

# A Philosophical Analysis of Government Incentives during COVID-19 in Bangladesh

Md. Lawha Mahfuz<sup>1\*</sup>, Santana Kamal Jispa<sup>2</sup>, Sajib Chandra Das<sup>2</sup>, Tabassum Akter<sup>2</sup>, Mst Meherunnesa Jui<sup>2</sup>

<sup>1</sup>Lecturer, Department of General Education, University of Liberal Arts Bangladesh

<sup>2</sup>Alumnus, Department of Philosophy, University of Chittagong, Bangladesh

DOI: <https://dx.doi.org/10.47772/IJRISS.2024.815EC008>

Received: 26 October 2024; Revised: 08 November 2024; Accepted: 11 November 2024; Published: 14 December 2024

## ABSTRACT

The paper assesses the adequacy of the incentives introduced by the government during the COVID-19 pandemic in Bangladesh from a philosophical point of view. In this way, it can put together philosophical analysis with intuition from the general public, into an interdisciplinary stand that connects economics and ethics. Furthermore, the study investigates whether those incentives conform to major ethical theories such as utilitarianism, distributive justice, and Kantian ethics. By discussing how these philosophical mechanisms apply to the government's actions, the paper develops into a critical analysis of key issues regarding fairness, social justice, and morality in the way the incentives have been distributed. It further questions the role that these incentives have played in supporting economic stability-especially for big companies-while questioning the exclusion of smaller businesses. The research forms a valuable insight into ethical implications for public policy in crisis situations by building up a wide understanding of how philosophical principles can help make real-world decisions.

**Keywords:** experimental philosophy, covid-19 incentives, utilitarianism, justice, morality

## INTRODUCTION

The most affected sectors in the country's economy due to the coronavirus are services and industry. The COVID-19 virus was first identified on December 31, 2019, in Wuhan Province, China. On March 11, 2020, the World Health Organization declared the COVID-19 virus an epidemic. The effects of the coronavirus outweigh the health crisis because it has had a substantial negative impact on the economy, family, society, the state, development, and politics. According to the United Nations, the world has not experienced such a change in the last 75 years. Its social and economic impact is so evident that the world's strongest economies have yet to overcome it. Bangladesh is no exception, like other countries in the world.

As Bangladesh is one of the most populous countries in the world, the impact of COVID-19 has faced a substantial challenge. As a result of the coronavirus outbreak, Bangladesh has faced a crisis in the health, economic, social, religious, and political spheres. The impact of COVID-19 on the economy of Bangladesh was observed in three primary cases: First, on March 26, 2020, Bangladesh announced the first lockdown, which was later withdrawn. The lockdown started for the second time in the country on April 5, 2021. The country's local production and trade have declined due to the lockdown; second, exports of readymade garments (RMG) declined; and third, remittances from Bangladeshis living abroad declined (IMF, 2020).

Every sector of Bangladesh's economy has been hit hard by the corona outbreak. Bangladesh's economy is divided into three broad spheres: agriculture, services, and industry. According to the Bangladesh Bureau of Statistics, the contribution of the service sector to the country's economy is about 50 percent, industry 35

percent, and agriculture 14 percent. The services and industrial sectors have suffered the most as economic activity has stalled in the lockdown (Begum et al., 2020).

Outbreaks appear to be exacerbated by the pandemic and the emergence of new "poor" populations. A survey conducted by the Bangladesh Institute of Development Studies (BIDS) in May 2020 found that about 16.4 million people have fallen below the poverty line due to COVID. The survey also found that about 57 percent of people said they had no pay during the epidemic, 32 percent had lost profits, and only 11 percent had a stable income. According to a study jointly conducted by the Power and Participation Research Center (PPRC) and the BRAC Institute of Governance and Development (BIGD), the daily income of rural people fell by 79 percent between February 2020 and April, and by 82 percent among the urban poor. The food budget of the urban poor has been reduced by 46 percent and that of the rural poor by 32 percent. A report released by BRAC shows that 95 percent of households have lost their income and 62 percent of salaried employees have been fired (Miah et al., 2020).

The impact of COVID-19 has brought the economy of Bangladesh into a state of turmoil and is taking people's lives in a completely new way. Although Bangladesh's government has announced 21 stimulus packages worth BDT 1 lakh 21 thousand 353 crores to deal with the economic situation, according to economists, these incentives will only work if the market system operates normally. Again, small professional groups, small entrepreneurs, and women entrepreneurs are facing problems while taking loans from banks in the government incentive package. Because the bank gives loans based on the relationship with the client, big industrial companies benefit from this, but small companies remain in the shadow of uncertainty. The big challenge for Bangladesh in the coming days after Corona is to stimulate the economy, facilitate the income path of the people, and ensure a sustainable and stable standard of living.

Incentives are financial packages or special benefits given by the government to help reduce losses and to encourage economic activity, business, and trade. There is a difference between incentives and subsidies. As Dr. Mustafizur Rahman said about the incentives, "Many people think that the financial assistance given to poor people is a subsidy, but it is actually an incentive." Many people think that most of these incentives have not reached their proper goals. As Nazneen Ahmed, a researcher at the Bangladesh Institute of Development Studies said. Most of the beneficiaries are those who are a little further in the formal sector and are well acquainted with the banks. On the other hand, small and medium-sized traders are deprived. The same phenomenon is seen in the case of cash assistance to the poor, where nepotism prevails rather than necessity. The issue is that CPD's Mostafizur Rahman's incentives will help keep the wheels of the economy moving, but many fear that the government will also fall into a long-term crisis while providing these incentives (Islam, 2022).

Now questions arise in the philosophical enterprise: are those incentives effective to revive the economy in the sense of the philosophy of economics? Were the incentives properly distributed? Did those who received incentives use them fairly? What is the role of this incentive in the establishment of social justice? During the COVID period, did businessmen stand by their workers? These questions will be explored in this research. The key to this research is bringing academics from various disciplines together to understand the process and the justification of this incentive, as well as the folk minds of businessmen to understand their intuition in terms of experimental philosophy.

## LITERATURE REVIEW

From the outset of the announcement of the Covid-19 liquidity support packages by the government, banks have been willing to lend to large borrowers but were less enthusiastic to lend to small borrowers. In a "k" shaped economic recovery curve, the Covid-19 recovery path splits in two directions: large firms and public-sector institutions with direct access to government and central bank stimulus packages will make some areas of the economy recover fast but leave behind small and medium-sized enterprises (SMEs), blue-collar workers, and the dwindling middle class. It seems that the design of the stimulus packages and their distribution are driving a "k" shaped economic recovery path for Bangladesh (The Financial Express, 2021).

As of October 31, 2020, around 71 percent of the total funds allocated under this package were disbursed to 2,549 large industries and service sector business enterprises through 51 commercial banks. Out of the total US\$4,762 million, an amount of US\$ 654 million was earmarked for the payment of wages and salaries of 1.5 million persons working in large industries and services sector for June 2020 and July 2020. Due to the liquidity support offered by the government under this package, 2,549 large industries and service sector business enterprises could keep their businesses afloat during the pandemic. This liquidity support package also protected the jobs of 1.5 million employees and workers who were working in large industries and service sector enterprises and prevented their families from falling into financial hardship during the pandemic (The Financial Express, 2021).

The inevitable impact of Corona on the lower working class has been profound. A survey conducted by the Bangladesh Bureau of Statistics in September 2020 showed that the average income of each family in the country has decreased by Tk 4,000 due to COVID-19. According to another report published by BBS, around 80 percent of daily wage laborers have lost their jobs due to the pandemic. World Bank consultant Zahid Hossain said, "A major strength of Bangladesh's economy is consumer spending." Consumer spending is 69% of our GDP. If this spending is not possible, those who are dependent on this spending, from small producers to the industrial and service sectors, will face a shortage of sales." He pointed out that there will be a severe impact on GDP growth as the industry and service sectors are affected. According to the Bangladesh Economist Survey, there are about 80 lakh industrial enterprises in the country. 98 percent of these industries are small and medium-sized. And the small and medium industries have fallen into disrepair due to the severe outbreak of COVID-19. Economist Nazneen Ahmed said, "There will be a negative impact on the GDP as a small, medium, and large-scale industries are affected." In the 2018-19 fiscal year, GDP growth was a record 8.15 percent. But due to the impact of COVID-19, it has come down to 5.24 percent. Bangladesh's garment industry has been hit hard by the corona crisis, which led to an 89 percent drop in exports in early April. Besides, 2.3 billion orders were canceled in the garment sector. Major companies in the United Kingdom canceled orders worth 25 billion, one of the largest export markets for Bangladeshi garments (Nazir, 2020). Many garment workers lost their jobs due to the cancellation of garment purchase orders.

The slow pace of disbursement of loans under the government's liquidity support package for CSSMEs means that small businesses, which have been disproportionately damaged by the adverse effects of the pandemic, will find it more difficult to recover their losses and get back on track. As a result, Bangladesh's economy will likely experience a "k" shaped recovery from Covid-19, not only due to the blow of the pandemic which is beyond our control but also from the policy-related mistakes which could be avoided. (The Financial Express) The country's gross domestic product (GDP) growth sharply came down to 3.5% in fiscal year (FY) 2020 from 8.2% in FY 2019. The provisional growth rate for FY2021 is 5.5%. In the face of this falloff in growth, the International Labor Organization in November 2021 estimated that 5 million full-time jobs were lost in Bangladesh in FY 2021 (ADB, 2021).

To deal with the crisis, the Government of Bangladesh implemented containment measures and announced incentive and stimulus packages totaling \$22.1 billion, which was equivalent to 6.2% of the gross domestic product in the fiscal year 2021 (ADB). ADB's assistance includes \$500 million in rapid budget support approved in April 2020, within around one month after receiving the Government request. This support forms part of ADB's COVID-19 Active Response and Expenditure Support (CARES) Program, which is funded through the COVID-19 pandemic response option (CPRO) under ADB's Countercyclical Support Facility. This budget support has built on earlier concessional emergency assistance and a grant to help provide for the immediate needs of medical supplies and logistics support (ADB, 2021).

Of the total 25 packages announced, there are 14 relating to fiscal supports, of which 2 involved food assistance and 12 involved cash transfer. Thus, the fiscal support-related packages accounted for less than 20.5 percent of the total allocation. The remaining 11 packages were "hybrid" in nature as these concerned the government putting its own money to support bank loans at subsidized interest rates. These hybrid schemes account for more than 79.5 percent of the total allocation (The Daily Star, 2021).

Thus, if we take out these regular fiscal activities of the government, the actual pandemic- related direct fiscal support for FY21 can be estimated to be Tk 53 thousand million. This figure is only a little above 11 percent of the total annual allocation, which is less than 0.2 percent of the GDP (FY21). This covers also the two packages of cash incentives for the health workers and other frontline workers (The Daily Star, 2021).

### **Research Questions:**

The main research question is:

What are the perspectives on the financial incentives granted by the government to business owners for economic sustainability during COVID-19?

### **Auxiliary Questions for Academics:**

1. To what extent were the government incentives sufficient to mitigate the financial losses of traders during COVID-19?
2. Was it feasible to include all types of businesses in the government's incentive program? If not, what were the limitations?
3. How successful were the government incentives in reducing unemployment caused by the COVID-19 pandemic?
4. How transparent was the process for distributing incentive packages during the COVID-19 pandemic?
5. What were the government's public policy measures to combat COVID-19, and how did these relate to the incentives offered?
6. How successful has the post-COVID-19 economic recovery been, considering the impacts of the incentives?
7. In what ways did the incentives contribute to social justice and equity within the affected economic sectors?

### **Auxiliary Questions for Businesspersons:**

1. What was the condition of your business when the COVID-19 pandemic first began?
2. At what point did you decide to apply for the government incentive program, and what influenced this decision?
3. Did you have to lay off employees during the pandemic? If so, to what extent did government incentives impact this decision?
4. Were there any noticeable positive effects on your business as a direct result of receiving the government incentives?
5. How effective were the incentives in stabilizing your business operations during and after the pandemic?

### **Research Objectives:**

1. This study aims to achieve the following objectives:
2. Analyze business policies implemented during the COVID-19 pandemic.
3. Examine the government's distribution of stimulus packages.
4. Evaluate the effects of government incentives on businesses and economic stability.
5. Assess the ethical considerations involved in the distribution of incentives.
6. Conduct an analysis of the incentive distribution process using utilitarian principles, the Kantian formula of humanity, and distributive justice.
7. Investigate economic and business activities in the context of the humanitarian crisis caused by the pandemic.
8. Critically assess the steps taken for incentive distribution.

9. Assess the state's approach and philosophical commitment to stabilizing the turbulent economy.

## RESEARCH METHODOLOGY

### Method:

The explanatory mixed-method design allows for the collection of both qualitative (e.g., interviews) and quantitative data (e.g., survey responses). Combining open-ended and close-ended questions helps in gathering diverse perspectives, ensuring depth and measurable insights.

The use of graphs for presenting close-ended results demonstrates an effort to provide clear, visual data interpretation, while qualitative data from online and direct interviews offer contextual and nuanced insights.

### Participants:

Targeting academics from various disciplines and business owners ensures a well-rounded understanding of the issues from both theoretical and practical perspectives.

This participant selection appears relevant to examining how different sectors perceive and are affected by government incentives, which aligns with the mixed-method approach.

### Time Frame:

Conducting the research over a defined period (July to August 2022) ensures a focused data collection phase, allowing for timely analysis of participant experiences during a critical period of economic recovery from the pandemic.

### Analysis technique:

The descriptive analysis of quantitative data allows for summarizing participant responses and identifying trends or patterns.

The philosophical analysis applied to qualitative data suggests a focus on ethical, theoretical, or conceptual interpretations, which aligns with the study's goal of examining ethical frameworks like utilitarianism and Kantian principles.

## DATA ANALYSIS

### COVID-19 Stimulus Packages

Name of the Package	Type	In Crore BDT	As Share of Total COVID funding	As Share of GDP	Share of Funds disbursed (%)	Number of Recipients
Special fund for salary support to export oriented manufacturing industry workers	Liquidity support	5,000	4.120	0.178	100	3,500,000 Persons
Providing working capital facilities for the affected large industries and service sector organizations	Liquidity support	40,000	32.962	1.426	71	2,549 entities
Providing working capital facilities to small and medium enterprises	Liquidity support	20 000	16.481	0.713	32	41,069 persons (6% male, 94% female)

To increase the facilities of Export Development Fund introduced by Bangladesh Bank	Liquidity support	12,750	10.507	0.454	81	2,379 entities
Pre-shipment Credit Refinance Scheme	Liquidity support	5,000	4.120	0.178	1	N/A
Agricultural Refinancing Scheme	Liquidity support	12,750	10.507	0.454	45	89,934 Persons
Refinancing scheme for low-income farmers and small traders	Liquidity support	3,000	2.472	0.107	22	1,00,227 persons
Creation of jobs through loans	Liquidity support	3,200	2.637	0.114	31	N/A
Government subsidy for interest waiver of deferred bank loans for the month of April-May 2020	Liquidity support	2,000	1.648	0.071	N/A	N/A
Credit guarantee scheme for small and medium enterprises sector and medium enterprises sector	Liquidity support	2,000	1.648	0.071	N/A	N/A
<b>Total liquidity support</b>		<b>97 950</b>	<b>10 715</b>	<b>3 491</b>		
Special honorarium to doctors, nurses and health workers	Fiscal stimulus	100	0.082	0.004	N/A	N/A
Health insurance and life insurance	Fiscal stimulus	750	0.618	0.027	2	42 persons
Distribution of free food items	Fiscal stimulus	2,500	2.060	0.089	43	2,34,00,000 households
Distribution of rice at the rate of BDT 10 KG	Fiscal stimulus	770	0.635	0.027	100	N/A
Distribution of cash among the targeted population	Fiscal stimulus	1,258	1.037	0.045	70	34,97,353 households
Increase the coverage of the allowance programmes	Fiscal stimulus	815	0.672	0.029	3	156,218 persons
Construction of houses for homeless people	Fiscal stimulus	2,130	1.755	0.076	N/A	9,039 households
Procurement of Boro Paddy/Rice	Fiscal stimulus	860	0.709	0.031	N/A	N/A
Support for farm mechanization	Fiscal stimulus	3,220	2.653	0.115	5	N/A
Agricultural subsidies	Fiscal stimulus	9,500	7.828	0.339	76	N/A
Social safety net programme for unemployed and poor workers of export oriented ready-made garments, leather and footwear sectors	Fiscal stimulus	1,500	1.236	0.053	N/A	N/A
<b>Total fiscal stimulus</b>		<b>23,403</b>	<b>19.285</b>	<b>0.834</b>		
<b>TOTAL COVID- 19 FUNDING</b>		<b>121,353</b>	<b>100.000</b>	<b>4.325</b>		

Source: The Financial Express (<https://bit.ly/3qVLGeL>)

**Academics View**

Figure 1:

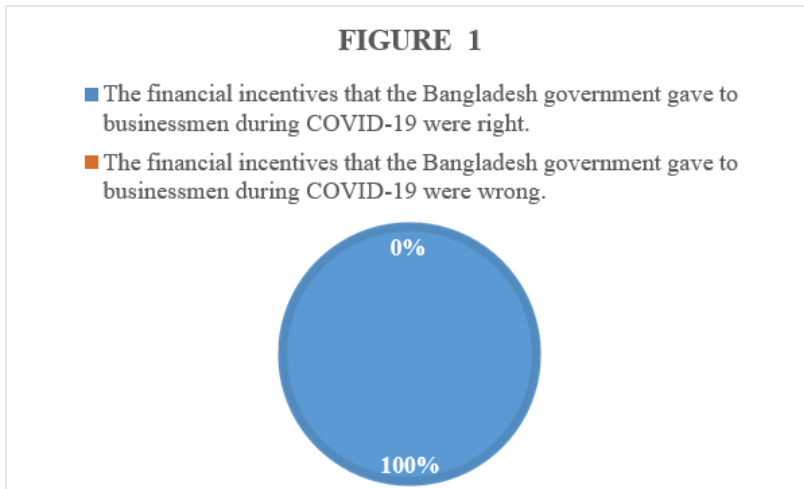


Figure 2:

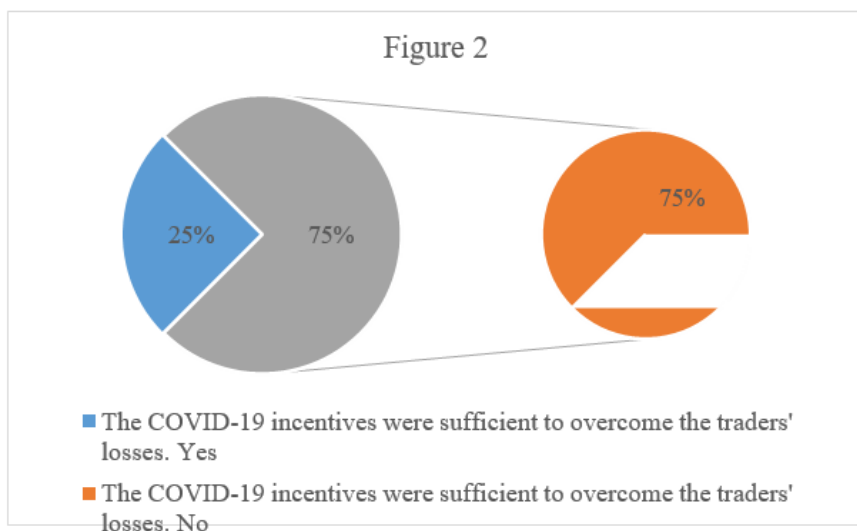


Figure 3:

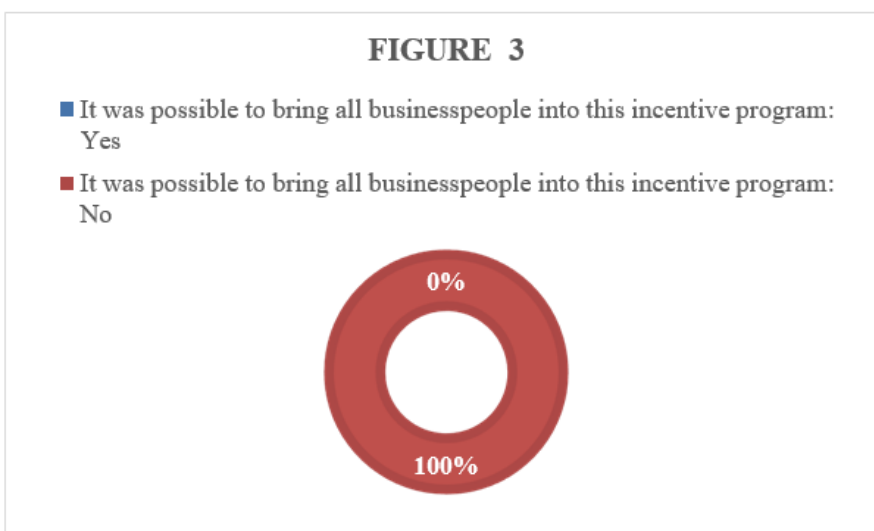


Figure 4:

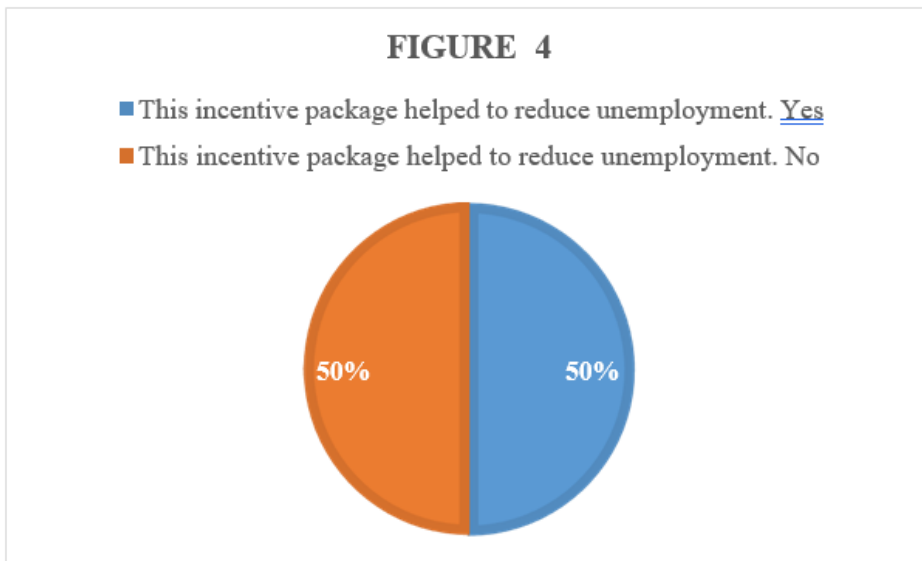


Figure 5:

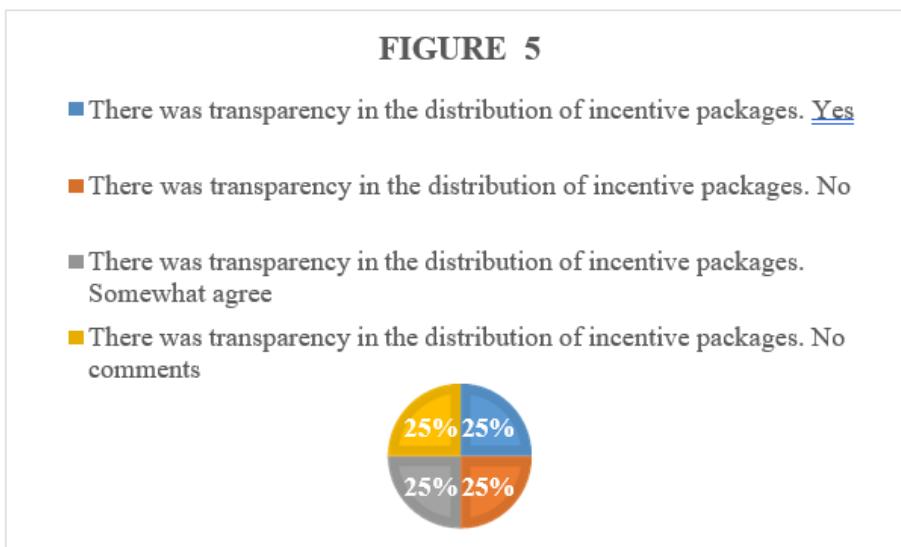


Figure 6: Small and medium enterprises are deprived of the incentive package.

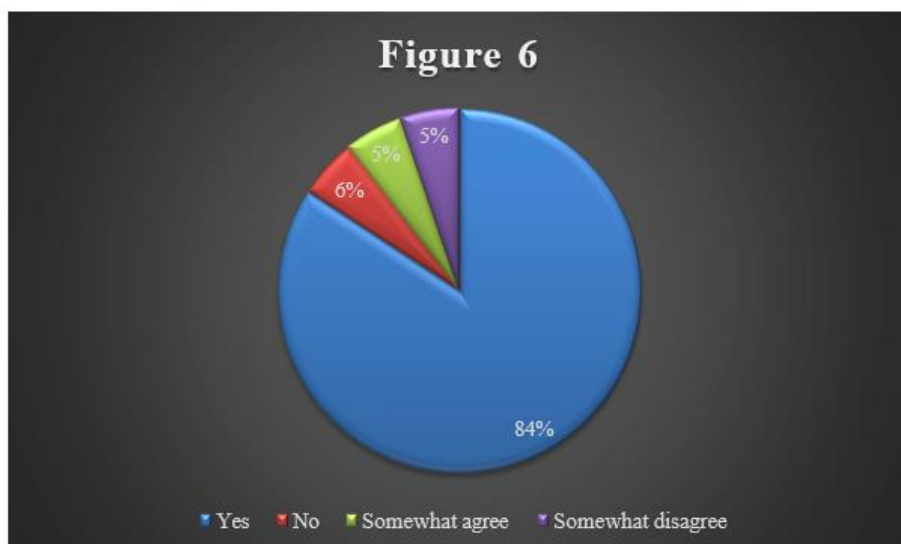




Figure 7: The post COVID-19 economy was successful because of this stimulus packages.

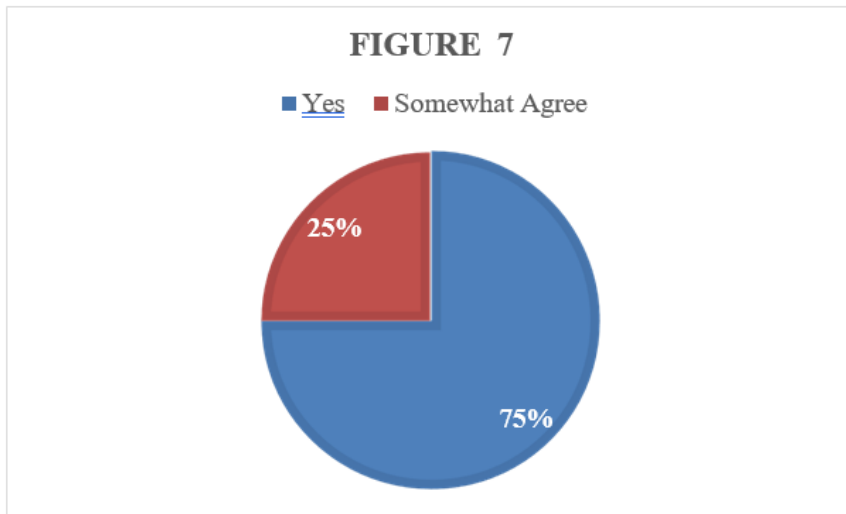
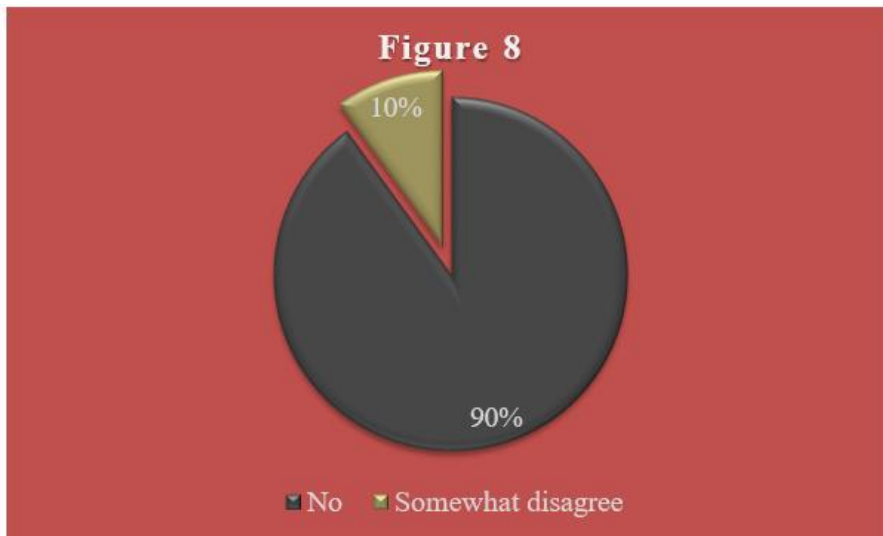


Figure 8: Impact of the incentive on education sector was high.



**Information from the Business Owners:**

Figure 9: Statistics of businessmen interested and unwilling to give interviews.

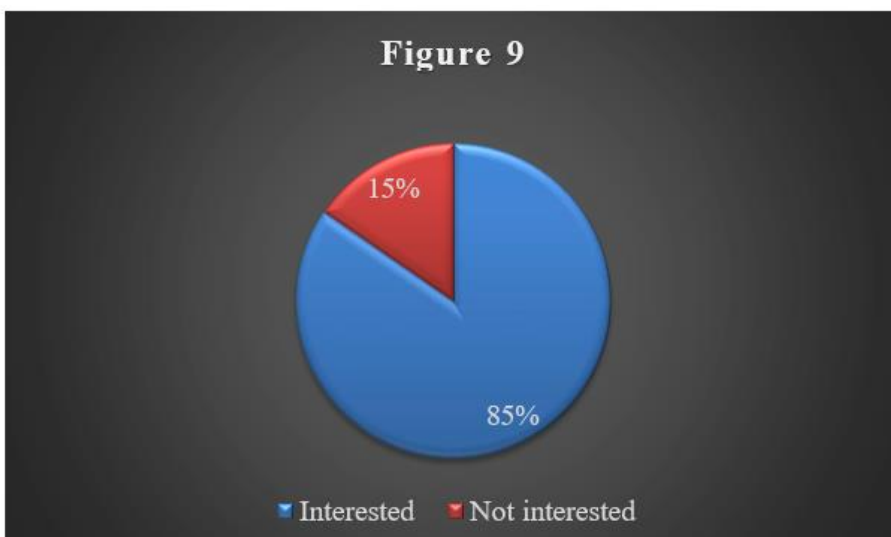


Figure 10: The incentives were helpful to boost their businesses.

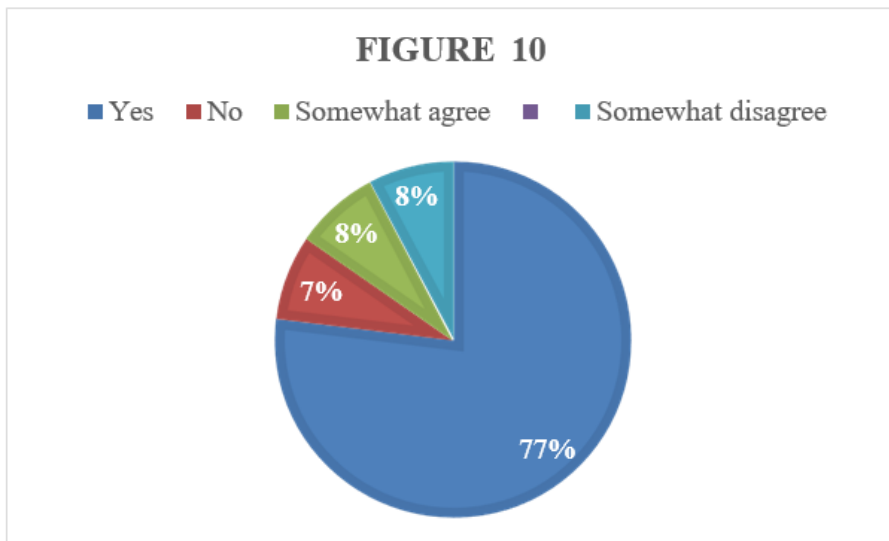


Figure 11: Workers leaving the work force-

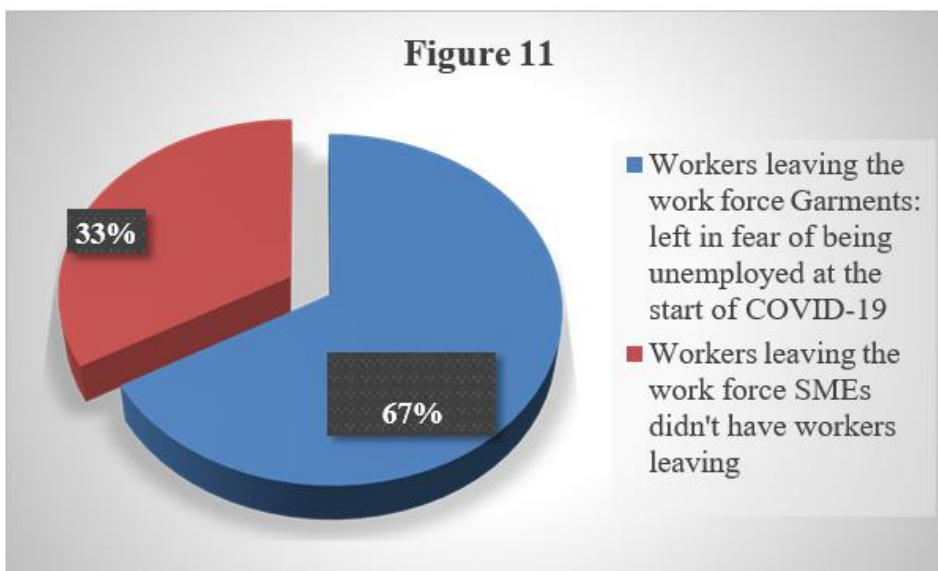
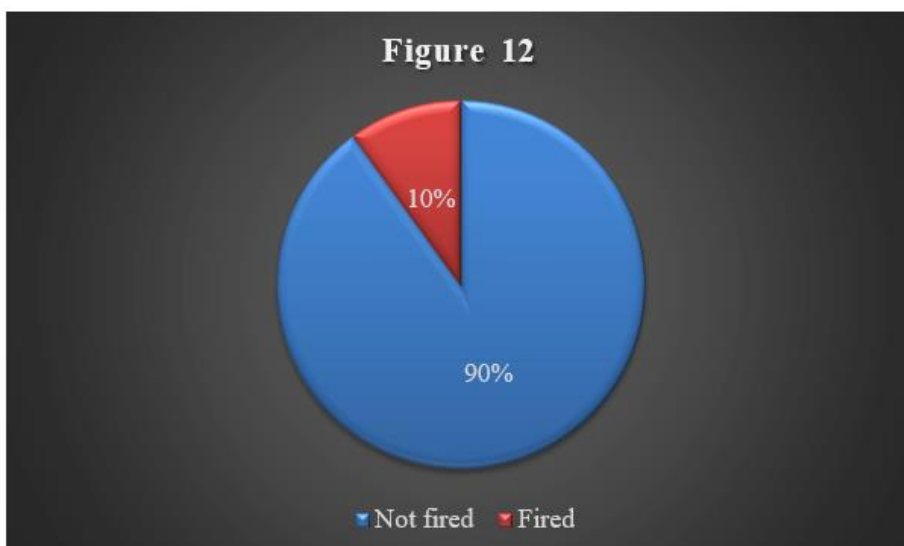
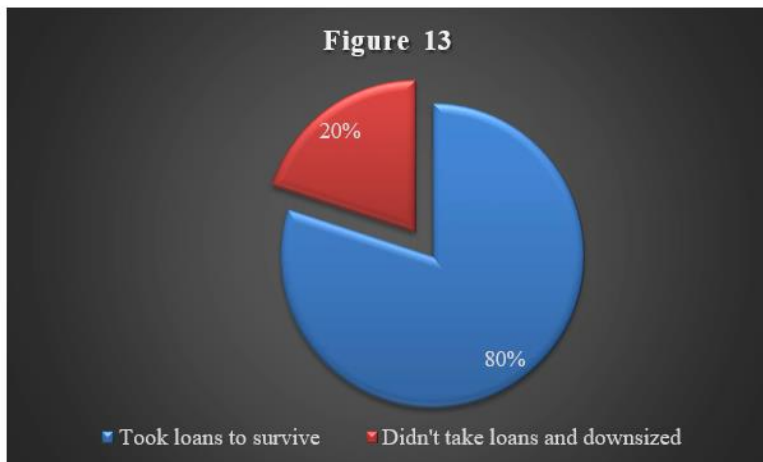


Figure 12: Workers fired from the work force-



The figure shows that 90% of business owners did not fire their employees, whereas 10% of business owners had to fire their employees to stabilize their businesses.

Figure 13: Downsizing Companies-



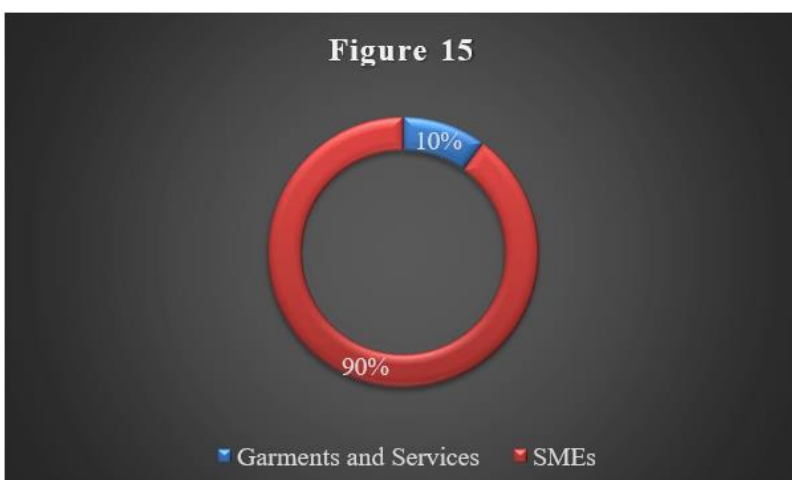
The figure shows that 80% of business owners took loans to survive, and 20% of business owners didn't take loans but downsized their companies to survive.

Figure 14: Wages and salary payment-



The figure shows that every interviewed business owner has given wages and salaries to their employees.

Figure 15: Remote working-



The figure shows that 90% of the SMEs had an opportunity to do remote work, whereas only 10% of the garment and service sectors had the opportunity to do remote work.

## EMPIRICAL ANALYSIS

### Economical Perspective

Two major doctrines of Economics are Keynesian, by John Maynard Keynes, and classical doctrine. The economists supporting the Keynesian doctrine believe that the government increases expenditure to generate employment, which in turn, leads to income generation. The government has to step in especially when the economy is in severe scarcity. On the other hand, classical economists harbor different views regarding the economic policies of the government. They are averse to the fiscal policy imposed by the government, which taxes the people of the country for sustainable growth.

Professor Abul Hussain, from the Department of Economics of the University of Chittagong, believes that fiscal policy is worth it. He posits that the government incentive came in two ways during COVID-19. Firstly, the government increased the spending of the public and circulated money in the hands of the public. The term for this process is the transfer of payments. Transfer of payments caused people to earn more, resulting in increased purchasing power. In addition, the demand for commodities also increased, leading back to more earnings. The government also motivated businesses by decreasing tax rates and providing subsidies by giving businesses financial incentives. The incentives either increased the production rate of businesses or kept their economic activities stable. So, the government incentive during the pandemic evidently improved the economy.

He also suggests an alternative approach that could have worked well. If the government extended the money supply, where the monetary policy would hold a reserve ratio lesser than it was to increase loan grants, the buying and selling of bonds would be promoted. A concern here is that the growth of the money supply could result in inflation in the market, leading to the possibility of market economic instability. Bangladesh's economy isn't as controlled and regulated as China's. Again, lessening the reserve ratio wouldn't have been fruitful as economic activities during the lockdown were restricted. So the government focused on keeping the reserve. As the unemployment rate skyrocketed in Bangladesh, a noteworthy policy is the expansionary fiscal policy. The philosophy of this policy is to keep the economy of the country stable. We must utilize the most effective procedures to keep the economy stable - Bangladesh tried the same method as many other countries in the world.

During COVID-19 lockdowns, government incentives were granted based on the ability of the government. Naturally, the government could not provide incentives to all the existing businesses in its economy. Regardless of the amount of the incentive, it was inadequate to keep the economy stable. However, to fight scarcity during such a pandemic, the incentives helped to an extent. The government incentive did not amount to much to cover the massive blow to the economy of COVID-19, but much damage was controlled, and the economy began to come back to normal.

During the pandemic, Bangladesh's economic progress was the most positive in Southeast Asia, while Pakistan's along with India's progress was negative. If the incentives weren't provided, then the unemployment rate would have increased. Along with the incentive during COVID-19, due to the government's management, the improved public policy alone took Bangladesh's progress on a positive note. At present though, government incentive is not effective as it was provided under difficult circumstances. Thus, the government incentive for businesses and its effects on the scarcity of monetary activities to save the economy is praise-worthy (Hossain, Abul. *Personal interview*. 25 July 2022).

### Sociological Perspective

According to Professor S M Monirul Hassan, Department of Sociology, University of Chittagong, the COVID-19 stimulus packages were a favorable decision taken by the government, but there were some flaws

in the distribution of these packages. From an ordinary individual's perception, those who were fired during the COVID-19 period, those who had small businesses, or those who could not go to work were affected. Big traders have benefited from the incentive. Merchants profited, and their garments and factories survived. Most of the factory workers got helped in that case, and they could continue their jobs. However, the impact of these incentives on the working class and the general public was minor. These classes didn't get direct benefits, but they had some indirect impacts.

The distribution was not equitable in terms of social justice or social distribution. For various reasons, the distribution was not up to the mark. For example, the government has not included structurally or technically everyone's data (NID, account numbers, current status, etc.). As a result, the government has not been able to distribute properly as America has been able to do. The government gave the money to the people's representatives, who did not distribute it properly. COVID-19 had an impact on small and medium-sized businesses. Their companies were closed, and they were the most vulnerable. However, the government does not have the resources to include all types of businesses in this incentive program. If this situation happened 20 years ago, it would have been worse. The situation was fairly good, and the government had provided free vaccinations for all. However, it would have been preferable to go through a proper distributive justice process. Regarding social anarchy, during the crisis, some people in society helped the helpless or the poor. This contribution to society should also be considered in the case of justice. So there was no reason to bail out. People have always stood by and helped other people. It also helped to overcome the damage of COVID-19. The people of Bangladesh were frugal during COVID-19. They left their luxurious lives and lived simple lives, and our position in the international market was good and remittances were very high in COVID-19. Expatriates send more remittances than usual to their families so that they do not suffer (Hassan, Monirul S M. *Personal interview*. 28 July 2022).

### **Administrative perspective**

According to Professor Amir Muhammad Nasrullah, Department of Public Administration, University of Chittagong, the financial incentive that the Bangladesh government has given to businessmen during COVID-19 is praise-worthy, because business is the main economical source in Bangladesh. Therefore, maximum business and industry workers had to be physically present in their workstations, especially in the garments sector. But during the pandemic, these industries were closed due to lockdown, and as a result, suffered huge losses. So, the steps that the government took were remarkable. But the distribution system of this incentive leaves an important question. There were many complaints against unequal and unfair distribution. There are three types of business sectors in our country, and other than the large ones, the small businesses were neglected as they didn't have enough information about incentives and proper links with the political and influential people. As a result, regular businesses like corner shops, restaurants, small retail businesses, etc. were permanently shut down.

We also noticed that the BGMEA sector got some special facilities during the pandemic, as this sector plays an important role in the economy of Bangladesh. For example, many garments had to remain open during the pandemic and work hours were rescheduled, along with loans being waived, etc. So, we can say that the government prioritized this sector but other business sectors like pharmacy, export-import business, and most importantly, the education sector were neglected. There is statistical proof that many private schools were closed during the pandemic, many teachers lost their jobs and other education-related employees were on the decline, being a huge burden on the government, and causing massive unemployment.

It's estimable that the government did not prioritize the welfare of the people. The government should have taken a good decision about this nonprofit sector because the sovereign must serve the people rather than make a profit. It also had socially negative impacts like increasing child marriage, mental health problems, and poverty. Caused by wrong prioritization, the incentive was not as successful as we thought. For a better result of this incentive, the government could take a better decision while distributing them by following their ID, business registration form, and from their local Union office or any other sources.

The government also should take proper steps to reduce corruption in their internal system, and should focus on the education sector, to bring long-term success in future development by reducing biases, affiliation, and nepotism. Notably, the government couldn't overcome this crisis alone during an unforeseen pandemic, but other private organizations like NGOs could come forward to help the government.

However, Bangladesh made better progress than most other countries in the world. During COVID-19, remittance played an important role in our economic progress. Our economy got better due to the Bangladeshis living abroad, contributing to the economy and lives of their family (Nasrullah, Muhammad Amir. *Personal interview*. 26 July 2022).

## **Businessperson Interviews**

### **Interview-1**

Engr. Omar Faruk Munna, owner of the internet service provider business, namely AmR NET (situated in Khulshi, Chattogram, Bangladesh), shares his views on the government incentive during the pandemic.

He affirms that all financial activities, along with the government incentives during the pandemic were processed through banks.

During the COVID-19 pandemic, large companies such as Square Pharmaceuticals Ltd. and Beximco received significant government incentives due to their ability to meet bank requirements with detailed corporate documentation. In contrast, SMEs, despite being the most affected, struggled to access these incentives. Engr. Omar Faruk Munna highlighted a government measure offering low-interest loans. Through IPDC, he secured a 50-lac loan at a 9% interest rate, paying only 4% over 12 months, with the remaining 5% subsidized by the government to support his small ISP business.

Engr. Omar Faruk Munna says that though the incentive was sufficient to bring his business on stabler grounds, the repayment period of mere 12 months was inadequate. This means that the capital repayment for his business that he built in 2 years had a 12-month period. Such a short notice for loan repayment could not really help the business grow effectively. If the loan repayment period was longer, the objective of the incentive would be accomplished. There were also mandates that if the loan wasn't repaid in the given time period, he'd have to repay the full 9% of the interest, along with the principal amount, and he wouldn't have the incentive. When the lockdown began, SMEs had to minimize costs, many even downsized their businesses, which resulted in laying off employees. Engr. Omar Faruk Munna says that instead of laying them off, he switched to remote work, despite having to pay the full salary of his employees. He couldn't afford to lay off his employees because of the nature of his business. Bringing into consideration that there were also employees that were COVID- infected during the pandemic, as an employer, he brought them under health facility.

In addition, as a service-oriented business, AmR Net provided internet connections to police lines, where isolation centers for police officers were set up. COVID-infected police officers were kept in these isolation centers, where the government provided internet service. Naturally, there were issues with the broadband lines that required servicing from AmR Net. This obligated their employees to enter COVID-19-infected zones, resulting in many of them falling ill with COVID-19.

He further mentions that from the first wave of COVID-19, he had been handling all the expenditure of his business, even during the second wave. He received the loan grant 2 years after the pandemic, which was in January of 2022. The business faced financial crisis because of the stagnancy of 2 years. Due to the government incentive, he could recover the required assets and made his business somewhat stable. He posits that he's hopeful about making his business flourish in the next few years (the reason behind his continuing this business), and the incentive was a crucial stepping stone.

He agrees that the government incentive noticeably helped his business continue and heal from the losses incurred in the pandemic period quicker, which would have otherwise taken about 4 years. The issues he brings up are about the government planning and distribution of the incentive. Despite the well-managed financial sector, where distribution of the incentive took place through banks, the allotment wasn't on fair grounds. The large corporations (that were on the top of banks' list for the grant) received about 80% of the allotted incentives, leaving very little for the SMEs. Engr. Omar Faruk Munna expresses disappointment at the government's monitoring for the planning and distribution, because a lot of SMEs didn't get incentivized at all.

Paying more attention to the profiting large corporations from banks and their transactions, the government could have strongly monitored the distribution activities, instead of prioritizing the corporations that were already profiting, they could have allotted at least 50% to the SMEs. These were mostly ineffective incentives for small businesses due to the distribution system. Consequently, many small businesses were shut down, a conspicuous dent in the economy. This is because the large corporations are reliant on small businesses, and without the flourishing of small businesses, large corporations are at a disadvantage. SMEs hold a large portion of the economy, and the products of SMEs are required by the large corporations for fluidity business activities.

Moreover, many SMEs, like AmR Net, received incentives received 2 years later than the large corporations. According to Engr. Omar Faruk Munna, connections also played some role in getting the information on incentives and he applied many times for the incentive. However, the bright side is that he didn't have to pay any bank money to receive the incentive.

In conclusion, he claims that the planning and portion allotment would have improving the incentive distribution immensely. But the government incentive did keep the economy from collapsing.

## **Interview-2**

Shah Amran, owner of garments business, tells us that the workflow was going well for his business until COVID-19 hit. His factory was closed for 2 – 3 months, where his workers met their daily needs only. Because of the strict lockdown, the workers could not come to the factory, and the shipment was off, as a result of which he didn't get any payment – making him unable to pay his workers' salary.

According to Shah Amran, government's financial incentive was beneficial in light of retaining the existing employees of his factory, as he paid his workers from the incentive received, because shipments were on hold. Admittedly, the businessmen and the workers reaped the benefits from the incentive; he mentions receiving 6 crores in the bank, of which he paid 65% to the workers as their salary/ wage through Nagad on their mobile phones. This increased worker satisfaction and assured them of certainty as well. After a certain period of time, he had to open the factory to continue business and the workers were enthusiastic about starting work again. Then production began and shipments were running as usual, the business was going on as well.

The nature of the incentive was having 5% off of 9% interest rate, so he only had to pay 4% in a period of 1 year/ 12 months. Many businesses applied for the repayment period to be extended 6 months, making the total period 1 year and a half. He paid 43 lacs every month to repay the loan.

He explains that the government had its reason for such a short repayment period, but of course, longer repayment periods would be better for the businesses, as they would have to pay lesser amount of interest every month, which meant businesses could have liquidity. It was very straining for some businesses, but manageable for others. He further tells us that he didn't really understand the benefits and disadvantages of the incentives until he realized that businesses wouldn't be able to run without the incentive. Then he immediately decided to apply for the incentive. He had to submit documents of his business, his work hours, salary lists for 3 months for employees, etc.

In addition to this, he claims that after the lockdown began, about 2000 out of 7000 workers quit the factory on their own, leaving him with no opportunity to fire anyone. Despite that, there were a lot of orders and they even needed extra workers to meet the required amount of production. Amran agreed that the incentive helped his garments business from incurring massive loss, and helped in employee retainment. This was one of the reasons they could continue working during the pandemic.

He adds that his business transactions are conducted entirely through the bank, so applying for the loan during the pandemic required nothing but the documents about his business. When asked about the distribution of the incentives, Amran said that he only overlooked the accounts of his business, but all the payments to his factory's workers and others expenses from the loan were paid by and under the bank. He also mentioned that the workers could have been incentivized by the government, but they only benefitted from the business. He expressed satisfaction regarding the incentive as large factories necessarily required the loan to stay afloat in the slow economy, adding that he was not sure about other businesses because all businesses have different patterns. In conclusion, he deems the incentive commendable on government's part.

### **Interview-3**

Mr. Zahirul Hoque, Owner of Jamuna Elastic and Accessories Ltd, a garments accessories company, tells us about the state of his business during and after COVID-19. He tells us that he had applied for the government incentive, but did not receive it. He claims that people with connections to the government got the favor of the incentive, and many businesses like his own suffered losses because they were not granted the incentive. He expresses dissatisfaction at the distribution system and planning of the incentive.

His business is related to foreign trade, meaning he imports and exports materials, the reason for his business coming to a halt in the pandemic.

He imports raw materials for his business from China and Thailand, and he had ordered raw materials from China which were canceled. As a alternative, he had to buy raw materials for his factory from local garments at an expensive cost. As a result, his factory was closed down for 3-4 months. However, he still had to pay the fixed costs (wages, maintenance, etc.) to keep the factory from collapsing.

Furthermore, he talks about having 1% -2% rate of interest from import loan exempted temporarily for running adjustments - as he is connected to the business. He expresses that it was the government's way of adjusting the distribution in lieu of the incentive.

He couldn't afford to lay off any workers because of the disastrous situation during the pandemic, the lack of resources was stark. His factory had pending deliverables, for which he got a pass for workers coming to the factory on foot during strict lockdown, to complete the pending orders. Once completed and delivered, he got help and received payment immediately so he could pay the wages of the workers.

About the financial stability of his business, he refers to the expensive raw materials from the local market when foreign trade was off. His factory is on his way to being stable, despite having a huge debt of 5.5 crores, while handling other loan accounts. Currently, he states that businesses like him is suffering because of the exchange rate, which differ from local banks to Bangladesh bank, where we're bound to buy dollars at the international rate (108 USD), but we're only getting at the local bank's worth which is BDT 92 per USD. In this unstable and unreliable economy, we're suffering even more than the lockdown because of uncertainty.

Generic overview of the incentive package is that the planning and distribution was unethical. The performance of the companies that received the incentive packages is disappointing, in addition to which, there are also many cases in the bank against the recipients of the incentive package, as they did not pay back the loan within the repayment period.



## Utilitarianism and COVID-19 Incentives

The theory of utility for determining proper behaviors was first articulated by Jeremy Bentham, the father of contemporary utilitarian ethics, in *An Introduction to the Principles of Morals and Law*. Whether a certain course of action would maximize a positive result, that is, whether it would cause the greatest number of people the least amount of suffering and the greatest amount of joy determines whether it is good or wrong. Bentham quantifies the amount of pain and pleasure created from actions in a moral utilitarian calculus that examines the rightness or wrongness of the selected actions in terms of seven factors: intensity, duration, certainty, propinquity or remoteness, fecundity, purity, and extent.

Utilitarian ethics is a subset of consequentialist ethical views. Although there are several kinds of utilitarian ethical principles, the main notion of these principles is based on Bentham's theory: maximize utility and emphasize public pleasure. Bentham felt that the greatest happiness of the majority of people should be used to determine the rightness or wrongness of activities. For example, the most proper option is to sacrifice a few people in order to promote public satisfaction, even if we kill them in a harsh or violent way. Not only has utilitarian ethics been applied to social welfare economics, but also to the recent financial crisis. Bentham's quantitative utilitarianism, on the other hand, has been questioned. People have begun to challenge the idea of hedonic calculus since "maximum happiness" and "minimum pain" might be subjective, making calculating the greatest happiness for the largest number problematic (Tseng P-E, Wang Y-H, 2021).

Utilitarianism is now frequently used as a pejorative term, implying something like "using a person as a means to an end," or worse, implying some kind of ethical dystopia. However, utilitarianism was originally meant as a progressive liberating paradigm in which everyone's well-being was equally valued. In the nineteenth century, when significant portions of the people were utterly disenfranchised and faced institutional discrimination, this was a potent and radical political theory. The notion was influential in the antislavery, women's liberation, and animal rights movements. Nonetheless, utilitarianism is still relevant in the 21st century (Savulescu, Julian et al., 2020).

How does utilitarianism relate to incentives during COVID? Utilitarianism is divided into two broad schools. The correct act, according to act utilitarianism, is the one that achieves the best results. The correct rule, according to rule utilitarianism, is the one that provides the best results. The law is frequently an expression of rule utilitarianism: laws are chosen because they produce the best results (Savulescu, Julian et al., 2020). Our research shows that the significant portion of the stimuli received by the government is about BDT 121,353 crore, which is received by big businessmen (e.g., garment owners, and owners of various service sectors). About 21.32 percent of the country's working class are industry workers, and 40.38 percent are involved in the service sector (Statista 2022). The government has mainly given the bulk of the incentives to the garment and other industrial sectors to keep the export sector alive. This incentive has helped to keep the country's economy moving as most workers have been able to keep their jobs. Most of these incentives favored and supported the policy of utilitarianism. The government maintained act utilitarianism, demonstrating that action was taken to provide incentives to business owners who would be able to stabilize the country's export economy. Though the incentive was not entirely available to all SMEs and micro-businesses, it is mentionable that economic policy decisions continue to be made with some form of utilitarianism as their moral foundation. Likewise, the government considered the greater good the incentives would bring to maximum public; despite the SMEs struggling to survive, the government considered the manpower working in the large corporations which were most definitely more in number than SMEs. The granted incentive affected a huge number of people through large corporations as the workers got paid (Bangladesh, 2020). Moreover, in utilitarianism, the flaw lies in the system as opposed to the greater good and maximum happiness. The system pertains to the shutting down of many SMEs that also significantly contribute to the economy of the country by supplying much-needed aid to large corporations. We see this flaw in the incentive-distribution system of the government.

## COVID-19 Stimulus Package and John Rawls' Distribution Principle

Taking proper steps at the time of crisis is the responsibility of a country. At the time of COVID-19, Bangladesh also faced an economic crisis, especially in the business sector. That time our government gave some stimulus package to the businessman that we are going to analyze through philosophy's distributional point of view. Source of this utilitarian principle is Rousseau and Locke's social agreement that John Rawls discusses as a distributional justice in his theory of justice book. Distributive justice means distributing something in a right way, where we discuss social opportunities and wealth, and how to distribute them? Furthermore, who are going to be the distributors? According to Rawls, we have to think each person is equal in a society because every person has his own substantive worth and also he has equal rights everywhere of a country. John Rawls talked about two main principles (Rawls, 1999) in his principle of justice.

1. Principle of equal liberty
2. The principle of wealth

According to the principle of liberty, each person is to have an equal right to the most extensive total system of equal basic liberties compatible with a similar system of liberty for all.

According to the second principle, social and economic inequalities are to be arranged so that they are both to the greatest benefit of the least advantage consistent with the just saving principle and attached to offices and position open to all under condition of fair equality of opportunity.

Rawls talked about maximin principle and social theory in his books on building of justice. Besides, he prioritizes the utilitarianism of the poor underprivileged people and reduces the gap between poor and rich. To bring justice in some uncertain matter it's very difficult to choose from so many alternatives while every alternative is bad. We have to sort out categorically every possible result from these alternatives and we have to value the less bad options to the bad options. In brief, the main target is to bring into the equal level playing through inequality. In detail, helping the poor with large quantity of wealth and the rich with less. That's how he wanted to change unequal distribution into equality in a society (Khalek, 2010).

### Justice and Stimulus Package of COVID-19

Bangladesh government gave a stimulus package to the businessmen where the businessmen can take loans from the bank without any interest, and this situation is connected or related to the principle of liberty and principle of wealth. His second

According to this package principle, the principle is related to the distribution of packages to the businessman. The loan can be taken as much as wanted by the businessmen, but it was observed that the situation did not match with the principal businessman from each category like SME owners. We learned it wasn't impossible to bring under the package the medium and small businessman as they did not get the profit as much as large businessmen. But if we analyze in an indirect way, we will see that small enterprises get benefits for those large one. Finally, we may consider that the distribution of the stimulus package was not in direct alignment with the rules of principles, yet it was followed to a certain extent.

Despite the inherent inequities, some indirect benefits did accrue to small enterprises from the larger economic stabilization of major industries. SMEs that operate as suppliers or service providers to larger firms experienced a trickle-down effect, benefiting from the overall economic resilience fostered by large-scale business stabilization. However, such indirect benefits do not align with the foundational Rawlsian principle that policies should directly address the needs of the most vulnerable members of society. The reliance on indirect support mechanisms exemplifies a failure to fully realize equitable distributive justice and exposes the limitations of top-down economic interventions.

To better align future stimulus measures with distributive justice principles, policymakers must prioritize inclusivity, transparency, and support for the most vulnerable sectors. This could involve streamlining access to financial assistance, reducing bureaucratic hurdles for SMEs, and incorporating data-driven approaches to target the needs of smaller enterprises effectively (ADB). Furthermore, as highlighted by Rawls, fostering fair equality of opportunity is essential; therefore, government interventions should be structured to provide equitable support across business sizes and types.

In conclusion, while the Bangladesh government's stimulus package during the COVID-19 pandemic sought to stabilize the economy, its unequal distribution and impact highlight significant challenges in achieving distributive justice. By favoring large enterprises and relying on indirect benefits for smaller ones, the policies only partially fulfilled the principles of liberty and wealth distribution as envisioned by Rawls. A more balanced approach is needed to ensure that future interventions equitably uplift all economic participants, particularly those most vulnerable to systemic shocks.

### **A Perspective from Humanity**

For Kant the basis for a Theory of the 'good' lies in the intention or the will. Morally commendable activities are those performed out of a sense of responsibility rather than for the expected consequences, particularly the consequences to oneself. The only 'positive' element about the deed is the will, the 'good will.' That will is to do our duty. What is our responsibility? It is our responsibility to act in such a way that we would like everyone else to act similarly in similar circumstances towards everyone else (Categorical Imperative).

The moral philosophy of Immanuel Kant rests on something that he calls the categorical imperative; it is utterly central to his theory of ethics. The categorical imperative is an unconditional and universal command that expresses moral requirements at all times for all rational beings. For Kant, if one's actions are to be moral at all, they have to be done from duty and with respect for principles that are universally applicable. The categorical imperative presents the ideal that one acts according to maxims that one would will to be adopted by all rational beings as a universal law of conduct. Kant articulates this imperative through four key formulations, each of which develops the moral implications of universalizability and respect for persons.

The first formulation is known as the Formula of the Law of Nature: "Act as if the maxim of your action were to become, through your will, a universal law of nature." This formulation highlights the significance of coherence within moral reasoning. It addresses whether the maxim of one's action can be willed as a universal law without contradiction. If the answer is negative-if the doing of that act were to be logically inconsistent, or undermine the very possibility of such a universal law-then it is morally impermissible. Take again the act of making a false promise. If lying were universalized, trust would break down and the concept of making a promise no longer make any sense. Thus, for Kant, this amounts to the fact that acting truthfully is a moral necessity that follows from a principle which itself must hold universally.

The Formula of the End Itself or Humanity is another stated form of the categorical imperative: "Act in such a way that you always treat humanity, whether in your own person or in the person of any other, never simply as a means, but always at the same time as an end." This principle places the absolute and intrinsic dignity and worth of every individual in view. The principle therefore asserts that one shall never simply be used as a means toward an end with the intention of achieving ends for the benefit of others but at the same time shall always be treated as an end unto oneself. This argument right here combats every action that exploits or dehumanizes individuals for personal or collective gain. For instance, taking advantage of others or lying to them for personal gain would go against this imperative since it would use them only as means toward an end.

Kant's third formulation is the Formula of the Kingdom of Ends, which states, "act as if you were, through your maxims, a law-making member of a kingdom of ends." In this formula, Kant conceives a moral community in which everyone acts solely according to universal laws that respect the autonomy and dignity of all its members. Everyone in that imagined kingdom would have to act as if they actually were legislating

these moral laws into universality. So-called formula combines the former two principles and does nothing but supports the necessity of universalizability, respect of human dignity. It represents Kant's view that morality is not a matter of isolated concern but rather one that is "grounded" socially through mutual respect and obligation.

Taken together, these formulations of the categorical imperative can be said to provide a comprehensive framework for making decisions in matters of ethics. They call forth that moral acts shall have their basis on universal principles that show respect for the dignity of each and every one of us, advancing a vision of humanity bound by one common moral law. The view of Kant challenges us to reflect upon whether our actions can be universalized, respect others as ends in themselves, and contribute to community governed by moral law. In doing so, he sets forth one of the most powerful visions of ethical conduct that influences and compels many within contemporary moral thought. It is the categorical imperative-one that insists on coherence, respect, and moral obligation-that is the profound guide through the labyrinth of ethical life (Categorical Imperative).

Kant's second formulation of the categorical imperative is often called the "principle of humanity." It holds that we must "act in such a way that you always treat humanity, whether in your own person or in the person of any other, never simply as a means but always at the same time as an end." Contrary to the often-voiced view "the end justifies the means," which implies that we may reach a goal by whatever means are necessary, the philosophy of Kant insists upon respect for the intrinsic value of every human being. He insists that one act accordingly to acknowledge others as individuals with dignity and an end unto themselves rather than just some means to one's personal goals.

Indeed, it is basically treating people as an end unto themselves by acknowledging the humanity of each person in general and letting that form part of the end to which we act accordingly. Conversely, to be treated as a means only is to be simply an instrument to satisfy one's own ambitions. Due to the COVID-19 pandemic, just to save money, many SMEs did not even waste any time in laying off their workers, thus violating the Kant concept of treating them as no more than an available resource. Omar Faruk, owner of AMR Net, is a very good example of ethical leadership-as during the coronavirus pandemic, he has not laid off his employees but instead allowed them to work from home and gave full salaries and health support. His actions were evidence of Kant's principle in treating employees as ends with their well-being valued alongside goals of business.

Kant's ethics challenge us not to look at others as means to our needs but to embed respect for their humanness in the motivations and actions we have. Let me give an example: Shah Amran Sir, after the pandemic, upon reinstating production, hired the workers back despite a mass exodus among them. That is respect for workers and inclusiveness of the workforce in fulfilling his goals. For another case, let me refer to Mr. Zahirul Hoque of Jamuna Elastics, who, despite not getting any government incentives, decided on retaining the workers and sustaining them out of his own means to keep their human dignity intact during the latter's bad times.

Kantian ethics contend that humanity is essentially defined by self-government, rationality, and pursuit of one's own and the general good. By treating other human beings as ends, we are showing respect for their ambitions, needs, and autonomy. The owners of these businesses embraced these moral imperatives by considering their workers part of their vision and instead of means to their business. Kant does not disapprove of our using others for our and their good but insists that in so doing, we pay regard to their humanity and dignity in our treatment.

For example, Mr. Omar Faruk Munna, during the pandemic in a service-oriented business, witnessed the surge in demand for broadband without exploiting his employees. Another example was when Mr. Shah Amran treated his employees fairly by continuing to pay them their wages and similarly Mr. Hoque's support for his workers remained unaffected despite no encouragement on incentives. These also point toward the pragmatic usage of Kantian ethics in maintaining respect and humanity in view of business objectives.

In other words, Kant emphasized that one is not allowed to use other individuals merely as means in pursuit of an end but individuals have to be treated with respect and be an end of the pursuit themselves. This ethical principle underlines the moral responsibility of leaders and all people to respect other individuals' dignity in any action.

### **Comparative Analysis of Utilitarian and Kantian Views on COVID-19 Incentives: Compatibility and Conflict**

The COVID-19 pandemic imposed unprecedented ethical dilemmas that compelled governments and businesses the world over to enforce unpopular measures. Accordingly, with governments taking up economic stimulus packages, renewed interest was again gained in two dominant ethical philosophies, namely utilitarianism and Kantian deontology. Utilitarianism, espoused by Jeremy Bentham, emphasizes actions that result in the greatest number of people reaping the most significant good, as measured typically by a "hedonic calculus" of pleasure and pain. By contrast, Immanuel Kant's ethics take a more intrinsic view in relation to the dignity of individuals, led by categorical imperatives which demand respect from one for others as ends rather than means. Though each of these theories provides an invaluable set of ethics, they are not very compatible due to their divergence on notions concerning moral duty, the welfare of all, versus that of the individual. It shows, using the essay, how utilitarian ethics and Kantian ethics could be dovetailed for COVID-19 economic incentives in areas of convergence, divergence, and practical implications.

The COVID-19 pandemic necessitated large-scale intervention in economic activities by governments almost everywhere in the world. Utilitarianism, formulated by Jeremy Bentham, dictates that an action is morally justified if it maximizes overall welfare. In light of this, Bangladesh came up with economic stimulus packages targeting large businesses-like garments and service sectors-so as to retain jobs and maintain economic stability for the greatest number of people (Sarker et al., 2022). This policy approach brought macroeconomic stability, saving many individuals from job losses, but it pointed out a fundamental weakness in utilitarian ethics. This theory can easily be used to oppress the most vulnerable minority groups when decisions are made for the benefit of the greatest number. SMEs surely felt this acutely, for example, since many of them struggled to gain adequate access to finance. The utilitarian calculus itself relies on flawed subjective measures of "maximum happiness". It was fundamentally flawed because it could justify sacrifices deemed necessary for collective gain. This has presented ethical dilemmas regarding considerations for the equal treatment of all societal members. Contrastingly, Immanuel Kant's deontological ethics emphasize the intrinsic worth of each individual, guided by the categorical imperative, which dictates that people must be treated as ends in themselves, never as means to an end (Kant, 1785). Operating on this very ethical principle, during the pandemic, when the economic effects of the latter might have otherwise led them to lay off or furlough employees, some business owners kept them on and supported them, thereby acting in a Kantian sense: they had been upholding respect for the dignity and autonomy of every human being, whatever general economic circumstances may have been. Kantian ethics therefore represent an important counterpart to utilitarianism, focusing on moral duties and respect for the autonomy of persons rather than on overall welfare. From this viewpoint, utilitarian policies of economic stabilization through substantial support of large industry would be criticized, since after all, Kantian deontology calls for equal respect for all people, including neglected SMEs and laborers. The treating of human beings with dignity, even if economic costs should follow, forms one great ethical imperative and stresses a sharp difference in intuition between utilitarian and Kantian position.

The divergence between utilitarianism and Kantian ethics stems from their contrasting foundations. While utilitarianism focuses on maximizing collective welfare, it risks sacrificing individual rights for perceived greater good (Bentham, 1789). On the other hand, Kantian deontology stresses that moral duty and respect for personal dignity should take precedence, thus objecting to any practice where persons are merely treated as a means to greater ends. These are conflicts well-illustrated by some of the ethical problems with COVID-19 incentives, which might well overlook vulnerable populations under utilitarian reasoning but which, for Kantian ethics, would require the same care as anyone else.

There are, however, areas of possible compatibility. Ultimately, both frameworks aim to contribute to human welfare but seek to reach that goal via different routes. Policymakers can thus strike a balance by developing stimulus packages that equitably support large corporations and SMEs, hence meeting utilitarian goals of benefit to the many while paying respect to Kantian imperatives of individual dignity. This inclusive approach aligns with distributive justice principles, promoting fair distribution of resources and opportunities for all members of society. To reconcile utilitarian and Kantian ethics in policy-making, governments must adopt inclusive, transparent, and data-driven approaches to economic interventions. Ensuring equitable access to resources for all business sizes and prioritizing the needs of vulnerable groups can enhance the ethical legitimacy of public policy. This strategy balances utilitarian objectives of maximizing public welfare with Kantian commitments to individual dignity and rights.

Utilitarianism and Kantian ethics provide complementary lenses through which ethical decision-making about COVID-19 could be grasped. While utilitarian policies aim at the common good, they sometimes belittle the rights of the most vulnerable groups in society. Kantian deontology, on the other hand, hews to respect for every human individual's autonomy and dignity. Combining the best elements from both approaches will enhance policymakers' sensitivities toward ethical challenges and build a society that takes into consideration both public welfare and individualistic rights.

### **Policies, Macroeconomic Factors, Digitization, and Sectoral Focus**

The government's stimulus measures have been conditioned in the macroeconomic context by the sensitive balancing act between stabilizing the economy and addressing structural inequalities. Large industries and service sectors, like export-oriented RMGs, benefited most from the liquidity support packages. Although the macro strategies were to sustain the critical sectors through budgetary measures, taking into consideration systemic collapse, they inadvertently brought about marginalization of the SMEs due to their limited accessibility and bureaucratic hurdles. As supported by macroeconomic theorists such as Keynes, fiscal intervention by the government during periods of crisis was, in fact, necessary to trigger demand within an economy. Yet practical evidence of policies seemed to have perpetuated the same inequalities and hence required more inclusive frameworks.

Of these, digitization became one of the key factors that ensured continuity for the economy during the pandemic. Most industries that were dependent on online means, such as internet providers and e-commerce websites, were resistant to disruption. For SMEs also, digital transformation enhanced their flexibility, even though this was obstructed by certain shortcomings in terms of the remote infrastructure setup and a lack of capital. Simultaneously, the government did not ensure that digitization incentives reached all spheres comprehensively, thereby benefiting and bypassing some in the process. For instance, Internet providers alone faced very high operational costs while remaining indispensable in facilitating digital services for isolation centers and working from home during the lockdowns. Policies should now concentrate on building a strong digital infrastructure so that equal opportunities are extended towards long-term resilience.

Sectoral analysis, therefore, presents a sobering tale of contrasts in the relative impact and effectiveness of incentives so far provided by the government. The ready-made garment sector is among the key drivers of Bangladesh's GDP and benefited from liquidity support to maintain jobs and stabilize exports, respectively. However, this faces much concentration on larger entities, with most small ones remaining quite vulnerable. This, therefore, would suggest that the challenges at the sectoral level require disaggregated policy approaches across agriculture, industry, and services. This exclusion of most SMEs and microenterprises from substantive relief reflected a policy deficiency that failed to capture heterogeneity in economic needs. While SMEs were most badly hurt because of limited resources and market access, their role within the economic ecosystem was simply overlooked. Small businesses and informal sectors are those that provide supplies to the larger corporations; yet, they were not covered well enough. The resulting recovery curve takes the form of a "K-shaped" graph illustrating how response policies, if conducted unevenly, can allow for the deepening of disparities that may have already been evident. More balanced incentive distribution systems would have equalized these chasms, as described by Rawls in his principles of distributive justice.

While the effort by the government was commendable, its efforts exposed critical limitations in policy design and implementation. Focus on large corporations to the exclusion of SMEs speaks volumes—a division rooted in systemic bias and unequal access. While many avenues will be pursued in the direction of more inclusive frameworks that recognize the interdependence of various economic sectors, future policy will need to apply macroeconomic strategies with the inclusion of digital equity and sectoral diversity to absorb the economic shock. Strong digitization across all sectors could be a catalyst in productivity and resilience, especially for SMEs. Macroeconomic experts and policymakers must take stock of lessons learned during this crisis. The digital transformation must be scaled and integrated into broader economic policies to create adaptive and resilient economies (McKinsey). Additionally, improving data transparency and reducing bureaucratic inefficiencies in policy implementation would ensure more effective responses during future crises (Podsakoff et al., 2003). A more equitable focus on disaggregated sectoral needs, supported by targeted incentives and fair distribution mechanisms, can foster holistic recovery, and there is also a need for a paradigm shift or recurrence in societal values where we can understand the importance of moral introspection and group endeavor to create a more equitable and compassionate world (Mahfuz, 2024).

The COVID-19 stimulus policy in Bangladesh has had a complex interplay between macroeconomic strategies, digitization initiatives, and sectoral impacts. While these policies were instrumental in stabilizing large industries, the limited inclusiveness and narrow scope of digitization exposed certain major lacunas in them. For the future, economic policies can indeed do better in trying to overcome the systemic gaps leading toward resilient and inclusive growth by adopting more holistic, equitable, and sector-sensitive approaches.

## LIMITATIONS

1. The exact number of businesses that closed due to inadequate incentives, despite potential for growth, remains unknown.
2. The impact of private educational institution closures on the younger population's formative years was not fully explored.
3. The rate of digitization among businesses and startups initiated during the COVID-19 lockdown was not considered.
4. The study did not differentiate between private firms and government entities in terms of incentive distribution.

## CONCLUSION

The philosophical reflections of COVID-19 stimulus policies in Bangladesh evoke severe ethical and distributive concerns, which are filled with tensions between utilitarian approaches, Kantian ethics, and Rawlsian principles of justice. Preoccupation with macroeconomic stability made the government seemingly lean toward act utilitarianism whereby its policies were to maximize economic benefit among the largest number, more specifically through preserving large-scale industries and their employment (Savulescu et al., 625). The reason for this lies in ensuring the continuance of major economic drivers of the country, such as the garment industry, which employs millions and contributes quite a bit to the GDP. However, such a utilitarian approach does have an intrinsic risk in sacrificing smaller enterprises and marginalized groups - a critique that brings out the probable ethical defects in the policies of exclusive utility maximization. Our research adopts the lens of experimental philosophy, a relatively new branch within the field of philosophy. Unlike classical philosophy, which relies heavily on conceptual analysis and in-depth logical reasoning to dissect topics—often termed "Armchair Philosophy"—experimental philosophy shifts the focus. This approach emphasizes practical, real-world perspectives by incorporating the views and intuitions of non-philosophers, or everyday people, rather than exclusively engaging in abstract conceptual analysis. By prioritizing ordinary people's experiences and intuitions, experimental philosophy bridges philosophical inquiry with practical, tangible insights, making it a more grounded and applied method of philosophical exploration (Ahmed, 2021).

In this paper, we consider the philosophical perspective of government incentives to study its impacts on the economy of Bangladesh. Our findings incorporate business owners who managed to keep their firms and operations afloat amidst the severe challenges presented by COVID-19 lockdowns. We present both qualitative and quantitative data that analyze how the incentives were distributed and the methods business owners used to sustain their activities. Our findings indicated that most of the incentives were monetary in nature, and through banks, they allowed for fair returns to the workers. We found that the incentive had both positive and negative implications; most of the incentives neglected the educational sector and micro-businesses. The philosophical incentives, viewed through the lenses of Kantian ethics, utilitarian principles, morality, and relevant political theory, critique their effectiveness in serving their purpose—that is, use in aiding economic recovery.

## ACKNOWLEDGEMENTS

We are always indebted to the helpful guidance and valuable contribution provided by Professor Dr. Masum Ahmed of the Department of Philosophy, University of Chittagong, while developing this research. His expertise, valid comments, and words of encouragement had a great role in our valued understanding of the subject. We cannot thank him enough from the core of our hearts for his cooperation and generous sharing of time and knowledge throughout this process.

## REFERENCES

1. ADB. (2021, 22 December). ADB Helps Bangladesh on Road to Recovery from COVID-19 <https://www.adb.org/results/adb-helps-bangladesh-road-recovery-covid-19>
2. Ahmed, Masum. Corona Mohamari : Noitik Ubhoy Sonkot O Porikkhamulak Darshan. Kharimati, 2021. p. 147.
3. Bangladesh. (2020, April 13). KPMG. Retrieved September 17, 2022, from <https://home.kpmg/xx>
4. Begum, M., M. S. Farid, S. Barua and M. J. Alam (2020), “COVID-19 and Bangladesh: Socio-Economic Analysis towards the Future Correspondence”. [online]. Available at: [https://www.researchgate.net/publication/340936444\\_COVID-19\\_and\\_Bangladesh\\_Socio-Economic\\_Analysis\\_Towards\\_the\\_Future\\_Correspondence](https://www.researchgate.net/publication/340936444_COVID-19_and_Bangladesh_Socio-Economic_Analysis_Towards_the_Future_Correspondence) [Accessed at: 7/7/21].
5. Bentham, Jeremy. An Introduction to the Principles of Morals and Legislation. Dover Publications, 1789. pp. 14-15.
6. Categorical Imperative. [www.qcc.cuny.edu/socialsciences/ppecorino/intro\\_text/Chapter%20Ethics/Categorical\\_Imperative.htm#:~:text=The%20Formula%20of%20Autonomy%3A%20%22So,a%20means%20to%20a%20end.](http://www.qcc.cuny.edu/socialsciences/ppecorino/intro_text/Chapter%20Ethics/Categorical_Imperative.htm#:~:text=The%20Formula%20of%20Autonomy%3A%20%22So,a%20means%20to%20a%20end.) [Accessed 21 Sept. 2022].
7. Hassan, Monirul S M. (2022). Interviewing. Department of Sociology, University of Chittagong.
8. Hossain, Abul. (2022) Interviewing. Department of Economics, University of Chittagong.
9. IMF (2020), “Helping Bangladesh Recover from COVID-19”. [online]. Available at <https://www.imf.org/en/News/Articles/2020/06/11/na-06122020-helping-bangladesh-recover-from-covid-19> [Accessed at: 13/7/21].
10. Islam, Mithun. “Corona Mokabelai Pronodona Package Bhumika Rekheche| Economic Reporters Forum-ERF.” Economic Reporters Forum-ERF | Leading Business Journalist Organization of Bangladesh, 20 Feb. 2022, [erfdb.com/2022/02/20/%E0%A6%95%E0%A6%B0%E0%A7%8B%E0%A6%A8%E0%A6%BE%E0%A6%AE%E0%A7%8B%E0%A6%95%E0%A6%BE%E0%A6%AC%E0%A6%BF%E0%A6%B2%E0%A6%BE%E0%A7%9F%E0%A6%AA%E0%A7%8D%E0%A6%B0%E0%A6%A3%E0%A7%8B%E0%A6%A6%E0%A6%A8%E0%A6%BE](http://erfdb.com/2022/02/20/%E0%A6%95%E0%A6%B0%E0%A7%8B%E0%A6%A8%E0%A6%BE%E0%A6%AE%E0%A7%8B%E0%A6%95%E0%A6%BE%E0%A6%AC%E0%A6%BF%E0%A6%B2%E0%A6%BE%E0%A7%9F%E0%A6%AA%E0%A7%8D%E0%A6%B0%E0%A6%A3%E0%A7%8B%E0%A6%A6%E0%A6%A8%E0%A6%BE).
11. Kant, Immanuel. Groundwork for the Metaphysics of Morals. Cambridge University Press, 1785. p. 41
12. Khalek, Abdul ASM (2010). ‘SAMAJIK NAIBICHAR O JOHN RAWLS.’ Novel Publishing House. Dhaka. p. 75



13. Khatun, Fahmida Mustafizur Rahman. "Covid-19 Stimulus Packages and Performance of the Country's Banking Sector." *The Financial Express*, <http://www.thefinancialexpress.com.bd/views/covid-19-stimulus-packages-and-performance-of-the-countrys-banking-sector-1614174857> [Accessed 21 July. 2022].
14. Mahfuz, Md. Lawha. "Moral Responsibility in Economic Downturns: A Call for Collective Action in Developing Nations." *Impact and Policy Research Review (IPRR)*, 16 July 2024, [iprr.impriindia.com/moral-responsibility-economic-downturns-call-for-collective-action-developing-nations](http://iprr.impriindia.com/moral-responsibility-economic-downturns-call-for-collective-action-developing-nations). p.6
15. McKinsey & Company. "The COVID-19 Recovery and Business Transformation." McKinsey & Company, 2020.
16. Miah, A. S. M. J., T. Islam, I. A. Anika and N. R. Swarna (2020), "Economic Impact of COVID- 19 and Way forward for Bangladesh". BRAC.[online]. Available at: [http://www.brac.net/images/news/downloads/EconomicImpact\\_PPT\\_9%20June\\_final.pdf](http://www.brac.net/images/news/downloads/EconomicImpact_PPT_9%20June_final.pdf) [Accessed at: 3/7/21].
17. Nasrullah, Muhammad Amir. (2022) Interviewing. Department of Public Administration, University of Chittagong.
18. Nazir, S. (2020), "£2.5bn Clothing Orders Cancelled as Bangladesh Minister Calls for UK Govt Support". [Online]. Available at <https://www.retailgazette.co.uk/blog/2020/04/2-5bnclothing-orders-cancelled-as-bangladesh-minister-calls-foruk-govt-support/>
19. Podsakoff, Philip M., et al. "Method Bias in Behavioral Research: A Critical Review and Recommended Remedies." *Journal of Applied Psychology*, vol. 88, no. 5, 2003, pp. 879–903.
20. Rashid, S. (2020), "Impacts of COVID-19 on Migrant Workers and Remittance of Bangladesh". [online]. Available at: [https://www.researchgate.net/publication/341579859\\_Impacts\\_of\\_COVID19\\_on\\_Migrant\\_Workers\\_and\\_Remittance\\_of\\_Bangladesh](https://www.researchgate.net/publication/341579859_Impacts_of_COVID19_on_Migrant_Workers_and_Remittance_of_Bangladesh) [Accessed at: 5/7/21].
21. Rawls, J. (1999b, September 30). *A Theory of Justice* (2nd ed.). Belknap Press: An Imprint of Harvard University Press. Pp. 52-53
22. Sarker, Md. Rayhan, et al. "Impact of COVID-19 on Small- and Medium-sized Enterprises." *Global Business Review*, Apr. 2022, p. 097215092210934. <https://doi.org/10.1177/09721509221093489>.
23. Savulescu, Julian et al. "Utilitarianism and the pandemic." *Bioethics* vol. 34,6 (2020): 620-632. <https://doi:10.1111/bioe.12771>.
24. Statista. "Employment by Economic Sector in Bangladesh 2019." Statista, 14 Sept. 2022, [www.statista.com/statistics/438360/employment-by-economic-sector-in-bangladesh](http://www.statista.com/statistics/438360/employment-by-economic-sector-in-bangladesh).
25. The Daily Star. (2021, May 28). Unpacking the Covid-19 stimulus packages: The devil is in the details <https://www.thedailystar.net/opinion/news/unpacking-the-covid-19-stimulus-packages-the-devil-the-details-2100097%3famp>.
26. The Financial Express. (2021, February 24). Covid-19 stimulus packages and performance of the country's banking sector <https://thefinancialexpress.com.bd/views/reviews/covid-19-stimulus-packages-and-performance-of-the-countrys-banking-sector-1614174857%3famp=true>.
27. Tseng P-E, Wang Y-H. Deontological or Utilitarian? An Eternal Ethical Dilemma in Outbreak. *International Journal of Environmental Research and Public Health*. 2021; 18(16):8565. <https://doi.org/10.3390/ijerph18168565>.