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Outrush of Dhaka leavers is worrisome

Govt should take strict measures to implement lockdown

THE news of large numbers of people leaving Dhaka ahead of next week's Eid-ul-Fitr festival, flouting all social distancing regulations, is everything we dreaded might happen in the midst of a poorly-managed pandemic. A report by this daily on Tuesday shows how people were crowding into exit points and causing long tailbacks. The Dhaka-Chattogram highway on Monday witnessed a 25-km tailback in Daudkandi, caused mainly by thousands of cars leaving the capital. Elsewhere on the Shimulia-Kathalbari and Paturia-Daulatdia routes, there were so many people that ferry authorities had to suspend their services for hours. In the absence of public transport because of the ongoing shutdown, many people travelled by pickups, motorcycles and battery-run three wheelers. These images of reckless travel are disturbing, to say the least, and add to the burgeoning list of failures of the administration to contain the situation.

Such unchecked movement, which will no doubt further spread the deadly coronavirus and consequently delay the reopening process, has made a passenger welfare association call for a 10-day curfew around Eid to slow the spread of the outbreak. We think this suggestion merits consideration. The government has so far largely failed to restrict people's movement even though, in a circular on May 14, it stressed that no one would be allowed to leave the city where they work during the Eid festival. The local administration and law enforcers were supposed to enforce the restrictions during the period. Initiatives by the police—setting up check posts across the country to prevent people from travelling from one district to another—were also expected to bear some fruit. But as reports show, lax enforcement of the directive has rendered all efforts meaningless. One may recall that similar curbs on people's movement, implemented in the beginning of the lockdown period and at different stages subsequently, were also met with frustrating results.

Thus, the time has come for tougher measures—whether in the form of a curfew or other means. The priority is to check people's movement any way possible during this Eid, and the government must do everything in its power to ensure that. With the numbers of infections and deaths from the virus growing every day, the price of a failure to act decisively will be expensive.

Perennial volunteers in public hospitals

Should they not be absorbed permanently?

IN an instance that betrays an abysmal indifference of the authorities, as we are informed through a report in this paper yesterday, as many as 36 men and women who have been working as voluntary staff at Lalmonirhat Sadar Hospital for years, are doing so without any recompense for their work. They are passing through a severe state of pecuniary privation, since they have received virtually nothing for their service, albeit "voluntary". Understandably, there are no provisions for such volunteer service in government service manuals, but these volunteers had stepped forward on their own volition since the hospital was severely understaffed, as many public hospitals and health care centres are. It seems that the authorities have taken these "volunteers" for granted, since they are yet to put them on the regular payroll. Some are getting a laughable amount of Tk 1000 or 1500 per month, and that too after being many years in that position—some of them have been working for a decade or more.

To their credit, they have not discarded their patients and continue to attend to them, risking their lives during this pandemic. They are working at different sections of the hospital including the emergency department, operation theatre, surgery ward, paediatric ward and doctors' chambers to help patients, distribute medicine and manage crowds.

A voluntary service is *pro bono*, and generally such service is provided by those who can afford the time and their own resources to provide a public good. But some offer their services, particularly public service, out of their own volition, and, most often moved by fellow feeling to meet the shortage of adequate personnel. And when it relates to government healthcare services, it assumes a special significance. All the more so when these persons are people of meagre means, which deserves the serious attention of the authorities.

We feel that these 36 volunteers should be absorbed into service and given their full remuneration, antedated if possible. It was their hope and should be fulfilled, especially given that all of them have required educational qualifications (some have Masters' degrees) and the experience of on-the-job training as well. Given that there is also an acute shortage of trained hospital staff all over the country, which is all the more obvious during this crisis, absorbing these volunteers should not be too difficult.

LETTERS TO THE EDITOR

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Replicate One Minute Bazar

A few days ago, this newspaper reported on the Bangladesh Army's brilliant initiative to set up "One Minute Bazar" on the playground of Agrabad Government Colony School in Chattogram. In these precarious times, it is very important to maintain social distancing. With that in mind, the Bangladesh Army tried to form a model market for lower-income groups where they can get their essentials safely. The vegetables were bought from root-level farmers in Chattogram for fair prices, with an aim to kickstart economic activity at the grassroots. Based on the list prepared by army officials, the poor and physically challenged were given the food items for free. I feel the authorities and other NGOs can replicate this concept and implement it nationwide. Besides, the affluent people should also come forward to help put a smile on the faces of the distressed.

Akash Hossen, *Pabna*

SUSTAINABLE DEVELOPMENT GOALS

What to salvage from Covid-19

AN OPEN DIALOGUE

ABDULLAH SHIBLI

ONCE the Covid-19 pandemic is under control, and the world economy is back on its tracks, the status and fate of the 2030 Agenda, also known as Sustainable Development Goals (SDGs), needs to be reassessed. The year 2020 was supposed to kick-off the Decade of Action. With just 10 years to go, plans were made to undertake "ambitious global efforts" to deliver the 2030 promise—by mobilising more governments, civil society, businesses, and calling on all people to make the Global Goals their own.

Before the worldwide lockdown began in March, various stakeholders of the SDG movement were planning to undertake a full-scale five-year evaluation. Fifty-one countries had signed up to conduct voluntary national reviews (VNR) by May 2020, a process through which countries assess and present progress made in achieving the 17 goals. The process came to a complete halt with the current pandemic crisis.

The "pandemic pause" is a blessing in disguise. It gives all the stakeholders a chance to undertake a thorough review of where we stand as well as what needs to change. Are all the 17 goals equally important? A partial answer was provided by Nobel Laureate Abhijit Banerjee. "Think of the bureaucratic capacity it takes to achieve these things. How are countries going to keep track? We need to go back to the drawing board," he said.

The next question is, how do we reprioritise and revamp the SDGs? While advances made in some SDG indicators have been eroded, this should not deflate our energy. However, a few SDG targets now assume greater priority. The health aspect of SDGs is more important and can be used as an entry point. Experts suggest that the experience of Covid-19 can be used to redesign the food supply chain. Furthermore, there is an urgent need for engagement with the private sector and civil society to chart the path that lies ahead and to cope with future pandemics.

Even before Covid-19 hit us, concerns were voiced in SDG progress review meetings as evidence mounted about the slow progress and lack of scale required to reach the targets before the decade ends. Earlier this year, the UN reacted by sending out a clarion call for action. "Today, progress is being made in many places, but, overall, action to meet the Goals is not yet advancing at the speed or scale required. 2020 needs to usher in a decade of ambitious action to deliver the Goals by 2030," it cautioned. According to one estimate, more than five billion people will lack access to essential health services by 2030. Those services include the ability to see a health worker, access to essential medicines, and running water in hospitals.

Covid-19 thus poses a real challenge, to put it mildly, and some have gone as far as to warn the developing countries that the looming crisis threatens to devastate employment gains, food security and equity in education. The World Bank also raised a low-level alarm when it declared that the coronavirus is a serious obstacle for 240 million Asians trudging along on the road to poverty elimination.

If things had gone as planned, by end-May, each of the 51 countries was expected to submit its SDG voluntary national review report describing its experiences, including successes, challenges and lessons learned during the five years of implementation of the 2030 Agenda. Bangladesh had signed up for its second VNR. All this will now cease.

Concurrently, on pause is the next meeting of the High-level Political Forum on Sustainable Development (HLPF), the central global platform for follow-up and review of the 2030 Agenda for Sustainable Development and the Sustainable Development Goals. The UN Economic and Social Council (ECOSOC) was scheduled to convene the 2020 session of HLPF in New York from July 7-16, and receive a progress report in the completion of the 2020 targets: responsible consumption and production (SDG12), biodiversity (SDG15) and some selected indicators of SDG13 and SDG14.

Turning to Bangladesh, after the hiatus period forced by Covid-19 ends, the Prime Minister's SDG Directorate needs to evaluate two key metrics: the impact of the pandemic on the poor and the status of SDGs. All economic crises adversely affect the poor and the present crisis is no exception. From all accounts, the short-run impact of the pandemic and the lockdown is being felt very strongly by low-income people. In line with its SDG commitment, the government's immediate goal ought to be to facilitate the re-employment of workers (SDG8), feed those who lost their sources of income (SDG2) and strengthen healthcare and provide medical support (SDG3).

Apart from lost jobs, hungry mouths and deteriorating health conditions, other collateral damages will emerge due to the interlinkages between the SDGs. Poverty (SDG1) will take a hit and so will the quality of education (SDG4). Other goals to asses are water and sanitation (SDG6), reduced inequalities (SDG10) and peace, justice and strong institutions (SDG16). One should not be too surprised if our post-pandemic review shows that it has not only devastated the economy, but also wiped out many of the SDG gains.

According to the Bangladesh Bureau of Statistics' provisional estimates, GDP growth this year will be 5.5 percent, in contrast to the 8.2 percent projected earlier. This is higher than the 3.8 percent and 2-3 percent forecast by the Asian Development Bank and the World Bank, respectively. On the positive side, we have already seen an increase in the budget allocation on health and an improvement in the environment.

Recovery is a complex and non-linear process. The pandemic has exposed fundamental weaknesses in our global system. It has shown how the prevalence of poverty, weak health systems, subpar education, and a lack of global cooperation exacerbate a health crisis. In our effort to return to normalcy, we must not lose sight of the lessons gained from the pandemic.

Globally, the pandemic has exposed the widening SDG needs gap. The world currently (pre-pandemic) spends approximately USD 7.5 trillion on health each year or 10 percent of global GDP. While spending has increased steadily, dangerous public health gaps exist, especially in rural or conflict-ridden areas where access is difficult and infrastructure is lacking.

This access is complicated by a shortage of trained healthcare workers. The 2020 State of the World's Nursing report found that the world would need six million more nurses by 2030 to reach global health targets. Shortages of healthcare workers are felt most acutely in low- and middle-income countries.

As cities and societies start emerging from the crisis, governments should focus on key factors that contribute to the spread of epidemics and other public health risks: inadequate infrastructure, lack of services, and substandard housing.

In a sense, the process of recovery might strengthen our SDG efforts if the government of Bangladesh, in collaboration with civil society, NGOs, and the private sector, look afresh at the 17 goals and focuses its attention and resources on those that need reinforcement.

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Micro-enterprises can help us combat the economic downturn

MD ABDUL KARIM

THE current Covid-19 pandemic has resulted in huge suffering and devastation for humanity, with almost five million people infected worldwide and experts fearing a deep global recession. The economy of Bangladesh is set to face serious setbacks during the pandemic. Although Bangladesh had achieved lower middle income country status in 2015 and fulfilled all three eligibility criteria for graduation from the UN's Least Developed Countries (LDC) list by 2024, 20.5 percent of its population was still living in poverty in 2019. This is a huge number given the total population of Bangladesh, and the impact of the pandemic may make this poverty rate increase further. The 8.15 percent GDP growth achieved in Fiscal Year (FY) 2018-19 will dive below three percent in FY20 and two percent in the next FY, according to the World Bank. South Asian Network on Economic Modeling (SANEM) revealed that Bangladesh's poverty rate may rise to 40.9 percent due to the pandemic.

One of the important ways to handle the possible economic downturn will be to appropriately mobilise the millions of micro-enterprises (ME) scattered all over the country by addressing their financing requirements. MEs are powerful job creators, agents of inclusive growth and drivers of productivity. MEs' economic activities begin with small amounts of capital investment, often financed by Microfinance Institutions (MFIs). The Bangladesh Industrial Policy 2016 defines micro-enterprises as small businesses having fixed asset values between half a million to five million Taka and 10-24 workers. Bangladesh Bank defines ME as a firm/business which is not a public limited company; they may be service or business ME with fixed assets of Tk 50,000 to 50 lakh (25 employees), or industrial ME having fixed assets of Tk 50,000 to 1.5 crore and maximum 50 employees. The return on investment is higher in micro-enterprises than in small, medium and large enterprises. The employment share of micro-enterprises is greater in developing countries compared to the developed world. Ethiopia's MEs contribute more than 95 percent of the country's total employment, compared to about 35 percent for Vietnam. According to the Bangladesh Bureau of Statistics (BBS) Census 2013, 89 percent of Bangladesh's 7.8 million economic establishments are micro-enterprises (including the cottage industry). These MEs employ 13.76 million people, which represent around 56 percent of total employment in all enterprises of the country.

Micro-enterprises employ significant numbers of women and can adapt very quickly to evolving market demand and supply situations; showing flexibility and dynamism in diversifying economic activities and contributing to the country's economic growth by promoting competition, resilience, entrepreneurial talent etc. Our transition to middle income country status after the current pandemic will significantly depend on promoting inclusive growth. MEs can contribute towards such growth and the achievements of some of the Sustainable Development Goals (SDG) by leaving no one behind.

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Access to formal finance for micro-enterprises is a fundamental challenge. Most of the MEs are in rural areas, informal in nature and employ family members in productive activities. Access to finance in Bangladesh is relatively limited compared to other South Asian countries. A study (2016) by the Institute for Inclusive Finance and Development suggests that in most cases, formal financial institutions do not extend loans because of lack of bankable collateral, and lack of confidence in such small business ventures. Most MEs depend on MFIs for loans, which are generally individual-based instead of group-based (unlike traditional microcredit). The study estimates that there is an excess demand of Tk 437 billion—which is about one and a half times higher than current disbursement. A recent report published by the World Bank and PRI shows that micro-enterprise financing gap (cottage and micro) is around Tk 237 billion (USD 2.8 billion). Estimating the actual demand for credit of MEs is difficult due to data constraints. Higher interest rates of MFI loans is an obstacle to growth potential. Given that MEs have significant production and consumption linkages, MFIs can work as intermediaries to create links between credit and savings for ME financing.

A number of ME business clusters of different activities have grown in various geographical locations of Bangladesh. Palli Karma-Sahayak Foundation (PKSF) has identified more than 6,700 business clusters of 77 economic activities in agriculture, livestock, fisheries, manufacturing etc. Micro-enterprises consist of value chain components for forward and backward linkages. Interventions are often necessary to address the problems that may be faced at different sub-sectors of the value chains. A number of ME development projects have been funded by the World Bank, ADB, IFAD and DFID in Bangladesh. BRAC also provides loans to the micro-enterprises through its Progoti programme.

The World Bank's Doing Business Survey 2018 ranks Bangladesh at 159 (out of 190 countries) for the "getting credit" criterion. It is a measure of credit information sharing and the legal rights of the borrowers and lenders. The Microcredit Regulatory Authority (MRA) is going to establish a credit information bureau with the support of DFID for the microcredit borrowers. Movable collateral is not yet accepted for secured lending. The enactment of a secured transaction law is considered essential for the inclusion of movable collateral. A small claims court could also ensure faster adjudication for cases relating to MEs. Operationalisation of mediation via money loan courts and the establishment of alternative dispute resolution mechanisms for commercial dispute settlements are also considered appropriate. Alternative and innovative financing options need to be explored, including warehouse receipt finance, risk sharing facilities, start-up capital etc. Digital financial services should be expanded through increased use of technology for reducing transaction costs.

Apart from financial constraints, MEs suffer from low productivity and lack of marketing facilities of their products. Product diversification, quality improvement, technological innovation, knowledge transfer, skill and capacity development of MEs are essential to ensure future growth. MRA and Bangladesh Bank should issue appropriate instructions to commercial banks to relax conditions of collateral and personal guarantee while sanctioning ME loans. Women entrepreneurs should be given loans at lower rates of interest and for longer periods. The Prime Minister's Tk 20,000 crore special credit/ investment package in response to Covid-19 will be of immediate relief for cottage, micro, small and medium entrepreneurs (CMSME).

The pandemic has threatened millions of livelihoods in Bangladesh. The RMG sector has already received work order cancellations of nearly USD 3 billion. Foreign remittance will come down from USD 20 million and foreign exchange reserves will be affected. At the moment, more than one crore people are without jobs. Government borrowing has soared to Tk 57,900 crore in 10 months. The financing gap of USD 1 trillion, calculated earlier for SDG implementation, will increase significantly. Prime Minister Sheikh Hasina has announced a total of 18 packages worth around Tk 1 lakh crore, equivalent to about 3.3 percent of GDP, to salvage economic sectors. The rescue package for the CMSME sector is timely and necessary, but not sufficient. Further support is essential to combat the pandemic's impact on our economy. By leveraging their creativity and ingenuity to harness market opportunities, the micro-enterprises of Bangladesh can help achieve economic prosperity, which can ultimately lead the way towards achieving the 2030 Agenda for Sustainable Development.

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