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China’s economic links with Myanmar

Beijing should recognise the wider ramifications

CHINA has concluded a large number of deals with Myanmar during the recent visit of President Xi Jinping to Myanmar, the first by a Chinese leader to that country in nearly two decades. Understandably, the 33 deals have to do with China’s Belt and Road Initiative and the CMEC project. While one cannot have reservations about the bilateral relationship and measures taken between two countries to enhance their economic progress, and China is a major development partner in the South Asian region, we in Bangladesh have to contextualise Myanmar’s association with China in the light of the geopolitical and security milieu in the region, and Bangladesh-Myanmar relations in particular.

A great deal of damage has been done to the security atmosphere in the region—and to Bangladesh-Myanmar relation in particular—because of the Rohingya policy pursued by the military rulers in Naypyidaw. Myanmar’s persecution of the Rohingyas as a part of its policy to obliterate the ethnic minority has been termed as genocidal by no less an organisation than the UN. Myanmar is in the dock facing charges of genocide at the International Criminal Court. The country has disregarded global opinion and ridden roughshod over international sentiments with a feeling of abandon and impunity. All efforts of the international community to get Myanmar to conform to international order have floundered, particularly in the face of consistent opposition from China.

While one understands the strategic diktats that have motivated China in strengthening its ties with Myanmar, it has far-reaching consequences. We deem it necessary to point out to China, with whom we have a strong friendly tie, that Myanmar has been exploiting its relationship with China in crafting its Rohingya policy. It feels that China will underwrite its policies, whatever their character, because of its indispensability to China. We wonder how long China can continue to support Myanmar’s Rohingya policy without giving the impression to the rest of the world that by doing so it is, in a way, endorsing genocide, and thus smearing its image and credibility. We hope China will realise that economics should not always trump human rights.

High Court’s timely observations

Accountability of bank boards essential to stop recurrence of scams

WE commend the High Court for its verdict that stressed the need for preventing financial scams in the banking sector. The court gave its full verdict on the writ petition filed last year by a rights organisation that had sought its directives for the formation of a commission to look into the irregularities and corruption in the banking sector over the last two decades. In the verdict, the HC gave directives for analysing the recent banking scams to prevent such irregularities in the future. While it has emphasised the need for modernisation of the banking policies, it has also observed that senior management in the banks, including boards of directors, must be transparent and accountable to the Bangladesh Bank for sustainable economic growth.

Unfortunately, some financial scams in recent years involving several institutions, including Hallmark, BASIC Bank and Bismillah Group, have put our financial sector in a tight spot. Large-scale bank loans had been scheduled and rescheduled due to intervention from the authorities. Many banks had rescheduled their default loans without taking the required down payment, which made the banking sector more vulnerable. As of September 2019, default loans in the banking sector stood at Tk 116,288.31 crore, according to data from the central bank. A specialised mission of the IMF’s Monetary and Capital Markets department, which visited Bangladesh twice last year, observed that a large number of defaults were “by choice” and not due to any unexpected financial hardship.

While it is good to learn that the regulatory bodies including Bangladesh Bank have taken some measures to prevent banking scams, and that the Anti-Corruption Commission has been investigating some of the recent scams, the central bank should take more initiatives for stricter monitoring. As the HC has ordered the BB to form a nine-member committee comprising banking experts to find out the loopholes in sanctioning, distributing and recovering the loans, and to make necessary recommendations, we hope the BB will comply with the HC directive. Moreover, the central bank should take into account the suggestions made by the economists and former bankers as well as recommendations of the IMF and the World Bank for the necessary reforms in the sector.

LETTERS TO THE EDITOR

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Save our rivers

Every day, the condition of our rivers and lakes is getting worse because of indiscriminate grabbing of banks and dumping of waste. That’s why during monsoon, these water reservoirs can’t hold enough water leading to inundation of nearby areas. Unfortunately, despite all efforts in the past years, the results have not been satisfactory. It’s time to take drastic measures to save our rivers and lakes. There should be regular dredging to ensure proper flow of water. The government should also increase monitoring to check encroachment.

Mehedi Hasan
Principal officer, Sonali Bank Ltd, Khulna

Industrial strife affects us all

RMG NOTES



MOSTAFIZ UDDIN


In recent months, we’ve seen more negative press in international newspapers and journals about the apparel industry of Bangladesh. Particularly, news has focused on clashes between factory owners and workers, wildcat strikes and complaints about charges brought against some workers by factories last year. Most of these charges, I understand, have now been dropped. Nonetheless, the damage is already done in the sense that the reputation of our industry has once again been tarnished.

I don’t wish to take sides here. There are two sides to every story and, in a situation like this, things are never black and white. What I will say, however, is that discontentment in one small part of the workforce in relation to just a handful of factories can cause reputational damage for the whole industry. These problems have a ripple effect.

How much money does this reputational damage cost our industry each year due to the kind of issues highlighted above? How much is the cost in terms of negative PR? How many brands will look at the situation here and consider taking their business elsewhere because they do not wish to be associated with any further negative publicity?

We cannot continue to ignore these issues. Smooth, harmonious industrial relations are important to any industry; a happy, satisfied workforce is a productive workforce. Moreover, how many garments are being made when workers are out on the streets protesting and complaining? Can our industry afford this continued downtime?

We also know that some workers are not happy with the current minimum wage. However, I believe workers are far less likely to strike about pay if they are happy with other aspects of their work and feel like a valued member of the business.



SYED YUSUF SAADAT

food inside the garbage, a group of crows appear around her. The crows have also made their way here in search of food but today, some of them seem astounded to find that they must compete with a destitute woman trying to feed her dying child. This is the scene of a seminal 1943 painting by Zainul Abedin depicting the dire circumstances of the Great Bengal Famine. There was nothing great about the famine though, as an estimated 3 million people died of starvation at that time.

Three decades after the Great Bengal Famine, Bangladesh faced another famine in 1974. Some estimates suggest that the death toll from this famine was around one million between August 1974 and January 1975, and a further half-million during the remaining months of 1975. In his book “Poverty and Famines”, Nobel laureate economist Amartya Sen advocated that neither the Great Bengal Famine of 1943 nor the famine of 1974 in Bangladesh could be adequately explained by the food availability decline hypothesis. Instead, Sen proposed that starvation deaths during the two famines could be better explained by the “entitlement approach”. In simple terms, the entitlement approach states that individuals starve during a famine if they do not have the ability to command enough food. In other words, if a person is entitled to a resource bundle which either does not contain enough food or does not contain enough of other commodities that may be exchanged for food, then such a person is at risk of starving during a famine. Thus, starvation may take place during a famine through an entitlement failure that occurs either through a fall in the resource endowment bundles or an unfavourable shift in the

The starting point for me here is that it is in all our interests—workers, managers, factory owners—to improve the situation. Communication among all parties is surely key. Across the industry, I believe it is only right that workers have a forum to express their grievances, and formal worker representation is the bedrock of properly functioning industrial relations. An intermediate approach, with a workers’ participation committee being selected through proper elections, has



FILE PHOTO: ANISUR RAHMAN

A happy workforce is a productive workforce. But are the factory owners and managers doing enough to motivate the workers?

worked well within the EPZs and there is no reason why this could not be effective right across our apparel industry.

As well as the need for more formal, organised industrial relations, I believe many factories are missing a trick with regard to employee relations. There are countless gestures that owners can do which have a profound impact on employees, their motivation, their productivity and, consequently, profits.

Workers often strike about pay. This is well-known. We also know that some workers are not happy with the current minimum wage. However, I believe workers are far less likely to strike about pay if they are happy with other aspects of their work and feel like a valued member of the business. Often, complaints about

discuss successful contract wins with all their team? How many make them *feel* included in their success, and encourage them to celebrate for a successful task? How many hold team-bonding days to foster good teamwork and improve staff morale and confidence?

There are other small gestures that owners and top management can undertake. There is research to show that employees feel more motivated when they understand the bigger picture at the business. They want to know what is going on so that they have an idea of what they are collectively working towards and how their own individual endeavours fit into the bigger picture.

Research also shows the importance of transparency within businesses.

remember, there is no “I” in a team. There is also research that shows the value of owners and senior management recognising individual achievements by offering small, regular rewards to employees. These things make a difference.

To summarise, while disagreements often centre on pay, there are plenty of other issues that bosses can work on to improve morale, foster good employee-factory relations and develop a more engaged workforce which is less likely to strike or take other industrial action at the first opportunity.

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IMPLEMENTING SDG 2

Abolishing the ‘appetite’ for hunger

exchange entitlements of individuals.

Following Amartya Sen, other later studies have also rejected the view that starvation is a phenomenon whose inception can be traced to a shortage of food. In her book “How the Other Half Dies: The Real Reasons for World Hunger”, Susan George asserts that “hunger is not a scourge, but a scandal”. She explains that hunger is not a natural problem which is unavoidable, but rather a man-made crisis which can be circumvented, provided that there are sufficient political and economic incentives to do so. However, Susan George argues that instead of incentives for ending hunger, there exists a strong appetite for perpetuating hunger as a powerful tool for political coercion and economic profit. In fact, Bangladesh itself was on the receiving end of such hunger-centred diplomacy during the famine of 1974, when it was compelled to stop its exports of jute to

made decent progress on indicators under the second Sustainable Development Goal (SDG 2): “end hunger, achieve food security and improved nutrition and promote sustainable agriculture”. According to the Food and Agriculture Organisation of the United Nations (FAO), hunger, as measured by the share of undernourished population, fell from 20.8 percent in 2000 to 16.3 percent in 2007. However, there was a rise in hunger in the subsequent few years which led to the share of undernourished population reaching 17 percent in 2012. One reason behind the sudden rise in hunger could be the widespread flooding that occurred in 2007, which caused serious damage to crops. However, this disconcerting trend did not persist for long as the share of undernourished population declined to 15.2 percent in 2016. Nonetheless, having 15.2 percent

Susan George argues that instead of incentives for ending hunger, there exists a strong appetite for perpetuating hunger as a powerful tool for political coercion and economic profit. Bangladesh itself was on the receiving end of such hunger-centred diplomacy during the famine of 1974.



PHOTO: SYED YUSUF SAADAT

‘Hunger is not a scourge, but a scandal.’

Cuba in order to obtain food aid from the United States. By the time this food aid finally arrived, the worst phase of the famine was already over.

Over four decades after the famine of 1974, Bangladesh has come a long way in terms of ensuring food security for its enormous population. The country has

of the population undernourished is a matter of serious concern for Bangladesh, since it represents more than 25 million people.

According to the Bangladesh Demographic and Health Survey 2014, the shares of stunted, wasted and underweight children under the age of 5

years were 36 percent, 14 percent and 33 percent respectively. Therefore, further improvement in children’s health status is required if Bangladesh is to achieve the government’s target of having a maximum of 25 percent stunting and 12 percent wasting among children aged under 5 years by 2020. Research has shown that undernourishment costs the Bangladesh economy more than USD 1 billion in lost productivity per year.

Today, it is generally acknowledged that there is enough food for all of us. Unfortunately, hunger and malnutrition continue to plague humankind. To make things worse, it is always the most vulnerable of people who go hungry. Availability, access, affordability and adequacy of nutritious food supplies remain as challenges that must be tackled urgently. Particular policy emphasis is needed to guarantee proper nourishment during the first 1,000 days of a child’s life. It is also critical that policies aimed at achieving SDG 2 adopt a dual-pronged approach of addressing both hunger and nutrition. Otherwise, it will become difficult to achieve SDG 2 by 2030 and to make sure that no one is left behind.

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