

## Bangladesh among top 20 countries infected with Covid-19!

*Hospitals should be adequately prepared to face the impending challenge*

IT is most unfortunate that Bangladesh has become one of the top 20 countries in the world in terms of the number of people infected with Covid-19 as the country reported 63,026 positive cases until yesterday. While Belgium, the western European country that Bangladesh has replaced with its rising number of Covid-19 cases, detected its first coronavirus patient in February, and reportedly, has been recording less than 400 cases every day since mid-May, three months after the first Covid-19 case was detected in Bangladesh, around 3,000 new cases are being officially confirmed here every day, with the number of deaths also rising steadily. Sadly, this is the case when only around 10 to 15 thousand tests are being conducted every day. If 3,000 people test positive among 10,000, we can easily guess the actual number of cases.

Apparently, a number of factors have contributed to this negative development in Bangladesh, the government's downplaying and mishandling of the pandemic from the very beginning being the most important reason among them, as health experts have claimed. The health ministry and the DGHS did not give due importance on increasing the number of tests, contract tracing and isolating people who were at risk of contracting and spreading the virus. Sadly, these steps have still not been prioritised. Also, not enough was done to make people follow the directives of the government regarding maintaining lockdown and social distancing measures. While people's disregard for health safety has also been a big reason for the spike in new cases, lack of awareness raising programmes among the public is also to blame. While in some of our neighbouring countries curfew was declared to stop people from coming out of their homes, our government did not take strong enough action to declare such emergencies.

Our collective failure in taking the required measures has helped spread the virus to such an alarming level. Now, our weak healthcare system is overburdened with Covid-19 patients as the curve is going up. Although the government has given directive to all hospitals and clinics to have separate treatment facilities for Covid-19 and non-Covid-19 patients amid the surge in new cases, only a handful of hospitals have made such preparations. Even the designated hospitals for Covid-19 have been struggling to provide treatment to the rising number of patients. Every day, we are coming across reports of patients being denied treatment by hospitals and dying on the street. Our hospitals have a very limited number of ICU beds and ventilators, and most of them do not even have a central oxygen supply system.

In order to face the impending challenge, the government needs to heed the suggestions given by the health experts and the National Technical Advisory Committee (NTAC) and strictly implement their recommendations which include ensuring uninterrupted oxygen supplies at hospitals, increasing the ICU beds on a priority basis, increasing the number of tests, conducting proper contract tracing, etc.

## Only 1 percent target met in paddy procurement!

*Can government afford such apathy when stocks are diminishing fast?*

IT is concerning that the government has made very little headway in procuring Boro paddy and rice over the past month, even though it fixed its highest ever paddy procurement target this year—double that of last year's Boro paddy purchase. According to reports, the Directorate General of Food (DGF) has managed to purchase only 7,750 tonnes of Boro paddy from farmers—less than one percent of the target of 800,000 tonnes—since the drive began on April 26. Additionally, the food office has procured six percent of the targeted 10 lakh tonnes of parboiled rice from millers after the drive was launched on May 7.

These numbers paint a very bleak picture at a time when it's more crucial than ever to ensure adequate public food stock for distribution to low-income, poor and vulnerable groups, who are on the verge of starvation owing to the unprecedented assault on livelihoods brought about by Covid-19. According to data from the food ministry, on June 3, the food stock at the state godowns dropped by 16 percent from the same day a year ago, while the stock of staple food rice declined by 29 percent. This stock will diminish at an alarming rate as more food-based safety net operations are rolled out in the coming months.

We had earlier warned the government to pay heed to calls for reforms in its procurement system, including easing the current regulation on moisture content of freshly-cut paddy. Unfortunately, those warnings seem to have fallen on deaf ears of the DGF, who are now citing the high moisture content of paddy as a justification for the slow procurement rate. We urge them, once again, to remove the barriers in rice procurement and do the needful to reach its desired target by the end of August. The DGF should not need a reminder that this is a particularly critical year for the country and that its efficiency (or lack thereof) can be the difference between food security and famine. It simply cannot afford to continue at its sluggish pace.

# The Great Lockdown

*Managing the economic impact in the less developed countries*

WAHIDUDDIN MAHMUD

THE social distancing measures to contain the spread of the Covid-19 infection have been appropriately called the Great Lockdown, in remembrance of the Great Recession of the 1930s. It needs no elaboration that this health crisis and the associated social distancing measures have imposed an enormous economic burden worldwide, but more so on the less developed countries, in terms of employment and production losses and the hugely increased demand for social security measures. Compared to the developed countries, the less developed ones are obviously more hard-hit in terms of economic misery of the large proportions of their populations who already live below or near the poverty line and who are now joined by numerous others who have lost their livelihoods because of the lockdown.

There is a lot of discussion in the context of these countries, about how to balance between measures to save lives or livelihoods. The reality is that providing for the minimum sustenance of the poor and keeping them home for an indefinite period may prove simply beyond the resources and the logistical capability of the authorities. Cross-country comparisons show that the poorer countries are lifting or relaxing the lockdowns and social distancing measures earlier, perhaps prematurely, in relation to the time of the initial infections. A few countries, notably Vietnam, are exceptions in containing the spread of the disease early enough so as to be able to safely return to normal economic activities.

The challenge is how to live with Covid-19 while maintaining some measure of safety to slow down the spread of infection as the economy gets restarted. The problems is that, there is not enough testing or epidemiological analysis to plan for a sequencing of such easing of restrictions, except following what other countries are doing, which is of course not the best idea. The bottom line is that if infections continue to spread fast with large numbers of deaths, there may be so much panic and disruptions that the choice between lives and livelihoods will no longer remain meaningful.

A particularly disappointing aspect of the onset of the Covid-19 crisis is that it took place at a time when many of the less developed countries were showing signs of strong economic growth momentum. There may, however, be a silver lining. Crises and shocks expose many structural weaknesses of the economy, which are not

paid much attention to when the going is good. Several areas of such weaknesses can be readily identified.

First, the lack of representative credible local governance is always a problem in implementing social security measures and local development plans, resulting in huge resource leakage and mistargeting of beneficiaries; but the problem is now all the more acutely felt when many countries have to rely on the centralised bureaucracy with very little local knowledge to manage things during the lockdown. No wonder, the Indian state of Kerala, known for its strong local governance, has proved a model for coping with this crisis by implementing effective lockdown, infection tracing and delivery of social security assistance.



The typically bustling Mirpur-1 area wears a withdrawn look amid an unofficial lockdown across the country, on April 6, 2020.

PHOTO: AMRAN HOSSAIN

Second, the weaknesses of the commercial banking system in many of these countries with huge portfolios of non-performing loans are well-known. The problem is now starkly exposed as governments are trying to implement the huge stimulus packages through the banking system. Many enterprises need to be given flexibility in loan repayment, which is to do with the immediate liquidity problem and is relatively easy to implement; but some also need loans at concessional interest rates to cover loss and avoid bankruptcy. Even if the loss of interest earnings of banks is to be covered from the government's budget, assuming that fiscal resources permit that, monitoring is a huge problem. The recourse is to open refinancing facilities from the central bank at zero or very low

interest, which is equivalent to printing money.

A related, and a more important issue is how to assist small enterprises to tide over the crisis and save them from winding up, particularly since they lack effective political lobbies to attract the government's stimulus funds. Yet, small enterprises, some of these scaled up from the subsistence scale and others set up through lateral entry, are extremely important for providing employment, for making growth more equitable and for making the economy more resilient in the face of impending problems with remittance and exports amid a prospective global economic recession. Although in many developing countries we see much dynamism in the small-scale sector in

spending on health, along with weak governance of service delivery. Some countries, Bangladesh is foremost among those, have earned plaudits for increasing the average longevity of the population, mostly by reducing child mortality; and that has been achieved mostly through low-cost solutions and effective social campaigns, such as for child immunisation, or diarrhoea treatment by oral saline. Such public health campaigns have largely bypassed the government's regular health establishments. Coping with the Covid-19 crisis has now exposed how fragile and inadequately equipped the health infrastructure is in many of these countries.

Looking at the future, another related challenge will be posed by the increasing health risks from environmental degradation and pollution associated with urban and industrial concentrations, particularly in the densely populated countries. Increasing incidence of mid-life morbidity and mortality resulting from environmental pollution may already be eroding into the gains in average longevity from reduced child mortality. Incidentally, environmental pollution is also related to increased incidence of respiratory illnesses that make people more prone to fatal Covid-19 attack.

There are other areas of policy reforms that may be initiated in the wake of this crisis such as in respect of revenue mobilisation, restructuring of import tariffs or exchange rate management. The need for revenue mobilisation has come to the fore in light of the need for increased public social spending both in health and in education and training; the latter for coping with the need for creating more and new kinds of jobs. Then, the likely impact of impending global recession on remittance and export earnings may compel policymakers to rethink the strategy of unduly defending the domestic currency, while creating enclave-like arrangements for one or two major manufacturing exports amid a general anti-export bias. While these countries will need a lot of assistance from the multilateral and other donors to cope with the post-Covid-19 economic recovery, such assistance needs to be aligned with these much-needed policy reforms.

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Remarks made in response to the keynote presentation by Professor Gita Gopinath of IMF and Harvard University at the virtual workshop organised by the Centre for Economic Policy Research, London, June 4-5, 2020.

## A look back at the historic Six Point Movement



STRAIGHT LINE  
MUSHAMMAD NURUL HUDA

Muhammad Nurul Huda

On June 7, 1966, in the then East Pakistan, a special protest day was observed in support of the Six Point Movement. The government of General Ayub Khan moved to suppress it with

force. Huge demonstrations were fired upon by police claiming a number of lives. Large scale arrests followed. It is time once again to gratefully recall those intrepid Bangali nationalists whose sacrifices expedited our defiant march to full independence a few years later.

In so far as Bangladesh's socio-economic emancipation is concerned, the historic Six Point programme of the Awami League launched in 1966 is undoubtedly a milestone in the annals of our political progression. The Six Point Formula for regional autonomy was set out in a written statement, which was to have been placed before the Lahore Conference. It was published under the title "Six Point Formula-Our Right to Live" on March 23, 1966. It was presented as a statement of basic principles for a firm resolution of the country's inter-wing political and economic problems.

Before venturing to record the significance of the above historic document, let us look at the contents of the formulation. The Six Point, as formulated in the statement were:

**Point 1:** The Constitution should provide for a Federation of Pakistan, in its true sense, on the basis of the Lahore Resolution, and a parliamentary form of government with the supremacy of Legislature which would be directly elected on the basis of universal adult franchise.

**Point 2:** The federal government shall deal with only two subjects, vis: Defence and Foreign Affairs, and all other subjects shall vest in the federating states.

**Point 3:** Either of the two following measures (should be adopted) with regard to currency—(a) two separate, but freely convertible currencies for the two wings may be introduced, or (b) one currency for the whole country may be maintained. In this case, effective constitutional provisions are to be made to stop the flight of capital from East to West Pakistan. A separate banking reserve is to be made, and separate fiscal

and monetary policy be adopted for East Pakistan.

**Point 4:** Power of taxation and revenue collection shall vest in the federating units and the federal centre shall have no such power. The federation shall have a share in the state taxes for meeting their required expenditure. The consolidated federal fund shall come out of a levy of a certain percentage of all state taxes.

**Point 5:** (1) There shall be two separate accounts for the foreign

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exchange earnings of the two wings; (2) the earnings of East Pakistan shall be under the control of the East Pakistan government, and that of West Pakistan under the control of the West Pakistan government; (3) the foreign exchange requirement of the federal government shall be met by the two wings either equally or in a ratio to be fixed; (4) indigenous products shall move free of duty between the two wings; (5) the Constitution shall empower the unit governments to establish trade and commercial relations and set up trade missions in, and enter into, agreements with foreign countries.

**Point 6:** A militia or paramilitary force shall be set up for East Pakistan.

It is relevant to recollect that the then "East Bengal" (present day Bangladesh) very rightly felt that it had not received a "fair deal" since the earliest period in Pakistan. There was an acute feeling

of being discriminated against in the allocation of federal funds and foreign exchange, and in the matter of recruitment to public services by the central government. The writings of Bangali economists continued to highlight the discriminatory policies that had resulted in marked disparities in the economic developments of the two wings.

The main thrust of the Six Point scheme was to regionalise economic management. In fact, the essence of the scheme urged that the practical measures required to redress the disparity would need certain basic institutional changes. Those changes demanded the dismantling of the Central Planning Commission and replacing it with two powerful regional planning bodies, and the bifurcation of the ministries of finance and economic affairs. The idea was for regionalising economic management, i.e. transfer, to the regions the powers of taxation, of making fiscal and monetary policy, of planning and controlling resources, and of conducting foreign economic relations.

The "Six Point Formula" was indeed both demand and ground reality driven, as analyses had shown that the main instruments through which the transfer of resources had been made from the eastern wing to the western wing were control over foreign trade, foreign exchange and foreign aid. It was quite clear that federal control over economic management had to be countered and it was logically and manifestly demonstrated in the Six Point Formula. Quite expectedly, the ruling elite from the western wing was not prepared to relinquish the instruments through which they had been able to dominate the economy.

Pakistan's president General Ayub's reaction to the Six Point programme was to threaten repression with the use of force. He labelled the programme a scheme for secession and declared that he would respond to it "with the language of weapons". The Awami League decided to propagate the Six Point amongst the people and this inspired a tremendous mass movement to grow in its support. On April 18, 1966, Bangabandhu was arrested under the Defence of Pakistan Rules.

General Ayub Khan was removed from office by the mass upsurge of 1969. On March 29, 1969, General Yahya Khan was sworn in as Chief Martial Law Administrator and on assumption of office, committed himself to the transfer of power to the elected representatives of the people. National elections were held

on December 7, 1970 in which the Awami League won 167 out of 169 seats in East Pakistan in a house of 313 seats. An overwhelmingly decisive election result gave an absolute majority to the Awami League and was a clear verdict in favour of the party's Six Point programme.

It is pertinent to recollect here that in June 1970 Bangabandhu had stated clearly that the elections would be a referendum on the Six Point. The popular verdict was decisive. Bangabandhu had to announce that the Six Point were now the property of the people and that he had no authority to compromise on their substance. This was so because there was a so called polite invitation from the military junta to discuss the substance of the Six Point, and Bangabandhu and the Awami League were not prepared to make any concession.

In a mammoth public meeting in January 1971, all elected members of national and provincial assemblies along with Bangabandhu and other leaders took an oath that they would not compromise on the Six Point. This was inevitable because at this time, Bengali nationalism was recording its voice and Sheikh Mujibur Rahman was the leader who had been marked to carry the struggle to its conclusion.

The military junta of Pakistan, in 1971, was not amenable to reason and were definitely blinded by ignorance and prejudice. It is thus no wonder that they did not come to terms with the Six Point, although according to even economists of moderate competence, the Six Point Formula was of benefit to the richest regions of West Pakistan. The refusal of the military government to concede to the logical demands resulted in the commencement of the non-cooperation movement, and the brutal military crackdown thereafter and the subsequent war of liberation leading to the emergence of sovereign Bangladesh.

There is no denying that the Six Point Movement created an unprecedented political awakening that clearly indicated that East Pakistan was no longer open to the exploitation either of its resources or its share of external assistance. Politically speaking, the Six Point programme galvanised an entire population to seek real economic emancipation by means of total decentralisation of economic decision-making, to be based on the use of the region's own resources. It was, indeed, an unique resolve of our self-determination.

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