The Daily Star
FOUNDER EDITOR
Late S. M. Ali
DHAKA TUESDAY JUNE 9, 2020, JAISHTHA 26, 1427 BS

More people will fall into poverty

Prudent fiscal management can address income inequality

A recent analysis by think tank Centre for Policy Dialogue (CPD) has highlighted the formidable challenges that lie ahead for the country: combatting the realities of more people falling into poverty and greater income inequality. Income inequality, in fact, may reach an all time high this year, with a revenue shortfall of Tk 125,000 crore and a rise in poverty to 35 percent. This must be addressed through careful budget management with an emphasis on fiscal policy that addresses the extraordinary shocks on marginalised groups caused by the pandemic.

The pandemic has completely disrupted economic activities, resulting in a drastic fall in incomes for the extreme poor, moderately poor and even those in the middle income category. Thus a very large section of the population is facing financial hardships that are likely to continue for a while. CPD has rightly pointed out that at this time, there should be less concentration on GDP growth, which is inevitably going to take a hard hit, and a greater focus on saving lives.

We think that CPD's recommendations on combatting income inequality by primarily targeting marginalised groups should be seriously considered. One of the biggest concerns is the inevitable revenue shortfall. Thus, overall fiscal management must be geared towards realistic revenue mobilisation targets. This includes raising tax-free income threshold levels (so that people with lowered income levels are not further burdened) and reducing import-related tariffs on essential foods (to ensure food security of low income groups). The think tank has also recommended, among other things, better utilisation of project aid in the upcoming fiscal years, harnessing all potential sources of foreign finance, greater budget allocation for the agriculture sector, continuing support to the garment and other export sectors, fast-tracking ongoing priority projects, gradually depreciating the Taka (which will attract more remittances and boost exports) and putting a stop to ways to whiten black money, which discourages honest taxpayers while encouraging tax evaders.

The government efforts to alleviate the sufferings of the poor and marginalised groups have been seriously compromised by weak administrative capacity and a lack of good governance. The government must make sure that the upcoming budget is cost effective, with resources being properly utilised by diverting them from relatively lower priority areas to those that will help to create and maintain employment, improve consumption, provide food security and ease the extreme financial hardships of ordinary people resulting from this crisis.

Compassion brings community closer in Aftabnagar

Farming together to fight hunger

A report in this daily has highlighted people's natural instinct to hep each other, which is so crucial in a crisis situation. One hundred families in Aftabnagar have taken an exemplary initiative to address the food crisis amidst the pandemic. Members of the community—most of whom had lost their jobs as construction workers, rickshaw pullers, day-wage workers and house-helps, or were incurring losses in their small businesses—have undertaken the task of collecting, cooking and sharing their meals together. Worried that the economy of the nation was taking a blow from the lockdown, with earnings becoming scarce and essentials more expensive, Shiuly, an activist of a cultural platform, spearheaded the initiative two and a half months ago to start a family kitchen with the collaborative efforts of the community.

Following the setting up of the kitchen, those who were inactive immediately engaged themselves and contributed however they could. Other organisations and individuals also came forward to assist them. With the consent of the owners, they further used empty plots in the area and have successfully cultivated spinach, pumpkins, eggplants and more in abundance, which now help to feed all the 320 members of the 100 families in healthy portions. Even during the month of Ramadan and Eid, the kitchen had a festive air, as everyone shared whatever they received with each other and a strong sense of community prevailed.

The United Nations' World Food Programme has already warned that the world is at risk of "mega-famines". Even before the pandemic, there were already 135 million acutely hungry people in the world, in addition to the 821 million who were chronically hungry, and reports suggest that things may get worse. We applaud Shiuly for showing us the power of unity during such challenging times, proving that it is indeed possible to combat hunger and adversity when people work with each other for a common good. Despite the reopening of the economy, the underprivileged are still struggling to make ends meet and forecasts indicate that their situation may continue to deteriorate. Based on the success of the above initiative, we believe that similar models can be replicated across other communities. By properly planning and mobilising members of their own communities, local authorities can involve them in a productive manner. If given the opportunity, the above model can prove successful and help solve food scarcity to a great extent.

LETTERS TO THE EDITOR

letters@thedailystar.net

Help the destitute

It is still a matter of grave concern that so many are still suffering from the pandemic and lockdown. Day labourers, domestic workers and rickshaw pullers are in a dire situation, with their incomes choked. I am thankful that many of the affluent of our society have come forward to support the poor, but that is not enough. The government's grants are failing to reach the neediest. I just hope we can collectively come forward to assist the disadvantaged, however possible.

Samia Rahman, *Dhaka*

Will foreign investors relocate to Bangladesh from China?

AN OPEN DIALOGUE

Abdullah Shibli

WITH the Bangladesh economy in the first phase of its Covid Reopening, the country will be eagerly looking forward to attracting foreign investors to provide a much-needed stimulus. The Foreign Minister and the Commerce Minister sounded optimistic in their statements on the prospects of some Japanese manufacturing companies relocating from China to Bangladesh. On May 20, the Commerce Minister Tipu Munshi said, "The main point is how much investment we can attract when the factories will be relocated." *The Daily Star* confirmed this outlook on May 21 in a report that quoted Foreign Minister Dr Abdul Momen, who said that "the Japanese embassy in Dhaka last week sent him a list of factories that want to relocate from China to Bangladesh".

It is understandable that in the post-Covid era, many major US and Japanese firms might want to pull out of China and seek alternative partners to bolster their supply chain. However, there are still some major obstacles that Bangladesh needs to overcome before one can expect a major influx of foreign investment, particularly any capital being diverted from China. In *The Daily Star* report mentioned above, the Foreign Minster himself set off the alarm. He warned that foreign investors often express their dissatisfaction over bureaucratic tangles that stand in the way of business operations and obtaining various licenses. "They particularly complain about the poor services at the Bangladesh Bank, the commerce ministry and the National Board of Revenue," the FM added. Ouch!

Let us analyse the facts. There is no doubt that after the US imposed tariffs on Chinese products, and after the outbreak of Covid-19, the US, the EU and Japan are looking elsewhere for cost-savings and to ensure safety and security. Japan has earmarked USD 2.2 billion of its record economic stimulus package to help its manufacturers shift production out of China. On May 21, Bangladesh's Embassy in Beijing sent our Foreign Office a message indicating that some Japanese investors were exploring Bangladesh as a possible sourcing destination. Quoting Japan External Trade Organization (JETRO) officials in Beijing, the embassy said the 34 out of 690 Japanese firms registered in China have so far revealed the relocation plan. Unfortunately, JETRO declined to name the Japanese firms willing to relocate from China.

It is understandable that in the post-Covid era, many major US and Japanese firms might want to pull out of China and seek alternative partners to bolster their supply chain. However, there are still some major obstacles that Bangladesh needs to overcome before one can expect a major influx of foreign investment, particularly any capital being diverted from China.

Therefore, we need to conclude that there is no guarantee that Japanese firms are packing up from China and heading for Bangladesh. As they say, there are so many steps "between the cup and the lip". Bangladesh needs to act in a proactive manner to seize the opportunity that the new circumstances has offered.

The President of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) wrote a letter to the country representative of JETRO on May 12 calling for facilitating the relocation. The FBCCI also wrote to the Confederation of Asia Pacific Chambers of Commerce and Industry to encourage its member nations to relocate firms to Bangladesh.

Our business community and government can explore various avenues to draw investors to Bangladesh. The Office of United States Trade Representative (USTR) on May 1 last year released a list of 3,805 product categories that could be subject to tariffs of up to 25 percent. Anticipating higher tariffs on Chinese-made goods, Japanese companies initiated a plan to leave China. It is expected that eight Asian countries will get the biggest boost if the trade war forces US companies to leave China, including Vietnam, Philippines, Indonesia, Thailand and Malaysia. In a recent issue on foreign direct investment (FDI), *The Economist* writes that policymakers in other countries who aspire to take a share of the "redirected investment pie" must look beyond merely competing on manufacturing labour costs. "Infrastructure spending has to focus on fibre-optic cables as well as ports and roads. Education is essential because countries trying to break into global markets will need skilled workforces. These are tall orders for developing countries. But just waiting for higher Chinese wages to push jobs their way is a recipe for failure."

Bangladesh faces tough competition, which means it has to go all-out to outbid Vietnam, Indonesia and India to attract the Japanese investors. Vietnam and India have already started talking to many Japanese and American firms that want to move out of China. In April, the Indian government reached out to more than 1,000 US companies and offered them incentives to move to India from China.

Bangladesh has special ties with many Korean business establishments and it needs to seek them out. Bangladesh is planning form a task force to make a strategic plan on "how to attract the companies, which are leaving from China" to invest here. The task force of the Government of Bangladesh must work overtime to ensure that existing investment is not in jeopardy and that new investment is forthcoming. Earlier this year, in March, Japanese Ambassador to Bangladesh Naoki sounded very optimistic. "The coronavirus outbreak will leave no scar on the flow of Japanese investment into Bangladesh and trade between the two countries will remain unscathed in the mid- and long-term". While the Ambassador has to be lauded for his reassurance, it needs to be seen in the post-pandemic era whether this rosy scenario will materialise. Bangladesh cannot take for granted any of the pre-pandemic projections.

A recent survey by JETRO found that 70 percent of the existing Japanese companies in Bangladesh are keen on expanding their operations. The head of the Bangladesh Investment Development Authority (BIDA) is reported to be in talks with the Japan International Cooperation Agency and JETRO to communicate investment opportunities in Bangladesh. However, Paban Chowdhury, executive chairman of the Bangladesh Economic Zones Authority (BEZA), has been critical of the mindset of Bangladeshi bureaucrats who have not made it easy for foreign investors by throwing red tape at them. He suggested some conciliatory moves including extending tax waivers, allowing duty-free import of machinery—new and used, providing bond facilities, and speeding up services. "The bureaucracy must change its entire mindset in a bid to facilitate businesses instead of just regulating them," Chowdhury pleaded.

Bangladesh has already lost more than two months in the race to lure foreign investment. It was in lockdown and the two investment promotion agencies—BEZA and BIDA—reportedly kept their activities limited to writing letters to the government mentioning the present situation, including challenges to getting foreign investments post Covid-19!

Container ships docked at the Yangshan port in Shanghai, through which a lot of Japanese firms ship their products. PHOTO: AP

A recent report in *The Business Standard* rued that "most government officials in the country are on long holidays—of one-and-a-half months—as part of the government's efforts to prevent the spread of Covid-19. They are slipping behind an existing stockpile of work that includes reforms to company and bankruptcy laws as well as overall doing business activities, which are vital to attract investments from overseas."

The latest US Reshoring Index (USRI) published by the consulting company Kearney warned that while the probability for FDI heading out of China was high, there are three factors that all clients are looking at: cost, risk, and resilience. One of the authors of USRI, Patrick Van den Bossche, observed, "Three decades ago, US producers began manufacturing and sourcing in China for one reason: costs. The US–China trade war brought a second dimension more fully into the equation—risk—as tariffs and the threat of disrupted China imports prompted companies to weigh surety of supply more fully alongside costs. Covid-19 brings a third dimension more fully into the mix, and arguably to the fore: resilience—the ability to foresee and adapt to unforeseen systemic shocks."

There is a lesson for Bangladesh in Van den Bossche's last message. When we approach a prospective investor from Japan who is considering relocating to Bangladesh, our mantra ought to be that we offer not only lower costs, we can also minimise their future risk and enhance their supply chain resilience.

Dr Abdullah Shibli is an economist and works in information technology. He is senior research fellow at International Sustainable Development Institute (ISDI), a think-tank based in Boston, USA.

Can feminists wear lipstick?

Syeda Samara Mortada

A few months ago, before the coronavirus outbreak, I attended a talk in Dhaka by a well-known internationally acclaimed feminist. The house was full, the air thick with expectation. I had heard of her aplenty, seen many talks of her online, and was eagerly waiting to hear her speak.

She appeared to be down to earth, easy to follow and had an aura around her that made you immediately trust her, especially in the way she spoke of her beliefs and the conviction through which she passed on her knowledge. I was eager to hear her thoughts, with the expectation that her views would further enable me to strengthen my views and use them in discussions that start with, "At this day and age, you still think feminism is necessary?" Or, worse, "Yes, I believe in feminism, but only the kind that talks about equality". As opposed to other kinds of feminism, which frankly I am not sure exists.

So, it started off where most feminist talks pick up from—the difference between sex and gender, and why women empowerment is essential. But then she said something about gender, and I lost her. We know that sex is biological, and gender is picked up from the environment by the way we grow up and so, is socially constructed. But what she also said was that we need to move away from "gender". I agree on the need to break free from gender constructs that link one's gender to specific roles (for example men don't cry and women are weak), but what if one's sex is the same as one's gender and she/he consciously relates to that gender? Again, doesn't this theory completely disregard trans people who go to great lengths to resemble the gender (sometimes physically, sometimes only mentally) they feel they are (as opposed to the sex they are born with)?

Then, she brought on the idea of capitalistic patriarchy, that pursues women to wear lipstick and high heels, and although she does not really have an issue with it, she goes on to say, "one shouldn't complain of wearing heels to work and then talk about #MeToo when they are harassed at their workplace". I could see many women of my generation nodding in approval, but I also saw some younger ones who did not agree with what she was saying.

"Isn't it my choice to wear heels and lipstick, and can't I be a feminist and wear lipstick?", said one of the girls present in the room. To this, she replied saying that there are now many kinds of feminism, which she referred to as "my choice feminism", and that is not the kind of feminism she relates to.

PHOTO: COLLECTED

What I think she meant was neoliberal feminism, which encourages you to be aware about all your influencers, and then pick what works for you. Sure, capitalism has led us to believe that we need to use several products in order to look pretty. But ultimately, isn't it my choice to wear and dress how I want to? Neoliberal feminism, as I see it, allows one to just be—you can be the one to wear a tight shirt, or a hijab, or even combine the two. You can choose to wear makeup, or not. In fact, you can be a man and choose to put on lipstick, and that should be okay. But most importantly, my feminism teaches me to not judge, to accept people for who they are.

If we separate the different kinds of feminism and categorise them into the good, bad and ugly, are we not once again taking on a high and mighty approach, and saying one is better than the other? Also, then isn't this a new form of patriarchy, in which one tribe of feminists take precedence over others, and isn't that what we for years have fought so hard to stay away from?

Feminism, to me, and I am sure to most of us, is that safe space where one should be able to be how they want to be, where one is comfortable enough to voice their opinions and where others will be accepting of it. Feminists too need to find ways that hold us together, instead of drawing lines and barriers in between us.

Syeda Samara Mortada is The Regional Movement Builder, Asia at SheDecides.