

## Healthcare providers at tremendous risk

*Why is the government failing to protect them?*

HEALTHCARE providers at community clinics across the country are risking their lives—and that of their loved ones—by providing services to thousands of people suffering from fever, cough, and cold. With many hospitals and private clinics refusing to treat patients with symptoms similar to that of coronavirus, there has been a sharp rise in the number of people frequenting the community clinics. However, despite repeated requests to respective authorities, they have not been provided with sufficient protective gear to protect themselves and their families from the virus which has already killed over 131 people.

Most of the healthcare providers interviewed by *The Daily Star* stated that they were closely interacting with patients—at times even treating those who had returned from abroad—without any PPE. Many providers have had to buy gloves and masks with their own money in a desperate bid to protect themselves. Providers in selected upazilas did receive one PPE, a pair of gloves, a mask, and a bottle of hand sanitiser two weeks ago, but even those are barely enough since the PPEs and gloves are not reusable and the bottle of sanitiser is long gone. Meanwhile, the government has instructed these providers to collect samples from suspected patients after a one-day training. Unless it provides sufficient protective gear to each provider, such a move would have deadly consequences.

The government would have us believe that there is sufficient protective gear for all our healthcare professionals. If that is indeed the case, why are we exposing our dedicated healthcare providers to such immense risks? According to Bangladesh Doctors Foundation (BDF), an organisation of physicians, nearly 30 doctors across the country have tested Covid-19 positive daily in last one week on average, and as many as 324 doctors from government, private and specialised hospitals have so far been infected with Covid-19 till April 25.

It is unacceptable that we are failing so miserably at providing even the most basic of safety equipment to those sacrificing their own wellbeing to protect others. We urge the government to address this issue most urgently before we lose more of our valuable caregivers to the deadly virus.

## Keep prices of essentials in check during Ramadan

*Make sure there is no artificial crisis*

EVERY year, prior to and during Ramadan, prices of daily essentials go beyond the reach of common people, despite the steps taken by the government to keep them under control. And this year is no exception. As this daily reported yesterday, prices of most of the essential items have increased in the city's kitchen markets and grocery shops as Ramadan begins. While the price of each kilogramme of ginger was between Tk 100 and Tk 160 a month ago, according to the Trading Corporation of Bangladesh (TCB), the same amount was sold at Tk 320-350 at a Jatrabari kitchen market a day before Ramadan. The prices of other necessities such as garlic, onion, lentil, sugar, dry chili, chickpeas, palm and soybean oils have also increased by Tk 5-100 over the past week.

For people who have been struggling to bear their regular family expenses with no or reduced income due to the coronavirus outbreak and the ensuing lockdown, the spiralling prices of the essentials is just too much to bear.

While scarcity of transport could be a key reason for the increase in prices, other reasons include congestions at the Chattogram port and the artificial crisis created by a section of importers and wholesalers. Moreover, panic-buying could have also contributed to the situation.

In order to keep the prices of essentials under control, the government should strongly monitor the large kitchen markets in the country and make sure that there is no artificial crisis created by unscrupulous traders, wholesalers and retailers. Mobile courts can help in this regard by taking action against the hoarders. To solve the transportation problem, the government should ensure trucks for suppliers. Moreover, steps should also be taken for uninterrupted import of products and containers carrying food items at Chittagong port must be cleared quickly. The government should also consider increasing open market sales to give the low-income people some relief.

## LETTERS TO THE EDITOR

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### Impose strict measures

From all the recent reports surrounding COVID-19, it seems that Bangladesh is gradually turning into one of the badly hit countries in the world. As our population density is higher, so are the risks of getting infected. Despite the government's effort to contain the pandemic, many seem to be ignorant about the seriousness of it and are roaming around carelessly. Thus, stricter measures need to be in place.

The situation was somewhat similar here in Malaysia where I live when the news first broke. However, implementing strict lockdown measures have proven to be rather beneficial. Since many are disregarding the lockdown in Bangladesh, I believe a curfew is necessary. Nobody should be allowed to step outside unless it is an emergency. As for the poor and homeless, the government should arrange shelters for them. How difficult is it to comprehend that our safety lies in staying indoor at all times? If we don't take it seriously now, the number of infections and the death toll will inevitably skyrocket.

Fardin N Khan, by email



# Why COVID-19 is not a leveller

KAMAL AHMED

WHEN COVID-19 reached some of the most protected and powerful people of the world like the resident of Number 10, Downing Street and the best known royal Prince Charles or forced Prime Minister Trudeau to self-isolate, many people described this virus as a great leveller. Top grade protection details deployed by security agencies failed to detect its mysterious invasion. The global contagion has affected most of the seven billion people of the planet in various ways. Yet, can it truly be called a leveller? Can it be termed as a non-discriminatory enemy which is what it initially appeared to be?

Some facts are so unbelievably contrasting that one has to wonder whether such variations are at all possible. One such fact is while COVID-19 makes millions of people across the world jobless, and trillions of dollars have been wiped off the value of stock markets, yet it also made the richest billionaires even richer. *The Guardian* on April 15 reported that the world's wealthiest person, Jeff Bezos became USD 24 billion richer during the coronavirus pandemic than he was at the start of the year. His paper fortune, held mostly in Amazon shares, rose by 20 percent in value over this period taking the total to USD 138 billion. Earlier in February, few weeks before the global pandemic was declared he sold of USD 3.4 billion worth of his Amazon shares. There is no suggestion that Bezos acted improperly.

Likewise, several hedge fund managers have made windfalls. Trade union leaders were angry after revelations that one London hedge fund had made 2.4 bn pounds betting on market moves over a global economic shutdown. Frances O'Grady, general secretary of the TUC, the largest trade union body of the United Kingdom, launched a stinging attack on hedge fund managers and demanded imposition of large taxes on such earnings. While healthcare systems in most of the western countries have been struggling to cope with unprecedented surge in demands for lengthy critical care, many of these super rich have moved into luxurious holiday villas in secluded islands with plenty of supplies.

Investment bankers, few fortunate Bangladeshis included, who reside in million dollar apartments in Manhattan moved away to safer holiday homes for the lockdown period. It is difficult to figure out whether to admire their "prudence" or pity on the expressed selfishness. In New York, which became the epicentre of the COVID 19 pandemic, more than 50 percent of deaths of Bangladeshis abroad occurred. And the reason is largely due to the impoverished conditions they were living in.

In both the United States and the

United Kingdom, available statistics show that the immigrant communities have been hurt disproportionately. These immigrants help these metropolitan cities run their essential services like healthcare, policing and transport services. In the UK, holding a public inquiry into this tragic development has been decided, once the pandemic is over. Unfortunately, immigrant workers in Arab and Gulf countries have been enduring the worst and governments in South Asian nations have now initiated the process of humanitarian evacuation of their stranded nationals.



Unable to find work in the almost deserted kitchen market, a porter sits idly under a foot bridge at the capital's Karwan Bazar.

PHOTO: STAR

Workers in their homelands are not spared either from the immeasurable sufferings caused by the pandemic—significantly less from the disease itself, but more from the economic consequences. Workers from rural areas employed in both formal and informal sectors, be it export-oriented industries or domestic help, were forced to leave cities overnight, many in cramped public transport paying unusually higher fares. Some of them had to walk back all the way to village homes. In India, millions of workers walked hundreds of kilometres and the world has seen dehumanising images of disinfectants being sprayed on them in herds. Our garment workers made similar journeys with false hopes based on misinformation

provides coronavirus negative certificates. Videos emerging show that vendors are denying selling essential food items to Muslim residents in some areas under lockdown. Amidst the global outcry over such divisive and discriminatory practices, on the April 19 Prime Minister Modi tweeted, "COVID-19 does not see race, religion, colour, caste, creed, language or borders before striking. Our response and conduct thereafter should attach primacy to unity and brotherhood". Yet discriminating against Muslims amidst the pandemic continues.

Following press reports that the government in Bangladesh is designating a top-grade hospital for the VIPs, social media platforms are abuzz with anger

and criticisms. Whether such reports are true or not, differences could not be starker in health service in Bangladesh on the basis of financial abilities and political influence. Despite our constitution guaranteeing medical care as a fundamental right, it has always been a subject to affordability. As most of those state-run hospitals are not preferred by our VIPs, designated cabins in those establishments did not raise much controversy. But, things are quite different during a pandemic when everyone has equal right to seek the state's protection equally which explains netizens' anger.

The United Nations food agency, WFP chief David Beasley told the Security Council on April 21 that the world is not only facing a global health pandemic, but also famines of "Biblical proportion". It warns of doubling of hunger in the world in coming months. In Bangladesh, too, thousands of poor people have come out on the streets demanding food and work. All these predictions and warnings show who faces greater risks and are more vulnerable. So, can a pandemic that leaves millions of people jobless and pushes them towards hunger and death be called a non-discriminatory leveller?

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# Printing money is not an option for Bangladesh



FAHMIDA KHATUN

TO support the COVID-19 affected economy, some experts are suggesting that the government of Bangladesh should go for printing money. However, I feel that there is no need to take such a radical measure since Bangladesh has a number of policy tools at its hand at the moment to heat up the economy.

### What are the developed economies doing?

Before discussing Bangladesh's options, let us have a look at how the developed countries are dealing with the liquidity situation in their own countries right now. This is because, many of us often get confused and cannot distinguish among circumstances of different economies.

Countries across the world have rolled out stimulus packages to prop up the economy. Bail out packages range from providing more funds for healthcare services to income support measures to loans for the affected businesses at easy terms. As the corona pandemic created both demand and supply shocks, governments have resorted to a policy-mix that includes fiscal, monetary and sectoral measures.

As the objective is now to revive economic activities, make up for the lost output, recuperate employment and feed the poor, countries need a lot of money. So, they are using all types of monetary policy tools that they have at their disposal, such as lowering interest rates and Quantitative Easing (QE) to pump money into the financial system.

Bail out packages of the developed countries including Australia, Canada, the USA, the UK and Japan are massive. But not all of them have enough fiscal space. Rather, many of them have large debt-GDP ratio. Also, these countries have already cut their interest rates so much that they cannot lower it any more to create more liquidity to support their stimulus packages. As these countries have run out of all options, the only option they have is to go for "money printing scheme" through QE. In simple words, when QE is adopted, central banks

of countries buy government bonds and other financial assets from banks. This creates liquidity space for banks and financial institutions which they can lend to individuals and businesses. It is claimed that QE has worked well for countries like the USA, the UK, Europe and Japan in dealing with the impact of the global financial crisis in 2009.

But this experience varies from country to country. All economies are not on the same footing. They have differences not only in terms of size and growth of the economy, fiscal situation, money supply and inflation, but more importantly, in terms of financial governance and structural reforms. QE may have brought some success in the developed economies, but not totally. Because, QE has made some people better off while others continue to live in financial difficulty even in the USA. And debt burden on their people continues to rise.

### Where did money printing fail miserably?

Some low-income countries fell into hyperinflationary situation by printing money. In the 2000s, the government of Zimbabwe printed huge amounts of currency to finance war with Congo and bribe corrupt officials. And in 2008, prices had gone up to as high as 231,000,000 percent in a single year in Zimbabwe. In 2019, Venezuela experienced hyperinflation of 10,000 percent when its government printed money to finance its huge budget deficit of 30 percent. Due to lack of strong economic management and high corruption these countries found it extremely difficult to reverse their situation. While Zimbabwe recovered from the crisis by changing its currency to USD, Venezuela is struggling to come out of the situation.

### How can Bangladesh generate liquidity?

For Bangladesh, following the footsteps of other countries in printing money will not only be unwise, but also self-destructive. As opposed to the developed countries, Bangladesh can, at present, mobilise liquidity in several ways.

First, to support the fiscal stimulus announced by the government, Bangladesh Bank has taken a number of measures. It has reduced Cash Reserve Ratio (CRR) of banks by 1.5 percentage point and REPO rate by 0.5 percentage

point. This has generated Tk 18,600 crores. Besides, the commercial banks have a deposit of Tk 3,13,000 crores with the central bank in approved securities against the Statutory Liquidity Ratio (SLR) requirement of Tk 2,10,000 crores. Liquidity can also be created through REPO against those securities.

Second, Bangladesh Bank has increased the Advance-Deposit Ratio (ADR) for all the conventional banks by 2 percent. This should increase loanable fund for commercial banks by about Tk 20,000 crores.

Third, the government can think of relaxing ceiling on purchasing savings certificate for the time being. In June 2019, at the beginning of the current fiscal year, the government had imposed restrictions on sales of savings certificate. As a result, sales of savings certificate declined and bank deposit increased by about 10 percent. Now in the changed circumstances, savings certificate can be another means to general liquidity, if needed.

Fourth, the government should put on hold the projects which can wait for some time or which have just been initiated. Block allocation in the Annual Development Programme should also be cancelled and the money should be used for corona-related measures.

Fifth, salaries and allowances of ministers and member of parliaments can be reduced by at least 20 percent. Some countries, including India have implemented this. Besides, the government should instruct all its departments except for the health-related ones, to reduce their cost at least by 50 percent during this critical time. Indian government has asked to reduce such expenditures by 60 percent.

Sixth, as an oil importing country, Bangladesh will gain due to oil price shock. Resources saved from low oil prices in the international market can also be another source of fund at this moment.

Seventh, a number of international funding agencies including the World Bank, the International Monetary Fund, the Asian Development Bank and Asian Infrastructure and Investment Bank have come forward to support Bangladesh. This will also give the government some leverage to spend for healthcare improvement and economic recovery.

### Where lies the danger?

While the above measures will be enough for reviving economic activities without printing money, we also need to be mindful of the existing unsound fiscal management and fragile financial sector. The macroeconomic management has been deteriorating gradually with low revenue collection and high public expenditures. The government itself has relied heavily on borrowing from banks during the current fiscal year FY2020. Narrow tax base, high tax evasion, illicit financial flow and wastage have created resource constraint to support development activities.

Misuse of resources in public investment makes infrastructure development unusually expensive. Additionally, with high non-performing loans, (NPLs), large amount of loan write-off, low net profitability and weak management the financial sector has become vulnerable. It is feared that the loans which are to be given to the affected businesses as part of the stimulus package may lead to wilful default, resulting in higher NPLs in banks. If the past record is any indication, one cannot but be afraid of the misuse of the loans announced for the affected businesses. Some of this money will float in the market without producing goods and services. And this will add to the inflationary pressure.

Though inflation in Bangladesh is 5.6 percent as of March 2020, the supply distortion has increased prices already. If money is printed in addition to the measures taken by Bangladesh Bank, it will create rapid circulation of money and will create hyperinflation which will become unmanageable. And if liquidity-induced high inflation cannot boost economic output and aggregate demand, the economy will experience stagflation.

Therefore, "money printing scheme" is not an option for Bangladesh. Rather, the government has to concentrate on managing the resources which will be generated through the policy measures of Bangladesh Bank and collected in other ways as discussed above. Efficient management and coordination of activities are the keys to succeeding in the ongoing fight against the health and economic impact of corona pandemic.

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