020. Within a few days, from 12 March 2020, its Health Minister, Abdulla Ameen, declared a public health emergency for the next 30 days. The lockdown was first extended up to 30 April 2020, then, as the number of COVID-19 positive cases touched 250, it was extended till 14 May 2020 and again till 28 May 2020. The first stage of the lowering down of the lockdown began from 9 May 2020, after which a number of economic activities have been allowed.[11]

Due to COVID-19, the real GDP of the Maldives is forecasted by the World Bank to fall between 8.5 and 13.5 per cent in 2020.[12] Further, the Maldives' Finance Minister, Ibrahim Ameer, said that the country expects a total deficit of about US$778.2 million (S$1.10 billion).[13] Buoyed by the number of tourist arrivals to the Maldives in 2019, the country had targetted to hit the two million mark in 2020 and 2.5 million by 2023.[14] However, due to the global spread of COVID-19, strict restrictions have been placed on travel by all affected countries, including the Maldives. This has caused a decline of about 11 per cent in the number of tourist arrivals to the country in February 2020.[15] In March 2020, there was a decline of about 22.8 per cent in tourist arrivals, compared to the same period in 2019. The period between 26 January and 12 March 2020 recorded cancellation of around 161,740

9 N Sathiya Moorthy, "Maldives: Development & Decentralisation, MDP's plank for Island-council polls?", ORF, 21 January 2020. https://www.orfonline.org/expert-speak/maldives-development-decentralisation-mdps-plank-for-island-council-polls-60525/.

10 "No Risks to Maldives from Loans: Finance Minister", *PSM News*, 19 January 2020. https://psmnews.mv/ en/62696. Accessed on 25 April 2020.

11 Ahmed Aiham, "Maldives gears up to ease lockdown restrictions, first phase to last 4 weeks", *The Edition*, 28 May 2020. https://edition.mv/news/16932. Accessed on 30 May 2020.

12 The World Bank, "South Asia Must Ramp Up COVID-19 Action to Protect People, Revive Economies", 12 April 2020. https://www.worldbank.org/en/news/press-release/2020/04/12/south-asia-must-act-now-to-lessen-covid-19-health-impacts. Accessed on 28 April 2020.

13 "Maldives Projects Deficit of USD 778 million for 2020", *PSM News*, 3 April 2020. https://psmnews.mv/ en/66192. Accessed on 28 April 2020.

14 "TTM Report: Maldives Tourism Industry Forecast 2023", 5 March 2020, op. cit.

15 Maldives Monetary Authority, "Economic Update", op. cit.

travel bookings to the Maldives. Overall, due to COVID-19, it had been estimated that, compared to 2019, there would be a decline of between 12 and 35 per cent in tourist arrivals to the Maldives in 2020.[16] However, the Maldives' finance minister estimated that such decline would be somewhere between 37 and 50 per cent.[17]

Besides affecting the country's economy, a slump in tourism hit hard a large number of people employed in this sector. In April 2020, it was reported that at least 38 resorts cut salaries of their employees and around 11,000 employees from different resorts and hotels were asked to go on 'no-pay leave'.[18] According to Mauroof Zakir, Secretary-General of the Tourism Employees Association of the Maldives, "[Management in] about 90 [per cent] of resorts have decided to send their workers on no-pay leave or cut their salaries by up to 15-20 [per cent] of the basic salary…[Mauroof estimates that] over 11,000 workers will be sent on no-pay leave."[19] To protect the workers' livelihood, the Union demanded no forced unpaid leave, no layoffs and the implementation of unemployment benefits. The Union had also called for the protection of the migrant workers who are the most vulnerable group in the Maldives.[20]

Migrant Workers Test Positive

According to an estimate, there are about 100,000 migrant workers in the Maldives, mostly from Bangladesh. They account for 25 per cent of the country's total population and most of them work in the tourism sector. Many among the 100,000 workers are undocumented and live in congested accommodation. To look after the health of these migrant workers, the Maldives' government established a dedicated COVID-19 clinic for them on Hulhumale island. In the clinic, migrant workers do not require to show work permits or any other documents.[21] Underlining his government's policy, during his talk with Bangladesh's Prime Minister Sheikh Hasina, President Solih stated that the Maldives would not differentiate between foreigners and citizens on the issue of aid. However, he acknowledged that several Bangladeshi expatriates in the Maldives have been tested positive for the Coronavirus[22] and

16 Zunana Zalif, "Maldives' economy will be greatly affected due to Covid-19: president", *Rajje MV*, 12 March 2020. https://raajje.mv/73046. Accessed on 18 March 2020.

17 "Maldives Projects Deficit of USD 778 million for 2020", *PSM News*, op. cit.

18 Gulbin Sultana, "Maldivian Response to COVID-19", Manohar Parrikar Institute for Defence Studies and Analyses, 20 April 2020. https://idsa.in/issuebrief/maldivian-response-covid-19-gsultana-200420. Accessed on 22 April 2020.

19 Aditya Sharma, "Coronavirus hits Maldives' lucrative tourism industry", *DW.Com*, 15 April 2020. https://www. dw.com/en/coronavirus-hits-maldives-lucrative-tourism-industry/a-53131198. Accessed on 28 April 2020.

20 Ibid.

21 Patricia Gossman, "Migrant workers in Maldives to added risk from COVID-19", Human Rights Watch, 27 March 2020. https://www.hrw.org/news/2020/03/27/migrant-workers-maldives-added-risk-covid-19. Accessed on 28 March 2020.

22 The President's Office, Government of Maldives, "President discusses COVID-19 Pandemic with the Prime Minister of Bangladesh", 24 April 2020. https://presidency.gov.mv/Press/Article/23312. Accessed on 28 April 2020.

are a source of its spread in the island state. To help the Maldives, Bangladesh supplied 100 metric tonnes of food, medicines and medical equipment.

To allay fears of the workers, in his address to the nation on 12 March 2020, the Maldives' president stated, "[T]he government has no intention to reduce the wages of government employees nor has any intention to halt any development project that has already been initiated".[23] In April 2020, the government also decided to pay an allowance of 5,000 Maldivian Rufiyaa (S$458) to those who lost their jobs due to the COVID-19 pandemic. They will initially be paid for three months and this will be extended if the pandemic situation does not improve.[24]

The Maldives Monetary Authority projected that the decline in tourism would have negative spill-over effects on all other major sectors of the economy such as transport and communications, construction and wholesale and retail trade.[25] To reduce the economic impact of COVID-19 on the country's economy, President Solih announced measures such as the injection of a stimulus package worth 2.5 billion Maldivian Rufiyaa (S$23.3 million) into the Maldivian economy, modification of the Bank of Maldives loan repayment structure, putting a moratorium of six months on all loan repayments and extension of repayment terms amongst several other waivers, apart from providing financial assistance to businesses through loan schemes. President Solih also announced a moratorium of six months on repayment of housing loans under the Housing Development Finance Corporation.[26]

Revving up the Economy

The Maldives has been utilising all loans and assistance from other countries and international organisations to revive its economy. Due to the flow of loans, in January 2020, the Maldives was under total debt of over US$3.36 billion (S$4.47 billion).[27] Since the economy has suffered due to the COVID-19 pandemic, there may be delay in the payment of interest to these loans which will add to the economic burden of the Maldives.

23 The President's Office, Republic of Maldives, "President calls upon all Maldivians to avoid mass gatherings and adhere to the advice from Healthcare Professionals", 12 March 2020. https://presidency.gov.mv/ Press/Article/23258. Accessed on 15 March 2020.

24 "COVID-19: Allowance to be given to those who lose employment", *AWAS*, 23 April 2020. https://avas.mv/ en/81782.Accessed on 24 April 2020.

25 Maldives Monetary Authority, "Economic Update", op. cit.

26 The President's Office, Republic of Maldives, "President Delivers Press Conference Regarding COVID-19", 25 March 2020. https:// presidency.gov.mv/Press/Article/23258. Accessed on 28 March 2020.

27 "No Risks to Maldives from Loans: Finance Minister", *PSM News*, 19 January 2020. https://psmnews.mv/en/ 62696. Accessed on 25 April 2020.

It is certain that the US$5 billion (S$7 billion) Maldivian economy will face a contraction due to COVID-19. Among all sectors, tourism will be the most affected and will have negative spill-over onto the other sectors. To prevent further damage to the economy, the Maldives is opening its tourism sector in July 2020. Resorts, liveboards and hotels located at uninhabited islands are set to open for tourists on 15 July 2020 while guest houses and hotels at inhabited islands will reopen on 1 August 2020.[28]

Amid the pandemic crisis, one positive development is the government establishing the state-owned Maldives State Shipping in March 2020[29] which will help reduce the country's dependence on the foreign and private shipping companies for trade. In the past, its national shipping line was so mismanaged that it went bankrupt[30] and, eventually, its operation was stopped.

28 "Maldives is all set to welcome foreign tourists from July 15", *The Hindustan Times*, 25 June 2020. https://www.hindustantimes.com/travel/maldives-is-all-set-to-welcome-foreign-tourists-from-july-15/story-II8nTWVfGn9n6hAUuUrGhJ.html. Accessed on 25 June 2020.

29 Gulbin Sultana, "Maldivian Response to COVID-19", Manohar Parrikar Institute for Defence Studies and Analyses, op. cit.

30 "State Trading Organization establishes Maldives State Shipping company", *The Edition*, 26 March 2020. https://edition.mv/business/15767. Accessed on 28 March 2020.

Impact of COVID-19 on Nepal's Economy

Keshav Bashyal and Amit Ranjan

Summary

Due to the COVID-19 pandemic, Nepal's economy is facing a slowdown. Various countries and international institutions have come forward to help the country in its revival. The Nepal government has also announced a slew of measures. The efficacies of these efforts have to be observed.

Introduction

Nepal's economy is largely driven by agriculture that contributed about 27 per cent to the country's gross domestic product (GDP) in 2019, a decline from 27.6 per cent in the previous fiscal year.[1] After agriculture, it is remittances which contribute substantially to the country's economy. According to a report by Nepal Rastra Bank, in fiscal year 2018-19, remittances contributed to nearly 25 per cent of its GDP.[2] Tourism is another significant sector of its economy. All these sectors are now facing an acute crisis due to the COVID-19 pandemic. It is now estimated that Nepal could record a real GDP at basic prices of around two per cent or lower.[3] This will severely affect a country where nearly 18 per cent of its population lives below the poverty line.[4] This paper looks at the economic condition of Nepal before the COVID-19 spread, the impact of the pandemic on its economy and measures taken to deal with the situation.

Nepal's Economic Health before COVID-19

Nepal's total economy is around US$32 billion (S$44.73 billion) annually. Since 2016, the country has been rebuilding its economy. During this rebuilding phase, it recorded a six-per cent plus economic growth rate,[5] and touched 7.1 per cent in 2019.[6] Riding on such a

1 Sangam Prasain, "Agriculture's share in gross domestic product shrinks to 26.98 percent: Survey", *The Kathmandu Post*, 28 May 2020. https://kathmandupost.com/money/2019/05/28/agricultures-share-in-gross-domestic-product-shrinks-to-2698-percent-survey.

2 "Over 50 Per Cent Of Remittance To Nepal Comes From Gulf Countries", *The Rising Nepal*, 28 January 2020. https://risingnepaldaily.com/mustread/over-50-per-cent-of-remittance-to-nepal-comes-from-gulf-countries.

3 National Planning Commission, Government of Nepal, "Kendriya Tathyanka Vibhag (National Statistics Department)". https://cbs.gov.np/wp-content/upLoads/2020/04/CBS-GDP-Press-Release-2077-1-17-new.pdf.

4 Nepal Planning Commission, Government of Nepal 15th Plan. https://npc.gov.np/images/category/ 15th_Plan_Final1.pdf.

5 Arun Budhathoki, "COVID-19 Imperils Nepal's High Economic Ambitions", *The Diplomat*, 15 April 2020. https://thediplomat.com/2020/04/covid-19-imperils-nepals-high-economic-ambitions/.

6 The World Bank, "Nepal Development Update". https://www.worldbank.org/en/country/nepal/publication/ nepaldevelopmentupdate.

consistent growth rate, Prime Minister K P Oli's government had been focusing on Nepal's graduation from the 'Least Developed Country' status to the league of developing countries by 2022.[7] In 2020, it had hoped to achieve a growth rate of 8.5 per cent.[8]

However, the high growth did not generate much employment. The Nepal Labour Force Survey of 2019 revealed that 20.7 million out of the total 29 million people (2019) are of working age. However, only 7.1 million people are employed. This works out to an unemployment rate of around 11.4 per cent. Moreover, the female unemployment percentage is higher than the national average at 13.1 per cent.[9]

Due to a shortage of jobs near their homes, a large number of its citizens migrate to the other parts of Nepal or other countries. It is estimated that about 10.5 million or 36.2 per cent of Nepalese are lifetime migrants.[10] Internal migration in Nepal is much higher than the number of people who migrate overseas. Among foreign destinations, Nepali migrants are highly concentrated in the Gulf Cooperation Council countries and Malaysia.[11] India is also a favourite destination for many Nepali migrant workers. In terms of remittances, in 2019, Nepal received NRs128.5 billion (S$1.48 billion) from India and NRs750 billion (S$8.62 billion) from other countries.[12]

Tourism is one of the thriving industries in Nepal. In 2018, about 1.17 million tourists visited Nepal.[13] According to the World Travel and Tourism Council (WTTC), the travel and tourism sector pumped around NRs73 billion (S$2.89 billion) into Nepal's economy and supported over 1.05 million jobs. The WWTC stated that tourism accounted for 7.9 per cent of Nepal's GDP in 2018, up by 3.6 per cent from 2017.[14]

Nepal has a small number of manufacturing units which fulfill local demands, export goods and provide employment to a number of Nepali citizens. According to the Economic Survey of Nepal 2018/2019, gross value added by the manufacturing sector in 2020 was estimated

7 "Govt's prime focus will be to graduate Nepal from LDC status by 2022", *The Himalayan*, 22 April 2018. https://thehimalayantimes.com/business/government-prime-focus-will-be-to-graduate-nepal-from-least-developed-country-status-by-2022/.

8 "World Bank projects Nepal's GDP growth rate to average at 6.5%", *My Republica*, 14 October 2019. https://myrepublica.nagariknetwork.com/news/world-bank-projects-nepal-s-gdp-growth-rate-to-average-at-6-5/.

9 Nepal Planning Commission, Government of Nepal, "Nepal Labour Force Survey, 2017/2018". https://cbs. gov.np/wp-content/upLoads/2019/04/NLFS-III_Final-Report.pdf.

10 Ibid, p. 55.

11 Ministry of Labour, Employment and Social Security Ministry, Government of Nepal, "Nepal Labour Migration Report, 2020". https://moless.gov.np/wp-content/uploads/2020/03/Migration-Report-2020-English.pdf.

12 "Over 50 Per Cent Of Remittance To Nepal Comes From Gulf Countries", op. cit.

13 Sangam Prasain, "Nepal tourism generated Rs 240b and supported 1m jobs last year: Report", *The Kathmandu Post*, 26 May 2020. https://kathmandupost.com/money/2019/05/26/nepal-tourism-generated-rs240b-and-supported-1m-jobs-last-year-report.

14 Ibid.

to be 5.8 per cent. For the last five years, the annual average contribution of industrial production to GDP has been 5.5 per cent.[15]

Consequences on Nepal's Economy

Almost all the sectors of Nepal's economy have been badly hit by COVID-19. During the federal budget speech on 28 May 2020, Finance Minister Yuba Raj Khatiwada lowered the country's growth forecast to 2.3 per cent due to COVID-19.[16] This is much below Nepal's growth rate in 2018 and 2019.[17] A study conducted by Ganesh Man Singh Academy has estimated that due to COVID-19 and the subsequent lockdown, Nepal has been losing NRs10 billion (S$11.58 million) per day.[18]

As a result of this pandemic, between 500,000 and 600,000 migrant workers are expected to return to Nepal.[19] It is also estimated that between 10 and 30 per cent of the jobs held by Nepalese in the Gulf countries and Malaysia have been lost.[20] This will affect remittances which, as projected by the Central Bureau of Statistics, may decline to around 19.01 per cent of the country's GDP.[21]

A slump in the economy affects employment. According to a study by the National Planning Commission, it is estimated that more than six million people will be unemployed because of the pandemic.[22] Another report by the International Labour Organization (ILO) predicts that 3.7 million Nepalese are facing employment issues due to the pandemic. The ILO report further states that the current pandemic has led to an immediate disruption of around 1.6 million to two million jobs in Nepal, where there is either complete unemployment or reduced working hours and salaries.[23]

15 Ministry of Finance, Government of Nepal, "Nepal Economic Survey, 2019". https://mof.gov.np/uploads/ document/file/compiled%20 economic%20Survey%20english%207-25_20191111101758.pdf.

16 "Nepal Focuses on health spending to fight COVID 19 in annual budget", *The Financial Express Online*, 29 May 2020. https:// thefinancialexpress.com.bd/economy/nepal-focuses-on-health-spending-to-fight-covid-19-in-annual-budget-1590736417.

17 Ministry of Finance, Government of Nepal, "Nepal Economic Survey, 2019", op. cit.

18 "Lockdownle 10 arabkshati, 2 kharboke aarthik packagae aawashyak (Lockdown requires Rs 10 billion daily loss, Rs 2 trillion financial package)", *Setopati Online News*, 24 May 2020. https://www.setopati.com/kinmel/ others/205809.

19 Chandan Kumar Mandal, "At least 500,000 migrant workers want to return home at the earliest, says report", *The Kathmandu Post*, 21 May 2020. https://kathmandupost.com/national/2020/05/21/at-least-500-000-migrant-workers-want-to-return-home-at-the-earliest-says-report.

20 Ibid.

21 "Nepal's economic growth set to slump to 2.7 percent", *South Asia Monitor*, 30 April 2020. https://southasia monitor.org/development/ nepals-economic-growth-set-slump-227-percent.

22 Deepak Bhatt, "Lockdown karan khosiyo 60 lakh Nepaliko Rojgar (6 million Nepali will lose job due to lockdown)", *Nepalkhabar Online Paper*, 5 May 2020. https://nepalkhabar.com/economy/27448-2020-05-19-16-36-46.

23 Gajendra Budhathoki, "Gharbandi ka karan 37 lakh nepali rojgar sankat ma (37 lakh Nepali face employment crisis due to lockdown)", *News Karobar Online*, 9 May 2020. https://www.newskarobar.com/news/ 157643.html.

According to Nepal Tourism Board (NTB), the number of incoming tourists has decreased from 81,273 in January 2019 to 79,686 in January 2020, down by two per cent.[24] Since March 2020, tourist arrivals have almost stopped. The preliminary findings from a study undertaken by the NTB highlighted that Nepal's tourism sector has already lost about NRs25 billion (S$29 million) in earnings and around 272,000 people engaged in this sector have lost their jobs.[25] In addition, the pandemic crisis has closed down 2,600 trekking agencies, forced about 20,000 tour and trekking guides to stay inside their homes and compelled 73 rafting agencies to put their boats in stand. The airlines have grounded all their 58 planes and 33 helicopters.[26]

Handicrafts, a small scale but revenue generating industry, has faced a loss of about NRs200 million (S$2.3 million). The exports of these items fell by 95 per cent during the last two months.[27] This sector provides direct and indirect employment to more than 1.1 million people and contributes NRs20 billion (S$23 million) to the national economy through exports and domestic sales.[28]

The decline in the economy has affected the government's revenue collection. On 14 June 2020, Khatiwada said that the country is facing a deficit in current revenue collection to meet the liabilities of the government, "We spend around NRs40 billion (S$46 million) a month to meet basic liabilities. But we have been collecting only around NRs15 billion (S$17 million) a month from the customs and a few billion rupees from other internal revenues."[29]

Assistance to Fight against COVID-19

In the midst of the current global health emergency, a number of countries and international institutions have come forward to help Nepal. Assistance received by Nepal is mentioned in Table 1.

24 "Nepal sees slight decline in tourists in January, India remains its top source", *Business Standard*, 11 February 2020. https://www.business-standard.com/article/pti-stories/nepal-sees-slight-decline-in-tourists-in-january-india-remains-its-top-source-120021101224_1.html; and "NTB Lobbies for Relief Package to Sustain the Economy", Nepal Tourism Board, 17 May 2020. https://trade.welcomenepal.com/ntb-lobbies-for-relief-package-to-sustain-the-industry/.

25 "Parytanma 25 Arab Khsati (25 Billion loss in Tourism)", *Kantipur Daily News*, 6 May 2020. https://ekantipur.com business/2020/05/06/158872950580586857.html.

26 Ibid.

27 Krishana Parsain, "Lockdown wipes out handicraft trade as exports to drop", *The Kathmandu Post*, 29 April 2020. https://kathmandupost.com/money/2020/04/29/lockdown-wipes-out-handicraft-trade-as-exports-drop-to-zilch. Accessed on 15 May 2020.

28 Ibid.

29 Prithvi Man Shrestha, "Finance minister shows bleak revenue situation as court halts revenue collection", *The Kathmandu Post*, 14 June 2020. https://kathmandupost.com/national/2020/06/14/finance-minister-shows-bleak-revenue-situation-as-court-halts-revenue-collection.

Table 1: Support Grated by foreign governments and entities to fight COVID-19

Date	Country/Institution	Nature and Quantity of Support	Value	Remarks
13/4/20	Department for International Development, United Kingdom		NRs1.2 billion (S$14 million)	Grant
13/4/20	Xi'an Municipality, Shaanxi, China	30,000 medical masks, 1,000 N95 masks, 500 personal protective units, 100 goggles, 30 forehead thermometers, 1 ventilator	NRs10.8 million (S$0.12 million)	Butwal Sub Metropolitan City
16/4/20	G20	Suspended debt service payments for world's poorest countries through the end of the year		G20 finance ministers' meeting
20/4/20	United Nations Population Fund	1,200 PPE	NRs30.48 million (S$0.36 million)	
22/4/20	Xizang AR. China	10,000 N95 masks, 10,000 PPE, 1,000 infrared thermometers, 2,000 testing kits, 20,000 VTMs, 50 boxes wet wipes		Through Tatopani
22/4/20	India	825,000 dosages of essentials medicine, 320,000 dosages of paracetamol, 250,000 dosages of hydroxychloroquine		
25/4/20	Temasek Foundation, Singapore	10,000 Fortitude Kit 2.0		
27/4/20	European Union		NRs9.8 million (S$0.11 million)	NRs7.2 billion (S$1 million reorientation of existing funds/res new commitment)
29/4/20	Qatar	725,000 PPE		Qatar Fund for Development
30/4/20	Buddhist Association Hainan, China	200,000 medical masks, 10,000 N95 masks		Hingfa temple in Shenzhen city and Chinese temple in Lumbini
30/4/20	United Arab Emirates	7 tons of medical supplies		
2/5/20	Germany	3,000 PCR test kits		
9/5/20	International Monetary Fund	S$300 million		Rapid credit facility (100 per cent of quota)
11/5/20	China	40,000 units of diagnostic kits, 10,000 units of disposable coverall, 40,000 units of medical goggles, 200,000 units of N95 masks and 800,000 units of Surgical masks		Chinese Embassy in Kathmandu
1/6/20	Asian Development Bank	US$214 million (S$98 million)		
1/6/20	Tibet (China)	US$650,00 (S$900,000)		PCR, ventilator and X-ray portable machine for Province 1
7/4/20	World Bank	US$29 million (S$40.4 million)		Soft loan

Source: Compiled by Keshav Bashyal from various news reports, Ministry of Finance, Government of Nepal (2020) and the World Bank.[30]

30 The World Bank, "The government of Nepal and the World Bank sign $29 million financing Agreement for Nepal's COVID-19 Response", 7 April 2020. https://www.worldbank.org/en/news/press-release/2020/04/ 03/world-bank-fast-tracks-29-million-for-nepal-covid-19-coronavirus-response.

Measures to Revive Nepal's Economy

Initially, on 29 March 2020, the Nepal government announced several measures to tackle COVID-19 related economic challenges.[31] It extended the deadline for affected borrowers to repay the interest and capital amount to banks and financial institutions. To reduce the impact on the country's foreign exchange reserves, the quota for gold import has been reduced from 20 kilogrammes per day to 10 kilogrammes per day. The import of vehicles above US$50,000 (S$69,481) and agricultural goods such as dates, betel nuts, garden peas and black pepper has been stopped.[32]

In May 2020, during his budget speech, Khatiwada announced a relief package of NRs70 billion (S$978 million) to revive the economy. This package included a refinancing facility to businesses amounting to NRs20 billion (S$23 million).[33] The government has also decided to mobilise around NRs14 billion (S$16 million) to subsidise the interest of business loans. The 2020/21 budget has also provided business loans at five per cent interest rate. A tax discount amounting to about NRs6.5 billion (S$7.5 million) has also been announced to benefit the business community.[34] Demand charges on electricity for industries have been waived. Water supply and irrigation facilities will receive electricity at a 50-per cent discounted rate.[35] The electricity bill for individual households has been discounted as well.[36]

Conclusion

The COVID-19 pandemic has greatly affected Nepal's economy. To address the challenges, the government announced certain measures, while several countries and international institutions have provided some assistance. All of these efforts may reduce the impact of the pandemic and improve the country's economic situation. However, the extent of recovery has to be empirically observed.

31 Ministry of Finance, Government of Nepal, "Council of Ministers Decision Implementation Action Plan, 2076 to provide relief facilities for the areas affected by COVID 19". https://mof.gov.np/en/2020/03/31/news/ news/2120/.

32 Ibid.

33 "Full Budget Speech and Aarthik Bidheyak of FY 2077/78 as unveiled by FM Mr. Yuba Raj Khatiwada", *Share Sansar,* 29 May 2020. https://www.sharesansar.com/newsdetail/full-budget-speech-and-aarthik-bidheyak-of-fy-207778-as-unveiled-by-fm-mr-yuba-raj-khatiwada.

34 Ibid.

35 Ibid.

36 Ibid.

Pakistan: Economic Impact of a Pandemic

Muhammad Bin Khalid and Iqbal Singh Sevea

Summary

Pakistan has the highest number of COVID-19 cases per capita in South Asia. As it confronts a health crisis, the country also finds itself grappling with the impact of the pandemic on its gross domestic product, export sector and current account deficit. The pandemic has already resulted in the first annual contraction of Pakistan's economy in 68 years and is threatening to exacerbate its economic vulnerabilities. This paper assesses the impact of the pandemic on Pakistan's economy and examines the steps taken by the federal and provincial governments to mitigate this. It also critically analyses how the pandemic has and will impact its ability to raise revenue and balance its fiscal deficit.

With more than 217,809 confirmed cases (as on 2 July 2020), Pakistan has the highest number of COVID-19 cases per capita in South Asia. Particularly alarming is the speed at which the virus is spreading. Government officials have warned that the number of cases might multiply eightfold and cross 1.2 million by August 2020.[1] The country's health infrastructure is being severely tested by the pandemic. It is also threatening to exacerbate Pakistan's economic vulnerabilities. Of course, such challenges are not unique to Pakistan. The rapid spread of COVID-19 in the United States and Europe reflects how the virus is testing health resources and economic structures globally. In the case of Pakistan, the pandemic has already affected the country's gross domestic product (GDP) and employment rates, and is threatening to adversely impact the country's fiscal and trade deficit.

Indeed, steps taken by the federal government to check the spread of the COVID-19 virus have themselves been stymied by the threat of economic disruption. Prime Minister Imran Khan has been candid in stating that he is opposed to lockdowns as he is concerned by the economic toll of taking such a step. He warned that it would particularly affect "twenty-five percent of Pakistanis [who] are below the poverty-line". He highlighted the impact that this would have on daily wage earners, rickshaw drivers and small shopkeepers and stressed that, "if Pakistan was in a similar [financial] condition as Italy, France, America and England, I would completely lockdown Pakistan."[2] Concerns over the economic impact of a lockdown

1 "Covid-19 cases could reach 1.2 million", *Dawn*, 14 June 2020. https://www.dawn.com/news/1563477/ covid-19-cases-could-reach-12million-by-end-july-warns-asad-umar.

2 "PM Imran says more sectors to be opened", *Geo TV*, 1 June 2020. https://www.geo.tv/latest/290815-pm-imran-says-more-sectors-to-be-opened-as-coronavirus-cases-surge-past-74000.

resulted in the provincial and federal governments often expressing differing views on how to tackle the crisis, with some among the former pushing for lockdowns and the latter speaking in the terms of “smart” and “selective” lockdowns”.

As in other countries, the pandemic has already had a disruptive impact on Pakistan’s economy. It has resulted in the first annual contraction of Pakistan’s economy in 68 years. Furthermore, despite incentives offered by the government to employers not to fire employees, there have been massive layoffs over the past three months. Unregistered and informal labourers who are estimated to constitute nearly 75 per cent of Pakistan’s workforce have been particularly badly affected. Thus, as it confronts a health crisis, Pakistan also finds itself grappling with the impact of the pandemic on its GDP, export sector and current account deficit.

Pre-emptive Initiatives

On 26 February 2020, two students who had returned from Iran were reported as the first individuals to test positive for COVID-19 in Pakistan. The failure to ensure safe quarantine of Shia pilgrims returning from Iran further led to a spike in the number of imported cases. In the coming weeks, the number of locally transmitted cases started to increase, and the federal and state governments began to enact measures to control the virus. For instance, the federal government refused to evacuate Pakistani students from Wuhan, China, due to concerns over importing more cases of the virus. On 21 March 2020, all international flights were suspended. While the federal government resisted declaring a complete shutdown, preferring a targetted approach of shutting down specific institutions and services such as universities, various state governments imposed stricter lockdowns.

In anticipation of the impact of provincial shutdowns and the wider economic impact of COVID-19, the federal government announced a relief package of Rs1.13 trillion (S$9.08 billion). It promised relief to individuals like daily-wage earners who have been hit the hardest by lockdowns as well as industry. Particularly noteworthy is the fact that Rs200 billion (S$1.8 billion) was allocated for direct support to lower-income groups, and some 5.2 million people who are registered as recipients of financial assistance under the Benazir Income Support Programme were given stipends of Rs3,000 (S$27) a month. In addition to this, Rs50 billion (S$420.8 million) was committed to providing essential food supplies at subsidised rates to those who were financially struggling as a result of the pandemic.[3]

3 Imran Kundi, “ECC approves Rs50 billion relief package”, *The Nation*, 9 April 2020. https://nation.com.pk/ 09-Apr-2020/ecc-approves-rs50-billion-relief-package-for-subsidised-items-at-utility-stores.

For industry, the package included a deferment of interest payments and the slashing of sales tax. All banks, development finance institutions and non-bank finance companies were granted permission to defer repayments of principal loans for a year. Furthermore, the Central Bank's debt burden ratio for consumer loans was relaxed from 50 per cent to 60 per cent. The aim was to ensure that people could borrow more from banks in the time of crisis. The regulatory limit on credit to small and medium-sized enterprises (SMEs) was also increased from Rs125 million (S$1.05 million) to Rs180 million (S$1.5 million) to alleviate a potential credit crunch which could drastically affect SMEs.

With a view towards improving liquidity in the key sector of textile exports, Rs30 billion (S$252.5 million) was sanctioned to pay back duty drawbacks and customs duties that had been previously paid by textile exporters. Textiles constitute 60 per cent of Pakistan's exports and approximately nine per cent to its GDP. The textile industry also hires nearly 30 per cent of Pakistan's workforce. More broadly, the payback of duty drawbacks and customs duties is part of a wider initiative to urgently expedite the release of refunds on duties claimed by exporters.

A series of special incentives were also announced for the construction sector. Prime Minister Khan noted that the construction sector needed particular attention due to the large number of jobs it generated for daily wage workers. He announced the setting up of a Construction Industry Development Board to support the sector and that a subsidy of Rs30 billion (S$252.5 million) would be given to the government's *Naya* (new) Pakistan housing project with the aim of generating construction and employment. Moreover, a series of tax reforms aimed at stimulating the construction sector was announced. These included the reduction of sales tax, scrapping of capital gains tax on the sale of houses and lifting of withholding tax on construction. Investors in the sector would also not be questioned about the sources of their investments.[4]

These initiatives notwithstanding, the government is confronted with the fact that the COVID-19 pandemic is worsening Pakistan's fiscal and trade deficit. On the one hand, there has been a fall in demand for Pakistani exports. On the other, there are concerns over revenue mobilisation from taxes at the provincial and federal levels. Pakistan's current account deficit is further being complicated by the increased expenditure on healthcare and welfare programmes necessitated by the spread of the disease.

4 "Tax relief for construction sector", KPMG Insights, 1 May 2020. https://home.kpmg/us/en/home/insights/ 2020/05/tnf-pakistan-tax-relief-construction-sector.html.

Worsening Fiscal and Trade Deficit

Pakistan was amidst its 13th International Monetary Fund (IMF) bailout plan when the pandemic hit. A crippling current account deficit had pushed the country to approach the IMF for a loan in October 2018. At that point, Pakistan's foreign reserves could cover less than two months of its imports. Pakistan negotiated a US$6 billion (SG$$8.36 billion) bailout plan with the IMF which was to be implemented over the coming 39 months. On its part, Pakistan agreed to make structural reforms, correct 'structural imbalances' and impose austerity measures.[5] Specifically, Pakistan committed to paying back US$37.359 billion (S$52.08 billion) of its external debt over the duration of the programme and decreasing its external debt from 80.5 per cent of GDP to 67 per cent.

The conditionalities of the IMF bailout have been tough on Pakistan. For instance, Pakistan and the IMF agreed to maintain the budget deficit for the fiscal year 2019-2020 at 7.2 per cent of the GDP as opposed to 8.9 per cent in the previous year. To achieve this, Pakistan would have needed to drastically increase revenue mobilisation by four to five per cent of GDP both at the federal and the provincial levels.[6] The provinces were expected to contribute surpluses ranging from one per cent of the GDP in 2020 to 2.7 per cent of the GDP by the end of the programme. It was envisaged that the provinces would be able to raise these surpluses through increased collection of property and sales taxes, and adopting more responsible spending.[7] At the same time, foreign reserves were to be bolstered from US$6.82 billion (S$9.54 billion) to US$11.19 billion (S$15.60 billion) and stability was to be ensured by a market managed free floating exchange rate.

As painful as this path may have been, the Pakistan government, in line with the IMF recommendations, expected economic improvements. For instance, the government projected that tax revenues would increase by 12.8 per cent over the last fiscal year. This was calculated on the basis of an expected enormous increase in indirect taxes of about 40 per cent. Moreover, the provinces were expected to contribute 25.7 per cent more than in the previous fiscal year. Loans from Saudi Arabia and the United Arab Emirates had also increased the foreign reserves from US$14.48 billion (S$20.19 billion) in June 2019 to US$18.88 billion (S$26.32 billion) in February 2020.[8] Between July 2019 and February

5 "Request for an Extended Arrangement Under the Extended Fund Facility, IMF Country Report No. 19/212", July 2019. https://www.imf.org/en/Publications/CR/Issues/2019/07/08/Pakistan-Request-for-an-Extended-Arrangement-Under-the-Extended-Fund-Facility-Press-Release-47092.

6 Ibid, p. 4.

7 Ibid, p. 18.

8 "Pakistan Foreign Exchange Reserves". https://tradingeconomics.com/pakistan/foreign-exchange-reserves.

2020, exports had also increased by 3.62 per cent and the trade deficit had showed signs of improvement. This would have resulted in reducing the pressure on the foreign exchange reserves. However, the pandemic has disrupted such projections and financial plans.

The pandemic has already resulted in the first annual contraction of Pakistan's economy since 1952. The Economic Survey released by the Ministry of Finance reveals that Pakistan's GDP contracted by 0.4 per cent in the current fiscal year. The ministry attributes this negative growth to "the unprecedented health and economic shocks caused by the outbreak of Coronavirus."[9] Data from April 2019 and April 2020 reveals that exports plummeted by 54.17 per cent since the onset of the pandemic.[10] The textile and leather industries have been hit particularly harshly with exports in these sectors declining by 64.52 per cent and 70.53 per cent respectively. It is worth noting that the textile industry itself accounts for nearly 55 per cent of Pakistan's exports. It is estimated that cancellations or postponement of orders due to the pandemic have resulted in a loss of US$1.3 billion (S$1.81 billion). While the government has provided support to the textile industry in its relief package, the demand for Pakistani textiles has fallen drastically.

Successful fiscal consolidation was contingent on substantial increases in tax revenues, provincial contributions and limited government spending, all of which are now moving in the opposite direction. As discussed above, the government introduced welfare schemes to support individuals affected by the pandemic and implemented measures to support industries early into the pandemic. The cash transfers under the Ehsaas Programme and subsidies on food prices highlighted above will no doubt increase government spending and impact the budget deficit. At the same time, tax reliefs and incentives, and the deferment of payments afforded to various sectors of the industry, will also severely impact the government's ability to raise revenue. It is worth noting here that the sales tax is an important means through which the provinces raise revenue. The reduction of sales tax – in line with the relief package offered to industry - and the need to spend more on health have placed immense strain on the budgets of the provinces.

Instead of meeting their financial contributions to the Centre, it is likely that provinces will scale back provincial taxes, offer incentives to businesses and look to the federal government for further financial resources and aid. The budget passed by Punjab on 16 June 2020 for the fiscal year 2020-21 provides an important insight into the direction that the provinces will

9 Finance Division, Government of Pakistan, "Pakistan Economic Survey 2019-2020". http://www.finance.gov. pk/survey/chapter_20/PES_2019_20.pdf.

10 "Statements Showing Exports of Selected Commodities". http://www.pbs.gov.pk/sites/default/files// external_trade/monthly_external_trade/2020/May-2020/EXPORT-APR%2C2020.pdf.

move in. The budget promises, among other things, significant relief in provincial taxes and, in some cases, tax exemptions to businesses affected by the pandemic and has earmarked Rs47 billion (S$395.6 million) for the Punjab Economic Stimulus Programme. The budget has also substantially increased the amount of money dedicated to health and welfare programmes.

Conclusion

The COVID-19 pandemic is likely to exacerbate Pakistan's debt crisis and leave the government with limited options to service its debt. As it is, the government had to take an additional loan of US$1.4 billion (S$1.95 billion) from the IMF and a loan of US$1.8 billion (S$$2.51 billion) from the Asian Development Bank and the World Bank to finance its relief package. The IMF has proposed a revenue target of Rs5.1 trillion (S$$42.9 billion) for the fiscal year 2020-2021.[11] This essentially signals an increase of 30 per cent from the previous year. Figures from the past reveal that revenue generally increases between 15 to 18 per cent. The budget for the coming fiscal year, which was presented by the federal government on 12 June 2020, has closely conformed to IMF projections and targets. For instance, the government announced that tax revenue would be increased by approximately 27 per cent in the coming year. The government did not, however, explain how it planned to achieve this. Given the impact of the pandemic on Pakistan's economy and the global economic slowdown, it is highly unlikely that this target can be met. As the budget provides for no new taxes, it is difficult to gauge how this increase in revenue would be achieved. Furthermore, as discussed above, both the federal and provincial governments have provided tax cuts and incentives to support businesses and help limit unemployment during the pandemic. It would be extremely difficult for the government to roll these back.

11 Irshad Ansari, "IMF proposes Rs575 billion new taxes", *The Tribune*, 18 June 2020. https://tribune.com.pk/ story/2223605/1-imf-proposes-rs575-billion-new-taxes-next-budget/?amp=1.

Sri Lanka's Online Battle against COVID-19

Archana Atmakuri and Chulanee Attanayake

Summary

Sri Lanka recently announced a global declaration on digital response to COVID-19 in a conference jointly organised by Estonia and Singapore. One of the challenges in the digital space is misinformation particularly, at the time of a pandemic. Mindful about this issue, the Sri Lankan government ordered the arrest of citizens who spread rumours about COVID-19. Fighting the spread of misinformation is not confined to Sri Lanka. Yet, some countries are better at dealing with fake news than others. This paper reviews Sri Lanka's use of social media to keep citizens informed and alert in fighting misinformation. It also highlights the best practices of other affected countries.

While Sri Lanka has been combating the Coronavirus pandemic since late January 2020, it has simultaneously been fighting an online battle. On 16 March 2020, the country's police arrested two people for spreading fake news about COVID-19 and over 50 suspects who were identified for spreading misinformation.[1] Following the report of the first case of local transmission in Sri Lanka on 10 March 2020, the number of cases has jumped significantly, leading to rising public panic. The government took steps to limit public gatherings and enforced social distancing, which included declaring a three-day public holiday from 16 March 2020 and subsequently an island-wide curfew.

The Sri Lankan government went a step further by punishing citizens who did not abide by the law offline as well as online. While these tangible steps are important in the battle against the global pandemic, it is equally important for governments to act swiftly to keep citizens updated and to curb misinformation, which can fuel mass panic.

There are no hard and fast rules to fighting misinformation; one can only learn through experimentation by adopting the best practices of other countries. In this regard, Singapore has taken the lead by initiating a government-run WhatsApp group, an active channel of communication with the public that provides various updates, ranging from the number of people who have tested positive to the number discharged, debunking misinformation and sharing measures to keep safe during the pandemic.

1 "Sri Lanka – Suspect remanded for spreading fake news", *MENAFN*, 29 March 2020. https://menafn.com/ 1099932386/Sri-Lanka-Suspect-remanded-for-spreading-fake-news.

Since WhatsApp is one of the most commonly used messenger services, it is especially effective for disseminating quick real-time information.

Likewise, Sri Lanka has recently taken steps to use digital platforms in its fight against COVID-19. The Health Promotion Bureau (HPB), associated with Sri Lanka's Ministry of Health (MOH), provides updated information, statistics, guidelines and necessary contact information regarding COVID-19.[2] On Facebook, HPB's page uses infographics to engage the public, providing necessary information on the number of cases, informing citizens about the curfew and educating them about the benefits of adhering to stay-at-home orders.[3] It also uses informative videos in Sinhala and Tamil languages to advise the public on best practices and in better managing mental health.

Additionally, MOH's epidemiology unit has been providing updates on the number of positive cases as well as making accessible circulars and directives to the public.[4] It has guidelines related to COVID-19 for the various sectors, notices from the police and other related videos. However, the issue with having two websites for the same purpose is that sometimes the information overlaps and can even contradict, thus causing confusion. At one point, both websites were reporting different numbers. Such a situation underscores the importance of having a single channel of communication with the people.

Starting with active Facebook pages and a credible website to update the public, Sri Lanka seems to be moving in the right direction in handling the pandemic. Recently, the government launched the Viber community chat group – an important step in disseminating the latest news and information about the pandemic, reflecting the initiatives of many other countries.[5]

While the usage of digital platforms to communicate and publicise information is admirable, the same platforms must also be used to fight misinformation. Fake news is now a common threat faced by governments all over the world. One effective way for Sri Lanka to deal with it is to collaborate with fact-checkers such as WatchDog Sri Lanka.[6] This could help the government expedite action against fake news. Clarified or debunked news can also be circulated in one-stop messengers like WhatsApp.

2 Health Promotion Bureau. https://www.hpb.health.gov.lk/en.

3 Health Promotion Bureau Facebook Page. https://www.facebook.com/hpbsrilanka/.

4 Ministry of Health Epidemiology Unit. http://www.epid.gov.lk/web/index.php?lang=en.

5 Health Promotion Bureau Viber Portal. https://invite.viber.com/?g2=AQBfgwZSTjnrf0s%2BLxOWSueYJuni13CXJ0Kp5eiTKupc%2B%2FBsPTjjwqf3HHz6ZTgW&lang=en.

6 Ministry of Health Epidemiology Unit. http://www.epid.gov.lk/web/index.php?lang=en.

Singapore has such practices in place. For example, a recent WhatsApp message warned citizens to avoid certain places that suspected cases were said to have visited. However, the Gov.sg group countered that the message was false. From time to time, Singapore government officials have been clarifying misinformation being circulated on social media platforms.

In India, to compare, a government-run WhatsApp group has been initiated for the latest updates on Coronavirus, in addition to general information about COVID-19, measures to contain the spread, professional advice from the All India Institute of Medical Sciences and information about where to get help. WhatsApp is one of the most commonly-used messengers in the country and hence it is one the best channels of communication. Similarly, the World Health Organization recently initiated a verified WhatsApp chat to update on COVID-19 cases and deaths across six regions.

For Sri Lanka, fighting a global pandemic is a new experience. However, it has experienced the repercussions of widely spread misinformation before, especially during the Easter Sunday attacks in 2019. Hence, the government must establish mechanisms to curb the spread of fake news and attempt to tie up with fact-checkers to debunk the same through government verified messengers so as to regularly educate citizens. Establishing such infrastructure may help to fight outbreaks of misinformation beyond the COVID-19 pandemic.

Repatriating Migrants during COVID-19: Challenges for the Sri Lankan Government

Chulanee Attanayake

Summary

Soon after Sri Lanka closed its border to control the influx of imported COVID-19 cases, hundreds of thousands of Sri Lankans living or stranded overseas asked their government to bring them back. While the government is responsible for looking after all its citizens, repatriation is a calculated risk in times of a pandemic. In addition to straining the healthcare sector, repatriation can adversely impact Sri Lanka's foreign relations.

Introduction

On 17 March 2020, the Sri Lankan government announced the closure of its international airports for commercial passenger flights arriving into the country. Without a date set for its reopening, Sri Lankans stranded overseas grew extremely anxious about returning home during the pandemic. As a result, the demand and pressure on the Sri Lankan Ministry for Foreign Relations (MFR) from within and outside Sri Lanka grew significantly.

In late March 2020, the ministry established the 'Contact Sri Lanka' web portal to gather information on Sri Lankans residing or who had travelled overseas so that it could provide the necessary assistance. According to the MFR, around 10 per cent of Sri Lanka's population is overseas, out of which the bulk are migrant workers. Over 50,000 Sri Lankans registered on the portal, waiting to return home. Fortunately, there is a significant Sri Lankan community living across the globe which has chosen to remain at its place of domicile.

In spite of their limited resources, the Sri Lankan missions abroad have been addressing the concerns of overseas-based Sri Lankans, who are facing the repercussions of the global pandemic, including loss of employment; being stranded without shelter, food or money; or not having access to affordable healthcare. Thus, repatriation has become the most pressing demand of many Sri Lankans abroad.

Repatriation of Sri Lankans

On 21 April 2020, Sri Lanka began repatriating citizens stranded abroad. As on 25 June 2020, 10,355 Sri Lankans have been repatriated. The repatriation process has given priority according to the maximum vulnerability identified.[1] As such, students and Sri Lankans on pilgrimage and short visits were given a priority during the first phase. The repatriation process proved successful since the government managed to avoid community transmission from the returnees.

A cabinet paper presented by Minister of Foreign Relations and Foreign Employment, Dinesh Gunawardena, identified foreign migrant workers in certain countries who were in dire straits and emphasised the need to repatriate them in parallel with any other repatriation process. Following this diktat, migrant workers from the Gulf began to return.

Sri Lankans in the Gulf form a significant portion of the country's overseas workforce with a majority of them being low-skilled and semi-skilled workers. The spread of the COVID-19 pandemic in the Middle Eastern countries has led to increased cases of unemployment; loss of contracts; non-extension of work permits; and halting of temporary freelance work. As a result, a section of these workers needed urgent assistance to return home. Moreover, the general amnesty declared by some countries such as Kuwait increased anxiety among Sri Lankans for the fear that they would be unable to take advantage of the situation. The amnesty allows workers without valid permits to leave Kuwait and return later to work legally. Considering the situation, the Sri Lankan government sped up the repatriation from the Gulf countries.

Foreign Relations Challenges

Ensuring the protection of every Sri Lankan is the government's responsibility, whether they are living within the borders or not. However, it is important for the government to also ensure the smooth repatriation so that its relations with the host country are not strained.

Unfortunately, the repatriation of Sri Lankans from the Middle East, especially from Kuwait was not a smooth process. The first repatriation from Kuwait was done in collaboration

1 Ministry of Foreign Relations, Sri Lanka, "Foreign Secretary Aryasinha Elaborates On Cabinet Decision To Give Priority In Repatriation To Vulnerable Sectors Among Overseas Sri Lankan Migrant Workers", 7 May 2020. https://www.mfa.gov.lk/media-release-7-5-2020/?fbclid =IwAR3pWlIKOT4Qcmng4KWpSKFKx-yg33--RJ9etuPd9QCdyZfl9EsX01bnj28.

2 "Over 460 Sri Lankan migrant workers repatriated from Kuwait", *Colombo Page*, 19 May 2020. http://www. colombopage.com/ archive_20A/May19_1589912755CH.php.

with the Kuwaiti government,[2] but the Sri Lanka Embassy in Kuwait had little control over selecting passengers or ensuring their health status before their flight home.[3] Moreover, out of the 466 returnees, 379 had benefitted from the amnesty scheme and had surrendered to the camps between 21 and 25 April 2020. There were another 87 who were from Kuwait's detention centres and prisons. The returnees formed the second-largest pandemic cluster in the country.[4]

On 19 May 2020, as the repatriation from the Middle East began, the number of positive cases in Sri Lanka saw a sudden spike. Of the 460 people who returned from Kuwait during the first repatriation, 388 tested positive for the virus by 28 May 2020. Housing arrangements in amnesty camps and for convicted migrants, lack of affordable healthcare and lack of polymerase chain reaction (PCR) testing available for migrant workers could have resulted in the spread of the virus amongst the returning community.

Learning from the lessons, the government increased its protection measures for the Sri Lankan returnees, including conducting a PCR test at the airport in order to identify the COVID-19 positive cases. As a result, there has been no community transmission from the returnees. As the pandemic is not entirely under control in the world, and as more and more Sri Lankans are still waiting to come home, the repatriation process could test Sri Lanka's relations with the countries where these returnees are based.

Remittances from migrant workers contribute significantly to Sri Lanka's foreign exchange. Further, migrant labour has alleviated unemployment among the poorer segments in Sri Lanka. As such, any damage in relations with countries which welcome Sri Lanka's labour force will have long-term repercussions when Sri Lanka is ready to send its people back post-pandemic to these countries.

3 Zulfick Farzan, "Among those who returned from Kuwait are those who surrendered under general amnesty", *Newsfirst.ik*, 30 May 2020. https://www.newsfirst.lk/2020/05/30/among-those-who-returned-from-kuwait-are-those-who-surrendered-under-general-amnesty/.

4 Ibid.

INTERNATIONAL DIMENSIONS

The Modi Initiative: Can COVID-19 Resuscitate the SAARC?

Iftekhar Ahmed Chowdhury

Summary

The initiative by Indian Prime Minister Narendra Modi to conduct a South Asian Association for Regional Cooperation (SAARC) video conference on confronting COVID-19 as a common threat may not immediately resuscitate the moribund SAARC. However, the initiative and the supporting regional leaders deserve praise for the effort, which might help the process.

The South Asian Association for Regional Cooperation (SAARC), the regional association of the South Asian states, has been in the doldrums over the past half decade. Pakistan was to assume the chairmanship from Nepal and host its 19th Summit in 2016. However, India announced its boycott following the attack in Uri in Jammu and Kashmir and consequently the meeting had to be postponed indefinitely.

Bilateral relations soured even further following the abrogation by the Indian government of Article 370, which had accorded special status to Jammu and Kashmir. The adoption of the Citizenship Amendment Act in December 2019 and the riots in New Delhi led to demonstrations in Afghanistan and Bangladesh, two countries in South Asia with the closest links to India. Indeed, the public reaction was so negative in Bangladesh that a planned visit of Indian Prime Minister Narendra Modi to Dhaka as Chief Guest to the centenary of the birth anniversary of Bangabandhu Sheikh Mujibur Rahman on 17 March 2020 had to be called off, even though COVID-19 was cited as the official reason.

If social media is any yardstick of public emotions, intra-national relations in South Asia seemed to have reached their nadir. Embattled at home by domestic issues, Prime Minister Modi's reputation in the wider region, in terms of his management of India's diversity, amongst other things, was at an all time low.

To the credit of the native sagacity of this intensely politically savvy politician, Prime Minister Modi perceived the possible political mileage to be derived from this malaise sweeping the globe. Already, using COVID-19 as an excuse to defer the visit to Bangladesh came as a great relief to both governments, providing both Dhaka and Delhi a face-saving way out of an impasse. The consequences of a visit to Bangladesh in the face of massive public displeasure, even if the government was willing to conform to every canon of protocol civility, could otherwise have had negative ramifications for a politician whose pride lay in his mesmerising personal political profile. Prime Minister Modi picked up Dhaka's hints nonchalantly and then broadened the possible role of COVID-19 in an endeavour to achieve a greater goal – that of projecting himself and India as a harbinger of cohesion against a common threat!

Prime Minister Modi proposed a video-conference among the SAARC nation leaders to formulate a common strategy to tackle the COVID-19 pandemic. The Indian prime minister, significantly, is not the current Chairman of SAARC; indeed, he had been instrumental in denying Pakistan the position. Yet, like motherhood, the call was not one that could elicit negativity from either friends or foes. A judicious Modi took care to praise the medical qualifications of the Pakistani delegate, even though Islamabad had displayed less than full support to the initiative by sending a junior minister (of health) when all other participants were heads of government.

The video-conference on 15 March 2020, as the Indian prime minister said, showed "a coming together" rather than "growing apart" of the regional countries when confronted with a common non-traditional threat such as the current pandemic. While it is true that the number of detected cases in South Asia was barely over 200, with 107 in India itself, the countries nevertheless face the potentiality of being overwhelmed should a spread occur, as all had severe resource constraints. This was also a genuine issue where collaboration was required, and no one could scoff it away as a political gimmick. The event was attended, observing the safe measure of 'social distancing' being practised in the affected countries, with the leaders sitting and speaking from their respective capitals: Prime Minister Modi from Delhi, President Ibrahim Mohammed Solih from Male, President Gotabaya Rajapaksa from Colombo, Prime Minister Sheikh Hasina from Dhaka, Prime Minister K P Sharma Oli from Kathmandu, Prime Minister Lotay Tshering from Bhutan and State Minister Zafar Mirza from Islamabad.

So, will the initiative expand regional cooperation? The immediate short answer is 'yes'. As leaders intervened, Prime Minister Hasina presented a very practical proposal, suggesting that the health secretaries and experts from all the SAARC countries should coordinate and monitor the curb of COVID-19 via video conference. The enthusiastic acceptance of this idea ensured that this was not a 'one-off' event and that this SAARC activity would continue. This was also in conformity with the initial philosophical concept of the SAARC. The idea underlying the SAARC's birth was to create linkages at mundane working levels so that eventually the more complex problems at the central levels could be diffused. Prime Minister Modi provided economic meat to his political initiative by proposing a COVID-19 emergency fund, which he launched himself by committing US$10 million (S$14 million). He also sought the consideration of an Integrated Disease Surveillance Portal to detect affected patients and contact tracing.

Ironically, founded on the fundamental notions of European 'functionalism', the SAARC as of now seems to be doing a better job than Europe in confronting the crisis. The European Union's (EU) largest country, Germany, has attracted criticism by refusing to provide essential gear to affected Italy when China came to its rescue. The EU countries are all going at it alone. How sustainable is Prime Minister Modi's new SAARC initiative? Can it resuscitate a SAARC currently in 'intensive care'? It is too soon to tell. However, it is not too soon to give the initiative and the participating leaders the plaudits that are due to them.

COVID-19 and South Asian Tourism: Challenging Times Ahead

Deeparghya Mukherjee

Summary

Tourism, which contributes significantly to the gross domestic product of several small South Asian countries, has been badly hit by the COVID-19 outbreak. It will not be an easy road ahead for these countries as the world is likely to grapple with a new normal, which will include travel restrictions, social distancing and increased travel costs. The respective governments will need to provide direct financial support in the hope of reviving this sector.

The COVID-19 pandemic has stalled economic activity across the world, slowing it down to levels only comparable to the Great Depression of the 1930s. Estimates by the Asian Development Bank suggest that the global economy could be impacted by almost US$8.8 trillion (S$12.6 trillion) while South Asia could take a hit of US$142 billion to US$208 billion (S$203 billion to S$297 billion). The impact on emerging economies is particularly significant, given their dependence on the developed countries for growth as well as their lack of ability to deal with healthcare challenges posed by the outbreak.

The COVID-19 pandemic has differential effects on different sectors of each country's economy. The travel and tourism sectors have come to a grinding halt with almost 96 per cent of the world's tourism destinations introducing restrictions in response to the outbreak. The tourism industry is valued at approximately US$2.9 trillion (S$4.1 trillion). According to the World Tourism Organization, the industry is expected to lose US$910 billion (S$1.3 trillion) to US$1.2 trillion (S$1.7 trillion) globally, with a reduction in tourist footfalls by about 60-80 per cent in 2020.

In the current COVID-19 scenario, hitherto unknown moves like the total discontinuation of flights (both international and domestic) have taken place, along with lockdowns across the world. As a result, the implications on tourism are unprecedented. This makes both inbound and outbound tourism effectively zero for the period of the lockdowns, which is around two to three months for many economies (including South Asia). These coincide with the summer months when demand for tourism is also greater due to school holidays.

Tourism in South Asia

South Asia as a region has several economies which are crucially dependent on tourism as a major source of livelihood. Tourism in the Maldives accounts for about 40 per cent of its gross domestic product (GDP). The economies of Nepal, Bhutan and Sri Lanka are also directly dependent on tourism (about five per cent of GDP), while three per cent of India's GDP is attributed to this sector. In addition, various other businesses linked to the tourism value chain are also adversely affected by the pandemic. According to estimates, the Maldives might see a contraction of 8 to 13 per cent of its GDP this year.

In the past couple of decades, governments of various countries – at the federal and local levels – have encouraged such initiatives as public-private partnerships to get lesser-skilled locals to start hotels, home-stays, restaurants, etc. In most cases, these have met with success as a vibrant local economy dependent on tourism has emerged in these countries. As such, the impact of COVID-19 would lead to substantial slowing down of activities and, in more extreme cases, a loss of livelihood for the people.

South Asia receives most tourists from countries which are currently affected in reasonable measure by the COVID-19 outbreak, resulting in a further impact on the tourism sector. For the Maldives, China (19 per cent) is the largest source of tourists followed by the European countries. For Nepal, China and India form its biggest source followed by the European countries, the United States and Australia.

Once all nations allow international travel, everyone will have to adjust to a new normal where each of the following is likely to be a reality: a) airfares may increase with new social distancing norms or protective gear and an expected decline in business travel as organisations turn to online platforms to conduct business; b) hotels, restaurants and market places in tourism locations will have to adhere to social distancing with other preventive measures; and c) depending on the future waves of infection, some countries may choose to draw up negative lists of countries which are more adversely impacted by the COVID-19 outbreak and may temporarily stop receiving tourists from such locations. Each of these scenarios will make tourism a more expensive experience, thereby putting stress on the returns on investment for the industry. It will not be surprising to see proliferation of high value, low volume tourism in countries across the world.

The South Asian countries may well use the break they are experiencing in tourism flows to strengthen/modernise certain aspects of their respective tourism industries. Bhutan is trying to improve digital payments and connections which could make contactless travel more lucrative in the country. Other countries may concentrate on improving nature-based tourism and possibly target the higher net worth segment of the market through higher value-added services. The break in tourism flows is the ideal time required to rethink and steer the industry towards providing high value added services and targeting the niche market.

Government Intervention

Most governments worldwide have injected liquidity such that businesses find it easier to recover and livelihoods are not severely affected due to the crisis. For tourism, however, direct government intervention may be necessary, given that the sector's marketability is primarily due to the experience that individuals have while on the trip. This makes it particularly difficult to try virtual solutions to spur demand in this sector. Hence, in the short run, it might require substantial dedicated funds from respective governments to keep all tourism stakeholders afloat. Tax holidays for tax-paying agents in the system like hotels and restaurants, coupled with phased collection of taxes over the next few years, could be a possible model. The Maldivian government has already announced that the country would be open to receiving tourists from 15 July 2020. Given the dependence of the country on tourism, this is unavoidable, and the safety measures taken by the country may be a model which other countries may follow.

Given the negative implications of the pandemic on the tourism sector for countries such as the Maldives, Bhutan and Nepal, direct government intervention will be needed to keep the sector afloat. The net effect on South Asia's tourism will need to factor medical facilities available to tackle COVID-19, increased precautions, increase in tourism cost, individual country's effectiveness to deal with the pandemic and the speed of global economic recovery to spur demand.

Effects of COVID-19 on South Asia's International Relations

Shivshankar Menon

Summary

The COVID-19 pandemic has caused significant disruption to South Asia, severely damaging its economic development prospects. While this has exacerbated inequality in all South Asian societies, there are also potential opportunities in this new situation. However, will the leaders rise to the occasion and recalibrate relations or allow the fraught external environment to bring its quarrels to the region, resulting in a rough ride ahead?

There is no question that the COVID-19 pandemic marks a significant disruption in the international system. South Asia is no exception, as the pandemic will change South Asia's prospects and could affect the trajectory of relations between the South Asian countries.

Three significant effects are immediately visible: India and South Asia's trajectory towards a developed future is now at risk; relations between the South Asian countries will have to find a new equilibrium; and, a much more fraught external environment will bring its troubles to South Asia.

South Asia's Development Prospects

There is likely to be severe damage to South Asia's economic development prospects. The primary cost is a human one – the immiseration of migrant and landless labour and the impoverishment of large parts of the informal sector. How this plays out will determine the stability and relative peace of the South Asian societies. Already, there are signs in some countries of a resort to mass mobilisation on the basis of (real or imagined) enemies at home and abroad to keep those in power in their position.

The world economy, in all probability, will take years to recover from what is a crash, not just a recession or depression. It is harder to calculate the effects of the 'epidemic of despair' that the pandemic and reactions like the lockdown have unleashed. Certainly, the pandemic has exacerbated inequality in all South Asian societies. The real answer to these issues would be a renegotiation of the social contract in these societies, but that seems unlikely.

The 14 April 2020 International Monetary Fund gross domestic product (GDP) estimates expect India to grow at 1.9 per cent in 2020. As for the other countries in South Asia, a World Bank report of 12 April 2020 expects the Maldives to face the biggest impact from the pandemic, because tourism accounts for two-thirds of its GDP. Afghanistan, Pakistan and Sri Lanka are also expected to fall into deep recession. According to the World Bank's Open Knowledge Depository, India's growth in the fiscal year that just commenced is expected to range between 1.5 per cent and 2.8 per cent. As the world economy shrinks, the region as a whole will also lose a share of the remittances that have been so important to some of the economies of the South Asian countries.

There has been talk of the South Asian countries gaining from the shifting of supply chains from China, as Bangladesh did in the case of garments in the last decade. Whether and to what extent will there be a diversification of global supply chains, and will South Asia be a destination of choice, remains to be proven at this time.

Relations among the South Asian Countries

A much harsher external environment awaits South Asia. The crisis has exacerbated United States (US)-China contention. The major external partners of the South Asian countries, such as the US and China, are likely to be domestically preoccupied in recovering from the crisis for quite a while. Chinese diplomacy since the pandemic has become more assertive and touchy, aggressive in pushing its interests and seeking overt primacy in its periphery. External powers are, therefore, likely to take a much more demanding stance towards the South Asian countries as their own relations get more difficult. This could complicate relations among the South Asian countries.

There are potential opportunities for South Asia in the new situation.

The initial response of the South Asian leaders to discuss cooperation in coping with the pandemic kindled hope of a revival of sub-regional cooperation, possible even of the South Asian Association for Regional Cooperation (SAARC) processes, which have been relatively dormant in recent years. If the common threat of the pandemic were to kick-start such cooperation among the South Asian countries, it would have served a useful purpose.

The COVID-19 pandemic is also an opportunity for South Asians to address the serious human security deficit in the subcontinent, working with neighbours to mitigate the effects of the crisis on them all. This is in their own interest since they have porous borders and cross-border ethnicities with one another, and could be done outside formal multilateral structures such as the United Nations (UN) and the SAARC.

However, the signs are mixed about whether or not the South Asian leaders will rise to the occasion and seize these opportunities to recalibrate relations between the South Asian countries.

The International Context

Another risk is that the much more fraught external environment will bring its quarrels to South Asia.

The longer this epidemic lasts, the more serious its international effects. The post-war multilateral system, on which South Asia has depended, is a significant casualty of the crisis. It proved itself broken, and the major powers have shown no desire or will to fix it, even when facing a crisis requiring joint cooperative solutions. The UN Security Council, which finally discussed the issue only on 10 April 2020, came to no conclusion and agreed on no meaningful action, only bromides. The G-20, UN Secretary-General, World Health Organization and its Director-General have been found silent or too little too late in their statements and actions. If there was any doubt about the ineffectiveness of the multilateral system, it should have been washed away. The World Trade Organization is inactive.

Before hard realists celebrate the demise of the multilateral system, remember that this means that we are unlikely in the coming years to be able to deal with the real issues of our time – pandemics, climate change, international terrorism, cybersecurity and technology issues – all of which require cooperative global solutions. If there is a new paradigm of international cooperation being born, it is not in response to COVID-19. Nor does this experience mean that a realist view, ignoring institutions and norms, is vindicated by this crisis; for countries have responded in their actions and propaganda from domestic politics, chauvinism, emotion and other cultural factors rather than purely rational calculations of self interest.

So far, this is a crisis with no winners, only losers. As of now, no government in the world can be said to have come out of the crisis with its reputation or power enhanced. Most governments are in the basic survival mode. In an already fragmented Asia with rising great power contention, South Asia is likely to be in for a rough ride for some time to come.

Return and Reintegration without Assimilation: South Asian Migrant Workers in the Gulf during COVID-19

Bilesha Weeraratne

Summary

Temporary labour migration and related remittances are integral components of the South Asian economies. A significant portion of labour migrants from this region heads to the Gulf countries. Nevertheless, migrant workers to the Gulf are barred from formally integrating into the socio-economic context in their country of destination. In this context, using the case of the Kuwait Amnesty and other examples during the COVID-19 pandemic, this paper reflects on the disproportionate division of responsibilities between the South Asian and Gulf countries in terms of the assimilation, return and reintegration of migrant workers, in an attempt to improve their well-being through the frameworks of the Sustainable Development Goals and the Global Compact for Safe, Orderly and Regular Migration.

Introduction

The great shutdowns arising from the COVID-19 pandemic are expected to have economic consequences far more severe than those of previous global economic downturns. While all economies are struggling to face COVID-19 related challenges and manage the situation with minimum negative impact, employers and governments are searching for ways to protect their workers. Nevertheless, migrant workers are a special group of employees who are often not covered by the general protective measures extended by employers and governments in countries where they are employed. As such, regions such as South Asia – popular for sending migrant workers to the Gulf and highly dependent on migrant labour – are struggling to protect these workers during the pandemic.

This paper aims to reflect on the disproportionate division of responsibilities between the South Asian and Gulf countries in terms of the assimilation of migrant workers, their return and reintegration and how this affects their well-being during the pandemic.

Migration and Remittances

Temporary labour migration is an integral component of the South Asian economies. In 2019, about a third (approximately 36 million) of all international migrants worldwide (112 million) were born in the South Asian countries. Within the region, India had the largest stock of about 17.5 million migrants abroad, while Bangladesh, Pakistan and Afghanistan were in the sixth, seventh and tenth places respectively.[1] In 2019, a total of 203,186 migrant workers left Sri Lanka, while labour migration from Bangladesh in 2018 was 734,181. The total worker departures from Pakistan in 2018 were 382,439, while during the period of 2016-17, a total of 382,871 migrant workers left Nepal. The departures from India in 2017 were 391,024 (see Table 1).

Table 1: Recent migrant worker departures from South Asia

Country	Departures
Sri Lanka (2019)	203,186
Bangladesh (2018)	734,181
India (2017)	391,024
Pakistan (2018)	382,439
Nepal (2016/17)	382,871

Sources: CBSL.(2019);[2] Siddiqui, Sultana, Sultana, & Akhter (2019);[3] ILO (2018a);[4] and IOM (2019b)[5]

Most of these labour migrants from South Asia depart as temporary migrant workers, leaving their families behind. As such, while a significant number leave the South Asian countries, there is a corresponding inward flow of remittances. In 2019, total remittances to South Asia was about US$140 billion (S$195 billion), which was about 20 per cent of the total global remittances of US$714 billion (S$994 billion). The largest share of remittances in South Asia was received by India, which was US$83.1 billion (S$115.7 billion), followed by Pakistan and Bangladesh, which received US$22.5 billion (S$31.3 billion) and US$18.3 billion (S$25.4 billion) respectively. In Nepal's case, the remittances amounted to US$8.1 billion (S$11.2 billion) and accounted for 27.3 per cent of its gross domestic product (GDP), while in Sri Lanka, remittances accounted for 7.8 per cent of its GDP (World Bank, 2020).[6] As such, labour migration and remittances are an integral part of the South Asian economies.

1 IOM. (2019a). *World Migration Report 2020*. Geneva: International Organisation for Migration (IOM). Geneva.

2 Central Bank of Sri Lanka, "Annual Report 2019", Colombo, 2019.

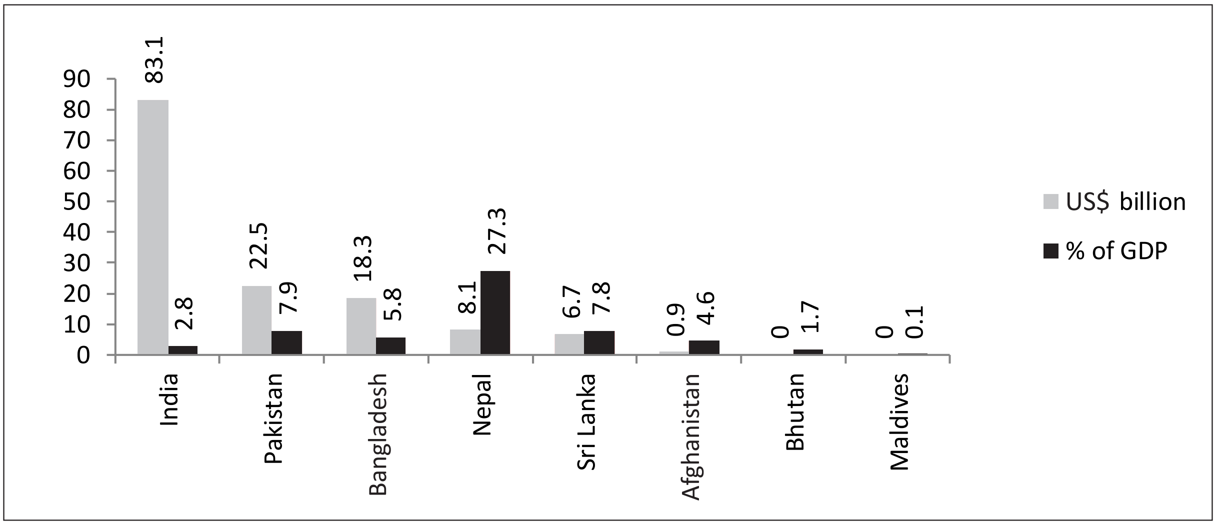
3 T Siddiqui, M Sultana, R Sultana, and S Akhter, "Labour Migration from Bangladesh 2018 : Achievements and Challenges", RMMRU, Dhaka, 2019.

4 "India Labour Migration Update", International Labour Organization, 2018a.

5 "Pakistan Migration Snapshot 2019", International Organization for Migration, Islamabad, 2019b.

6 "COVID19 Crises Through a Migration Lens", Migration and Development Brief 32, Migration and Remittances Team, Social Protection and Jobs, World Bank, 2020.

Figure 1: Remittances to South Asia (2019)



Source: World Bank (2020)

Destinations in the Gulf Cooperation Council

Among labour migrants from the South Asian region, a significant portion head to the Middle East, or more specifically, the Gulf Cooperation Council (GCC) region. For instance, in 2017, over 550,000 Bangladeshi migrant workers went to Saudi Arabia, while over 150,000 Indian migrant workers and over 275,000 Pakistani migrant workers went to the United Arab Emirates (UAE).[7] In 2016-17, over 120,000 Nepali migrant workers left for employment in Qatar. In the case of Sri Lanka, in 2018, Qatar was the most popular destination among departing migrant workers (50,774), while in 2019, the top destination was Kuwait (43,089). As such, the GCC countries are among the top five destination countries of migrant workers from Bangladesh, India, Nepal, Pakistan and Sri Lanka.

The Middle East has become a favoured destination for South Asian temporary labour migrants due to the massive demand for foreign labour. As noted by the World Bank in 2018, the growth in these oil-exporting countries has regularly relied on the large inflows of foreign labour to transform their economies and increase their income levels. By 2010, in the Middle East, on average, there are two immigrants for every three native-born people. Moreover, in Kuwait, Qatar and the UAE, the immigrant-to-population ratio reached over 75 per cent in 2010, where three out of every four people are foreign born.[8]

7 "International Labour Migration Statistics (ILMS) Database for South Asia.,Version 1", International Labour Organization, 2018b.
8 "Moving for Prosperity: Global Migration and Labour Markets", The World Bank, Washington, DC: Policy Research Report, 2018.

Non-assimilation Policies in the Gulf

With the Gulf countries' heavy reliance on migrant workers for their economic prosperity, one would expect that, over the years, migrant workers would have assimilated well to the local context. However, in reality, the Gulf countries have over time crafted a migration management system termed the *kafala* (sponsorship) system, which limits the assimilation of migrant workers. This *kafala* system is embedded with two very critical policy stances for international migration, which are protectionism and the absence of pathways for integrating immigrants into society.[9] For instance, in the case of the UAE, immigration is formally defined as temporary, while in Saudi Arabia, the social integration of migrants is prohibited by specifying that foreign workers cannot marry or have sexual relationships with locals.[10] Elsewhere, certain policies deter family reunions and the long-term settlement of migrant worker. As the World Bank underscores, "certain destination countries actively discourage integration by providing no pathway to permanence" under the premise that "non-assimilated migrants are more likely to leave once their employment is concluded."[11]

As such, migrant workers to the Gulf are barred from formally integrating into the socio-economic context in their country of destination. Moreover, the dual labour markets in the Gulf countries pave the path for nationals to receive public sector jobs while foreign workers are hired mainly for employment in the private sector. As such, regardless of the costs borne by migrant workers or their desire to remain in their countries of destination, labour migration to the Gulf region is almost always formally temporary. As a consequence, the Gulf countries detach themselves from any responsibility of integrating or assimilating migrant workers. In this context, temporary labour migrants to the Gulf are in a unique situation where they are neither fully in their countries of destination nor in their countries of origin.

The Global Financial Crisis in 2009

The 2009 global financial crisis was a clear example of the Gulf countries flexing their muscles by not assimilating migrant workers and adjusting their labour markets to a similarly adverse and ongoing economic situation. During the financial crisis, migrant workers were disproportionately affected compared to native workers. Specifically, in the case of the Gulf region, the dichotomous labour market meant that migrants were concentrated in private sector jobs while natives were concentrated in public sector jobs. With this dichotomy, the

9 M M Rahman, "Beyond labour migration: The making of migrant enterprises in Saudi Arabia", International Sociology, 2019.

10 M Valenta, K E Knowlto, N J Jakobsen, M A Awad, and Z Strabac, "Temporary Labour-Migration System and Long-term Residence Strategies in the United Arab Emirates", International Migration, 2019.

11 "Moving for Prosperity: Global Migration and Labour Markets", op.cit., p. 24.

negative implications of the financial crisis were easily channelled to the private sector, and the impact of the decline in employment was mainly felt by migrant workers rather than citizens. Moreover, the private industries most affected by the downturn, such as construction, mainly employed foreign workers.

Similarly, these countries of destination also adopted measures to contract the stock of migrant workers, such as reducing admission quotas and freezing the issuance of work permits to limit labour inflow as well as by discouraging workers already present through measures such as non-extension of work visas; layoffs; redeployment; raising levies and stiffer sanctions on workers and employers; stricter enforcement of immigration laws; stringent apprehensions, detentions and deportations; and voluntary and enforced return measures.

As such, the Carnegie Endowment for International Peace (2009) aptly underscored that the region "exported much of its unemployment to countries such as Pakistan and Sri Lanka, minimising the social and political unrest that could be caused by job losses among nationals."[12]

COVID-19 Experience

Similar to the previous global downturns, the implications of the great shutdowns in this COVID-19 era are expected to severely affect migrant workers. Estimates by the World Bank indicate a contraction in the Middle East and North Africa region by 1.8 per cent, while the International Monetary Fund (IMF) estimates a 2.7 per cent decline.[13] Moreover, as noted by the World Bank, "when viewed through a migration lens, the economic crisis induced by COVID-19 could be even longer, deeper, and more pervasive than these estimates imply". The COVID-19 crisis has added issues to sectors in the countries of destination that depend on migrant workers, such as food and hospitality, retail and wholesale, tourism and transport, and manufacturing. As such, from an employment point of view, COVID-19 has resulted in unemployment, underemployment, lower wages, cuts in benefits and non-payment of wages. For instance, in Oman, when some Indian migrant workers were laid off, 70 per cent of their gratuity was to be dispensed immediately while the balance was to be given when the migrant workers were able to return home, with a nominal amount promised for their survival till departure.[14] At the same time, some Indian migrant workers in Qatar were told

12 "The Middle East and North Africa: Exiting the Great Recession?", Carnegie Endowment for International Peace, 19 October 2009. https://carnegieendowment.org/2.

13 "The Regional Economic Outlook: Middle East and Central Asia Update" International Monetary Fund, 2020.

14 R Kuttappan, "Kerala Braces For Huge Influx Of Expats Without Jobs", *The Lede*, 1 May 2020. https://www.thelede.in/kerala/2020/05/01/kerala-braces-for-huge-influx-of-expats-without-jobs.

to “give up the end of service benefits and return home” while a Sri Lankan migrant worker in the UAE experienced a 50-per cent salary cut in April 2020 and a 60-per cent cut in May 2020, reducing his monthly salary of 1,600 dirhams (S$608) to 640 dirhams (S$243).[15] Moreover, in some Gulf countries, nationalisation sentiments are emerging to the detriment of migrant workers. For instance, Omani authorities have barred private companies from laying off natives while urging the layoff of migrant workers. Concurrently, Kuwaiti politicians are proposing for the contracts of migrant workers to not be renewed unless the post is advertised for application by Kuwaitis.[16]

With limited assimilation opportunities, the COVID-19 crisis has triggered the need for a large number of South Asian migrant workers to return to their countries of origin. For example, nearly 21,000 Sri Lankan workers in the Middle East have contacted Sri Lankan authorities for their repatriation[17] while over 150,000 Indian workers in the UAE have registered to return to India.[18] Similarly, Bangladesh has been under pressure to repatriate its migrant workers from countries such as Saudi Arabia, Oman, Bahrain and Kuwait, while Nepal expects about 100,000 returnees mainly from the Gulf and Malaysia.[19]

While some developments in the Gulf countries negatively contributed towards the well-being of the migrant workers and their expedited return, there are also sporadic efforts that contributed otherwise. For instance, “the Qatari government is providing free health care to migrant workers affected by the COVID-19 virus in the Doha Industrial Area” and in the UAE, employers are required to provide migrant workers with accommodation until they leave or are permitted to work for another party. Similarly, UAE migrant workers’ residence permits expiring on 1 March 2020 are to be extended for three months without any additional fees.[20] At the same time, Gulf governments such as those in Saudi Arabia, Qatar and the UAE have

15 S Gunadasa, “Sri Lankan government responds to rising COVID-19 infections by abandoning expatriate workers”, World Socialists Website, 2020.

16 Saeed Mahmoud Saleh, “MPs propoe nationalizing jobs at Kuwait Petroleum Corporation, children of Kuwaiti women married to non-Kuwaits”, Zawya, 18 May 2020. https://www.zawya.com/mena/en/economy/ story/MPs_propose_nationalizing_jobs_at_Kuwait_Petroleum_Corporation_children_of_Kuwaiti_women_married_to_nonKuwaitis-SNG_174831413/.

17 “Foreign Minister reassures continued repatriation of migrant workers”, Ministry of Foreign Relations, Sri Lanka, 29 May 2020. https://www.mfa.gov.lk/reassures-continued-repatriation/.

18 “Over 1,50,000 Indians in UAE register to return home”, *The Hindu*, 3 May 2020. https://www.thehindu.com/ news/international/over-150000-indians-in-uae-register-to-return-home/article31494119.ece.

19 S Uttom, “Bangladesh asked to take back thousands of migrant workers”, *Union of Catholic Asian News*, 7 April 2020. https://www.ucanews.com/news/bangladesh-asked-to-take-back-thousands-of-migrant-workers/87658; A Banerji, J Devasia and G Sharma, “Like India, Nepal, Sri Lanka and Bangladesh are scrambling to bring back workers from abroad”, *Scroll*, 21 May 2020. https://scroll.in/article/962467/like-india-nepal-sri-lanka-and-bangladesh-are-scrambling-to-bring-back-workers-from-abroad; S Salama, “Coronavirus: UAE Ministry regulates employer-employee relations in private sector, *Gulf News*, 30 March 2020. https://gulfnews.com/ uae/coronavirus-uae-ministry-regulates-employer-employee-relations-in-private-sector-1.70703412.

20 M Nammour, “Coronavirus: UAE issues decree to regulate private sector jobs, salaries”, *Khaleej Times*, 31 March 2020. https://www.khaleejtimes.com/coronavirus-outbreak/coronavirus-uae-issues-decree-to-regulate-private-sector-jobs-salaries; I John, “The pandemic in the Gulf: What it portends for NRIs in the region”, Observer Research Foundation, April 2020. https://www.orfonline.org/research/the-pandemic-in-the-gulf-64882/.

allowed employers and employees to mutually agree to reduce working hours, cut wages, utilise unpaid leave or use their annual leave during this period to facilitate the preservation of jobs in the long run.[21]

Whilst the full extent of the impact of the pandemic on temporary migrant workers in the Middle East remains to be seen, the complications due to the minimal responsibility assumed by countries of destination in terms of assimilation of migrant workers are already emerging. The case of Kuwaiti Amnesty during the spread of COVID-19 exemplifies some aspect of this disproportionate division of responsibilities between countries of destination and origin.

Kuwaiti Amnesty in 2020

The spread of the COVID-19 pandemic led the Kuwaiti government to declare an amnesty from 1 to 30 April 2020, where irregular migrant workers in the country would be allowed to leave. Under this amnesty, migrants who have overstayed their visas or are otherwise undocumented in Kuwait and do not have a ban on departure (due to outstanding bills or legal cases) are allowed to apply. The amnesty also allows such migrants to leave Kuwait without paying any fines. Most importantly, the amnesty provides the possibility for these migrants to return in the future with the appropriate documents. To make the deal even more attractive, the Kuwaiti government is prepared to pay for most repatriation flights via Kuwait Airways. Overall, the amnesty is considered to be well organised. For example, "workers are bused into a one-stop centre where all their paperwork is processed on the same day. They are provided temporary shelter and food while they wait".[22] This processing was carried out by nationality; for instance, Bangladesh was allocated 11 to 15 April 2020, India 16 to 20 April 2020, and Sri Lanka 21 to 25 April 2020. The Kuwaiti amnesty is expected to benefit thousands of South Asian migrant workers.

Nevertheless, before the commencement of the evacuation under this amnesty, it was feared that despite being attractive, the amnesty posed risks associated with mass repatriation during the pandemic by not fully addressing certain health concerns. Specifically, the absence of pre-departure testing of applicants raised concerns about the spreading of COVID-19 in the migrants' countries of origin.[23] As proof of these concerns, it is now reported that migrants in holding centres awaiting evacuation are at high risk of contracting COVID-19.

21 Aisha Fareed, "Saudi employers given green light to cut wages, hours", *Arab News*, 7 April 2020. https://www.arabnews.com/node/1654501/saudi-arabia; "Regulating the contractual relationship during the current crisis" Ministry of Administrative development, Labour and Social Affairs, Qatar, 15 April 2020. https://www.adlsa.gov.qa/en/news/Pages/news150402020.aspx.

22 "Kuwait's amnesty provides a risky reprieve for some migrant workers", *Migrant-Rights.org*, 10 April 2020. https://www.migrant-rights.org/2020/04/kuwaits-amnesty-provides-a-risky-reprieve-for-some-migrant-workers/.

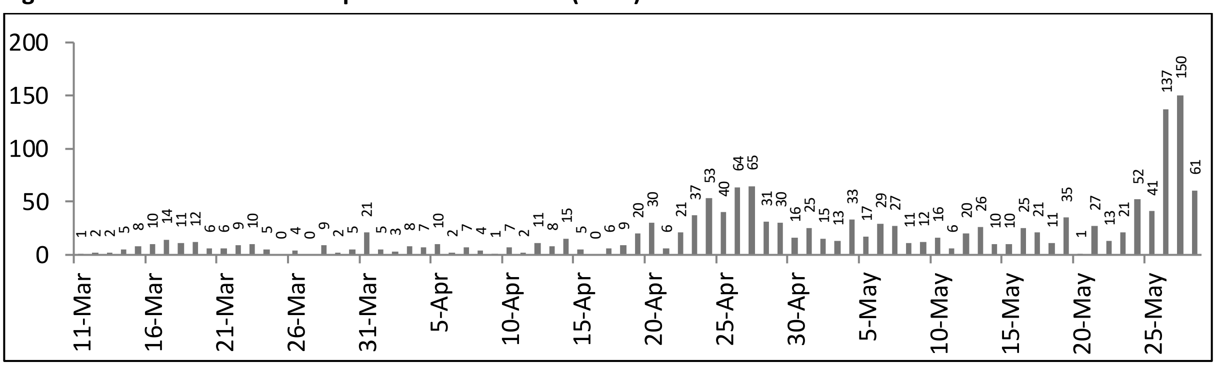
23 Ibid.

The workers who volunteered themselves for the amnesty to the Kuwaiti authorities are reported to be held in detention centres which lack capacity for social distancing as well as safe and hygienic sanitary facilities.[24]

Disproportionate Responsibility

As a confirmation of these fears, the repatriation of undocumented migrant workers from Kuwait to Sri Lanka resulted in a partial reversal of the successful efforts made in Sri Lanka to curtail the spread of the pandemic. The repatriation of migrant workers from Kuwait to Sri Lanka started on 19 May 2020 with the arrival of 466 returnees, consisting of 379 migrant workers under the amnesty and another 87 from detention centres and prisons.[25] Subsequently, the controlled nature of the spread of the virus in Sri Lanka took a different turn with a spike in the number of reported COVID-19 cases with the repatriation of Kuwaiti amnesty recipients. Specifically, on 26 May 2020, 127 out of 137 cases reported were those repatriated from Kuwait.[26] Similarly, on 27 May 2020, out of the 150 reported patients, 92 were returnees from Kuwait.[27]

Figure 2: Number of COVID-19 patients in Sri Lanka (2020)



Source: https://epid.gov.lk/web/images/pdf/corona_virus_report/sitrep-sl-en-29-05_10.pdf

Prior to the commencement of evacuation missions on 19 May 2020 by the Kuwait authorities, the Sri Lankan authorities on 11 and 14 May 2020 requested the Ministry of Foreign Affairs of Kuwait to conduct PCR tests on those being repatriated. The Kuwaiti authorities informed the Sri Lankan authorities that "this would not be possible and that

24 A Ullah, "'Like sardines': Migrant workers suffering in Kuwait's desert detention camps. Middle East Eye", *Middle East Eye*, 15 May 2020. https://www.middleeasteye.net/news/coronavirus-kuwait-migrant-workers-bangladesh-detention-camps.

25 "Foreign Minister reassures continued repatriation of migrant workers", Ministry of Foreign Relations, Sri Lanka, 29 May 2020. https://www.mfa.gov.lk/reassures-continued-repatriation/.

26 "Covid-19: Sri Lanka records highest daily count as 127 Kuwait returnees test positive", *Ada Derana*, 27 May 2020. http://www.adaderana.lk/news/64106/sri-lanka-records-highest-daily-count-so-far-with-137-coronavirus-cases.

27 "May 27 COVID-19 Situation Report: 92 returnees from Kuwait. 53 Navy Sailors", *Lanka News Web*, 28 May 2020. https://www.lankanewsweb.net/67-general-news/62657-May-27-COVID-19-Situation-Report-92-returnees-from-Kuwait-53-Navy-Sailors.

no passenger with COVID symptoms would be allowed to board the aircraft." Further highlighting the lower level of responsibility of the Middle Eastern countries of destination, the Kuwaiti authorities "stated that PCR tests had not been done on any of the returnees from other countries leaving Kuwait."[28] Similarly, half of those returning from the UAE to Pakistan had tested positive for COVID-19 and it is also reported that Pakistani authorities are also seeking greater responsibility from the country of destination regarding the health concerns of returnees.[29] The revelation of the disproportionate health burden of returning migrant workers on the country of origin destabilised Sri Lanka's repatriation efforts, resulting in the cancellation of a repatriation flight scheduled to bring Sri Lankan migrant workers home from Qatar on 25 May 2020.[30]

In addition to healthcare concerns, the migrant workers' unemployed status adds to the already struggling labour markets in the South Asian economies. Banerji, Devasia and Sharma (2020) highlight that the influx of so many returning workers "threaten to overwhelm fragile public health systems and a dwindling jobs market in the region, which is home to a fifth of the world's population." The struggling labour markets in some of these countries of origin are aptly highlighted by Hayashi and Matsuda.[31] Specifically, taking online job postings as a proxy for the labour market condition, Hayashi and Matsuda (2020) show that compared to the same period in 2019, job posting in March 2020 declined by 35 per cent, and in Bangladesh in April 2020 by 87 per cent, while in the case of Sri Lanka the decline in March 2020 was 27 per cent and 70 per cent in April 2020. In India, the unemployment rate has increased from 8.8 per cent in March 2020 to 23.5 per cent in April 2020 and 24 per cent in May 2020.[32]

Despite worsening labour market conditions in the South Asian economies, they do not have an analogous capacity to export their unemployment to the rest of world; instead, they must absorb the unemployment of their nationals in the Middle East. The International Organization for Migration (IOM) notes such disproportionate responsibility falls on the countries of origin when the countries of destination do not prioritise the needs and safety of migrant populations.[33] From the viewpoint of the country of origin, such "returns can

28 "Foreign Minister reassures continued repatriation of migrant workers", Ministry of Foreign Relations, Sri Lanka, 29 May 2020. https://www.mfa.gov.lk/reassures-continued-repatriation/.

29 S Batta, "Gulf States force India and other South Asian states to repatriate impoverished migrant workers", *World Socialist Web*, 25 May 2020. https://www.wsws.org/en/articles/2020/05/25/gulf-m25.html.

30 "Comment by Foreign Secretary Ravinatha Aryasinha On Those Stranded In Qatar", Ministry of Foreign Relations, Sri Lanka, 25 May 2020. https://www.mfa.gov.lk/comment-by-foreign-secretary-ravinatha-aryasinha/.

31 R Hayashi and N Matsuda, "COVID19 Impact on Job Postings: Real Time Assessment Using Bangladesh and Sri Lanka Online Job Portals. No. 135, ADB Briefs", May 2020.

32 M Vyas, "Job losses may have narrowed", Centre for Monitoring Indian Economy. https://www.cmie.com/ kommon/bin/sr.php?kall=warticle&dt=2020-05-26 per cent2008:18:26&msec=533.

33 "International Migration Report 2020", International Organisation for Migration (IOM), 2019a.

challenge the absorption capacity and resilience of households, communities and societies in the country of origin."[34]

As is evident from the COVID-19 pandemic and efforts to handle it, migrant-specific crisis response measures in the Gulf region countries of destination "have focused primarily on returning migrants to their countries of origin", which, as aptly foretold by the IOM, has exemplified a focus that "can come at the expense of other effective support mechanisms that may better meet migrants' immediate post-crisis recovery and longer-term interests and needs".[35]

Rebalancing Assimilation, Return and Reintegration

As demonstrated, the commitment of the Gulf countries of destination toward migrant workers appears to be limited to their labour market transaction. Nevertheless, unlike the trading market for commodities, the labour market requires added protections and safeguards for workers. However, over the years, the countries of origin have had limited success in addressing these issues bilaterally. In order to get countries of destination to accept a stronger commitment to the plight of migrant workers, a larger voice needs to be raised.

Currently, there are two main development frameworks related to improving the plight of migrant workers which can be harnessed to rebalance issues associated with assimilation, return and reintegration of South Asian migrant workers in the Gulf. The Agenda 2030 and its broad-based Sustainable Development Goals (SDGs) can be applied to migrant workers. Such applicable goals include Goal 2, Zero Hunger; Goal 3, Good Health and Wellbeing; Goal 6, Clean Water and Sanitisation; Goal 8, Decent Work and Economic growth; Goal 10, Reducing Inequality; and Goal 11, Sustainable Cities and Communities, to name a few. Similarly, the more recent Global Compact for Safe, Orderly and Regular Migration (GCM) was developed in 2018 to be consistent with target 10.7 of the SDGs, in which United Nations member states committed to cooperate internationally to facilitate safe, orderly and regular migration.

Within the GCM framework, assimilation issues of migrant workers in Gulf countries of destination can be addressed through objectives 16 and 2. Aspects of this objective focus on empowering migrants and societies to realise full inclusion and social cohesion, and underscore that countries of destination should commit to fostering inclusive and cohesive

34 Ibid.
35 Ibid.

societies by empowering migrants to become active society members and by promoting reciprocal engagement by receiving communities also in the exercise of mutual rights and obligations. The emerging empirical evidence on the challenges faced by migrant workers and their countries of origin on return and reintegration in the absence of adequate assimilation should be factored into reshaping this objective and its related implementation. Similarly, Objective 2 of the GCM highlights that during natural disasters, sustainable outcomes have to be promoted by "taking into account the capacities of all countries involved."

As such, the governance framework of the GCM can be harnessed towards addressing the disproportionate division of responsibility towards South Asian migrant workers in the Gulf and to improving their assimilation in the countries of destination, thereby ensuring a more successful and efficient implementation of return and reintegration efforts by the countries of origin.

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