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COVID-19 Pandemic: Inflicted Costs and Emerging Global Issues



The novel coronavirus disease (hereafter 'COVID-19') has become a global pandemic, infecting millions of people and killing hundreds of thousands globally. Besides the cost of human lives, the economic costs (trade costs, employment costs, etc.) and social costs (rise in domestic violence, mental depression and suicide cases, etc.) of COVID-19 are turning out to be massive for many countries. Without a doubt, COVID-19 has extensively disrupted people's way of life.



The lingering of the disease has raised concerns related to various economic and strategic issues that are likely to affect the existing global governance system. These issues include the possibility of the current worldwide recession turning into a great depression and efforts to reduce the overdependence on China for global supply chains' functioning. Furthermore, the post-COVID-19 age may face a reshaping of industrial policy, namely to the Import Substitution Industrial Policy, whereby local firms play a significant role in the production of goods and services. Another expected development that may have long-term strategic significance is the emergence of a bipolar world whereby China's state-centric national and global governance model challenges the US-led rules-based international order. The existing world order has been largely dominated by a mix of Westminster democracy and capitalism. This world order might, in a post-COVID-19 era, come to include essences of a government-led private economy under a politically authoritarian ruling party.

This research, which utilizes hybrid methodology incorporating a multi-theoretical framework to formulate arguments and grounded theory, argues that a 'new normal' will be established in a post-COVID-19 world. This 'new normal' encompasses impacts not only on an economic level (which is my research field of expertise), but also on a political and environmental level. While the tentative changes in a post-COVID-19 age may impact societies all over the world, countries in the Asia Pacific region will more likely be affected by said changes as they hit closer to home.

Going forward, my research aims to focus on Bangladesh and India, which are particularly noteworthy because they have remained mostly unexplored by manufacturers who have joined the supply chains in China and Southeast Asia. In consideration of the 'China plus one' policy, India and Bangladesh could be better picks for investment diversification by foreign investors to relocate their production bases. These two countries could therefore become more attractive as a potential counterweight to China in reshaping global supply chains.

I would also like to focus on China vis-a-vis the following aspects: China's economic transition, how COVID-19 has affected and will continue affect China's implementation of the Belt and Road Initiative, China's border management with surrounding countries and their position in relation to the Quadrilateral Security Dialogue. The aforementioned aspects will be considered in light of the negative image China has created amongst external stakeholders in their management of COVID-19. In that sense, the Chinese aspiration of global leadership has been dented. Moreover, if MNCs' outflow becomes a reality going forward, China must develop an economic strategy that focuses more on domestic consumption through various transitions.



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Research Field

Finance, Financial Markets and Institutions, Commerce, Public Finance, Economic Policy for Poverty Reduction and Growth, International Economic Relations